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**The Downward March of Labour Halted?
The Crisis of Neoliberal Capitalism and the Remaking of Working Classes**

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Abstract

This article raises the question whether riots, protests, and strikes in the aftermath of the Euro-crisis mark a turn from moving backwards to moving forward for labour movements. An answer to this question is developed by disentangling the unmaking and remaking of working classes in the Euro-zone countries. The analysis of their unmaking draws on Beverly Silver's work and shows how technological and organization reorganization and relocations from the 1980s until the present weakened workers' bargaining power and political representation and tore apart the social fabric that had been crucial for the reproduction of class identities even during the period of institutionalized class conflict. The analysis of the remaking of working classes points at fragmented articulations of discontent, which also include the rise of right-wing populism, as parts of a learning process that might eventually lead to the constitution of classes as collective agents of change. This analysis draws on E. P. Thompson's interpretation of the 'original making' of working classes but extends his focus on England to the broader European sphere and the consideration of workers' responses to economic crises. Theoretical guidance for these last two aspects comes from Rosa Luxemburg's economic and political writings.

Keywords

Neoliberalism, economic crisis, legitimation crisis, unmaking/remaking of working classes

Introduction

Neoliberalism survived the Great Recession 2008/9 thanks to generous infusions of Keynesian intervention. When the Euro-crisis broke out in 2010, it came back with a vengeance. At this point, neoliberals seem to be determined to finish the job Margaret Thatcher had begun over thirty years ago. Riots, protests, and strikes, it seems are nothing but attendant symptoms for a recharged neoliberalism rather than roadblocks. Are the actions by poor and marginalized peoples, unemployed youth and public sector workers just a last stand like those undertaken by blue-collar workers at the dawn of neoliberal rule?

Looking at cuts in welfare payments, rising unemployment rates and declining real wages the answer to this question is clearly yes. However, the resurgence of neoliberalism after the short Keynesian interlude is incomplete. Its apparently unstoppable practice coincides with an almost complete lack of legitimacy. The absence of a well-defined and readily discernible alternative doesn't imply the continuation of the neoliberal consensus of the 1980s and 1990s. This consensus was already challenged by altermondialistes during the heyday of neoliberal globalization and the New Economy euphoria of the late 1990s. It was further undermined by the nationalist and great power rhetoric that accompanied the War on Terror. The Great Recession and its management, notably its socialism for the rich component, distorted the neoliberal consensus to such a degree that neoliberal fundamentalists can now try to attract followers by distancing themselves from actually existing neoliberalism. Unsure of these efforts, they add appeals to the superiority of certain nations, races and religions over others that contradict the neoliberal promise of liberating individuals and their choices from the limitations of collective traditions, identities and beliefs. This strange brew of ideas, offered by various populist and far-right groups, is one of the ways to fill the vacuum left by the collapse of the neoliberal consensus. It attracted increasing numbers of voters all across Europe since the outbreak of the Euro-crisis.

Another way to fill that void would be the rebuilding of left movements that would not only try to slow down the neoliberal rollback but also suggest alternatives to it ranging from updated versions of welfare capitalism to new socialist projects. The upsurge of protests and strikes that accompanies the latest neoliberal offensive might represent steps towards such movements. The fragmented and transient character of these mobilizations is certainly a weakness in terms of actually stopping neoliberal policies but at the same time it could be understood as a necessary learning process in which, after the failures of the socialist projects of the 20th century, goals, strategies and tactics have to be rebuilt

from scratch (Schmidt 2013a). Is it thus fair to say that the long downward march of labour has been halted? The question responds to Eric Hobsbawm's 1978 Marx Memorial Lecture (Hobsbawm 1978), in which he had argued that the labour movement lost its assertiveness because it had been unable to adjust to the changing composition of the working class, notably the decline of unskilled manual labour and its failure to address racism that was on the rise alongside immigration in the post-war era of decolonization and prosperity. As further weaknesses he mentioned sectionalism and economism and argued that the forward march of labour had already been halted in the 1950s.

