

REVIEW OF ROLAND ERNE, SABINA STAN, DARRAGH GOLDEN,  
IMRE SZABÓ AND VINCENZO MACCARRONE,  
*POLITICISING COMMODIFICATION. EUROPEAN GOVERNANCE  
AND LABOUR POLITICS FROM THE FINANCIAL CRISIS  
TO THE COVID EMERGENCY,*  
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The book, written by a multinational team of European researchers, contains an in-depth analysis of the economic governance model adopted by the European Union, taking into account the transnational and national aspects of its enactment as well as the strategies adopted by different political and social actors in resisting its implementation. European economic policies are critically evaluated, as the title suggests, on the basis of “the commodification-decommodification axis”, the first being promoted both by market-driven ‘horizontal’ and political ‘vertical’ integration prescriptions, and the second coming from the “the responses of trade unions and new social movements to EU executives” (p. 3). Particularly relevant for the analysis of this second aspect is a database updated to 2023, created by Erne, one of the authors, and Nowak in 2024.

The result of many years of research, the book aims at helping “scholars as well policymakers, trade unionists and social movement activists get a better grasp of the arcane NEG regime, as such an understanding is important if they want to change its structure and its policy orientation” (p. 3). The New Economic Governance (NEG) Regime is a segment of the non-legally binding agreements – Memoranda of Understanding (MoU) – between the Commission and one of the EU states “for implementing the country-specific recommendation (CSR) that entails a specific policy instruction” (p. 2). The authors distinguish these recommendations in

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terms of their coercive power, ranking them as very significant, significant or weak. The NEG regime was created in 2009, after the 2008 financial crisis, and operated till 2019, before being suspended in March 2020, after the COVID-19 pandemic. It was then reinstated by the European Parliament and Council in 2021, after adopting the Recovery and Resilience Facility (RRF) regulation. The book covers both these periods.

In 2009, after the failure of the automatic market mechanism correction, European Institutions decided to cope with the financial risks by cutting public expenditures, namely the ones related to the welfare state, and with a progressive shift to a more interventionist role attributed to the States, although in lines with prescriptions coming from Brussels. This shift, according to the critical assessment of the authors, is also a shift of power from the Parliament to the Commission that started utilising prescriptions and rules instead of laws, circumventing the role of the Parliament. The Commission, besides, enlarged the field of its competencies, including the labour-related topics. The Commission became more active in introducing the neo-liberal prescriptions based on austerity and the priority of the corporation's competitiveness.

The concrete deployment of this new orientation is the prescription of commodification of what was before not a commodity, starting from one of the key features of the European welfare, i.e. the existence of advanced public health systems, and the privatisation of former public utilities for electricity, gas, water and so on. The push toward commodification does not necessarily require the privatisation; it can also work by transforming the internal managerial criteria and priorities, as it is now happening in public hospitals all over Europe, whose financing criteria are being shifted from the reimbursement of the out of pocket expenses met in satisfying the patients' need to estimates of the hospitals' 'products' in terms of average costs in terms of putatively 'homogeneous groupings of diagnoses', a system "associated with several risks, including early discharges, and case-mix selection with cream skimming and dumping" (Pinto s.a.: 3).

The book focuses on two policy areas: employment relations and the public services. In two very effective tables on pages 272-275 and 286-289, the authors resume the main results of their research. These tables shows that also some decommodification prescriptions were formulated for some countries. However, the authors argue, if "we take into account the unequal coercive power of these decommodifying prescription [...] we can see how these such prescription can still be compatible with NEG's overarching commodification logic" (p. 280) that is "the curtailment of wages and public services" (*ibid.*). The authors also insist on the fact that "austerity is neither the only channel of commodification of employment relations and public services nor the most prominent one [...] but rather the pressure to

commodify public services and employment relations through marketising structural reforms” (p. 283).

Regarding employment relations, the authors distinguish between the periods before and after the introduction of the NEG. In the first period, the main driver of the process of commodification was the creation of the European internal market and of the monetary union. Here the “EU law-making through the ordinary legislative procedure in employment relations served the purpose of correcting the commodification effects of horizontal market integration by establishing minimum standards for workers across the EU [...] a plinth of EU labour standards” (pp. 283-284). In public services, the main push was the Bolkestein draft directive of 2004, which aimed at deregulation of “services across all sectors in one go, including the laws governing the transnational posting of service workers” (p. 284). Union protests and transnational social movements pressured the EU’s legislators to curb Bolkestein’s ambition. The movement was not strong enough to oblige the Parliament and the Commission to enact a decommodifying agenda, leaving the EU executives “to pursue their commodifying public services agenda further through new sectoral services liberalisation directives as well corresponding NEG prescriptions” (*ibid.*).

In 2021, the post-COVID-19 NEG regime started. The authors say that it represents a U-turn for the Commission. The Commission enacted many decommodification measures such as the Minimum Wage Directive (2022), approved by a vast majority of the European Parliament and Council, asking the EU countries to design a national minimum wage standard; the minimum wage should be up to 60% of the median of the gross wages and up to 50% of the average gross salary of a full-time employee. The Directive also asked for increasing the ‘collective bargaining coverage’ to 80% in each country. In 2023, only seven of the countries reached those standards. There were other decom Directives on labour issues such as the “Pay Transparency Directive” (2021); The Directives on “Improving Working Conditions in Platform Work” (2021), “on Corporate Sustainability Due Diligence” (2022) to curb human right abuses and activities that negative affect the environment and the climate” (p. 326). The conclusion by the authors is clear-cut taking into account the different tools of the Commission policies, “the EU interventions in the field predominantly pointed in a decommodifying policy direction after the outbreak of the COVID pandemic” (p. 330).

The decommodifying initiative did not however apply to the public services, “the governance of employment relations and public services pointed in opposite directions” (p. 352). The general conclusion, which seems to me to be fully persuasive, is that the launch of the NEG after the financial crisis of 2008 set the route of the EU, a “silent revolution

from above that involved a significant upscaling of employment and social policymaking powers from national to EU level and deployment of commodifying policy prescriptions, thereby further increasing social inequality and the EU's democratic deficit" (p. 354).

Social actors like trade unions were actively fighting this trend, as the book effectively summarises in the Table at p. 346. The main difficulty for these social actors is to cope with a system that interplays between the national and transnational levels, albeit with the prominence of the transnational. To cope with this system social movements and unions should be able to coordinate their initiatives across national borders, that it is not yet the case; as the authors rightly say, this requires politicising the "NEG regime as a whole" because "any socialisation of the NEG regime is difficult to achieve, given the exclusion of national parliaments, the European Parliament, unions and social movements from the NEG (and even more so the post-COVID NEG) policymaking process (p. 352).

The book illustrates many interesting analytical features of the EU political and social framework, highlighting the fact that "public services provision itself has become a key site of capital accumulation" (p. 354). This entails that public services sector become part of the process of the valorisation of private capital, blurring the traditional distinction between white and blue collars, a transformation whose consequences must be taken into account by trade unions, social movements, and left parties.

## REFERENCES

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