

Trade Unions in Western Europe

Hard Times, Hard Choices

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Mapping the Terrain: Varieties of Industrial Relations and Trade Unionism

What is a trade union? More than a century ago, when Sidney and Beatrice Webb wrote their pioneering *History of Trade Unionism*, they offered the following definition (Webb and Webb 1894: 1): 'a trade union, as we understand the term, is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment'. In their subsequent analytical study, *Industrial Democracy* (Webb and Webb 1897), they described trade union functions as comprising 'mutual insurance' (by which they meant providing financial benefits when members faced adversity); collective bargaining (a term which they themselves invented); and 'legal enactment' (pressure for favourable government action).

These conceptions were limited by time and place. When they published a revised *History* in 1920 they referred to 'the conditions of their working lives', not just 'employment': a recognition that unions were concerned with the position of workers within society, not only in relation to their particular employer. They might also have noted that the growth in white-collar unionism made the reference to 'wage-earners' unduly narrow. Yet a more fundamental issue is that their much-quoted definition frames trade union purposes in terms of the defence of primarily economic interests, whereas the notion of 'industrial democracy' implied that unions were, at least potentially, vehicles of social and political transformation. In their book with that title, indeed, they distinguished two trade union 'devices' which they termed 'restriction of numbers' and 'the common rule': the first defending the market position of relatively advantaged groups of workers against encroachment by others less favourably placed; the second pursuing improvements from which all could benefit.

How far unions pursue narrow economic interests on the one hand, a broader social agenda on the other, changes over time and differs significantly between (as well as within) countries. To an important extent, such

differences connect to contrasting understandings of trade unions and their primary objectives and modes of action. Do they recruit only employees, or also the self-employed, the unemployed, pensioners? Do they represent only their members, or the interests of a broader constituency? Is the agenda they pursue exclusively employment related, or does it encompass broader social and political issues? Do they rely primarily on peaceful bargaining (whether with employers or with governments), with strike action the very last resort, or do they often resort to mobilization and militancy, understanding trade unionism as a social movement rather than simply an organization?

Trade unions have been described as 'intermediary organizations' (Müller-Jentsch 1985), since their main task as collective actors is to deploy workers' collective resources in interaction with those who exert power over them. This means that it is impossible to understand unions in isolation. They are embedded in four main types of relationship. First, with their own members and constituents, giving rise to issues of democracy and accountability. Second, with employers, raising issues of recognition, and of the distribution but also production of profit. Third, with governments, involving issues of the economic and juridical framework of industrial relations, the representative status of unions in policy-making—what Ewing (2005) terms their 'public administration function'—and the 'social wage' constituted by public welfare provision. Fourth, with 'civil society' (or 'public opinion'), which has become increasingly important as unions' intrinsic resources diminish and they seek external legitimacy and alliances with other non-governmental organizations (NGOs). We may note that the first relationship generates a 'logic of membership', which implies responsiveness to members' expectations; the second and third, a 'logic of influence', whereby action is adapted to the expectations of unions' interlocutors in order to deliver results (Schmitter and Streeck 1981); the fourth, however, transcends this division.

In this book we explore these four patterns of relationship in ten countries. Some scholars question whether nations are (still) the appropriate unit of analysis when examining the actors and processes of industrial relations (Katz and Darbishire 2000); and we will certainly consider some of the key variations within each country. But it is also important to stress that individual countries (or groups of countries) possess distinctive configurations of institutions which establish the terrain of trade union organization and action. As Meardi insists (2011: 339), 'if nations are not the beginning and the end of culture, they are not dead or irrelevant either... Law, political traditions and language are particularly important factors that operate mostly at the national level.' For example, labour law in many countries precisely defines the legitimate actors in industrial relations, the status of collective agreements, the legality of strikes, the mechanisms for remedying disputes.

The functioning of works councils or committees, firmly established in most of the countries we examine, follows nationally specific rules which help define the degree to which they are complementary to trade unions. Some 'state traditions' (Crouch 1993) assign unions an accepted role in the formulation of public policy. In many cases, the processes of 'industrial relations' as understood in the anglophone world and of social policy are closely intertwined, giving unions a key role in the administration of the welfare state. The organization and preferences of employers differ significantly across countries, with major implications for the character and coverage of collective bargaining (Clegg 1976). The institutional shape of trade unionism itself reflects often long processes of historical evolution which are often path dependent and resistant to change; so, for example, ideological divisions which have lost much of their former resonance may still leave a powerful institutional heritage in conflicts between rival confederations which to the outsider possess little practical logic.

Certainly institutions can change, not least in the sphere of industrial relations: this is the theme of a large and growing literature (Crouch 2005; Streeck 2009; Thelen 2004). However much some of the discussion of 'globalization' may exaggerate, the intensification of cross-national competitive forces, the internationalization of financial capital, and the strategic priorities of MNCs have indeed stress-tested national industrial relations systems. The policies of the European Union (EU), themselves among the drivers of economic internationalization, have also had a direct influence on national labour law and labour market institutions. To acknowledge such trends, however, is not to accept that homogenization has proceeded so far that national distinctiveness has vanished. When we survey European trade unions, national specificity remains striking.