At the time the lecture was delivered, many on the left and in the labour movement more generally, thought Hobsbawm might have been right on some of his points but wrong in concluding that the labour movement had lost its central role as an agent of progressive change. After all, he delivered his lecture on the eve of the Winter of Discontent, the biggest strike in Britain since the 1926 General Strike. On the other hand, the strike ended in disaster and opened the door for Margaret Thatcher and her neoliberal entourage. It was a turning point that confirmed Hobsbawm's main argument. The economic boom in the 1950s and 1960s might have concealed labour's weakness but confronted with economic crisis and dedicated anti-labour politics the movement was unable to fight back. What is important to understand, though, is that Thatcher represented only the first wave of neoliberalism; the neoliberalization of social democracy might be seen as the second (Evans, Schmidt 2012), and the current age of austerity as the third wave. Neoliberalism is a long-term project of unmaking the working classes that have developed in Western countries over the 19th century. Although it has progressed considerably since the early 1980s, it still is unfinished business. Yet, social polarization, economic crises and discontent that it breeds also seem to lead to a remaking of working classes. The upsurge of protests and strikes over the course of the Euro-crisis are part of this remaking. If it continues, the downward march of labour might even turn into a new march forward. This article analyzes the adverse processes of the unmaking and remaking of working classes in Europe from the 1980s until today. The first part offers a theoretical outline. The following parts look at each of the two processes separately before some conclusions will be drawn at the end.

Theory

It is worth recalling the original meaning of the making of working classes before discussing their un- and remaking. E. P. Thompson invented the concept as an alternative to structuralist views that expect class formation as the more or less automatic result of the fact that the unpropertied many sell their ability to work to the propertied few. Contrary to such views he suggested that “class happens when some men, as a result of common experiences inherited or shared), feel and articulate the identity of their interests as between themselves, and as against other men whose interests are different from (and usually opposed to) theirs.” This “class experience”, he goes on, “is largely determined by the productive relations into which men are born or enter involuntarily.” The key point, though, is that this experience leads to “class consciousness”, which is “the way these experiences are handled in cultural terms: embodied in traditions, value systems, ideas, and institutional forms.” (Thompson 1963, 8/9) To drive home his point that experience and the way it is interpreted matters more than, or at least as much as, the relations of production, he reconstructs the experiences of workers in England from the 1780s to the 1830s rather than developing an abstract model of class formation. Over almost a thousand pages we encounter impoverishment of peasants and artisans and the degradation of their work under the pressures of enclosures – creating a mass of unpropertied labourers – and industrialization leading to the replacement of skilled weavers by unskilled factory workers. We encounter the apparently unrelated struggles for constitutional rights, the agitation of religious sects and rioting mobs. Eventually we see the amalgamation of every day experiences, riots and radical ideas into working class politics.

Working classes in other European countries were made, or maybe better: made themselves, in similar ways (Abendroth 1972, chapters 1-2). The experiences of peasants losing their land and artisans being downgraded to spokes in a wheel turned by capitalist owners and managers were the same everywhere but the moral economies (Thompson 1971) and ideas that framed the ways individuals felt and thought about their shared experiences were different across countries or even regions. This is one of the reasons that different strategies – from syndicalism in France and Spain to statist reformism in Germany to labourism in England – dominated European working class politics in its early days (Abendroth 1972, chapters 3-4). Much later the different traditions of ‘original working class formation’ and the working class politics that came out of that contributed to country-specific institutionalizations of the welfare state (Abendroth 1972, chapter 7; Esping-Anderson 1990).

What is interesting about Thompson's account of the making of the English working class today, after three waves of neoliberal rollback against the welfare state, is that he offers a few clues on how to think about the un- and remaking of working classes in Europe today. Workers, students, unemployed and retired people all across Europe experience the neoliberal offensive against their working and living conditions but their traditions of fighting back differ and so do the ways they think about their conditions. Memories of the 'golden age' of capitalism (Hobsbawm 1995, part 2) and remnants of the welfare state play a role in "handling" the experiences of the neoliberal offensive "in cultural terms" that is similar to the effects of then existing "traditions, value systems, ideas, and institutional forms" on the making of the English working class 200 years earlier. Welfare states that contributed so much to the colonization of pre-capitalist lifeworlds (Habermas 1987, 332-373), or, in Thompson's terminology: moral economies, led to a, however partial, de-commodification of labour that opened spaces for the articulation of aspirations beyond and against the imperatives of capital accumulation. The re-commodification of these spaces is one of the key drivers of social unrest today.

Thompson took capital accumulation, more precisely the original accumulation of capital, as his point of departure for understanding the making of the English working class but had no interest in these economic processes themselves. Therefore his approach can't explain the relations between capital accumulation and class formation. Yet, these relations are important since the neoliberal offensive against the welfare state was clearly driven by attempts of creating investment opportunities and new markets through the re-commodification of labour (Harvey 2003, chapter 4; Duménil, Levy 2011, chapters 1-3). This is where Rosa Luxemburg comes in. She explained that capital accumulation relies on the ongoing colonization of non-capitalist milieus and that the absence of such milieus or the inability of the accumulation strategies that characterize a certain period of capitalist development to penetrate such milieus lead to economic crisis and social conflict (Luxemburg 1913). This theory explains the original accumulation of capital in England in the late 18th century as much as colonial outward expansion one hundred years later. It can also explain the inward expansion that integrated simple commodity producers, shopkeepers and private households into the circuits of capital accumulation during the Keynesian wave of accumulation following World War II and elucidates the accumulation by dispossession that marks the neoliberal period from the early 1980s until today (Schmidt 2011a).

