Note from the editor: [thirty-year crisis of labour relations]

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Note from the editor

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Crisis, what crisis?!…CLR has already devoted some attention to the actual economic situation. For instance, in the recent past we have published several articles that criticised the narrow view that the crisis was mainly a product with US origins. In his contribution in CLR-News 2-2009 ('The Real Economy in Crisis') Jörn Janssen treated the historical background with a focus on the transformation of labour relations and I myself formulated some theses related to the disparity between short time cashing and productive investment. After all, investors and capital owners, backed up by the state and a policy of deregulation, have created an artificial world and played a game of fantasy that money can create money. However, the bill is supposed to be paid by the public.

In the meantime, the world of labour has become more and more dominated by the primacy of shareholder and capital owner upper hand. All other actors in the productive environment have had to be neutralised by legislation (as little as possible) and by contracting out. In this philosophy labour is no more than a commodity that has to be cheap, flexible and powerless. The fact that labour is a crucial actor in the production of goods and services has been (and is) completely denied.

In recent years social risks have been transferred to individual workers or to the state as a result of the strategy to lower social costs and reduce industry-wide provisions. The consequences are both an increase of precarity and higher public debt. The positive effects of welfare state regulations, though recognised by several authors who have studied the relatively good performance of those "surviving" Western European economies with a strong regulatory frame for their industrial relations, is completely neglected in the austerity plans that are formulated at this moment. Whereas social safety nets, sectoral funds and provisions paid directly out of productive activities (through levies and other 'additional' wage costs) that contribute to dampening inequalities in wealth have "softened" the crisis in recent years in these economies, the dictate is now the lowering of wages and wage costs, less social security and further deregulation in order to reduce the "burden" for business to the minimum. On the other hand, a restrictive tax policy will reduce the possibility for the state to act as a safety net for the losers in the speculation battle. Neo-liberalism that was seen as one of the basic causes for this crisis, is back on the scene, or rather it was never away. With business back to usual, we are far from the predicted end of an economic regime.

For this issue of CLR-News, Jörn Janssen acted as sub-editor. He has collected a remarkable series of contributions that can be seen as a follow-up to earlier publications and as an effort to go into depth. The relationship between the world of finance and the real economy is treated and so is the rise and fall of the real estate boom in several countries. In his introduction Jörn Janssen has framed the different contributions and also comes up with a rough outline for a political agenda.
As usual we bring an issue with additional reporting, our reviews and announcements.
We will welcome your comments.