It has become common to distinguish between different 'varieties of capitalism' according to how far, and through what mechanisms, markets—including labour markets—are socially and politically regulated. Hall and Soskice (2001), in their pioneering exposition of the thesis, drew a dichotomy between 'liberal' and 'coordinated' market economies (LMEs and CMEs). Subsequent studies (Amable 2003; Hancké et al. 2007; Schmidt 2002) have criticized this binary schema and developed more elaborate classifications, taking into account in particular the role of the state in managing the economy and structuring the labour market. An analogous debate has followed the effort of Esping-Andersen (1990) to outline 'three worlds' of welfare provision: a privatized 'liberal' model, an egalitarian 'Social-democratic' model, and a state-led but inegalitarian 'social insurance' model. Here too, critics have argued the need to distinguish additional models. In both respects, attention to national socio-economic context is crucial for any comparative analysis of trade unionism. As Hoffmann and Hoffmann insist (2009: 389),

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the impact on unions of similar external challenges is very different, 'depending on their own organisational structures and political culture and on the particular variety of capitalism and welfare state model in which they are embedded'.

It has also long been argued that small countries, particularly when highly exposed to world markets, exhibit particularly strongly organized industrial relations (Katzenstein 1985), and that unions are likely to be tightly integrated into national policy-making institutions. Accordingly, our study includes larger and smaller countries and encompasses each of the four commonly identified varieties of capitalism in western Europe: Sweden and Denmark, with Social-democratic traditions, exceptionally high union density, and elaborate egalitarian welfare regimes; Germany, Austria, Belgium, and the Netherlands, with institutionalized 'social partnership'; France and Italy, with a history of strong Communist parties linked to adversarial and weakly institutionalized industrial relations; and the LMs of Britain and Ireland. These four groupings are widely adopted as broad classifications of industrial relations regimes in western Europe (Ebbinghaus and Visser 1999; Visser 2009). We outline some of the characteristics of each country, pointing to the complexities affecting any attempt at classification, and indicate ways in which traditional models have been changing. Some basic labour market indicators are presented in Table 1.1. We list the countries in the order of the summaries above.

We link these accounts to the literature on 'varieties of unionism', showing how traditional union identities have reflected national contexts but are also

Table 1.1. Labour market indicators, 2011

	Population (million)	Employment rate 20–64 (%)	Female rate (%)	Fixed-term contracts (%)	Part-time (%)	Unemployment rate (%)
SE	9.3	80	77	16	26	7.5
DK	5.5	76	72	9	26	7.6
DE	82.0	76	71	15	26	5.9
AT	8.4	75	70	10	27	4.2
NL	16.5	77	71	18	49*	4.4
BE	10.8	67	62	9	25	7.2
FR	62.5	69	65	15	18	9.6
IT	60.0	61	50	13	16	8.4
UK	61.6	74	68	6	27	8.0
IE	4.5	64	60	10	24	14.4

* In NL, part-time status is defined as working under 35 hours a week; elsewhere, it is based on employees' self-definition.

Source: Eurostat.

Table 1.2. Trade union density and collective bargaining coverage, 1980 and 2010

	Union density		Bargaining coverage	
	1980	2010	1980	2010
SE	78	69	85	91
DK	79	68	72	80
DE	35	19	78	62
AT	57	28	95	99
NL	35	19	79	82
BE	54	52	97	96
FR	18	8	85	90
IT	48	33	85	80
UK	51	27	70	33
IE	64	37	64	44

Source: ICTWSS database for 2008–9, based on national sources (Visser 2011).

subject to transformation. As an indicator of two key features of different national models, Table 1.2 presents data for membership density and collective bargaining coverage in each country, showing clear cross-national differences and also significant changes over time. Four points emerge clearly. First, density varies remarkably across countries, the differences even more striking if compared to the far more uniform proportion of voters supporting 'left' parties, usually regarded as partners within a broader labour movement. Second, density has declined universally in the past three decades, but far more severely in some countries than others. In general, unions where membership levels were initially high have proved more resilient, thus disparities have increased over time. Third, while there are clear differences in bargaining coverage, they are less dramatic; and some countries with very low union density have high coverage. Finally, coverage levels have fallen far less than union density, and indeed in some countries are today higher than thirty years ago. Overall, as Checchi and Visser (2005) argue, the relative positions of different countries tend to persist: collective regulation seems path dependent.

Below we present a brief initial outline of our ten countries, focusing on the social, economic, and political context and the characteristics of each movement in the period of its greatest strength and influence. As part of this discussion we first review some of the explanations for these distinctive national patterns. In the following chapter we survey the key challenges and changes which have threatened each of the national models, and present an initial overview of different attempts at 'revitalization'.

Models of Trade Unionism

In any cross-national comparison one can use the telescope or the microscope. The first reveals broad contours rather than fine details, and from a sufficient distance one mountain may resemble many others. On this basis, comparativists create classifications of country groups, proposing a parsimonious catalogue of types rather than insisting on the uniqueness of each national case (which would make comparative analysis virtually impossible). But there is always a trade-off between parsimony and accuracy. Through a microscope, the differences between seemingly similar cases become all too apparent. In the 19th century, Darwin distinguished ‘lumpers’ (who worked with broad, encompassing categories of phenomena) from ‘splitters’ (who emphasized the differences between cases). In the following discussion we lump our ten cases into the four groups outlined above, but in splitting mode outline key differences within each category.