Luxemburg's economic theory is closely linked to her thinking about class formation and struggle. Like Thompson she stresses the role of shared experiences for the making of

working classes. More precisely, she argues that workers experiences in day-to-day struggles for higher wages, shorter hours and social reforms more broadly are more important than the immediate gains won through these struggles. The latter would come under attack with the outbreak of the next crisis; rising unemployment would then help capitalists to roll back workers claims. Experience made when labour is marching forward and when it is rolled back are key for the development of class-consciousness and effective organizing. (Luxemburg 1899)

Luxemburg had the boom-and-bust cycle in mind when she developed this theory and argued that systemic crisis, which hit when non-capitalist milieus are not available for continuing colonization and accumulation dependent on it, would lead to a struggle leading either to socialism or barbarism. Yet, this theory also helps to understand the turn from welfare capitalism, where workers could win social reforms, to the neoliberal rollback. Another aspect of Luxemburg's theoretical work that is relevant for an analysis of the unmaking and remaking of European working classes today is the international perspective she takes on capital accumulation and class struggle. She is well aware of the fact that economic crises lead to intensified international competition and also points at the need to build an internationalist labour movement if the integration of national working classes in alliances with their respective ruling classes is to be avoided (Luxemburg 1906, 1913, 1916). Neoliberal accumulation, the Euro-crisis and the unrest it triggered comprise all of the above. International competitiveness was the watchword of neoliberalism right from the start but eventually turned into a deepening division between debtor and creditor states that led to the Euro-crisis. Discontent with the immediate impact of the crisis and the austerity policies that followed are torn between nationalist and internationalist orientations (Schmidt 2013b).

Beverly Silver's work (2003) shares Luxemburg's focus on global capitalism and class struggle and offers a number of analytical tools that are useful for refined research. She distinguishes between struggles over wages, hours, and working conditions within the process of capitalist production and reproduction, which she calls Marx-type struggles, and struggles that aim at limiting the scope of capitalist power. These struggles, which include the de-commodification of labour during the period of welfare capitalism, she calls Polanyi-type struggles. She also identifies different sources of working class power, namely the structural power that is rooted in the workers position in the production process and thus their ability to disrupt it and associational power relying on organizing and mobilizing large number of workers to push for their demands. What really distinguishes her from Thompson and Luxemburg, though, is that she turns their

arguments about class formation upside down. Rather than looking at workers responses to capital accumulation and expansion, she looks at capitalist responses to workers' struggles. Wherever workers succeed in building and wielding a certain level of power and threaten capitalist profits, capitalists seek to neutralize, break or bypass this power. They can invest in labour-saving technology, reorganize or relocate production or put their money into stock markets rather than productive investments and employment. Silver calls these responses technological, special and financial fix, respectively. They were key in unmaking the working class that had developed in Europe since the late 18th century and moved forward, despite major setbacks during the 'age of catastrophe' (Hobsbawm 1995, part 1) from 1914 to 1945, until the end of post-war prosperity in the 1970s.

Union strength during the prosperity was built around the successful organizing of semi-skilled workers in large corporations. The welfare state, itself reliant on the representation of the working class vote in parliaments or even governments, helped to pass on gains won by these core groups of organized labour to segments of the working class who possessed less structural power. High levels of employment facilitated this diffusion and encouraged workers to make further demands. Automation and outsourcing undermined the effectiveness of the organizing practices of the core groups of the working class. Workers bargaining power was further weakened by relocations to regions or countries without union traditions and by the return of permanent mass unemployment, which was the result of automation and the increasing diversion of investments from productive capital to finance.

The fixes Silver discusses are the key to understanding how working classes were unmade under the reign of neoliberal capitalism. To fully understand this, though, we need to consider more than the immediate impact of technological and geographical restructuring on workers bargaining power. This power was always embedded in the social fabric that had developed in working class neighbourhoods, culture, and organizations as part of the original making of these classes from the late 18th century onwards. It was this fabric that facilitated the reproduction of working class identities on which union bargaining and workers' political representation relied. These identities were infused with notions of consumerism and middle-classness when mass consumption and mass culture began to colonize working class households and neighbourhoods. But it wasn't under neoliberalism that the social fabric that held working classes together since they first had entered the scene was destroyed. The embeddedness of workers structural and associational power in working class culture and identity doesn't concern Silver in

her work on capitalist responses to workers' struggles but can easily be added to her work if we draw on Thompson's and Luxemburg's ideas about the role of shared experiences and the ways they may, or may not, turn into class-consciousness and class politics. Getting the full picture of the parallel and contradicting processes of the unmaking and remaking of working classes in our times requires both perspectives: Thompson's and Luxemburg's look at workers' responses to capitalist accumulation and crises and Silver's look at capitalist responses to workers' struggles.

