‘Spain is the Problem, Europe the Solution’: Economic Models, Labour Organization and the Hope for a Better Future

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Introduction

The Spanish philosopher Ortega y Gasset (2004 [1916]) coined a sentence that was to become a leitmotiv in the process of Spain’s integration into the European Community: ‘Spain is the problem, Europe the solution.’ In 2006, for example, celebrating the twentieth anniversary of Spain’s entry into the European Economic Community (EEC), the sociologist Emilio Lamo de Espinosa, then Director of the Think Tank Real Instituto Elcano de Estudios Internacionales y Estratégicos, after referring to Ortega’s original statement, added:

The desire to Europeanize Spain, that is, to modernize it and move with the times, was not so much one of several elements in the political project of contemporary Spain, but its central core, the best summary, a project that brought together equally the left and the right, center and periphery, rich and poor. To Europeanize was to modernize and to modernize was to change. … Our Europeanism was incoming and not outgoing … We are European for reasons of domestic politics, not as an instrument of foreign politics. (2006)

We must recall, however, that Ortega (2005 [1922]) sees the ‘problem of Spain’ in terms of a lack of internal cohesion paradoxically predicated in the incapability of generating an elite that can lead the ‘masses’ away from endangering the nation’s continuity. For Ortega, the problem of Spain manifests itself as ‘particularism’ (of the workers – obrerismo, and of the regions – separatismo). Particularism is seen as a pathological trend that endangers the continuity of the Spanish organism by tearing it apart. It is a ‘congenital weakness of its unity’.

Therefore, when experts today use Ortega’s dictum ‘Spain is the problem, Europe the solution’ they point to the core relational meaning of Europe for Spain. Europe will be the cure for internal fragmentation expressed in national identities and class interests and will provide the basis for modernization. In the post-Francoist rendering that became hegemonic during the Transition, Europe became once again
a ‘unifying project’ for Spain, oriented towards the overcoming of the famous ‘congenital particularism’ that had caused the Civil War. It is worth noting that overcoming national and class conflict was also at the core of the European Coal and Steel Community (ECSC) at the origin of the EEC.

This paper ethnographically explores what Europe meant for steel workers’ expectations of future wellbeing and how the accession to the EEC first, and later the advent of the global firm, affected their practical capabilities of organization. Focusing on the relationship between the global market, the nation state and the steel industry, it unpacks the centrality of particular models of economic development and political belonging in the production of workers’ understandings of their individual and collective agency. After two sections that provide a historical context, the following sections centre on the arguments and logics that union members of the Arcelor-Mittal steel plant in Asturias develop as they strategize to defend the plant and their jobs. In particular, I seek to unravel the spatial dimensions of labour organization and the drive to anchor responsibility in place.

**Peace and Europe**

After the Second World War the aim of a peaceful future between the nations of Europe became synonymous with economic integration, centred on the creation of an open market for coal and steel. The Schuman declaration (9 May 1950), considered as the founding bloc of the EEC (1957), proposes:

> The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims. The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible.3 (emphasis added)

The constitution of an economic community tied to the production and distribution of coal and steel was thus a political economic project where market integration around two key sectors was meant to prevent war and promote peace. The idea was to avoid conflict through promoting industrial collaboration and free trade. Production and the unification of the market of member countries were the centrepieces in the project. At the same time a particular free-trade model of the ‘good’ economy was proposed, one that was being pushed forward by the United States in its reconstruction policies, through the Bretton-Woods institutions, American economic aid (Marshall Plan) and the General Agreement on Tariffs and Trade (GATT) rounds. An additional aim was ‘the equalization and improvement of the living conditions of workers in these industries’ (Schuman 1950). Therefore,
While the creation of a common High Authority was aimed at curtailing national intervention in these markets for the common good of attaining durable peace, this free-market aspect was often overpowered by the national preoccupation with full employment and class unrest, what Harvey (2005) calls ‘embedded liberalism’.

Both Europe and Spain came to envision economic union as a form of political integration and pacification. The idea of becoming part of Europe, as the ‘solution’ to Spain’s internal conflicts following Ortega’s idea, was a central argument for the implementation of neoliberal policies in Spain after 1975. I will focus on the industrial restructuring of the Spanish steelmaking industry in the context of Spain’s transition to democracy and its integration into the EEC. But I will try to make a wider point about the incorporation of the neoliberal economic model that came with it and its consequences for industrial working-class people in Spain.

The central idea I want to put forward is that working-class people were asked to make huge economic (and political) sacrifices – by political leaders – in order to join Western democracies in Europe during the transition years (1975–82). The hope for democracy that had guided an entire generation of industrial workers became a real possibility, and entry into Europe (meaning the EEC) was to be its final accomplishment. But democracy and Europe, tied in this meaning to economic policy, soon became the way a neoliberal economic model was packaged for the consumption of the Spanish public.

Before Europe: The American Model Under Franco

The nationalist economy of the early Franco regime was a peculiar mix of repression and paternalism for the working class (Babiano 1993; Molinero and Ysás 1993). Repression was extreme but employment stability during the regime was a reality especially in the large strategic industries such as steel or shipbuilding. This was coupled with a closing of the labour market to women whose main calling was defined as housework.

