

EuroMemo Group 28th Annual Conference on Alternative Economic Policy in Europe:

“The EU and the political economy of global disorder.
Struggles for survival, climate, and energy Justice”

Topic: The question of survival of the human species amid the dual threats of war and the climate catastrophe.

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A Secular Global Crisis of Labour Relations

Introduction

The topic of this stream of the EuroMemo-Conference addresses two global issues, ‘war and the climate catastrophe’. This focus suggests that the European Union policy is to be addressed with regard to its contribution to confronting global threats faced by its member states. The topic also singles out two processes, the Russian war against Ukraine and the “climate catastrophe, both as a matter of “of survival of the human species”¹. Whilst this paper will adopt the perspective of European Union policy in the global context, “the dual threats” will be embedded on the one hand in an historical approach identifying more than two processes and on the other in terms of representing crises or, alternatively, critical stages of evolution rather than terminal threats. In historical hindsight, crises are often turning points of development at the beginning of stages of innovation and even prosperity. From this perspective these crises will, first, be identified from the point of view of their apparent respective symptoms. In a second step the coincidence of these crises will be analysed regarding their interrelations, in a third step their hidden common agency. Finally, on this analytical basis and the background of respective EU policies, options for “Alternative Economic Policy in Europe” will be considered.

Five crises representing the present stage of development

Dividing the present crisis into five is an arbitrary option which, nevertheless, offers a more detailed picture of a complex process with a wide range of symptoms to be assessed and evaluated in the four following steps:

- a) Climate change under the impact of carbon dioxide emissions;
 - b) Financialization of property coupled with the decline of productive investment;
 - c) Replacement of the employer-employee relationship by statutory work regulation;
 - d) Globalisation of the Coronavirus infection;
 - e) War in Ukraine prompting wider global confrontations.
- a) Global climate has been changing since times immemorial. Ice ages have left their traces e.g. in the form of mountains, valleys and rivers, land and sea, fossil resources etc. By contrast, what is addressed nowadays as ‘climate change’ is based on human development of production called ‘industrialisation’ with the replacement of human labour power by energy created by burning of ‘fossil fuel’, initially coal and expanding into petrol and gas. This human exploitation of natural resources caused the emission of carbon dioxide and consequently the intensification of solar radiation since roughly 250 years. The ultimate

¹ “Call for Papers and Participation”, p. 2.

source of fossil fuel, solar energy, will in the future be exploited directly as well as indirectly using the movement of wind and water.

- b) Anonymous financial capital has become by far the most dominant form of property in productive as well as unproductive assets including natural resources. Consequently, capitalist exploitation of production is mainly based on dividends and profits to the detriment of long-term productive investment. As a result, in the advanced industrial world at least since the 1980s the development of productivity and production is now on the decline. The capitalist growth economy associated with the dynamic of continuous increase of living standards and consumption of commodities has ceased to operate. The global financial crisis of 2007-8 may be perceived as its ultimate termination. Instead of the traditional economic growth paradigm, social and ecological development criteria are increasingly becoming matters of the public debate.
- c) The employer-employee or 'capitalist' wage-earner relationship has a long history of transformation. Its latest major stage may be identified with 'collective' employment contracts and wage bargaining under democratic government regulation. Again, this regime, where it was established in various forms, is on the demise since the crisis of the 1970s. Ever since, not only are the organisations of employers and employees on the decline, but their very identities have been changing. Corporations have become increasingly unstable, and workers have turned into self-employed, agency and platform employees, etc. Consequently, more and more working conditions are under statutory regulation. Hence, employment dependency is becoming superseded by a status under civil right².
- d) In this context, the global health crisis under the impact of the Coronavirus, first identified in December 2019 in China, is a coincidence reminiscent of a similar global event about six and a half centuries ago. The Bubonic Plague, better known as the 'Black Death', originating in the 1330s also in China, reached England in 1349 and reduced its population by about 40%³. This catastrophe became the turning point of feudal service relations to be replaced by wage labour and land tenure to become a commodity for sale yielding rent payment. Coincidentally, this transformation of social relations of production heralded the end of the feudal social regime and the origin of wage-property relations under national statutory regulation. Accidentally, these health crises, Black Death and COVID-19, are the delimitations of the historical episode of labour relations under the supremacy of property rights⁴. Conversely, the future of work is about to become a status under civil government.
- e) How does the war in Ukraine relate to these points of a historical crisis? Two 'World Wars' have already accentuated a century of political revolution and imperialist confrontations. The military aggression of Russia against the Ukraine also implies global confrontation, the European Union and the North Atlantic Treaty Organisation against Asiatic states. However, Russia explicitly acts as an ethnic national power against global coalitions. At present it seems as if this confrontation is mobilising global relations to the detriment of ethnic national government. But its long-term effect on the transformation of labour relations is certainly unpredictable.