Unmaking

Economic crises, labour militancy and new social movements in the 1970s challenged the class compromises around which welfare capitalism had developed in the post-war period. During that period, high levels of investment fed equally high levels of employment and effective demand but also led to overcapacities and a general crisis of overproduction later. Theoretically, this crisis could have been avoided if mass consumption, which had been so vital in integrating organized labour and social democracy into welfare capitalism, had been extended to marginalized groups in Western society or even beyond Western countries. Practically, though, labour militancy and new social movements stood in the way of continuing capital accumulation based on the generalization of mass consumption. Environmental movements pointed at the natural limits of accumulation and tried to stop the further colonization of nature. New women's movements fought for equal pay for female workers and an extension of public services, notably childcare, to ease the double burden of paid employment and unpaid household work. More radical groups in the women's movement went even further and demanded wages for housework. At the same time, wage workers, organized and unorganized, had been encouraged by tight labour markets and legal job protections to jack up their demands.

Thirty years later, Marxists are still debating whether or not capitalist profits were squeezed in the 1970s (Brenner 2006, chapter 1; Silver 2003, chapter 1). What we can say for sure, though, is that capitalists felt under pressure from the demands articulated by labour and social movements and it is probably safe to say that a continuation of high levels of investment, overall growth, and employment would have led to an actual profit squeeze at some point. Against this backdrop and lots of internal wrestling capitalist classes eventually turned against the welfare state and embraced neoliberalism as a script

of unmaking the working classes that had dared to threaten their profits and power. This turn confirmed Luxemburg's view that social reform only goes so far under capitalism. At the same time, a decline in investment signalled the end of the post-war boom and the subsequent return of permanent mass unemployment (see Table 1). The negative effect this had on workers' bargaining power was supplemented by the introduction of robots in manufacturing, computers in clerical work and the relocation of entire industries, such as textiles, or parts of the supply chain of other industries. The relocation of parts production in conjunction with outsourcing led to the emergence of Europe-wide production networks (Zysman et al. 1996) that enhanced corporations' ability to bypass workers' struggles occurring in specific locations. The weaving of these production networks took a quantum leap after the collapse of Soviet communism and the subsequent integration of Eastern Europe into capitalist markets and, in 2004, the institutional framework of the EU (Curran, Zignago 2012).

This framework enhanced capital mobility and thus helped corporations in their efforts to get more work for lower wages. Often the threat of moving operations to low-wage areas sufficed to get concessions from workers and their unions. Member-state governments facilitated the downgrading of labour by lowering minimum wages, the social wage, and job protections (Moss 2005). Unions that were used to fine-tuning the terms of class-compromises within national welfare state found it hard to adjust to the chilling winds of neoliberal policies and increased capital mobility. Most of them turned from welfare state corporatism to a competitive corporatism that aimed at securing wages and working conditions for their core constituencies at the expense of increasing numbers of precariously employed workers (Bieling, Schulten 2001). Not surprisingly, the making of a precariat (Standing 2011) further undermined unions' ability to negotiate sector- or nation-wide contracts and contributed to increasing inequality within EU member-states (Fredriksen 2012). In terms of boosting profits at the expense of all workers, neoliberal restructuring has been a resounding success. The share of wages in total income within the original Euro-zone fell from 72.4 percent in the 1970s to 66.4 percent in the 2010s and has further declined since the outbreak of the Euro-crisis (see Table 1).

Private sector unions in mining, steel making and manufacturing were the main targets of these restructuring efforts, as they had been the ones ensuring that productivity translated into respective real wage increases during the post-war prosperity. Breaking their bargaining power was the key to redirecting productivity gains from wages to profits. Public sector unions that had developed along employment in that sector under the reign of welfare capitalism represented, for a while at least, an even greater challenge. Trying

to extend contracts negotiated by their private sector counterparts posed a real problem for finance ministers as productivity growth in the public sector, due to limited room for technological advancements in occupations like teaching and care-work, would have required sharply increasing taxes. In the private sector, profit rates remained the same as long as real wages and productivity increased in more or less tandem. Applying the same formula in the public sector would have led to increasing disparities between private and public sector wages. Such disparities would have collided with general principles of solidaristic wage policies and pay equity in particular. Since women made up a significant share of public sector employment and since the then new women's movement was very vocal about pay equity, unions in that sector would have had a hard time if they didn't try to catch up with private sector wages. What these attempts, along with demands for increased public services and social security spending, did was opening a new front in the struggle over income distribution.