Two different periods of trade closure can be defined in the first twenty years after the Spanish Civil War (1936–39). First, ‘Autarky’, a Falangista model of self-sustaining economic autonomy (1939–46). Second, an import substitution model aimed at developing industry in order to achieve competitiveness (1946–59). This second period led to a third period of progressive liberalization after 1953 and the Madrid treaties with the United States (Viñas 2003). In 1963 the International Bank for Reconstruction and Development (IBRD, later World Bank) prescribed for Spain the articulation of monetary stabilization policies, the deregulation of the labour market and the liberalization of trade and foreign investment, while it opened the door to credit aid (IBRD 1963). Starting in 1959 economic policies of the Spanish Francoist governments will follow the model of development that the US had exported to the rest of western Europe after the Second World War, one based on growth, open trade, productivity and competitiveness.
This liberalization model was at the time deemed compatible with state intervention intended to regulate the excesses of the market but not to substitute for it. ‘Indicative planning’ was a model of economic regulation initiated in France after the Second World War and linked to postwar reconstruction (Ramos Gorostiza and Pires Jiménez 2009). One of its major proponents was Jean Monnet the first president of the High Authority of the ECSC and one of the founders of the EEC. ‘Indicative planning’ was a technical device based on macroeconomic data (input–output tables, national accounting) that would enable economic actors to make rational decisions. The state’s role was to gather and make available this macroeconomic information and to coordinate the national economy and its different sectors in relation to long-term economic development targets. The state had to interfere minimally with market forces, but it had to make decisions as to which sectors of the economy should receive incentives because they were thought to represent the ground base of any further development. The state also aimed at guaranteeing social peace through targeting full employment. Spain followed the French ‘Development Plans’ centred on ‘key’ industries (steel, energy, shipbuilding) that would be given preference by the state. In its 1963 report, the International Bank for Reconstruction and Development supported the adoption of ‘indicative planning’ as a way to liberalization and economic development for Spain (IBRD 1963: 3). The 1960s Spanish industrial development plans have subsequently been strongly criticized on various grounds, with most critiques stressing their inefficiency and continued constraints on full liberalization (Ramos Gorostiza and Pires Jiménez 2009). However, other European nations were implementing similar policies of intervention and subsidizing of heavy industry throughout the 1950s and 1960s, in blatant contradiction to ECSC open market objectives. Even later on, the ‘Davignon plan’ of 1977, and approval of the ‘manifest crisis’ clause in 1981 in the second Davignon plan that installed production quotas, expressed the collective support within the ECSC for strong political intervention in times of sectoral crisis, in an attempt to guide restructuring of the sector (Alter and Steinberg 2007).

Indicative planning had two fundamental consequences that are central for the discussion of this chapter. First, it introduced a particular technical language into economic practice, one that seemed to supersede the political language that had infused economic thinking and decisions up to that moment. Macroeconomic data were to be the guides for economic policies and they appeared as devoid of political intention. In Spain, the economists that came to power with that project were aptly called ‘technocrats’. Macroeconomic language would eventually become such a hegemonic force as to pervade the discourse of the democratic trade unions and put an end to the politicized, often revolutionary, aspect of the unions that had re-emerged during the Franco regime (Martínez-Alier and Roca Jusmet 1988). Second, however, indicative planning Favoured key sector industries that could benefit from economies of scale and Fordist modernization, and gave workers in these industries a job that was protected not only through labour laws but also through long-term economic
policies. As a result the workers’ position within these sectors was strengthened, which eventually enabled the reconstruction of class-based trade unions.

Under the governments of Francoist ‘technocrats’ a model of governance emerged where economy substituted for politics, and economic ‘modernization’ was the argument overpowering the realities of exploitation, oppression and repression. As Maier has put it for post-Second World War: ‘In the last analysis, the politics of productivity that emerged as the American organizing idea for the postwar economic world depended upon superseding class conflict with economic growth’ (1977: 629; see also 1981). This was presented as a natural force, a logical necessity, requiring sacrifices for a better good. This American model was embraced by Spanish ‘technocrats’ as early as 1957. With this move, the Franco regime decidedly turned towards a form of ‘modern’ liberal capitalism that would fully develop after the Transition.

The Ethnography in Context: Images of Europe in the Transition

What were the hopes of steel workers during the Transition? During Francoism there was one, quite straightforward, political hope: the end of the dictatorship, the attainment of ‘freedom’ and ‘democracy’. Freedom was interpreted as ‘freedom’ of association, of speech and of movement, mostly referring to political freedom (free unions, free parties). Europe was the expression of this longing. Europe was also seen through the narratives of Spanish migrants coming back home for vacation with consumer goods. Consumption of goods such as household electrical appliances and cars increasingly became an expression of wellbeing. These images of Europe contrast with the memories of the Civil War, the realities of repression, the very low salaries, hunger (*los años del hambre*) and precarious social benefits, and the image of Spain as being isolated from Western democracies, being ‘different’ in a negative way: ‘Spain is different’ was the self-deprecatory saying.