² Jörn Janssen: Employees without Employers, a New Status. In CLR-News 3/2007, pp. 17-23.

³ Bertha Haven Putnam: The Enforcement of the Statutes of Labourers: During the First Decade after the Black Death 1349-1359. New York, Columbia University Press 1908

⁴ Jörn Janssen: 'After seven and a half centuries of wage-property relations: THE FUTURE OF WORK'. Unpublished anuscript BUIRA Annual Conference 2022.

At first sight, each of these five developments respond to their own respective dynamic. Climate, property and labour relations, health and warfare may impact on each other, nevertheless each according to their specific nature and historical ups and downs. Or is there some exterior agent they have in common? The heading of the conference has already given an answer in its suggestion to restore 'global disorder' through 'climate and energy justice'. In other words, the present crises are identified as the result of a destructive relationship between human and extra-human nature.

Interrelations between crises

Climate change is the final result of an economic regime based on the exploitation of limited natural resources, in particular fossil fuel. Conversely, (b) the financialization of property is a means to pursue the exploitation of labour indirectly as (c) its direct surplus extraction faces increasing resistance by collective labour organisation and social government interventions.

The financialization of property has its origin in the emergence of the "anonymous company". In terms of labour relations, this form of property is divided from employment and control of labour and, hence, provides conditions for the statutory regulation of work under civil government independent of individual corporations.

Statutory work regulation, superseding the employer-employee relationship, (d) facilitates labour allocation according to accidental shortages caused by ill health.

The Coronavirus had its lasting effect (c) on employment conditions through 'work from home' to avoid contamination, and then, based on this experience, as a means to save office space and commuter time.

Finally, the war in Ukraine cast a threatening shadow over social relations at global level, exacerbating the experience of five simultaneous crisis.

Summarising these dispersed interrelations, the five crises are hardly linked with each other in their respective historical incidence at the present time. This leaves us with the question whether they are perhaps all moved by a common agency hitherto hidden from public attention and debate.

A hidden common agency

The present 'secular global crisis' with its various aspects and components had hardly any definite year, decade, or century of origin. It was only in hindsight, that climate change was discovered to have started already in the early 19th century. The financialization of capital was identified at the beginning of the 20th century⁵. The collective employment relationship started to decline in the 1970s. Only the Coronavirus infection and the war in Ukraine can be allocated to an exact year of emergence, 2019 and 2022 respectively. This time schedule shows that the crisis has been unfolding widely unnoticed over two centuries. The two World Wars were hardly perceived as an early stage of a secular social crisis which is about to reach its climax.

We must not be surprised that this crisis has not yet been attributed a specific term recognising its identity. Language is typically lagging behind real development which, in the meantime, tends to be addressed in terms of the past. 'Climate change' is a typical case of such delay in addressing

⁵ Rudolf Hilferding; 'Das Finanzkapital. Eine Studie zur jüngsten Entwicklung des Kapitalismus'. Wien: Verlag der Wiener Volksbuchhandlung Ignaz Brand & Co.; 1910.

the destruction or exhaustion of extra-human natural resources. Another example is ‘financialization of capital’ addressing the ultimate social polarisation of private property rights.

In its invitation to this 2022 annual conference the EuroMemo Group has undertaken to identify the present crisis as ‘the global disorder. Struggles for survival, climate and energy justice.’ But these are only the symptoms, not the ultimate dynamic of the crisis, which this paper proposes to explore by an examination of the transformation of labour relations, such as have been instrumental in the transition from feudalism to capitalism.

This approach recognises labour as the subjective agency driving human evolution generally as well as in each of our five crises.⁶ From this perspective European Union policy will be critically assessed regarding alternative options.