Conflicts about the levels of taxation, the distribution of the tax burden between different social groups, and public spending were a minor matter before the welfare state, with its establishment they became as important as the wage-bargain in the private sector. The public-sector bargain got even more contentious with the end of the post-war boom and subsequent shortfalls in tax revenue. Combined with an increasing unwillingness of the middle-class, which had benefitted more from the welfare state than many working class people, to pay the taxes needed to maintain public spending levels a fiscal crisis was imminent. Consequently, the neoliberal offensive targeted private and public sector workers equally. The former were put under the pressures of international competitiveness, the latter declared responsible, along with allegedly undeserving recipients of unemployment benefits and welfare payments, for burgeoning public debt. Yet, governments' proclaimed efforts to balance their budget failed.

This was not so much the case because tax cuts led to decreasing tax revenues. In fact, the share of tax revenue of GDP rose slightly in most countries during the neoliberal era but the tax burden was increasingly shifted from private companies and high-income households to middle- and low-income households. The reason for continued deficits and growing debt was that the number of people entitled to one kind of income support or another grew with persistent mass unemployment and increasing numbers of low-wage workers. While payments to individuals and households were cut, the total social expenditure bill remained constant or grew because the increasing number of recipients (see Table 2). Continued public deficits translated into continued pressures on public sector workers. They were also a pretext for privatizations feeding into accumulation by

dispossession that became one of the main drivers of the neoliberal wave of accumulation from the early 1980s onwards (Schmidt 2011a).

Private and public employers anti-labour offensive, which included laws making union organizing and representation more difficult, led to lower union memberships and thus a further loss of bargaining power (Western 1995). Union's inability to develop effective fight back strategies did their part in lowering the number of union members (see Table 3) It is interesting to note, though, that union density in the public sector remained significantly higher than in the private sector (Schnabel 2012). Based on their continued strong presence public sector unions were able to keep the wage structure much more compressed than in the private sector (Lucifora, Meurs 2004). The workers whose jobs were privatized were the ones carrying most of the burden of low-wage work.

Unions were only one of the two pillars through which working classes had been integrated into welfare capitalism. The other was social democracy. During the heyday of welfare capitalism even conservative parties pursued social democratic policies in one ideological disguise or another. Welfare states in Germany and Italy, for example, were entirely built by conservative governments in order to contain the influence of social democrats or, in the case of Italy, communists. Confronted with economic crises but also inspired by labour militancy and new social movements in the 1970s the social democratic left all over Europe thought it was necessary to move beyond class-compromise and welfare states towards socialism. Opposition to these efforts came not only from capitalist classes that embraced neoliberalism at the same time but also from right-wing social democrats who felt that capitalist accumulation was an indispensable condition for redistribution through the welfare state. These internal divisions contributed to the failure of left alternatives to the 1970s crisis of welfare capitalism as much as the ebbing away of labour militancy in the face of mass unemployment and neoliberal restructuring (Schmidt 2011b).

The failure to move social democracy, and the labour movement more generally, to the left went hand in hand with the anti-labour offensive that weakened not only workers power on the shop-floor and at bargaining tables but also weakened their representation in the political system. Wage-work didn't disappear as some theorists of post-industrialism (Bell 1973) had suggested but underwent important transformations. The number of blue-collar workers who had been the core of unions but also of the social democratic electorate was decreasing. The increasing number of white- and pink-collar, often precariously employed, workers that kept employment rates at high or even increasing levels had not been socialized in the working class culture of the old working

class and felt little allegiance to unions and social democratic parties. In search for new voters the latter were more and more willing to abandon the welfare state they had helped to build during the post-war era so that worker's legal protections, no matter the colour of their collars, were reduced (Evans, Schmidt 2012).

Decreasing union memberships, a decline of bargaining power of workers who remained as members and the loss of political representation fed into a downward spiral triggered by neoliberal restructuring. For a short while, though, during the New Economy boom of the 1990s, it seemed as if economic prosperity would return and ease the pressure on wages and social standards. This was also the time when the idea to integrate national welfare states into the larger framework of a European Social Model that would shelter them against the chilling winds of neoliberal globalization gained some traction (Schmidt 2009). Yet, all such hopes disappeared when the bursting of the dot.com-bubble pushed the world economy into recession in 2001. Neoliberal restructuring and austerity policies resumed after that crisis and were only interrupted during the Keynesian interlude that contained the Great Recession 2008/9. Hopes that the election of social democratic parties, for example in France and Denmark, would help to turn this interlude into some kind of alternative to neoliberalism were crushed quicker than they had appeared (Bailey et al. 2014). The Euro-crisis saw the return of neoliberalism with a vengeance. Strikes and protests that also followed the crisis were not able to stop the actual lowering of wages, social protections, and public services let alone the loss of millions of jobs across the EU but most notably in its Southern periphery (Busch et al. 2013; Heise, Lierse 2011, ETUI 2013). Yet, while neoliberal practices seemed unstoppable its legitimacy is almost entirely gone. Great Recession and Euro-crisis brought a long looming crisis of legitimacy into the wide open. Trust in the EU has fallen from 57 percent in September 2007, the last year before the crises began, to 31 percent in September 2012, 60 percent of all Europeans expect the worst is still to come (European Commission 2012).

