

# ***Crisis, austerity and the end of Social Europe – a warning from the Baltic newer EU member states***

Charles Woolfson

## **Abstract**

There is now an emerging debate in academic and policy circles concerning the viability and future of Europe's 'Social Model' in the age of austerity. This lecture draws on the experience of the imposition of radical austerity measures in the Baltic states, so-called 'internal devaluation'. It challenges the myth that austerity can be achieved in a socially and economically 'costless' manner. Yet Baltic-style austerity has now become a template of 'successful adjustment' for the international financial community, for the European Commission, and more widely, as a recipe for recovery for the peripheral Eurozone countries. The lecture argues, based on the Baltic experience, that austerity is fatally undermining the longer-run sustainability of societies that follow this path. At the same time, austerity is compromising prospects of broader European integration based on a shared 'social dimension' and therefore, the adhesion of a European 'Social Model' in newer EU member states.

Keywords: Baltic states, austerity, European Social Model, Social Europe.

**Charles Woolfson** is professor of labour studies at the Institute for Research on Migration, Ethnicity and Society (REMESO), Linköping University, Sweden. Between 1999 and 2009 he was resident in the Baltic states, and was for three years (2004-2007) a European Commission 'Marie Curie Chair' at the University of Latvia. Together with Jeffrey Sommers, he is co-editor of *The Contradictions of Austerity: The Socio-Economic Costs of the Neoliberal Baltic Model*. London and New York: Routledge, 2014.