The image of the economy of that period was constructed as one of ‘backwardness’ by liberal and social democrat economists alike. The former decried state intervention, tariff barriers and the rigidities of the labour market. The latter pointed to corruption, oligopolies and corporativist relations of production. However, if we look at the economic policies and decisions being made for the ‘key’ industry of steel after the Second World War within the ECSC by Western democratic states, there is little difference from Spanish policies: dirigisme of national industry and protection of jobs through prices, tariffs, subsidies, cartels and bailouts. As in other European countries, private industrialists were often those investing less and maintaining obsolete facilities and being ‘protected’ by the state, while public industries in these sectors were often the more technologically advanced. Thus, the perception that settled in the minds of workers in the steel industry, of Spain having policies that were hugely different from those simultaneously occurring in Europe, is not clearly sustained by a comparative analysis of facts.
The transition period brought workers great expectations: the hopes of political freedom, fair economic distribution and social rights that had been lost during the dictatorship. These hopes could be summarized as: 1) having a Western-style multi-party democracy (for most workers the appeal of real existing socialism had dwindled); 2) having strong and free-trade unions and the right to strike; and 3) having a better life through increased salaries, consumption of goods and the expansion of public health, education and a reliable social security system. All of this, in a way, was expressed in the image of Europe as a ‘social market economy’.

Very quickly, however, the transition discourse gave way to a realpolitik based on permanent agreements between the different parties, and between unions, businessmen and the state. The Pacto de la Moncloa (1977) was the first of a series of agreements generally compliant with the macroeconomic technical projections and objectives of mainstream economists: curbing inflation, stimulating growth, increasing productivity and competitiveness. The politics of ‘agreement’ [concertación] were described by some as neo-corporativist because they incorporated trade unions into the increasingly neoliberal policies of democratic governments and ‘because macroeconomic orientations become the basis of social agreements’ (Martínez-Alier and Roca Jusmet 1988: 59). Conversely, the UGT (Unión General de Trabajadores) leader Justo Domínguez perceived it as a new form of ‘trade unionism which is inserted in the State’s institutions, a trade unionism of participation, that is or tries to be where decisions are made’ (Domínguez 1990: 98). This situation produced a discursive hegemony that would frame industrial workers’ protests and struggles in a particular ‘language of contention’ that was that of the dominant groups but appeared to be neutral, technical and universal (Roseberry 1994). Often, this was interpreted as a move towards an advanced form of European unionism, based on negotiation rather than on confrontation as had been the case during the dictatorship, one not based on ideology but on technical realities and rational economic decisions.

Here a note on Spanish unionism is necessary because memories of the strong politicization and social transformation aims of the labour movement during the long years of clandestine re-organization are a constant referent in workers’ discourses (Narotzky 2014). Although the trend towards bureaucratic unionism became, as I have pointed out before, a mark of ‘modernization’, of what being a union in Europe meant for many leaders, there remained a strong rank-and-file commitment particularly in the heavy industry sectors. Because during the dictatorship claims had always been both ‘economic’ and ‘political’ the component of what has been described as community unionism was always important and one would find the same people involved in union activism and in neighbourhood association activism in industrial areas. In many heavily industrialized areas, moreover, what happened in the factory was very much a part of what the community’s life was about and unions’ activism addressed issues such as housing and infrastructure facilities (Collins 2012; Kasmir and Carbonella 2008). In the 1980s, for example, the first restructuring of heavy industry resulted in high unemployment and an epidemic of heroin abuse among the younger cohort and of alcohol abuse among the older. Neighbourhood associations,
often organized around union activists, were key to the development of community clinics and rehabilitation centres as well as to furthering claims of general public services provisioning. Retraining courses were also one of the central claims of the unions after the transition ‘agreements’, especially in areas hit by restructuring redundancies. Finally, unions were attached to parties and were ‘political’, until the 1980s allegedly aiming at a radical social transformation. The separation between the socialist (social-democrat) and the communist parties and, respectively, the UGT and the Comisiones Obreras (CCOO) unions was part of the ‘modernization’ and ‘Europeanization’ of both unions and parties after the Transition.

After the Transition to Democracy, the first socialist government of Felipe González started a restructuring of heavy industry preparing Spain for incorporation into the EEC and the ‘challenge of competitiveness’. This trend has continued until the present through various moments of restructuring and job loss and the present period of structural adjustment.

New Business Models: The Struggle for Investment and Profitability

The process of restructuring the Spanish steel industry that began in the early 1980s has not yet ended. The public steelworks ENSIDESA had incorporated several private factories from 1973 to 1993 (UNINSA, AHV) making it the largest plant in Spain. This process was meant to create a restructured and financially healthy company (CSI) ready for privatization. During the 1990s the process led to privatization through various stages of foreign capital takeover: first Aceralia (1998), then Arcelor (2001) and finally Arcelor-Mittal (2006).

Restructuring in the 1980s was considered a necessity stemming from the low profitability of the Spanish industrial fabric that was a consequence of the Francoist policies. This was admitted by the workers, and it was understood as part of the economic sacrifices needed to become part of ‘modern’ Europe. So investment and profitability became the key logics in the union leadership’s strategies, and a hallmark of their being a form of ‘modern’ European trade unionism that some workers resented. In the words of Antonio, a union representative for CCOO:

The issue of profitability [rentabilidad] is hard to take on [by union members]. Normally you think of resistance unionism [sindicalismo resistente] and really what you have to do is participatory unionism [sindicalismo propuesta], [otherwise] we would bring in bankruptcy. So we had to close some plants and not others, so why close one and not another? The answer is based on profitability [rentabilidad]. […] We learned this quickly. We were not like ‘European trade unionists’ [sindicalistas europeos] because we had come out of Francoism and clandestinity … but we soon learnt. (2010)

For Juan, a former anarcho-syndicalist rank-and-file worker, this was the expression of a defeat: ‘Unions in this kind of firm do not exist. They are like a department of
the firm’ (J. R. 2011). Indeed, the porosity between union leadership and Human Resources departments that has been pointed at in other cases (Mollona 2009) could also be found in this plant at least in one case. But, generally, workers tended to admit that the new environment required a new form of unionism that was able to understand the challenges of globalization.