The deficit of legitimacy left by the withering of the neoliberal consensus is partially filled by a rising tide of right-wing populism and neo-fascism that makes the neoliberalism that led to it look like a lesser evil (Langenbacher, Schellenberg 2011). There clearly is a danger that the combination of neoliberal practice and rampant discontent will bring hard-right regimes to power that aim at the exclusion of allegedly inferior nations or races to solve the Euro-crisis. Yet, the contradiction between neoliberal practice and a glaring lack of legitimacy can also be articulated in terms of solidarity and justice. In fact, this has happened on many occasions since neoliberal restructuring began in the 1980s. The British miners strike 1984/5, the general strike in

France against neoliberal pension reform in 1995 and the European Social Forum in Genoa 2001 are prominent examples of a string of smaller struggles only known to the people engaged in them. These struggles were as fragmented, short-lived, contradictory in terms of ideologies and strategy as the ones fought during the original making of working classes in Europe. It is possible that the experience that rather different layers of people, from unionized workers to the precariat and the unemployed but also including students and pensioners, are making in the face of restructuring and austerity will lead to commonly shared values and class consciousness. The Euro-crisis could mark the turn from labour's downward march to the remaking of working classes and class politics.

Remaking

Industrial restructuring and austerity policies were very effective in unmaking European working classes for over three decades and thus weakening workers' structural and associational power. Yet, the credit of trust with which the neoliberal project had started has turned into a huge legitimation deficit. The social fabric on which the reproduction of working class identities was reliant has been torn apart but that doesn't mean that people see themselves outside or even beyond productive relations whose importance or even existence is equally denied by post-industrial sociologists and neoliberal economists. According to a poll conducted after the outbreak of the Euro-crisis around 90 percent of people in a selection of European countries see banks and large corporations as the most powerful players in society. Unions score only two to seven percent and voters less than two percent. Close to seventy percent think that voters should have more power and 50 percent say the same about unions. Around 80 percent are in favour of higher taxes for the rich and expect governments to enforce fair wages and provide better health services, education, child-care, and pensions (Internationaler Gewerkschaftsbund 2012). Moreover, contrary to EU-institutions and member-state governments who see public debt as the overriding problem, unemployment and the concern for jobs and incomes are the most pressing concerns in all EU-countries with the notable exception of Germany whose government was so successful at exporting the burden of the crisis to other countries (European Commission 2012, Lapavitsas et al. 2010). These snapshots testify to the continued popularity of the welfare state and a clear sense of the inequalities of wealth and power in society. In view of neoliberalism's legitimation deficit such perceptions, and the everyday experiences that inform them, may find expressions

beyond the framework of neoliberal ideology and also in ways different from right-wing populism and extremism.

The translation of experiences with actually existing neoliberalism into whatever forms of collective identities and consciousness is, applying Thompson's analysis of the making of the English working class to today, "embodied in traditions, value systems, ideas, and institutional forms." These factors refer back to the welfare state and allow different ways of handling today's experiences in "cultural terms" (Thompson 1963, 8/9) as welfare states were always torn between claims to universality and the actual exclusion of certain social groups within them and the neglect of divisions between centres and peripheries that were crucial to reproduce centre-economies underlying the welfare state.

The new social movement of the 1970s first articulated the exclusion of women and immigrants from the post-war class compromise. Increasing labour market participation of women since those years and continued immigration further undermined the labour market position of domestic male workers. Neoliberal globalization and labour-saving technologies added to the stiffening competition for jobs. The re-commodification of labour under neoliberalism led to discontent and quests for new protections. Against the background of the 'traditions, value systems, ideas, and institutional forms' of the welfare state such quests can be articulated in different ways. Some groups of workers, and others discontent with neoliberal capitalism, might hope that discrimination against other groups along the lines of citizenship, race, and/or gender will allow them to continue or enter corporatist arrangements with their employers and the state that will protect their jobs and social security. Others might try to overcome competition among workers through various forms of organizing against their employers. These two strategies are by no means mutually exclusive. In fact, the class compromise on which the welfare state rested represented a delicate balance between countervailing powers, co-operations and exclusions. Many articulations of discontent today also include a mix of claims for drawing boundaries (Silver 2003, 16-25) between different groups of workers and between workers and capitalists. This is the case not only because memories of the welfare state carry such a mix forward into the present but also because the role of the state is the key institution regulating the degree to which labour power is commodified.