Before turning to national cases, we address some key issues which recur in the scholarly analysis of comparative trade unionism. The *first* concerns union membership and density. Approaches tend to be either longitudinal (examining growth and decline) or cross-sectional (addressing cross-national or intra-national variation—for example between manual and white-collar occupations, public and private sectors, male and female employees). There is a fashion for econometric analysis of national membership data. However, such analysis does not always take adequate account of the limits of national statistics, since these typically derive from unions’ own declarations, which may be exaggerated, particularly in countries with rival union organizations seeking to assert their own representativeness. More elusively, the very meaning of union membership can vary cross-nationally. One reason why density in Sweden was until recently 80 per cent, as against only 8 per cent in France, is that to become a formal union member in France has traditionally implied a commitment to active participation and engagement, whereas in most other countries a far more passive affiliation is the norm. As Müller-Jentsch insists (1985: 22), ‘union density tells us nothing about the quality of the ties between the organization and its membership’.

Explanatory approaches are of several types. Traditionally, the most influential were economic in focus, treating changes in the levels of employment or unemployment, or movements in prices and wages, as key causes of fluctuations in union density. Such approaches address longitudinal changes rather than cross-sectional differences; and they fail to explain trends in the Nordic countries and Belgium, which are often counter-cyclical. This can be explained by the key union role in the administration of unemployment benefits (at least until recently), creating a particular incentive to membership in times of rising unemployment (Ebbinghaus et al. 2011; Van Rie et al.

2011). Hence institutional factors are also important. These are addressed by many theories of cross-national differences in unionization, which highlight the effects of government policy and the legal framework, and more general institutional supports for 'union security' (Western 1997). Clegg (1976) has stressed the impact of specifically industrial relations determinants, such as employer policies and the structure of collective bargaining. Several writers (Ebbinghaus et al. 2011; Fazekas 2011; Hancké 1993) have identified strong mechanisms of workplace representation as an important institutional influence on density. Recent research has also highlighted social attitudes and the importance of 'social custom' (Visser 2002).

A *second* issue is that all union movements display structural demarcations based on principles (explicit or implicit) of inclusion and exclusion. Familiar differentiations are those based on ideology (common in southern Europe and much of the global South); on industrial or sectoral boundaries (which in recent decades has often resulted in conflicts between public and private sector unions); and on occupational status (with divisions between craft and general unions, or manual, white-collar, and professional associations). The different national structural patterns, and the changes which have been occurring in recent decades, are themes of Chapter 4.

Some explanations of cross-national variation in structural patterns emphasize historical origin. For example, countries which industrialized early were more likely to contain self-confident craft groups which formed exclusive occupational unions; conversely, an influential Socialist movement inspired multi-occupational industrial unionism. Employers' organization and policies have also been important: strong sectoral employers' associations encouraged the formation of integrated counterparts on the union side. Legal regulation of union recognition (certification) and rules on 'representativeness' have in some countries created obstacles to small occupational unions and incentives for more encompassing organizations. Finally, powerful, centralized union confederations may be able to regulate inter-union demarcations among their affiliates.

A *third*, and complex, array of issues concerns union government and democracy. There is great diversity in the formal decision-making structures both within and between countries, to some extent reflecting diverse understandings of the *meaning* of union democracy. There is, however, a problematic relationship between formal decision-making structures and the complex and elusive dynamics of real intra-union politics. Famously (or notoriously), Michels (1915) argued that trade unions and Socialist parties were subject to an 'iron law of oligarchy'. Most members lacked the knowledge or motivation to engage actively in the democratic processes of union policy-making; officials had the skills and the personal interests to dominate the decision-making and electoral processes, creating a vicious circle. In Chapters 4 and

8 we examine this argument, and the differences in both formal and real democracy between and within countries.

A *fourth* issue is how to assess the outcomes of trade union action. There are many possible measures of union achievements. One is the share of wages and salaries in the national income (the division between labour and capital). On this index, unions in most countries have been losing effectiveness, since the wage share in national income has almost universally declined in recent decades. Another measure is the union 'mark-up': the extent to which wages in firms covered by union organization and/or collective agreements exceed those without. This has varied substantially across countries, being greatest where company bargaining is the most important level of pay determination, far less significant where multi-employer bargaining prevails and agreements are legally extended across whole sectors of the economy. A third, almost contrary, measure is the degree of equalization in wages and conditions of employment. In many countries, union understandings of 'solidarity' have implied the minimization of differences in rewards based on sector, occupation, gender, or employment status; and they seem to have been successful in reducing such differentials. In some countries, unions may measure their achievements less in terms of collective bargaining outcomes than by the significance of the 'social wage', including benefits from the state. More insubstantial but perhaps no less important is the union role in securing employee rights at work and effective 'voice' over key decisions which affect their employment, which usually requires strong workplace representatives. As we will see (particularly in Chapters 5 and 8), trade union preferences—and success in achieving these—differ radically across countries.