The emphasis on profitability became central in the first restructuring period tied to the global steel crisis, the reduction of overcapacity and the accession to the EEC. Here the relational understanding of Spain vis-à-vis Europe is central. Spain’s industry was backward because of the policies of the dictatorship. Support of inefficient private companies and corrupt management had been lethal. In some accounts we also find the idea that while all of Europe had been restructuring heavy industry since the 1960s, Spain was not following suit and got left behind. Yet this is incorrect. Mining was partially restructured in the late 1950s in the European Community, but also in Spain. Steel did not enter crisis until 1974, with restructuring really taking place in Europe after 1980, which is when it started to get underway in Spain as well. Nevertheless, the widespread understanding is that what Europe had done, Spain had to do in order to ‘catch up’.

Simultaneously the model of the large ‘public enterprise’ is described as being created ‘to give work’ (2011), and it did give direct work to some 27,000 men before restructuring began in the 1980s. It was an ‘untenable model … [but] one that made sense in that period when the primary concern was that people have work, social peace, and everybody happy … . There were none of the expectations of management that we have today, profitability, productivity, competitiveness, all those terms we use nowadays’ (2011).

The idea of ‘not missing the train’ [no perder el tren] of Europe and modernity was repeated by political, economic and union elites as an ‘argument’ for restructuring industry and for adopting a particular increasingly neoliberal economic model based on open markets, competitiveness and profitability. For the steel industry in Europe, the problem of competitiveness was often not so much one of profitability but of overcapacity as a result of the worldwide optimistic expansionary forecasts of the late 1960s that led to investment and increased capacity just as the crisis of 1973 dramatically reduced demand (Hudson and Sadler 1989). As a result, plant closure became the mandatory industrial policy all over Europe but often with profitability as the main argument given to the local unions, which were coopted into saving their plant through restructuring.

But betting on profitability meant increasing productivity, which in turn meant redundancies. The plant in Asturias went from 26,000 to its present 6,000 workers
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mostly during the first (1983–6) and second (1993–6) restructuring periods. To Arturo, a CCOO union representative now working in the Human Resources department, profitability is always a term for personnel reduction: ‘When you speak of restructuring processes you know what you are talking about, you are talking about productivity, you are talking about staff … . And when you talk about staff you know you are talking about reducing it’ (2011).

Further structural transformations became apparent during the privatization process in the 1990s. There was a moment when distancing between workers and management increased in such a way that there was a qualitative change. And this process is expressed in an opposition between foreign national interests and local regional ones. In a narrative of the privatization process Arturo recalls:

[after the final privatization that produced Arcelor] when we have the Belgians, the French and ourselves [the Spanish], then we can see a breakdown between the model of the public enterprise [local, paternalist] and that of the private enterprise [global, profit-oriented] in the bad sense. We can observe that decisions are made very far from Asturias, and you lose control of the decision making process. … (2011)

There is a sense in which this “you lose control” is both a class term and a regional term that refers to the ‘public’ interest of the industry in terms of its weight in the area’s gross domestic product (GDP) and the wellbeing of many locals. This distancing and loss culminates with the selling of Arcelor to Mittal in 2006. Arcelor-Mittal is a multinational, and business plans are designed at the level of the firm, not at the level of each individual plant. This is understood by workers as a break of responsibility links, where central managers do not care about what happens to any individual plant, nor, obviously, to its workforce. But this also creates a terrible dilemma for union representatives. Mittal headquarters are in Luxemburg, and representatives of local unions have to go there to negotiate. They must show a united front if they want to save their plant, and there is no room for nuances. As Ismael (a UGT representative) said:

You might think sometimes that [here in Spain] UGT and CCOO [originally attached to the socialist and communist parties respectively] confront each other … but the focus of Europe changes everything […]. In Europe people speak of the Spanish delegation, nobody argues and we don’t show different viewpoints. We eat together, we design the lines of action. We had to overcome the [old] image when central union committees […] were 200 meters from the factory management, there you had the one who was in charge and you didn’t have to look further. You went there and you said ‘no, we are not going to accept this, and we stopped the factory, but now what would we be stopping? We do not amount to more than 4 per cent of Arcelor-Mittal. A speck on a map. This requires a change of mentality and of strategy. Some things we can negotiate at the local level because the managers here have authority on the subject, other things you cannot. The forum is in Luxemburg; there you have the general management. […] Now you have to pressure for the rights of workers but you [also] have to defend your plant … . (2011)
This contradiction is something that is extremely central in union representatives’ discourse and it relates to the crucial theme: the need to be competitive, to be profitable, not only in terms of the global market for steel, but also in terms of internal competition with other plants in the same firm. And, as a consequence of this, the union’s insistence on the importance of the firm’s investment in the plant as a working-class strategy, leading to a form of ‘economic nationalism’. At the same time, unions are trying to develop a common front in face of the global firm through European and International union committees. Ismael further explains:

Because firms are organized in terms of competitiveness and competitiveness makes enemies. […] As part of the European [Union] committee you have to defend that closings do not occur […] but automatically you are thinking of your blast furnaces. It is important to have a good communication [among the European Union committee]. But what is good news for me might be bad news for you, and this has to be debated at the union level, and it is a long debate. This is the global firm. (2011)

But Mittal is not only any other global firm. It is the largest steel company in the world, which makes it possible for it to control prices in the steel market, in order to capture a larger share of the market. This, however, has negative consequences for many of its less profitable companies – with higher costs and lower demand, mostly those situated in Europe – in that they are forced to sell below their production cost. So that the firm’s global profitability is endangering the profitability of local plants, and it is also forcing them, through the market, to increase their profitability. In Arturo’s words:

You sell underneath the production price because Mittal is forcing market prices to change, by dumping in the market products with a lower cost of production, he gets more profitability but he also leaves you with your pants down [con el culo al aire]. This is a global world and competition is internal [to the firm]. It is like a family with lots of siblings where we all fight to eat the soup while it’s hot [por comer la sopa caliente]. (2011)

For the unions, the contradiction created by this logic is that between the objective to save the local plant and employment locally, the need to be responsible towards steelworkers at home but also in the global firm, and the crucial understanding that there is no responsibility towards any locality or people on the part of general management or the firm. While unions are driven to frame solidarity first in local terms, their bosses are acting in global terms (Kasmir 2014). And they know it. Competitiveness, the key concept of the neoliberal discourse, then also becomes the key concept in the unions’ leadership strategy to save the local plant. Competitiveness, productivity and profitability become reconfigured as a bastion of regional economy. But this has two unavoidably negative results: 1) that productivity is always tied to personnel reduction; and 2) that in-company competition
between plants destroys the solidarity of the working class in the globalized firm (see also Hudson and Sadler 1989). To quote the socialist union representative Ismael once more:

Arcelor-Mittal represents 11% of the GDP of Asturias. There are 100,000 people living in Asturias. Somebody thinks that the hand of Lakshmi Mittal would tremble [if he thought of closing the plant]? We only can fight with results. You have to show results, to be competitive, and it is a one-way journey, because Mittal’s present politics is that Mittal does not believe in Europe, he does not believe in European steel because of the European tradition of social policies that do not exist in other parts of the world. That becomes a handicap and so there is no interest, the interest is in investing in Brazil, Mexico, China, India, but not in Europe. […] When Mittal bought [the Arcelor plant in Asturias] there was a deficit in the world steel market [2006]. With the crisis everything collapses and now we see the truth of Mittal’s politics: ‘I need plants that can equally produce 5 tons or 2 tons, depending on the market’. … The best situation [for Mittal] would be to subcontract work personnel to external firms when needed. This is the industrial politics of the future, and it is true panic. You are never going to be as competitive as China or Mexico, you won’t make it. … First products fall, then workshops fall, and then plants fall, no way we are going to stand the pull. (2011, emphasis added)

In terms of the European strategies of multinational firms, it seems to be the case that there is almost no investment in integrated steel plants anymore. A major reason for this seems to be European environmental legislation setting maximum CO\textsubscript{2} emission quotas for steel plants that have to be attained or traded for at a cost. The European ‘Emission Trading System’ for steel has been described by the president of the Consultative Commission for Industrial Change as ‘diabolic’.\textsuperscript{12} It has driven the European business steel association Eurosfer to go to court – with union support – in order to change the benchmarking of emission capacity set by the Commission. The threat being that plants will relocate to free emission countries. Moreover, as transportation costs increase, it becomes again a rational move to get plants closer to raw materials (iron or coking coal). So union leaders are in the paradoxical position of siding up with European business in order to ask for less environmental regulation from the EEC in order to save their plants, without really knowing if firms, which are mostly multinationals, are really interested in saving European plants in the long run, or are just trying to eschew their social responsibilities once more (for a related double bind situation of union leadership see Mollona 2009).

**Territories and Nations**

Since the 1980s’ need to restructure in order to become ‘competitive’, the unions understood that the regional aspect was a crucial instrument of struggle, a situation that continues up to the present. The struggle became a struggle between regions in Spain (during the first restructuring phase), and then between plants within regions
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of Europe. It was also, very crucially, a struggle for investment. Antonio (CCOO) explains:

[For political reasons] we saw the impossibility [for the state] of destroying all the industrial fabric of the country: in Asturias, we realized right away that closures were inevitable and this is when we began to raise the issue of investing – investing in the plant and making it more modern in order to make it more profitable. That we were demanding investment was shocking when everyone was talking about [overcapacity] cuts, about saving money. I think this was a good move because we managed to secure investments that are modern and profitable [rentable]. […] The unions [sindicatos] were the ones proposing this. I think the [initial] idea was to close the steel industry and instead we got them to invest.