The subjectivity of labour in social relations is the specific agency of the human contribution to the comprehensive evolution of global nature⁷. In this process crises are organic events in discontinuous processes of transformation. Given these conditions we have to identify how human labour transformation confronts other transformations in nature. Also, various components of human labour may confront each other in contradictory movements. This is the approach adopted for the identification of the crisis of labour relations including the unique coincidence of such crises. Such an exploration can only be carried out under a defined historical horizon of those movements now faced with a crisis of continuity. Among the five cases of our review the health crisis is reminiscent of an earlier crisis six and a half centuries back, incidentally equally a crisis of labour relations, however under feudal regime. This earlier event heralded the breakthrough of wage labour relations as the dominant form under central national government pioneering in England. This relationship between labour and property was the result of the liberation of servants from submission under feudal lordship. Similarly, the present dissolution of the employment of labour in production under the direction of property owners can be regarded as a final stage in the liberation of workers from wage relations despite discontinuities in the global crisis. Under this perspective the five become components of one secular crisis under a common agency.

- a) Climate change is the final suicidal stage of social wage relations based on the exploitation of human as well as extra-human nature.
- b) The power of private property in wage relations became reduced to a level that forced its retreat into anonymous ‘financial’ assets.
- c) The direct employer-employee relationship under statutory support became widely superseded by the regulation of working conditions under civil government.
- d) Though the global virus infection is not instrumental in causing the crisis, it is a coincident factor exacerbating this crisis in social relations.
- e) Warfare is a manifestation of angst under the threat of changing social relations, typically turning against an enemy for disrupting traditions.

This is not the place to analyse these documents and actions of European social policy and their embedding in global development in detail. Generally, all these policies are explicitly intended to comply with the paradigm of growth under competitive economic relations. However, it is significant to notice that the European Union has adopted distinct measures to put forward

⁶ On labour in political economy see Nicholas J. Theocarakis (2010): ‘Metamorphoses: The Concept of Labour in the History of Political Economy’. In *The Economic and Labour Relations Review* Vol. 20, No 2, pp. 7-38

⁷ Jörn Janssen: ‘General Approach – Production of the Built Environment’. In *Proceedings of the 1982 Bartlett International Summer School*, London 1983, pp. 2-6.

social policies within the realm of economic development. Most of these recent steps for social innovation refer to the crises of recent years and have this in common with an “alternative economic policy” of the EuroMemo Group.

Background for an “Alternative Economic Policy in Europe”

How does the European Union respond to the present crisis? “Economic Policy in Europe” is under the directorate “for Economic and Financial Affairs ... responsible for EU policies promoting economic growth and recovery, higher employment, stable public finances and financial stability”⁸. According to this mission this directorate is not responsible for dealing with the “global crisis of labour relations” as an emergency for intervention. Instead, the nature of this crisis allocates it rather under the responsibility of the directorate “for Employment, Social Affairs and Inclusion”, which also covers the main EU initiatives relating to the “European Pillar of Social Rights” (EPSR) initially proclaimed 2017 in Gothenburg by a Summit of the European Parliament, the Council, and the Commission. Among a considerable number of related policies two may be particularly important in our context, the establishment of the “European Labour Authority” (ELA) and the proposal for a directive on “Adequate Minimum Wages”⁹. Also, it is important to note that another “Porto Social Summit” of the EU Member States including representatives of trade unions and employers’ organisations in May 2021 signed an “Action Plan” to implement the “European Pillar of Social Rights”. It is also worth taking into account that most recently 4-5 July 2022 the EU Commission and the International Labour Organisation concluded an agreement of cooperation on the basis of the 2019 ILO “Centenary Declaration for the Future of Work” and the 2021 EPSR Action Plan”¹⁰.

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European Union response to the crisis of labour relations.

The ‘crisis of labour relations’ as a secular event with wide ranging impacts beyond its core dynamic has not even become a subject of attention in any of the EU departments. Nor have the directorates “for Employment, Social Affairs and Inclusion” and/or “for Economic and Financial Affairs” taken explicit notice of the subject except under the headings of climate change and the COVID-19 pandemic. It is further most significant that the “European Pillar of Social Rights”, indicating that this issue is entirely independent from and without impact on what is perceived as the realm of ‘economics’. The continuous plead for economic growth as an indispensable precondition for social wellbeing ignores the reality of the suicidal consumption of natural resources. This divergence between EU social and economic policies to the detriment of either of them is apparent also at a more general level.

⁸ https://ec.europa.eu/info/departments/economic-and-financial-affairs_en#:~:text=The%20Directorate%E2%80%91General%20for%20Economic,public%20finances%20and%20financial%20stability.

