

The European Government of Economies

The integration between markets' liberalization and employment relations

8th-9th of October 2015

Espace Maurice Allais,
Ecole des Mines ParisTech
60, Boulevard Saint Michel, Paris



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RT 12 – RT 18. Association française de sociologie

With the support of GIS Gerpisa and MinesParisTech

The functioning of the Single Market, of the European institutions, as well as the process of European integration have become central objects of research to grasp the transformations of the economic and political regulations within the enlarged Europe, in particular in these times of social and economic crisis. However, if the works exploring these questions have multiplied through all the social sciences, the knowledge developed by this heterogeneous literature remains largely compartmentalized by discipline, or even by sub-discipline.

This conference organized by the Thematic Network 12 (economic sociology) and the Thematic Network 18 (employment relations) of the French Sociological Association aims to lay the ground for a “decompartmentalization” of this field of research. It will focus on the articulation between markets’ transformations and employment relationships’ transformations in the context of the European integration and the enlargement to the new members states. It will favour a sectoral-meso approach by which industries and services can be analysed as political and institutional fields where these processes of transformation of markets and employment relationships take place. A particular attention will be given to the present context of economic and institutional crisis that could be explored as a testing of the European institutions.

Amongst the research questions that we would like to develop, we will focus on the concrete way national and European regulations interact,

contradict and complement one each other by making the hypothesis that the sectoral scale is perhaps the most pertinent one to grasp such a process; we will also look at the influence that national frameworks maintain on the way transnational firms make European markets of goods, services and work; conversely, at the scale of the European government of industries and services, it will be interesting to analyse the degree of overlapping between markets’ regulations and the European social dialogue in each sector; it will be also important to see which place have “the European social model” and, more generally, the employment’s and work’s stakes in the political and juridical construction of each different market; finally, the question of efficiency, related to the social and political construction of economic rationality in each of these markets, shall be not overlooked: do we see new conceptions of control emerging in the Europeanization process of these markets? What are their rules? How do they affect the balance between capital and labour? And what role do they play in the present economic, political and institutional crisis of the European Union?

Organization committee

Hervé Champin (IDHES), Camille Dupuy (IDHES),
Alexandre Mallard (CSI – Écoles des Mines),
Tommaso Pardi (IDHES)

ECOLE DES MINES

thursday

8th of October 2015

9h15 - 09h45 / Welcome - Coffee

09h45 - 10h30 / Opening

Tommaso Pardi (IDHES CNRS, co-directeur GIS Gerpisa)

10h30-12h00 / The railway sector

Session chaired by Camille Dupuy (Université de Rouen)

Controversies and negotiations in the building of the European railway policy: The regulation of competition between EU railways undertaking as a key issue in the building of the European « Single railway area »

Hervé Champin (IDHES) & Patricia Perennes (SNCF Réseau)

Deutsche Bahn / SNCF. The clash of titans supervised by the European Commission

Marnix Dressen (Printemps)

14h00-15h30 / The construction sector

Session chaired by

Agencing labels in the European economies. The case of the construction sector

Brice Laurent (Mines ParisTech, CSI), Alexandre Mallard (Mines ParisTech, CSI) & Aurélie Tricoire (CSTB, DESH)

The Unifying of Europe's Construction Labour Market

Nathan Lillie (University of Jyväskylä)

15h30-16h00 / Coffee break

16h00-17h30 / Can you make a single market without a single system of labor relations?

Session chaired by Tommaso Pardi (IDHES)

Keynote speech by **Neil Fligstein (UC Berkeley)**

Discussed by **Philippe Pochet (ETUI)**

Vendredi

9 octobre 2015

8h30 - 9h00 / Welcome - Coffee

9h00 - 10h30 / The energy sector

Session chaired by Hervé Champin (IDHES)

Giving shape to the energy industry. The mergers and acquisitions regulations in Paris and Brussels as antithetical logics

Scott Viallet-Thévenin (CSO)

Industrial policy and regulation of competition in the energy sector: which consequences for the employment?

Thomas Reverdy (PACTE)

10h30 - 11h00 / Coffee break

11h00-12h30 / The automotive sector

Session chaired by

MNC, HR policies and employment relationship in automobile sector in Europe: Towards a “social regulation without compromise”?