Is a universal theory possible? Price and Bain (1983) contrast phases of institutional stability (when econometric models fit) and phases of crisis and innovation (which they term 'paradigm breaks') when other factors are more important. But we must also ask how much unions themselves can influence their fate. Golden and Pontusson (1992) have stressed the importance of 'strategic choice'; Martin and Ross (1999) write of unions as 'strategic actors'. Research increasingly explores how opportunity structures, even if overall unfavourable, nevertheless offer space for positive outcomes. Such strategic choices are a major focus of this book.

The Nordic Countries: Sweden and Denmark

It is common to refer to a 'Nordic model' of trade unionism and industrial relations, a concept which must be used with caution. As noted above, there is a danger of exaggerating cross-national similarities and neglecting differences. Danes do not like being regarded as surrogate Swedes, and vice versa; and as we will see, the structure of trade unionism in the two countries differs

substantially. But in addition, to speak of 'models' risks placing undue emphasis on the coherence and stability of institutional configurations which in reality contain internal tensions and are subject to constant evolution.

However, to deploy the telescope rather than the microscope, some common 'Nordic' features are evident. The most obvious is the exceptionally high level of union membership, particularly in the two countries on which we focus, and the resilience of high density when unions in most other countries were declining numerically—though in recent years, as we discuss in the next chapter, this has changed. Unions are structured sectorally and occupationally, with separate confederations representing manual, white-collar, and professional employees. Strong union organization is matched on the employers' side, and both types of confederation possess considerable centralized authority. This reciprocal strength has encouraged conflict containment, with formal peak agreements dating back to 1899 in Denmark and 1938 in Sweden. In both countries, unions are strongly committed to 'voluntary' regulation of employment conditions through collective bargaining rather than statutory enactment; this has also extended to the institutions of workplace representation, through trade union stewards rather than mandatory works councils. For a long period there were institutionalized links between unions (or at least those of manual workers) and Social-democratic parties, based on collective affiliation, and for decades these parties dominated national politics. In Sweden the Social democrats were in government in 1932–76, 1982–91, and 1994–2006; in Denmark, for twenty years between 1947 and 1973, sixteen years between 1975 and 2001, and again since 2011. (They have been even more dominant in Norway, though much weaker in Finland.) The years of union strength and Social-democratic government were associated with the creation of an exceptionally developed welfare state, economic equality, and 'negotiated labour markets' (Dølvik 2008); and even the increasing frequency of right-wing governments has not involved frontal attacks on the Social-democratic settlement (Dølvik et al. 2011). For decades there was a virtuous circle between high union density and the welfare regime: as noted above, the Nordic countries have long possessed systems of unemployment insurance which are state regulated but largely administered by the unions (often known as the Ghent system, after the Belgian town where this principle originated) (Lind 2007; Scruggs 2002). Most workers have traditionally joined an insurance scheme and a union at the same time (as is also the case in Belgium).

In *Sweden*, the industrial relations framework was established by legislation in 1928 which imposed a peace obligation during the currency of agreements, with fines for illegal strikers, and created a Labour Court to adjudicate disputes over the application of agreements. Modern industrial relations derives from the 'historic compromise' in 1938 between a strongly

organized, initially militant labour movement and concentrated, assertive private capital within a relatively small, export-dependent economy. This facilitated a positive-sum economic strategy. Sweden under the Social Democrats (*Sveriges socialdemokratiska arbetareparti*, SAP) was one of the first countries to develop a 'Keynesian welfare state' or socially regulated market economy. This included a Ghent-type unemployment insurance system, established in 1935. Partly because of the expansion of the welfare state, there have long been high rates of labour market participation, with minimal differences between men and women. However, there is marked gender segregation: manufacturing is male-dominated, services (especially public) largely female.

Partly as a result of the Ghent system, union density rose steadily, reaching a peak of over 85 per cent in the 1990s (Kjellberg 1998). There are three main confederations. The largest, LO (*Landsorganisationen i Sverige*), was founded in 1898 as an explicitly Socialist body. Its constitution provides central discipline over affiliated industrial unions (currently fourteen), themselves with strong authority over branches and members. But unions also have active local branches, workplace 'clubs', and shop stewards. LO organizes only blue-collar workers, having historically viewed white-collar workers as politically beyond the pale. With the shift in the labour force away from manual work, its membership (today roughly 1.5 million) is now under half the total number of Swedish trade unionists. The second confederation, TCO (*Tjänstemännens Centralorganisation*), was formed in the 1930s and has a general white-collar membership totalling 1.2 million. The third, SACO (*Sveriges Akademikers Centralorganisation*), established in the 1940s, has over 0.6 million members and mainly recruits graduates, particularly in the public sector. There are also some minor independent unions.

