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By Claude Didry

If, in 1960, Sartre could portray Marxism as “the unsurpassable horizon of our time”, it is tempting today to see market order as the unsurpassable horizon of the European Union. However, liberalism in Europe and its goal of the general commodification of goods and services underwent a major shift in the wake of the 2008 financial crisis. The “New Economic Governance” (NEG) established between 2011 and 2013 for the eurozone has transformed the political action of European institutions, giving the European Commission the power to make recommendations that could lead to a genuine challenge to the sovereignty of the most indebted states. Does this represent an unprecedented advance of liberalism at the heart of the European project, as it enters the most common functioning of national societies?

To address this question, Roland Erne and his co-authors suggest a form of dialectic inherent in European governance, in the form of a political and social questioning (politicisation) of the market horizon by social actors. This requires moving away from a linear view of commodification to consider the market's response to political action. To this end, the authors focus on the sequence that began with the 2008 financial crisis, with the implementation of political levers in the search for budgetary balance among Member States, which were apparently challenged by the Covid crisis from 2020 onwards.

The analytical model presented in the first part of the book outlines this dialectic at work in European integration, where the “verticality” of integration policies in the market model elaborated by Brussels technocrats is counterbalanced by the horizontal pressures exerted by organisations representing transnational groups of workers challenging this integration. In this sense, the authors seek to move away from a view of European policy in terms of 'stop and go' liberalisation decided in Brussels.

NEG appears as the third phase in this dialectic of European construction aimed at achieving the most perfect market possible. It is preceded by a first phase, dominated by the prospect of the free movement of people and goods, within the framework of the 1957 Treaty of Rome, and the second phase, which saw the introduction of the Single Market by Delors in the 1980s. This second phase, presented by Arnaud Mias and myself as a ‘Delors moment’, saw intense institutional activity to overcome the regulatory obstacles to exchanges, and intense

activity at the EU level responding to concerns about its impact on industrial relations. In a third phase, during the 1990s, the NEG took shape through the Commission's ambition to establish its authority over Member States by controlling their policies, in a period where the economic European space was heavily shaped by globalisation. Paradoxically, NEG has taken on an institutional consistency during the 2008 financial crisis, which proved the failure of the market.

The Six Pack (2011), the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) and the Two Pack (2013) set out the procedures for what is known as the 'fiscal semester', during which the Commission monitored the budgets of each Member State. The aim was to limit budgetary imbalances, and to apply pressure in the event of default or excessive debt. For the authors, the Commission is in the position of a multinational board of directors in charge of the restructuring of Member States considered as subsidiaries. Drawing on this framing, they analyse the Commission's specific opinions on the Member-States, tracking these opinions over time for a number of countries and a number of areas, such as labour law and public services).

Four countries, Romania, Italy and Ireland are positioned as 'the bad pupils' in terms of budgetary and public debt, while Germany is placed at the top of the class, since the Schröder and Hartz "courageous" reforms in the early 2000s. Mini-jobs are emblematic of the German reforms that are meant to have restored balanced social budgets, as they were seen as a mean to create discount employment under a ceiling of around 500 € per month (regardless of the duration of the work), in order to avoid unemployment. The so-called German success justified deregulation of labour markets as a general recipe in the EU Commission "recommendations" for the four countries. The 'bad pupils' are taken in the book as points of comparison in the areas of industrial relations and employment policies on the one hand, and the liberalisation of public services, such as transport, water and health, on the other.

In the second part, the book looks at the changes brought about in the field of labour law and industrial relations by the NEG. The NEG breaks with a legislative approach that focused on adopting directives through social dialogue aimed at harmonising legislation. 'Social dialogue', in brief, refers since the Delors presidency to the obligation for the EU Commission to integrate Social Partners in the making of EU directives, regulations and agreements in the social domain. NEG results in specific requirements for each country, but with a common structure in the most indebted countries, such as the curtailing of wages, liberalisation of dismissals and priority given to company-level bargaining. In contrast, in the case of Germany, the existence of large surpluses in public budget and foreign trade has led the Commission to promote wage increases and minimum wage legislation (enacted in 2015), but

these reforms do little to combat the precariousness created by the “mini-jobs” introduced by the Schröder-Hartz reforms from 2003 to 2005.

The third part of the book continues to explore the extension of the European Commission's activity in the field of public services, such as transport, water and health. Here, while liberalism again remains in place, combining calls for competition against monopolies and privatisation of the public sector, it is no longer through the use of directives, but through targeted prescriptions addressed to Member States according to how the situation is assessed by the Commission. This change in method has been accompanied by an increase in demonstrations by the European Trade Union Confederation, suggesting a much more critical and confrontational attitude in the early 2010s, and indicating a break with the legacy of the “social dialogue” approach to new social legislation at the EU level. The revival of social dialogue initiated by the Juncker Commission (2014-2018) did not counteract this austerity dynamic, despite the development of a 'social rights pillar' (November 2017) intended to revitalise labour law and social protection at EU level.

The fourth part of the book shows a reversal of the status-quo of brutal liberalism by the Commission in the context of the 2020-2023 pandemic crisis. The challenge then becomes one of coordination between states in order to combat "free riders" among the states and shortages of equipment and medicines. This phase sees the creation of a recovery and resilience fund worth €750 billion in 2020. It is accompanied by directives aimed at strengthening workers' guarantees, with the landmark directive on adequate minimum wages adopted in 2022.

In conclusion, it seems reasonable to assume that the Commission's pressure on Member States to implement austerity measures coincided, unsurprisingly, with growing Euroscepticism among the public and the rise of far-right parties. In the political reversal that took place during the pandemic crisis, the relative novelty of the Recovery and Resilience Fund remained caught up in the mechanisms of NEG, for instance, national plans still had to incorporate the Commission's austerity-era requirements in order to be validated.

Taking the authors' argument further, one might wonder whether NEG is not a form of political suicide, emptying the European political and social project based on citizenship and common values of its content, and ignoring transnational public services and infrastructure as landmarks capable of making Europeans themselves feel that they belong to a 'greater society'. Indeed, by reducing the action of European institutions to benchmarking national societies, NEG appears doubly responsible for the rise of the far right. First, it has been the source of austerity that is becoming intolerable to the majority of citizens. Second, even in the distribution of subsidies from the recovery and resilience fund, it has remained locked into a technocratic

nationalism that reinforces the identity-based nationalism of populism. From this point of view, this book sheds light on the existential threat currently facing the European Union.