Patrick Dieuaide (ICEE, Paris 3)

From market seeking to efficiency seeking? The new rules of the European automobile market

Bernard Jullien (GREThA) & Tommaso Pardi (IDHES)

14h00-16h00 / The European construction

Session chaired by Elodie Bethoux (IDHES)

The European social dialogue in face of the total market

Claude Didry (IDHES CNRS)

The construction of the European market and the employers' space of representation

Hélène Michel (SAGE)

EU economic governance, employment relations, and (trans-)national collective action

Roland Erne (University College Dublin)

16h00-16h30 / Coffee break

ECOLE DES MINES

Vendredi

9 octobre 2015

16h30-18h00 / Closing session

Session chaired by Alexandre Mallard (CSI)

Le viol d'Europe

Robert Salais (IDHES)

The EU's Incomplete Government of Industrial Employment: Regulatory Disorder, Economic Slack and Social Anomie

Andy Smith (Sciences Po, Bordeaux)

Hervé Champin (IDHES) & Patricia Perennes (SNCF Réseau)

Controversies and negotiations in the building of the European railway policy : The regulation of competition between EU railways undertaking as a key issue in the building of the European « Single railway area »

For more than a quarter century, a rail industry multi-level European government is progressively constructed through the development of a single rail policy. The stated goal of the European institutions through this policy is to build a “Single European Railway Area” by implementing in the railway industry a framework already used by the European institutions to reform other industries’ structures such as telecommunication or electricity. This market building process has however given rise till today to important controversies between the European Commission and other stakeholders.

The present communication aims to enlighten the issues behind this debate, based on an analysis of the building process of the single European Railway Area common working rules for social regulation and for infrastructure access charges paid by the train operating companies to the infrastructure manager. Even if all the stakeholders agree on the necessity of the building of a “level playing field” – for both social regulation and infrastructure charges – a careful analysis of the debates surrounding the setting of the value and of the structure of infrastructure access charges as well of the level and architecture of social regulations shows that the elaboration of these rules are in fact guided by competition policy concerns. They opposed in particular historical operators to new entrants. The political dimension of these debates is, for social negotiation, explicitly taken care of through the institutional framework of sectoral social dialogue committee. On the contrary, the usage by the European commission of an implementing text to harmonize infrastructure pricing rules raises the issue of the arbitration rules between the interest of these different stakeholders.

Claude Didry (IDHES CNRS)

The European social dialogue in face of the total market

Since the Maastricht Treaty adopted in 1992, the institution of a unique currency in Europe, euro, has been grounded on a convergence process of the Member States organizing their adoption of this currency and their functioning under this monetary regime. The Central European Bank has become a central political actor, in the control of the national public debts, through loans enabling to avoid Member States bankrupts, paralleling the request of structural reforms addressed by the International Monetary Fund in which the liberalization of labor market appears to be crucial. This situation reveals a long term historical dynamic where the economic European integration is nothing but a step, in the long run toward a global market order under the imperial US umbrella favouring the dominance of the financial market. Labor law at the national and EU levels is now seen as an obstacle for the European share in the World trade.

In this fatal landscape for labor law, the existence of a social dialogue procedure created in the following of the Maastricht Treaty has been the base for several important directives in the 1990s and the beginning of the 2000s. Thirty years after the Val Duchesse meetings, it addresses a new issue:

what were the conditions of possibility of this emerging commitment of the social partner to the European construction?

The hypothesis raised in Le moment Delors is that the European social dialogue was conceived along with the “achievement of the Single market”, leading to the Delors “New Approach”. If ten years after, this “momentum” seems to be over, the directives issues at that time remain and the process launched by the Delors presidency suggests to explore the tension between market as a total order based on competition regulation and integration in a transatlantic space through the Tafta project on the one hand, and market as a trade space based on the circulation of the products and the division of labor it opens.

Patrick Dieuaide (ICEE, Paris 3)

MNC, HR policies and employment relationship in automobile sector in Europe: Towards a “social regulation without compromise”?

On the basis of scholars and surveys conducted in main French and German multinational corporations in the automobile industry, this article examines some of the major changes in the employment relationship that have taken place in the rather specific economic context of the second half of the decade after 2000. Our purpose focus on the rise of a ‘management-led social dialogue’ as the outcome of an increasingly close meshing of corporate industrial strategies, human resource policies and the management of industrial relations at the firm level. The paper examines how the policies for managing human resources departments contribute to move content the issues and ways of organizing social dialogue within these companies. In the light of these policies, we argue on the existence of new forms of socio-economic regulation at sector level, which we refer to “social regulation without compromise”. Through this concept, we want to highlight two key dimensions of institutional change related to the implementation of these policies: the existence of an intermediate level of regulation of the employment relationship (between global and local) ; the importance of superiors of regulating levels (national, european, world) to understand the evolution of relations between different actors stakeholders (directions, unions, employees) of the employment relationship.