The Swedish economy has long been dominated by a number of large, often family-owned, firms, with tight collective organization. Sectoral employers' associations formed a powerful confederation, *Svenska Arbetsgivareföreningen* (SAF) in 1902, taking a very assertive role in structuring industrial relations institutions and practices. It also long acted as a dominant representative of 'bourgeois' political interests in the context of rather fragmented conservative political parties. In 2001 it merged with *Sveriges Industriförbund* (Federation of Swedish Industries) to form *Svenskt Näringsliv* (SN, Confederation of Swedish Enterprise).

A pattern of coordinated relations between strong unions and employers, institutionalized in 1938, was further elaborated in the 1950s with the adoption of the 'Rehn–Meidner model' (named after two LO economists who devised its principles). This model embraced the principle of 'solidarity wages': pay should be relatively equal across firms in the same sector, irrespective of company profitability. The rate should be high enough to force

struggling firms to rationalize (or go under); more profitable firms would be able to expand, increasing overall Swedish productivity and hence competitiveness in export markets. This implied some plant closures with job losses, but the costs of restructuring were mitigated by active labour market policy (retraining, income support, selective job creation programmes) and generous unemployment benefits, under the auspices of the tripartite *Arbetsmarknadsstyrelsen* (Labour Market Board). There was close integration between LO and SAP leaderships, with a functional alignment between government socio-economic policy and unions' collective bargaining strategies. The 'Swedish model' was acceptable to employers because there was little interference with their rights of ownership or investment policy, beyond taxation to fund the growing welfare state. In the 'golden age' of the Swedish model (1950s and 1960s), labour conflict was rare; rapid economic growth combined with export success; inflation was low and unemployment was minimal; there was an exceptional degree of equality.

In subsequent decades, the Swedish model came under increasing pressures, many of which we discuss further in later chapters. Economic success was threatened by 'regime competition'. Major Swedish companies became increasingly transnational, and to maximize competitiveness their investment became concentrated in countries with lower wages and less rigorous regulatory frameworks. The long electoral hegemony of the SAP began to erode. LO made a strategic shift in the 1970s away from voluntarism and towards more legal regulation. Focal issues were the adoption of the Codetermination Act (MBL) in 1976 and the abortive demand for compulsory wage-earner funds. Cooperation collapsed, and in 1992 SAF withdrew from almost all tripartite bodies. Employers for their part pressed for increased pay differentials to encourage skill formation, challenging the principle of solidarity, and demanded greater company-level autonomy to facilitate work reorganization. Organizationally, the ability of LO to sustain a cohesive approach to wage bargaining was undermined by the rapid rise of public sector unions with a distinctive agenda and the growth of TCO and SACO. Underlying growing inter-union divisions was a question of gender inequality: 'solidaristic' wage policy applied primarily within, rather than between, sectors, and the Swedish labour market, as noted above, is marked by considerable gender segregation.

By the early 1990s, it was widely assumed that the Swedish model of industrial relations was disintegrating. The breakdown of peak-level LO-SAF bargaining brought pressures for further decentralization to company level, threatening a complete collapse of coordinated industrial relations. Yet a new institutionalization of conflict occurred. The 'shadow of the law' created strong pressures to re-regulate: the two sides were impelled to seek institutionalized compromises in order to avoid government compulsion. Stronger

mediation procedures—a halfway house between voluntarism and state direction—sustained relative industrial peace. Cross-sectoral coordination of pay bargaining in manufacturing created a functional substitute for peak-level agreement. And despite a growth of company bargaining over ‘qualitative’ issues, sectoral bargaining remained robust. Unionization remained exceptionally high. Hence a ‘new Swedish model’ seemed to have emerged, sustaining many of the features of the old—indeed Anxo and Niklasson (2006) argued that it was now closer to the original than in the 1970s and 1980s. The key question, to which we return, is whether recent changes have more radically eroded the basis for strong and effective Swedish trade unionism.

In *Denmark* there are many parallels, with an institutional framework set even earlier than in Sweden. The main confederations of unions (LO) and of employers (*Dansk Arbejdsgiverforening*) were both formed in 1898 and engaged in a bitter conflict followed by the 1899 ‘September compromise’, establishing a centralized system of collective bargaining (Scheuer 1998). Legislation subsequently recognized the new framework and created a system of labour courts. Though the Danish industrial relations actors are strongly committed to the principle of ‘voluntarism’, in contrast to Sweden there is a long tradition of government intervention should centralized negotiations break down (Due et al. 1994: 132–42).

Denmark has far fewer large firms than Sweden, and has also been affected by far longer membership of the EU (1973 as against 1994). There is a highly developed welfare state, but its features have been distinctive. Employment protection legislation is weaker than in most European countries, but labour market flexibility was long counterbalanced by particularly generous unemployment benefits and (as in Sweden) by active labour market policies—a combination often described as a ‘golden triangle’ (Madsen 2003).

