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Europe's unions pledge unity with big business as trade war escalates

Britain's Trades Union Congress (TUC) and the European Trades Union Confederation (ETUC) have issued a joint statement on Brexit, with the Confederation of British Industry (CBI) and its European equivalent, Business Europe.

The document, the first ever agreed between the four bodies, was published just one day after the passage of the European Union Withdrawal Bill, facilitating Britain's exit from the European Union (EU) by March 29, 2019.

While framed around Brexit, the underlying impulse is the developing trade war between the United States and the EU. After US President Donald Trump imposed tariffs on steel and aluminium imports from the EU as part of Washington's trade war measures against much of the globe, Brussels responded with retaliatory duties on American motorcycles, bourbon and other products.

Timed to coincide with the summit of EU leaders in Brussels, the bosses' organisations and the trade unions share concern that Brexit will weaken both the EU and British capitalism in the face of the developing trade war. On the part of the unions, it is a declaration of intent that they are committed to ensuring Europe's competitiveness through a step increase in the exploitation of the working class.

Issued under the signatures of Directors General of BusinessEurope and the CBI, Markus Beyrer and Carolyn Fairbairn, and the General Secretaries of the ETUC and the TUC, Luca Visentini and Frances O'Grady, it presents the four organisations as a unified block stating they represent, "45 million workers and 20 million employers across Europe."

It applauds BusinessEurope as “the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and campaigning on the issues that most influence their performance.” The CBI “speaks on behalf of 190,000 businesses of all sizes and sectors. The CBI’s corporate members together employ nearly 7 million people, about one third of private sector-employees.”

While the statement claims their pact is motivated by the need to defend jobs throughout the continent, there is no reference whatsoever to the decade of austerity and wage cutting. Countries like Greece, Spain and others have seen workers living standards and vital social provision wrecked. In Britain, wages have fallen by more than 11 percent since 2007.

Europe’s government has been able to enforce such measures due to the trade unions. Working in league with governments, the EU and the major corporations, they act as an industrial police force against the interests of their own members and the working class as a whole.

The ETUC boasts that it represents 45 million members from 89 unions “in 39 European countries, plus 10 European Trade Union Federations.” But like the TUC in Britain, what it really represents is the interests of the corporate and financial elite.

That is why the response by the unions to the beginnings of a renewed upsurge in the class struggles has been a redoubling of their efforts to strangle this movement. Rail, airline and energy workers in France, metalworkers in Germany and Turkey, airline and retail workers in Spain, rail and further education staff in the UK have taken strike action. In each instance, the trade unions have collaborated with governments and employers to limit the impact of this action, before selling out the workers.

When the trade unions speak of the need for unity in Europe, they mean “unity” with big business to drive down European workers conditions still further and set them against their class brothers and sisters in the US and across the globe.

The TUC is a long-time advocate of Britain remaining in the Single Market and Customs Union , campaigning for “Stopping a job-destroying ‘no deal’ Brexit and winning a final Brexit deal that offers tariff-free, barrier-free, frictionless trade with the rest of Europe .”

The “no deal” scenario is one advocated by leading sections of the Tory government. Against this, the statement calls for the UK and EU, “to agree on all aspects of regulatory alignment, which is of the utmost importance, without jeopardising the integrity of the single market.”

In Brussels yesterday, the EU27 leaders agreed to a joint statement warning of the possibility of a no-deal scenario, calling “upon member states, union institutions and all stakeholders to step up their work on preparedness at all levels and for all outcomes.”

No doubt with an eye to the trade union/business statement, they offered the possibility of a limited free trade agreement after Brexit, if “the UK positions were to evolve.”

The joint statement had been given prominent position on its front page by the *Guardian*, which is the house journal of the Remain faction of Britain’s ruling elite. It has also promoted the threats by manufacturing conglomerates, Airbus, BMW and others, to put further pressure on the government over Brexit.

Airbus warned that if Britain were to leave the EU without a trade deal it would be forced to reconsider remaining in the UK, with thousands of jobs at risk. BMW threatened the government must make clear its position on the UK’s future customs and trading relationship with the EU or it would “start making... contingency plans... which means making the UK less competitive than it is in a very competitive world right now.”

The Society of Motor Manufacturers and Traders (SMMT), representing auto producing firms in the UK, demanded, “as a minimum” for the UK to remain in the EU’s customs union with a deal that delivers “single market benefits.”

The £77.5 billion-a-year car industry represents a significant proportion of the UK’s remaining manufacturing. It employs 186,000 workers directly on assembly , with an additional 800,000 associated with the industry. Access to the Single Market is critical for an industry that in 2016 produced 1.8 million vehicles—the fourth highest in Europe after Germany, Spain and France—and which exports the bulk of these (almost 54 percent) to the EU.

Responding on May 31 to Trump’s tariffs, Beyrer for BusinessEurope had complained, “Europe and the US are facing the same problems and should join their forces to address them as like-minded partners, instead of imposing unjustified tariffs on each other.”

However, when asked how the EU should react, he said, “In view of the US decision the EU *should have a proportionate reaction to effectively defend its rights* in a WTO [World Trade Organisation] conform way... The EU needs to remain a strong leader against protectionism and unilateralism in support of rules-based trade.” [emphasis added]

The response of the CBI to the US tariffs was more circumspect, given the declared intent of the May government to develop closer economic ties with the US post-Brexit. Calling on the European Commission to “continue working with the USA to find a way out of this current scenario”, it reiterated that it would work with “counterparts and officials in

Washington, London and Brussels to... defend the economic gains of open markets and rules-based international trade.”

The EU summit, for its part, endorsed the retaliatory measures taken against the US and called for a new EU law to “screen foreign investments,” directed against Washington and Beijing.