Marnix Dressen (Printemps)

Deutsche Bahn / SNCF : The clash of titans supervised by the European Commission

About Deutsche Bahn (DB) and SNCF (Société nationale des chemins de fer français), one can say they imitate themselves, fight each other, cooperate and perhaps secretly dreams to dominate and even devour each other. In which socio-historical circumstances this fight for hegemony does process? What are their economic and political purposes in this rivalry? With what kind of strategy do they cross swords and what kind of resource do they mobilize to outdo their main rival? Of course we will come to look at what extent the European Commission inform, affect or even feeds that rivalry? And in this conditions what is the output of this three protagonist interactions ? These are few

questions to which we would like to propose statistically justified responses in the field of economic sociology and political sociology.

Roland Erne (University College Dublin)

EU economic governance, employment relations, and (trans-)national collective action

Until very recently, the EU's business and political leaders firmly rejected the need for any coordination in the field of wage bargaining (Léonard, Erne, et al. 2007), arguably because the integration processes triggered by the Economic and Monetary Union and the EU's eastward enlargement would inevitably lead to the desired convergence of the economy (Erne 2008, 54). But when the eurocrisis revealed that the market integration process generated disturbing imbalances rather than a convergence, the European political dynamic changed dramatically. Instead of laissez-faire, EU leaders supported not only direct interventions in the so-called Troika countries, but also the adoption of a new EU economic governance framework that empowers EU institutions to request significant policy changes from EU member states, including in the area of wage and labour market policy (Erne, 2015, Marginson 2015). This, inter alia, also aims at 'an overall reduction in the wage-setting power of trade unions' (European Commission 2012). The increasingly political nature of European economic governance, however, is also providing opportunities for contentious action. Whereas unions and social movements have always found it difficult to question abstract market forces, successful national and transnational trade union mobilizations have often been triggered in opposition to tangible decisions by political or corporate leaders (Erne, 2008). Yet, both historical accounts of previous counter movements (Polanyi, 2001 [1944]) and recent European election results also remind us that radical marketization processes favour not only progressive but also reactionary counter movements (Kriesi, 2014). This paper therefore aims at analysing the transformation of labour politics in times of crisis as well as the counter movements it is triggering.

Brice Laurent (Mines ParisTech, CSI), Alexandre Mallard (Mines ParisTech, CSI) & Aurélie Tricoire (CSTB, DESH)

Agencing labels in the European economies. The case of the construction sector

Bernard Jullien (GREThA) & Tommaso Pardi (IDHES)

From market seeking to efficiency seeking? The new rules of the European automobile market

The EU enlargement of 2004 has generated a strong increase in Foreign Direct Investment (FDI) toward Central and Eastern European (CEE) countries. This FDI was initially expected to take advantage of the development of local markets. Yet, in particular in industrial sectors such as the automotive industry, FDI has rather led to the establishment of low-cost export bases towards high wages markets within the EU. Since this extra industrial capacity could not be absorbed by relatively stagnant EU markets this has led to a wave of relocations, followed during the 2008-2013 crisis by

factory closures, restructuring, and significant renegotiations of work contracts (i.e. “les accords de compétitivité” in France).

This evolution has been mostly explained in the literature in terms of rational choice: once a company has decided to make an investment in a certain macro-market, such as the Single Market, the choice of a national location concentrates on efficiency considerations and exploits differences in prices and wages between countries to develop the competition between them. This paper explores another hypothesis by looking into why CEE markets for new cars have simply failed to develop. The focus is on the process of political and social construction of markets both at national and EU level and on the problematic role of the EU as an incomplete form of government of the Single Market. The paper will rely on the cases of the Polish and Romanian car markets which will be analysed from the late 1990s up to today.

Nathan Lillie (University of Jyväskylä)

The Unifying of Europe's Construction Labour Market

The breakdown of national boundaries between labour markets in the European Union is a market making project. It is about creating not only a pan-EU labour market, but also a “free” labour market, in the sense of limiting non-market mechanisms for determining labour costs. One of the core goals of the European Union since its inception has been to facilitate the free movement of labour, alongside that of capital, goods, services and establishment. This has developed into an attempt to construct a free and open pan-European labour market through “negative integration”: i.e. integration via mutual recognition rather than through policy harmonization. The implication is that there is a strong deregulatory bias to the way the European labour market is unifying, as firms bypass and select among national regulatory regimes. This is market-making, both in terms of a geographical market expansion, and in terms of an intensification of market dynamics - because the national regulatory mechanisms which are overridden to accomplish the geographic expansion are not replaced with comparable supranational regulatory mechanisms.