Because of the strong small-firm craft tradition, Danish trade union structure is in some respects closer to that of the anglophone countries than to its Nordic counterparts. It does indeed have an occupation-based division between three main confederations, similar to that in Sweden: LO has traditionally organized primarily manual workers, but also includes lower-level white-collar grades; it has 1.3 million members in eighteen affiliated unions. FTF (which no longer uses a full title but calls itself the organization for professionals) was formed in 1952, and has some 360,000 members, predominantly in the public sector. AC (*Akademikernes Centralorganisation*) was established in 1972 and has 137,000 members. There are a number of unions outside these three confederations, with a total membership of 350,000. Thus LO in Denmark remains far more dominant than its Swedish counterpart, largely because it has been more willing and able to recruit beyond manual occupations. The main distinctive feature of trade unionism in Denmark is the importance of craft organization: most notably the

large *Dansk Metal*, but with many far smaller craft unions. The counterpart of exclusive craft organization was the rise of a general union catering for less skilled workers, and—virtually unique to Denmark—a union of women industrial workers. These two amalgamated in 2005 to create 3F (*Fagligt Fælles Forbund*), the largest LO affiliate, with members covering the bulk of the economy.

The 'Central' Countries: Germany, Austria, the Netherlands, and Belgium

If we apply the microscope, the four countries which we discuss in this section are very diverse; but using the telescope we can identify commonalities which justify treating them as a group. In all four, society was divided in the late 19th and much of the 20th century between rival ideological (political and/or religious) identities, with trade unions forming part of a network of institutions within each 'family'. This resulted in a history of union fragmentation, still present in Belgium and the Netherlands. Until recently, Social-democratic and Christian-democratic parties dominated the political scene; but because of the many smaller parties (encouraged by proportional representation), coalition government has been the norm for much of the post-war period (often uniting the two main parties). Because of party–union links, the trade union movement has always been closely associated with political power. Traditions of 'social partnership' have involved both strongly institutionalized relationships with employers and an accepted role in public policy. All four countries have elaborate but rather inegalitarian welfare states ('conservative', in the Esping-Andersen typology). All possess 'dual' systems of workplace representation through works councils.

As a result of state-sponsored industrialization in the late 19th century, *Germany* has many very large firms (as in Sweden); but there is also an extensive small-firm sector or *Mittelstand* (as in Denmark). There is a strong tradition of collective organization, particularly among employers. Employer solidarity, more than union strength (for union density is below the west European average), explains the persistence of organized industrial relations.

From the 1950s, it was common to speak of a German 'economic miracle': despite the devastation of the war and the loss of much former territory, Germany soon became the strongest west European economy. Corporate governance contributed to this success story: firms traditionally had close links with institutional investors ('patient capital') with a long-term commitment to company success, and a place on the supervisory board; but industrial relations also seemed important. For example, manufacturing exports concentrated on high-skill, high-value-added products. The German workforce has

far more apprentice-trained workers (roughly 30 per cent) than most other European countries. This is facilitated by the distinctive vocational training system, which is statutorily based but involves a high degree of both inter-employer and employer–union cooperation. What Streeck (1992) termed ‘diversified quality production’ owed a great deal to the ‘functional flexibility’ of the workforce. Streeck argued that employment protection legislation and the codetermination rights of works councils made it difficult to dismiss workers, but for this reason workers felt secure and were willing to cooperate in productivity improvements.

The institutional framework of industrial relations has long historical origins but was recast after the war. The status of the key actors is specified in detail by law: the *Tarifvertragsgesetz* (first adopted in 1949) gives the right to bargain collectively exclusively to employers, their associations, and trade unions (without defining what constitutes a trade union, recently a source of dissension), and prescribes the binding character of collective agreements. But the content of agreements is the responsibility of the bargaining parties themselves: there is strong commitment to the principle of *Tarifautonomie* (roughly equivalent to ‘free collective bargaining’). Disputes over the interpretation of agreements may be referred for adjudication in special labour courts. Legislation also establishes the institutions of codetermination (*Mitbestimmung*): works councils (*Betriebsräte*) at company or establishment level, and employee representation on the supervisory boards of larger companies. Councils are required in all but the smallest firms (though in practice they are often absent from smaller workplaces), have detailed sets of rights to information, consultation, and (on a limited set of issues) codetermination (which gives them a virtual veto power), but are obliged to cooperate with management and may not engage in conflictual action. In theory there is a clear distinction between collective bargaining and codetermination, but reality is far more complex.

The German welfare state dates back to Bismarck in the 19th century, and involves an insurance-based system with wide-ranging benefits (covering health, pensions, and unemployment) related to income. Unlike the other three countries in this group, Germany has no formal institutions of peak-level tripartite consultation, but in practice the ideology of ‘social partnership’ has implied that the management and adaptation of the system should be based on agreement between government, unions, and employers (Müller-Jentsch 2011). Trade unions, formerly divided along political and religious lines, were reconstituted after the war on a unitary basis. In consequence they have no formal political affiliations; but in practice, their closest relations are with the SPD (*Sozialdemokratische Partei Deutschlands*), though Christian democrats usually hold a minority of leadership positions (Jacobi et al. 1998: 200). The SDP has never achieved the dominance of its Nordic counterparts,

and has been the largest parliamentary party in only twenty of the years of the *Bundesrepublik*.