States supported capital efforts to unmake working classes in a number of ways. They allowed financial markets to define benchmark profits for productive capital investments and helped capital meeting these benchmarks by lowering social standards and facilitating the movement of capital to low-cost areas. This support transformed welfare states into neoliberal states. Some of the functions of the neoliberal state were

‘outsourced’ to EU-institutions. Not surprisingly, then, much of today’s discontent with neoliberalism is directed at the EU whereas member-states, although they are the key players, certainly the big ones, within the EU, are seen as a last defence against the combined powers of world markets and EU-dictates. This is particularly so because earlier attempts to stop the re-commodification of labour on the supranational level had failed.

Union leaderships who thought to coordinate collective bargaining processes across borders pursued one such attempt (Bieler 2006, Erne 2008). Such coordination, if successful, would have stopped the underbidding of wages and working conditions by setting minimum standards in much the same way collective bargaining does on industry-wide levels within countries. These efforts were part of the already mentioned plans of constructing a European Social Model. The architects of this model saw coordinated wage policies as a precondition for tripartite bargains between labour, fiscal authorities, and the European Central Bank. Mustering support for coordinated wage policies, and the European Social Model more broadly, was all but impossible, though. Such ideas were too abstract and too far removed from workers’ everyday experiences to capture their imagination. This is enough of a problem for bureaucratic top-down unionism on the national level but sometimes leaders of national unions are able to address workers’ concerns in a down-to-earth way and thus garner support, for example during contract negotiations. But the union staffers who worked on the designs of cross-border coordination with pro-union academics and EU-bureaucrats were either entirely off members’ radar screens or attracted some of the anti-EU sentiments that it’s neoliberal policies produced.

Even when unions mobilized their members to protest against neoliberal Europe (Bieler, Morton 2004), the protestors on the street wouldn’t see themselves as supporters of union negotiators inside the buildings of the EU-institutions but as companions of the altermondialistes whose entire strategy relied on mobilizing the streets against international corporations and organizations. Networks and organizations like attac, the European Marches Against Unemployment and the European Social Forum added a distinct European flavour to the movement against neoliberal globalization (Birchfield, Freyberg-Inan 2004; Chabanet 2010). Altermondialistes in Europe shared a certain utopian exuberance with their counterparts elsewhere. In some ways this exuberance was a mirror image of the New Economy-euphoria of the 1990s that had given rise to the altermondialistes’ movement. In other ways it, maybe unknowingly, responded to the exhaustion of the utopian energies of the welfare state that Jürgen Habermas (1986) had

already diagnosed during neoliberalism's early years. With hindsight we can easily see this exhaustion as a philosophical expression of the unmaking of European working classes against which neither the welfare state nor unions or social democratic parties offered much protection.

Seen from this angle, the utopian exuberance of the altermondialistes might signal first steps towards the remaking of working classes even though many of the activists either didn't know the language of class or were extremely sceptical about it. This has also been the case during the original making of working classes in Europe, which had already gone quite a ways before workers and activists began identifying themselves as members of a common class. And it took even longer before Friedrich Engels (1880) could argue that, in order to advance the cause of the working class, it was time to move from utopian to scientific socialism. Ernst Bloch (1959) would later argue that a socialism that is nothing but scientific was prone to the degeneration into Stalinist totalitarianism that did its own share in discrediting working class politics. New Left activists, some of them drawing on Bloch's work, tried to reinvent more critical brands of Marxist socialism and also added a touch of utopian senses but the new social movements coming out of the New Left, rather than carrying its politics forward, turned to single-issue campaigning, contributed to the further fragmentation of Old and New Lefts and so, maybe against their intentions, helped paving the way for neoliberalism's onslaught on the institutional bastion of the Old Left, the welfare state (Schmidt 2011b).