This presentation traces the national labour regulatory impact of pan-European market-making and labour market regulation, with a particular focus on the so-called “negative integration” impact of recent decisions of the Court of Justice of the European Union (CJEU) on industrial relations in construction. The conclusion is that the degree to which CJEU rulings inhibit national regulation of transnational employment depends on the universality of wage standards, and the strength of shop-floor trade union structures. Legally extended collective agreements and minimum wages insure that there are wage standards which apply to posted workers. However, since employers routinely violate national labour laws, strong shop union structures are needed to enforce wage norms.

Hélène Michel (SAGE)

The construction of the European market and the employers' space of representation

Thomas Reverdy (PACTE)

How competitiveness and employment issues influence the 'energy transition' and its economic instruments

The analysis of the economic regulation of the energy sector shows that this sector remains a privileged field for national industrial policies. Although the official environmental justifications, the policies of renewable energy development and climate change mitigation are driven by employment and technological competitiveness objectives. We defend the thesis that these secondary objectives are in fact the determinants of public intervention as market reorganization or public subsidies. Several rules or subsidies devices (electricity rates, tariffs for the electricity grid, photovoltaic electricity purchasing tariff, and wind-power call for tender...) were designed with the hidden objectives of developing national industry competitiveness. These kind of industrial policies has been generalized in Europe despite the European competition rules (as State aid control). They benefit from the ambiguities and the uncertainties associated with market design and regulation. But these national industrial strategies remain very vulnerable with the enforcement of European Competition rules and international trade agreement. The case of the photovoltaic industry, ruined by Chinese competition, shows that environmental issues are not necessary aligned with employment issues and technological competitiveness. The decoupling of these issues is threatening the energy transition.

Robert Salais (IDHES)

Andy Smith (Sciences Po, Bordeaux)

**The EU's Incomplete Government of Industrial Employment:
Regulatory Disorder, Economic Slack and Social Anomie**

This paper will present findings from a four-year collective research project into the government of industries at the EU scale in general, and that regarding questions of employment in particular. Centred upon the automobile, pharmaceuticals, wine and aquaculture industries over the period 1990-2012, one of this project's major conclusions is that industrial government at this scale is fundamentally incomplete. As the case of employment shows particularly strongly, this incompleteness stems firstly from the disorder that has emerged between EU, national and intranational scales of regulation for two reasons. The first, and most obvious, is that both the EU's treaties and many national polities divide up responsibility for employment issues in competing and confusing ways. The second cause of this disorder is that many large firms have become particularly adept at taking advantage of the economic slack generated by regulatory incompleteness. Playing off one scale of government against another has thus become a pervasive part of business strategies. More fundamentally still, however, the incompleteness of the EU's government of industries has also been caused by the lack of social meaning that politicians and economic elites have attached to

European integration since the mid-1990s. Consequently, as the closing section of this paper will claim, dominant employment practices and policies throughout much of contemporary Europe exemplify how the delegitimation of their more interventionist and egalitarian-inspired predecessors has left many employees, and thus citizens, living in a socio-economic space where anomie predominates.

Scott Viallet-Thévenin (CSO)

Giving shape to the energy industry. The mergers and acquisitions regulations in Paris and Brussels as antithetical logics

Firms' mergers have been deeply changing the energy industry in France and in Europe during the 2000s. These operations have been initiated by a large movement of privatizations and liberalizations in European countries. Mergers are subject to at least three kind of political struggles. These struggles take place inside the organizations, at a national and political level and at the European Commission. These struggles shape and select the projects. These operations serve the interests of dominant economic actors, but they are also liable to a set of representations and constraints due to the French State and the European Commission. The two organizations thus structure by the negative the energy industry structure. This frame takes place in very different contexts and relies on quite different leverages. Mergers are regulated at a political level in France (and especially by the Prime Minister's office and the President's office). The support of these institutions is necessary to the success of an operation. At the European Commission mergers are regulated by the Directorate-General for Competition. It consists of a technicized process relying on economic analysis and controlled by high ranking civil servants.

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