We did have an advantage too [in Asturias], because the crisis in steel coincided with the crisis in mining [la minería] and we also had the shipyards [la Naval] […] So, the defense of steel [siderurgia] was embedded in that of the regional industry and was turned into the defense of a region. Mobilization in the 1980s had the slogan ‘salvar Ensidesa y salvar Asturias’ ['save Ensidesa and save Asturias'] – and that [regional situation] worked in our favor. […] We had an advantage, making it a regional problem and not just a company problem meant that people helped us, people who normally wouldn’t have helped. (2010, emphasis added)

The national or regional delimitation of an economic space that has to be defended becomes a moral instrument that unions have been using in order to make local and national governments responsible, as well as the managers of local plants of multinational firms or the owners of small and medium enterprises (Beynon, Hudson and Sadler 1994). It expresses the entanglement of so-called bureaucratic and community unionism, but it does so by defining a space, a territory, which makes sense to a large constituency. In parallel, the regional or territorial delimitation of economic destinies is reinforced through the EEC territorial units (NUTS) that are used as statistical areas for the compilation of macroeconomic data and are the focus of structural and cohesion funds. These, in turn, contribute to the interest on the part of firms or entrepreneurs to locate particular ‘projects’ in particular areas that can opt for subsidies from these European funds. As funds are often linked to retraining schemes in de-industrializing areas, and as vocational training is often controlled by unions, the regional aspect is also a central aspect in union’s strategies. Thus, territorial economic identity gets reconfigured through the particular relations of specific regions to European subsidies.

It would seem, then, that the hegemonic language is that of neoliberalism, and unions are at pains to take the struggle into a different framework. Their struggle is trapped in the immediacy of fighting to keep jobs, to keep the local plant going and to keep the region alive (Herod 2001; Sanchez and Strümpell 2014). They lack an alternative framework in which to analyse economic processes after the generalized dismissal of political and revolutionary unionism during the Transition, and the adoption of a ‘modern’ European neo-corporatist unionism. However, there
is a sense in which they do not give in and keep on struggling and the struggle is real (Kasmir 2009). There is, undoubtedly a sense of defeat in the face of global competition, often in-firm globalized competition. A sense of awkwardness because the promise of Europe has been a deadly trap: European regulations, such as the Emission Trading System and environmental and security regulations, are collective social benefits that turn into poison in a neoliberal framework that defines territories in terms of their profitability or competitive advantage, in the abstract. This explains why territory, proximity and an attempt to produce responsibility outside abstract models are increasingly successful in these corners of Europe, as the example of economic nationalism or regionalism shows here. This explains why a return to new forms of corporativism based on national identity and inter-class responsibility are substituting for the ‘old’ class confrontation, and often stirring racist and chauvinistic attitudes among the working class (see Kalb 2011, 2009). This is a deadly trap within a struggle for life.

**Conclusion**

So where does Europe stand now? Has it been dissolved by global markets? Has it been dissolved by financial capitalism where production doesn’t matter any longer? For many steelworkers in Asturias, now, Europe was the beginning of this global nightmare of perpetual competition and layoffs. It was the beginning of the neoliberal turn, but the Transition in Spain glossed over these new realities in a perverse manner. Admittedly, Europe provided a defence, for a while, through the subsidies aimed at convergence. But that ‘gift’ also proved to be a double bind in the end, for it was premised on the dismantling of the industrial fabric, initially with generous subsidies for early retirement, unemployment funds and retraining. As Spain entered the EEC, the welfare Europe of the 1950s, 1960s and early 1970s, was quickly disappearing. The peace project enclosed in the original ECSC treaty of Paris (1951) that was based on production – the union of industrial interest and workforce welfare – within Europe now seems superseded by the circuits of financial capital.

For Asturian steelworkers, this neoliberal reality is experienced as an imposition of abstract models that do not take into account human beings, human relations and personal responsibilities. Abstraction and distancing are the hallmark of this form of capitalism, which has been creeping in for a long time. The last turn of the screw is expressed for these workers as the substitution of industrial capitalism by financial capitalism where profits become increasingly unrelated to production. As Antonio describes it: ‘Before, investing to make a company profitable was linked to production … what is happening today is that now it is linked to “profits” [ganancias] which is a different concept, a completely abstract concept because profits are not produced in factories but in the stock exchange market, and this is another thing altogether’ (A. B. 2010).
Moreover, while abstraction in profit making becomes hegemonic, distancing produces another kind of abstraction, namely the total loss of responsibility of the employers towards workers they don’t know. Workers, moreover, lose the material ability to pressure the boss, who is not linked to a particular territory either materially or in any other way. Workers try to ‘de-globalize globalization’ and re-embed it in proximate networks of concrete responsibilities, in a context where capital is increasingly mobile and increasingly abstract. But many, as Ismael, feel this is a lost battle: ‘First products fall, then workshops fall and then plants fall, no way we are going to stand the pull.’

In any case, the Europe that these steel workers were aspiring to was a different one. In their imagination, it was a Europe where workers had rights that were inexistent in Francoist Spain. But they got trapped in the hegemonic macroeconomic technical language of incipient neoliberal capitalism from the beginning, in order to consolidate democracy. Although, for many in Spain, the solution is still Europe, an imaginary [Northern] Europe that knows the mechanisms of economic success,14 many voices, sensing the loss of common purpose among the founding European nations, are beginning to raise doubts.