The DGB (*Deutscher Gewerkschaftsbund*) was formed in 1949 with fifteen industrial unions (following several mergers, now eight). Today 70 per cent of members are in two unions, *IG Metall* and the conglomerate services union *ver.di*. Membership is just over six million, as against almost twelve million at the peak after German unification in 1990. A smaller confederation, the DBB (*dbb beamtenbund und tarifunion*), has 1.2 million members, mainly among *Beamte* (tenured civil servants), as against just under half a million organized by DGB unions. *Beamte* have no right to collective bargaining or to strike. There are also a number of non-affiliated, mainly professional unions (hospital doctors, train drivers, airline pilots) which have become increasingly assertive, and a tiny religious-based confederation, the CGB (*Christlicher Gewerkschaftsbund*).

The DGB does not itself engage in collective bargaining; that is the task of its affiliates. Its role is to seek to generate a consistent set of policies on social, political, and economic issues (Hartmann and Lau 1980); to represent these to governments and parliamentarians at federal, *Land*, and local levels; and to influence public opinion. It assists member unions in local campaigns, and propagates trade unionism in colleges and universities. One of its major functions is to provide legal advice and representation on employment issues (*Rechtsschutz*) to union members, for which it maintains a large specialist staff.

Collective bargaining may take place at either multi-employer level or with individual firms. Traditionally, multi-employer bargaining has predominated, since most large firms have been members of employers' associations. Unions have strongly supported the principle of the sector-wide agreement (*Flächentarifvertrag*), as traditionally have most employers, though this has been changing. There is a tradition of 'pattern bargaining', with one sectoral agreement (usually in metalworking) setting the trend for the whole economy, though this is less true today. High export dependence creates strong incentives towards relatively consensual industrial relations: despite often militant rhetoric, unions have always been sensitive to the demands of competitiveness, and wage increases have usually been at, or even below, the growth in productivity.

While *Austria* shares some institutional characteristics with its far larger northern neighbour, in many respects its system of industrial relations is 'exceptional' (Traxler 1998: 239). The law underwrites a particularly strong bias towards collectivism. Particularly notable is the statutory underpinning of the *Kammer* system, once far more widespread in Europe (Crouch 1993): workers are obliged to join the Chamber of Labour (*Bundesarbeitskammer*, AK) and employers the Chamber of Business (*Wirtschaftskammer Österreich*,

WKÖ). The AK is not a trade union and does not engage in collective bargaining, but works closely with the unions, its 500 staff undertaking research and education and helping draft policy for the trade union movement, as well as providing advice services to workers, which in most countries are trade union functions. By contrast, Austrian employers have historically been relatively weak and fragmented (Traxler 1998: 252), and it is not the main employers' confederation which engages in collective bargaining but the WKÖ and its sectoral chambers.

Because membership of the WKÖ is compulsory, collective bargaining covers virtually the whole of the labour force. Another remarkable feature of labour law is that only associations have the right to conclude collective agreements; individual employers may not do so (Traxler and Pernicka 2007: 211). However, as in Germany, employers may negotiate agreements on some issues, with a different legal status, with their works councils. There is a diverse range of collective agreements, commonly negotiated separately for manual and white-collar workers, for different sectors and sub-sectors and for large and small firms. Though there is a tradition of pattern bargaining, as in Germany, this diversification offers individual firms the opportunity to engage in 'agreement shopping', affiliating to the sectoral organization which negotiates terms best suited to their own interests.

In Austria there is a far more intimate overlap between politics and industrial relations than in Germany. In part this reflects the strength of Social democracy: the *Sozialdemokratische Partei Österreichs* (SPÖ) has been the largest party in parliament for most of the post-war period, and in government for all but seven years, usually in coalition with the Christian-democratic *Österreichische Volkspartei* (ÖVP). Union leaders have historically played a major role in party politics, mainly in the SPÖ but also in the ÖVP, often sitting in parliament. Since 1957 an institutionalized system of social partnership has existed: the *Paritätische Kommission* comprises representatives of government, the WKÖ, the Chamber of Agriculture, the AK, and the *Österreichische Gewerkschaftsbund* (ÖGB). It has no statutory basis, and formally only an advisory capacity; but plays a major role in policy-making, particularly since coalition governments need consensus for their programmes. It has subcommittees dealing with wages, prices, social and economic policy, and international issues.

Historically, the ÖGB has been exceptional in its centralization: constitutionally it controls the finances and the appointment of officials in its affiliates. It is also unique in covering all trade union members in Austria. It was created with fourteen sectoral affiliates, though this number has been halved by mergers. Although in theory committed to the principle of industrial unionism, in order to sustain a unified confederation it accepted the existence of a cross-sectoral union for white-collar workers in the private sector,

the *Gewerkschaft der Privatangestellten* (GPA), which for some four decades has been its largest affiliate. Austrian unions are also unique in formally recognizing internal political factions, which nominate separate lists of candidates for works council elections and achieve representation on union governing bodies in proportion to the seats won.