⁹ <https://www.consilium.europa.eu/en/policies/adequate-minimum-wages/>

¹⁰ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10331&furtherNews=yes>

As we read on its website, “The Recovery and Resilience Facility is the key instrument at the heart of NextGeneration EU to help the EU to emerge stronger and more resilient from the current crisis.”¹¹ This instrument of central EU funding to its member states, entered into force on 19 February 2021, is by far the most ambitious financial intervention in the history of the European Union and perhaps an indication of the notification of the present crisis by its central bodies. In its “Six pillars of the Recovery and Resilience Facility”¹² it addresses rather randomly

- “Green transition,
- Digital transformation,
- Smart, sustainable and inclusive cohesion,
- Health and economic, social and international resilience,
- Policies for the next generation.”

None of these “pillars” focusses on the crisis of labour relations and, given the diverse combination of policies, exhibit a desperate need for a coherent strategy.

Five points for alternative policies

The current secular global crisis challenges not only particular policies but also institutionalised political structures and divisions including the relationship between the European Union and its member states as components of the United Nations. In this context alternative policies ought to be developed at two levels, on the one hand within the existing structure of the European Commission, and, on the other, as a matter of an adequate institutional configuration by the mandates of the specific Directorates-General.

Based on particular policies, responding to the crisis two directorates have been activated that may be identified separately with economic and social policies. As the nature of the crisis can hardly be divided between these two mandates, both would either have to enter into close cooperation or to be merged into one directorate. The nature of the crisis raises the question, whether social and economic issues can reasonably be distinguished or ought to be subsumed by the European Commission under ‘social’ policy. This would be a pioneering step in the context of the Member States, setting a new agenda in particular regarding macro-economic policies.

Irrespective of this institutional political background, pragmatic steps and strategies need to be implemented in order to reduce the detrimental impact of the crisis as a whole or of its components. These “components of one secular crisis” have been identified under five points of ‘alternative policies’ that might require respective pragmatic steps:

- a) Setting definite ultimate temporal targets to prohibit exploiting fossil fuels under the authority of international government.
- b) According to their anonymous nature, property rights in financial assets to be regulated separate from real assets.
- c) Irrespective of specific contract relations - direct, agency, platform, etc. – work to be regulated under civil government and covered by a ubiquitous network of work offices.
- d) Like any global pandemic, the coronavirus infection not a matter of individual protection but of general health administration.
- e) Confrontations in discontinuous changes of social regimes not a matter of victory or defeat but of institutions for peaceful negotiations.

¹¹ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

¹² Ibid.

If these steps transcend ‘pragmatism’, it helps keeping in mind the threat of a catastrophe with the unfolding of the present crisis. Being faced with new dimensions of changing human living conditions, the ‘five points’ are after all not beyond the reach of the existing means of social production. Whether they are compatible with dominant perceptions of the universe of social interaction in search of continuous growth in production and consumption is the most serious question. The suicidal demise of the feudal regime of social relations may provide a lesson. A radical break of the social regime needs to be envisaged again in the near future. Traditional categories of economic scholarship may no longer grasp the subject of this conference, “the political economy of global disorder”.

“Policy implications”, more than annually holding a Conference and publishing a ‘Memorandum’

The steering committee of this conference “strongly encourage(s) participants ... to explicitly address policy implications.”¹³ Given the frightening reality of the crisis and the ‘steps’ proposed to confront it¹⁴, ‘policy implications’ can only be understood as effective political activity. This would be the subject of “other activities” in the final “Planning meeting”¹⁵ of this conference of ‘independent’¹⁶ scholars. If political activities are to be raised up to the centre of planning, the EuroMemo Group will become a political body with a respective institutional structure. Under this possible perspective, activities beyond publishing another Memorandum may be envisaged.

- As a first step, a special meeting of the EuroMemo Group would have to appoint a political committee and executive body in charge of coordinating political activities.
- Then this political executive would have meetings to discuss specific political issues, possibly inviting outside experts or responsible politicians.
- Under the coordination of the political executive individual members of the EuroMemo Group may also act in advisory functions for particular departments of the European Commission.
- In addition to the annual conferences, the EuroMemo Group may call general meetings to discuss selected policies of the European Commission.

This sketch of political activities to be adopted by the EuroMemo Group is only a first proposal for this year’s planning meeting and specifies what political activities might imply. At any rate, it cannot be denied that the threat of the crisis hardly allows for a continuation of the Group’s routine based just on annual conferences and memoranda on ‘Alternative Economic Policy in Europe’. It desperately needs facing ‘the secular global crisis of labour relations’.

¹³ “Call for Papers and Participation”, p. 2.

¹⁴ See this paper above.

¹⁵ Ibid, p. 1.

¹⁶ <http://www.euromemo.eu/about/index.html>