In January 2010, as Spain was starting its turn in the EU presidency, José Ignacio Torreblanca, then Director of the Madrid office of the European Council on Foreign Relations pointed out:

[T]he evolution of the European political project which has led to the 27 member EU has cast doubt on Ortega y Gasset’s virtuous circle (‘Spain is the problem, Europe the solution’) which up until now had dominated our foreign policy. If ‘more Europe’ does not necessarily mean ‘more Spain’, the Europeanism which has guided our European policy for the last twenty five years is no longer the automatic answer to each new challenge. Indeed, rather the opposite would seem to be the case; in the new context, it is completely legitimate to ask how much Europe Spain needs to achieve its ends, on a case-by-case basis. (Torreblanca 2010: 1–2; see also Elordi 2012)

On the one hand, the present-day reconfiguration of neoliberal capitalism within lines of unlimited competition is reproducing in Europe the same divisive territorialized conflicts that the EEC was set up to prevent. In Spain, a form of economic nationalism (or regionalism) is understood by different agents as forwarding their aims. The language of cooperation between local economic and political actors is used by workers as a bulwark against globalized firms’ attack on labour, while it is used by firms as a means to force labour to comply with internal restructuring and to press their claims against environmental and labour regulations negatively affecting costs in Europe.

On the other hand, in a conjuncture of unprecedented wealth polarization, lines of class solidarity are not well defined. They are being erased by flexible production structures that have resulted in subcontracting many tasks to small firms, often spin-offs of the main firm. In this context temporary contracts prevail, creating
an increasing differentiation among ‘permanent’ in-firm labour and ‘precarious’ subcontract labour (Parry 2009; Narotzky 2015a; Sanchez and Strümpell 2014). But the so-called stable workers in the main firm are themselves struggling to keep their jobs in the global firm. Here, lines of class (solidarity of all the workers in the firm and in the sector) are obscured by the dominant hegemonic language of profitability and competition that has captured workers’ logic in their struggle for survival (see Kasmir 2001 for a different kind of shaping of the worker’s self to further the firm’s interests).

Simultaneously, a form of localized, non-ideological politics is emerging as a grassroots response to the overt collusion of economic and political elites with a neoliberal programme eroding those social rights that were envisioned as the expression of being part of Europe. Parts of the 15-M social movement that expressed this rejection of a political system perceived as unrepresentative of ordinary people’s needs is in a process of institutionalization.15 They present the main political opposition to a ruling ‘caste’ of colluding economic and political interests that oppresses ‘decent people’ (Monedero 2013), paradoxically setting the conflict in moral terms rather than in political economic terms (Narotzky 2015b). In contrast, other voices stemming from a reconfiguration of the class perspective still speak of the ‘world of work’ as inclusive of many different experiences and positions within the capitalist structure but fundamentally based on its members’ common lack of economic and political power, where the struggle against financial capital (in its diverse impact on powerless economic agents) would become a new rallying point (Narotzky 2015a; Collins 2012).

It is difficult to guess, in the wake of an increasing global discontent caused by precarious livelihoods all over the world, what will be the emerging identities that will take industrial workers’ struggle beyond a neoliberal language of contention and ordinary people beyond moral claims. However, what seems to be losing force in southern Europe is the expectation that becoming a member of the European Union was a project for the benefit of the world of work. The spatial reconfigurations of hopes, claims and politics expresses the demise of a dream of wellbeing tied to an imagination of a Europe oriented, as Robert Schuman’s (1950) declaration expressed it, towards the ‘equalization and improvement of the living conditions of workers in these industries’, at least within Europe itself.

Notes

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am responsible for the contents of this paper. I am particularly grateful to Claire Montgomery and Elena González-Polledo who conducted interviews in Asturias and to Irene Sabaté who was also part of the Spanish team. The ICREA Academia Programme of the Generalitat de Catalunya provided a five-year fellowship that enabled me to dedicate more time to research. I also wish to thank Sharryn Kasmir and Gavin Smith for their comments on a first draft.

2. In an excellent critique of Ortega’s dictum, Gustavo Bueno, the Asturian philosopher, underlines the racist assumptions that are enclosed in it: ‘Ortega is saying here: Europe is the Spirit; Spain, separated from Europe, is close to Africa, is barbarian, is Nature […] Europe is, for Ortega, the Spirit, Culture par excellence, raising above the barbarian Nature, represented by Africa. Europe is the fruit of the “divine inspiration” of the peoples created by the Roman Empire. The four or five great European nations come from this origin (France, Germany, England, Italy, Spain) that have followed their destiny of world expansion without ever losing their unity. A unity which is not only spiritual (“cultural”) but is also political.’ He stresses as well the point that Ortega sees the ‘problem of Spain’ in terms of a lack of internal cohesion paradoxically predicated in the incapability of generating an elite capable of leading the ‘masses’. ‘In any case the problem of Spain is diagnosed as a “congenital weakness of its unity”, as “invertebrate” will be regularly expressed as a chronic illness […]. In our days Spain’s illness […] manifests itself as particularism: particularism of the guilds, “particularism of the workers”, particularism of the regions and separatism of the provinces. From its congenital illness emerge the pathological trends that endanger the continuity of the Spanish organism, tearing it apart.’

3 The declaration also included ‘the equalization and improvement of the living conditions of workers in these industries’ among the tasks with which this common High Authority was charged.