To the degree that the unmaking of the old working classes, the social basis of the Old Left, became possible because its utopian energies had been depleted and the New Left had failed to revive them, altermondialistes' more recent efforts of injecting utopian senses into social movements are an important step towards building the power necessary to stop neoliberalism or even overcome the rule of capital. It should be noticed, though, that the libertarian utopia of the altermondialistes is complemented by the technocratic utopia of the European Social Model architects. Both respond to the deterioration and weakness of the power of the old working class and both are largely disconnected from the everyday life experiences of workers, employed and unemployed, students, and pensioners. The offices where union staffers discuss models of policy coordination are as far away from these experiences as the workshops of the European Social Forum. For any utopian senses to articulate the discontent that is so widespread these days and amalgamate it into new forms of class consciousness and, ultimately, class politics it is necessary to reconnect them with the everyday experiences of the discontented. The bursting of the dot.com-bubble and the War on Terror as much as the Great Recession

and the Euro-crisis deflated utopian exuberance that was part of the first post-Cold War decade. Yet, mobilizations and struggles of that decade left traces in the memories of those who took part in them and are at the forefront of organizing anti-austerity strikes and protests today.

Today's activism is marked by an increased sense of urgency, sincerity, and realism. It is much closer to the concrete utopias that, according to Bloch, connect today's world and its discontent to the possibilities of a better future. The 1990s saw the large gatherings of the World and European Social Forums around the rallying cry 'Another World is Possible'. Today's protests and strikes are more dispersed but closer to the people suffering from crisis and austerity politics. Educated but unemployed youth from the Indignados in Spain to Gezi Park occupiers in Istanbul (Karaagac, Yilmaz 2013; Morell 2012) is taking to the streets and public squares. Disenfranchised youth, mostly with immigrant and ethnic minority backgrounds, is rioting in London and Stockholm (Kings et al. 2013; Murji, Neal 2012). Political strikes, that already began occurring more frequently since the 1980s when industrial action was on the decline, spread like wildfires in Southern Europe that is most severely affected by the Euro-crisis and Troika-dictates (Gall 2012, Hamann et al. 2013). In the shadows of these well-publicized mobilizations we also find efforts to organize precariously employed workers and workers occupying critical links in today's supply chains, notably logistics workers, march off their jobs frequently (Emanzipation 2012).

These struggles might appear as fragmented as 1990s protests of the altermondialistes but, in fact, they coalesce around two key axes: The conditions under which labour power is sold and the access to public services that is so important for the reproduction of labour power and the lives of young, unemployed and old people. Unlike private sector strikes that are only about the balance of power between workers and capitalists in the affected sectors, public sector strikes also draw the users of public services and the taxpayers who have to pay for them into the conflict. In that sense, they are much more general in character than disputes in the private sector. They also pose the question of power, which ultimately rests on the capitalist state, more directly. Workers and activists engaged in any of the above mentioned struggles may not even be aware that their activities pose a real threat to capitalist power that is already weakened by economic crises. Caught up in their different struggles, communication networks and organizations they might also be closer to new forms of class-consciousness and class politics than they think. Governments and capitalist may actually be more aware of the remaking of working classes in Europe than the men and women who, to paraphrase Thompson, already feel

the identity of their interests as between themselves, and as against other men and women whose interests are different from theirs but haven't found a way to articulate these commonalities in the language of class and are therefore prone to efforts to pit one group of them against another.

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Table 1: Macroeconomic Indicators of the Euro-Zone (EA 12)

	GDP-Growth (%-changes at 2005 market prices)	Gross Fixed Capital Formation (% of GDP)	Unemployment Rate (% of total labour force)	Wage Share (% of GDP)
1961-70	5.3	24.4	2.4	70.9
1971-80	3.4	23.7	4.1	72.4
1981-90	2.4	21.2	8.4	69.4
1991-00	2.1	20.8	9.8	66.7
2001-10	1.1	20.5	8.7	66.4
2011	1.4	19.1	10.1	64.4
2012	-0.4	18.4	11.4	65.0
2013*	-0.6	18.0	12.2	65.2

Source: European Commission, EA 12 – original members of the Euro-Zone whose membership has increased to 17 since the start of European Monetary Union in 2001. *-estimate

Table 2: Public Social Expenditure (% of GDP)

	1980	1985	1990	1995	2000	2005	2010	2011	2012	2013*
Germany	22.1	22.5	21.7	26.6	26.6	27.3	27.1	25.9	25.9	26.2
Spain	15.5	17.8	19.9	21.4	20.2	21.1	26.7	26.4	26.8	27.4
Sweden	27.1	29.5	30.2	32.0	28.4	29.1	28.3	27.6	28.1	28.6
UK	16.5	19.4	16.7	19.9	18.6	20.5	23.8	23.6	23.9	23.8

Source: OECD, *-estimate

Table 3: Union Density (% of employed wage and salary earners)

	1960	1970	1980	1990	2000	2010
Germany	34.7	32.0	34.9	31.2	24.6	18.6
Spain	-	-	18.7	12.5	16.7	15.9
Sweden	72.1	67.7	78.0	81.5	80.1	68.9
UK	40.4	44.8	50.7	39.3	30.5	27.5

Source: Schnabel 2012