

## Destruction of EU collective bargaining and labour law

**Panayiotis Elia, Researcher, Alexander Research Centre, Alexander College**

The economic crisis which started in the United States financial sector in 2007 is today a global crisis which involves almost all sectors and labour markets (Posner 2009, Stiglitz 2010; OECD 2010); significantly, economic crisis exposed European Union's single market and euro zone. Currently we are experiencing a Union which becomes more and more fragile as the gap between Southern-Mediterranean European countries and Northern countries turns to be unbridgeable.

Taking this as a starting point, this project will comment on the impact of the new European governance on wages and collective bargaining. In this project I will further argue that the direct political intervention of the EU into national bargaining outcomes and in combination with the strong austerity policies it leads to a radical decentralization and in some cases in dismantling of multi employer bargaining (Schulten and Muller 2012). The result of this narrow focus on wages as the key adjustment mechanism has not only been ineffective in addressing the issue imbalances, but, even worsens the debt and growth problems of deficit member states (Holland 2012). Significantly even the IMF has observed that the austerity measures may have gone too far, as they are clearly depressing economic growth and are contributing to the sharp increase of unemployment (IMF 2012).

It becomes increasingly obvious that the new European interventionism must also be understood as a political project to weaken European collective bargaining. Within this concept this project will conclude that this new economic governance of the EU as a neoliberal post democratic form of 'consolidation State' (Streeck 2014) leads to significant implications to EU labour law, precisely, in experiencing a progressive loss of relevance and puts a strain on its traditional core functions and normative justifications (Giubboni 2018).