4. It is important to know that the major economic advisors of the regime were intellectual brokers of American models. This was the case of personalities such as Antonio Garrigues Díaz-Cañabate, married to the daughter of one of the first ITT representatives in Spain (an influence that would be taken up by his sons Antonio and Emilio), the Urquijo family bank – an Urquijo is now the president of Arcelor-Mittal Spain and the president of the Spanish steel business association – also originally involved with ITT interests, Andrés Moreno, director general of the Banco Hispano Americano during twenty-five years and the main interlocutor with the American banks extending credit, Fermín de la Sierra, Managing Director of the Comisión Nacional de Productividad Industrial (CNPI; the Spanish centre of productivity, established in 1952) who had a grant in 1946 to study at the University of Chicago under Milton Friedman, returning to the INI in 1947, Javier Benjumea, founder of Abengoa one of the main engineering infrastructures companies, the Aguirre family founder of Agromán one of the main construction companies involved
in the US military bases construction, etc. It is also important to recall that American-style business schools were founded through the public CNPI directed by de la Sierra with strong American support as well as that of the INI president Suánzes – EOI and EAE – in 1957 with the support of Suánzes (INI), the private Business Schools supported by the Jesuits (ICADE and ESADE) and by the Opus Dei (IESE) in 1958, and exchange programmes that were directly addressed at acquiring business management techniques in American universities (Puig and Álvaro 2003).

5. Fieldwork in Asturias was carried out by Claire Montgomery in 2010 and Elena González-Polledo in 2011 under my direction, for the Project ‘Models and their Effects on Development Paths: An Ethnographic and Comparative Approach to Knowledge Transmission and Livelihood Strategies’ (MEDEA), FP7-CT-2009-225670, coordinated by Victoria Goddard. Transcription of the interviews was done by Diana Sarkis and Jaime Palomera at the Universitat de Barcelona. The ethnography consisted mostly of interviews with steel workers, union representatives and other institutional actors. A qualitative survey of households comprising fifteen households in Galicia and forty-four households in Asturias was conducted respectively by Irene Sabaté and Elena González-Polledo. Results were formalized so as to be comparable with results in other field sites (in Argentina and Slovakia).

6. The ‘backwardness’ of the Spanish economy in the key industrial sector of steel was not a result of applying a different analysis or policies. The main difference in Spanish political economy was the state of repression and fear that affected workers’ claims for better salaries and working conditions. This enabled a higher rate of exploitation that provided rents from labour that inhibited private investment, a situation of absolute surplus value extraction in Marxian terms. Another difference was that private heavy industry firms, often related to the banking sector, were in the hands of elites often supporting the regime. State intervention protected them not only from external competitors but also from internal competitors sustaining a situation of oligopoly in the sector (Clavera et al. 1973; Buesa and Pires 2002). In fact, the creation of large public steelworks in the 1950s was an attempt to create some internal competition that would drive private firms to invest and increase productivity. However, this contradicted the personal support networks that were essential to the maintenance of the regime. As a result, the state inhibited investment in public industry to the benefit of private firms during the Planes de Desarrollo in the 1960s, enabling the continuity of small private and inefficient steel mills. These competed for public funds with the large and potentially profitable public integrated steelworks. Political and economic elites were entangled in patronage networks that produced benefits through the sacking of public funds and the obstruction of internal competition.

7. Justo Domínguez adds: ‘In a not so distant future, scholars will have to admit that the great contribution of the UGT to Spain’s democratic life and
very saliently to industrial relations, has been the understanding of reality, superseding its own history and tradition without renouncing it, with UGT commemorating its centennial as the largest union in Spain. In order to get there it was necessary to design a trade union model based on negotiation and pressure, open to all workers, without losing because of it its character and conscience as an instrument for the transformation of society’ (1990: 103).

8. This might also be the result of the industrial paternalist phase of the large heavy industries where the firm (public or private) provided housing, education, health services, leisure and religious services to families of workers (Bogaerts 2000; Sierra Álvarez 1990).

9. Profitability, however, seems to have been more of a rhetorical argument used by management to explain the need to close plants to reduce overcapacity which was the real aim. See Hudson and Sadler (1989: 70–2) for the Consett (BSC) steelworks in the UK in the early 1980s.

10. The meaning here is that of a public, paternalist, enterprise that ‘cares’ for the workers, and an abstract private enterprise that does not care.

11. On 11 June 2013 the European Commission issued an Action Plan for Steel in which the negative consequences of some environmental regulations for the steel industry (European Emission Trading System for CO2) are considered and calls for a reassessment of regulation (European Commission 2013).

12. Forli (Italy), July 2011.

13. Galicia is still a region receiving ‘structural funds’ (meant to help towards convergence) while Asturias has been redefined as a phasing-out region, meaning that it would be eligible for ‘structural funds’ in a EU15 but it is not in the enlarged EU27.

14. After the financial crisis of 2008, with an unemployment rate of 20 per cent, the social-democratic Prime Minister (PSOE), José Luis Rodríguez Zapatero, commemorating Spain’s twenty-five years of membership in what is now the European Union declared: ‘From the Spanish perspective, over the course of twenty-five years, we have had to make considerable efforts in order to restructure our productive sectors, to take advantage of European funds, and to meet, on time, the requirements for entrance into the Euro, and to accept, definitively, the requirements of supra-nationality when making decisions. And it has always been worth it: always.’ (12 June 2010, Royal Palace, Madrid)

15. The Podemos party had a spectacular success at the European elections of 2014.

References

‘Spain is the Problem, Europe the Solution’