In the Netherlands, institutionalized 'corporatist' concertation is also an established element in industrial relations. It has long been common to refer to the 'polder model': *polders* are land below sea level protected by dikes which must be maintained in good repair, a distinctive feature of Dutch topography. This physical imperative to cooperate had its parallel in the post-war era, with the need to rebuild the ravaged Dutch economy after Nazi occupation. The *Stichting van de Arbeid* (STvdA, Foundation of Labour), a joint body representing employers and employees, was founded in 1945, and accepted by government 'as its top advisory body in matters of socio-economic policy-making' (Visser 1992: 324). As part of the same 'historic compromise', the two sides of industry endorsed 'management's right to manage' and 'free collective bargaining' (Visser 1995: 89–90). The tripartite *Sociaal-Economische Raad* (SER, Social and Economic Council) was established by law in 1950. As in Austria, 'social partnership' involved a high degree of centralization within the representative bodies on both sides of industry. Though centralized regulation of pay bargaining disintegrated in the 1960s, it was renewed two decades later, as we discuss in Chapter 5.

In a small, open economy, with large transnational firms highly dependent on export markets, socio-economic consensus was founded on wage moderation but a generous social wage: 'by international standards, The Netherlands has one of the most developed welfare states' (Visser 1992: 324). There was strong government regulation of wage bargaining until the 1980s, and subsequent agreements have often been reached under the shadow of the law. One important means of government pressure is the mandatory extension of collective agreements to all firms in a sector, a mechanism which may be withheld if a settlement is considered excessive. In the same spirit of consensus, works councils (*ondernemingsraden*) were established by law in 1950, for the specific purpose of contributing 'to the best functioning of the enterprise' (Visser 1995: 89). They were not designed as organs of representation or voice for the workforce, but as a channel of communication. Though their powers have been extended by subsequent legislative changes, their role remains less important than in Germany or Austria (Gumbrell-McCormick and Hyman 2010: 292–4).

A distinctive feature of both Dutch and Belgian societies is *verzuiling* or 'pillarization', with competing ideological identities embodied in a network of institutions such as unions, political parties, insurance schemes, and social organizations. Paradoxically, such fragmentation could enhance social

cohesion by moderating purely class divisions and creating a need, and possibility, for negotiated compromise (Visser 1998a: 283). One consequence of diluted class identity has been the relative weakness of the *Partij van de Arbeid* (PvdA, Labour Party): it has headed the government (always in coalition with the right) for only twelve years in the past half century, and has been a minority member of government for eight more years.

For much of the 20th century, trade unionism reflected the pillar structure, though this effect has been moderated over time. The *Nederlands Verbond van Vakverenigingen* (NVV) represented the Socialist pillar, the *Nederlands Katholiek Vakverbond* (NKV) the Catholic, and the *Christelijk Nationaal Vakverbond* (CNV) the Protestant. But as religious identities weakened, the Catholic pillar lost adherents and the NKV agreed in the 1970s to merge with the NVV, resulting in the formation of the *Federatie Nederlandse Vakbeweging* (FNV) in 1981. The CNV, which had been involved in the initial merger discussions, withdrew from the process and managed to attract some dissident NKV unions into its ranks. In addition, a separate confederation competes to represent white-collar staff, the *Vakcentrale voor Middengroepen en Hoger Personeel* (MHP). These organizations claim respectively 1.4 million, 330,000, and 160,000 members. Though FNV has nineteen affiliates, the conglomerate unions for the public and private sectors (*AbvaKabo* and *Bondgenoten*) together constitute 60 per cent of total membership, creating issues of internal democracy which have brought FNV to the point of collapse, as we discuss later. A notable feature of the Dutch system is the agency fee of roughly €20 (popularly known as the *vakbondstientje*) paid by employers on behalf of every worker covered by a collective agreement, unionized or not, and used for training worker representatives.

In *Belgium*, as in the Netherlands, national reconstruction after wartime occupation created pressures towards institutions of social partnership. Shortly before liberation, the leading employer and trade union organizations negotiated a 'social pact' through which 'workers were given some social benefits if the unions were willing to leave the capitalist enterprise structure and its economic decision-making alone' (Hancké and Wijgaerts 1989: 194). The agreement was elaborated in subsequent legislation and 'led to a multitude of legal and voluntary arrangements, bilateral and trilateral, at almost every level of activity', resulting in 'one of the most formalized participation structures in Europe' (Vilrocx and Van Leemput 1992: 362). At the peak was the Central Economic Council (known in the two national languages as *Centrale Raad voor het Bedrijfsleven* or *Conseil centrale de l'économie*), an advisory body comprising equal numbers of employer and union representatives along with independent experts. At enterprise level, the works council (*ondernemingsraad* or *conseil d'entreprise*) was assigned primarily information and consultation functions; the 'social elections' held every four years provide a measure of

support for the rival unions and are often vigorously contested. The councils operate in parallel with the workplace union delegation (*syndicale delegatie* or *délégation syndicale*), which is nominated by trade union members and/or officials and recognized by the employer for collective negotiation and individual representation.

Like the Netherlands, Belgium is a small, export-oriented country with a highly coordinated market economy (Faniel 2012: 20). The cleavage structure entailed by pillarization is cross-cut, and in recent years has been increasingly compounded by tensions between Dutch-speaking Flanders and French-speaking Wallonia, and these divisions have left their mark on industrial relations. Belgian cleavages, like the Dutch, have reinforced the need for strong concertative institutions. One example is the tradition of biennial cross-industry collective agreements, which often provide the material for subsequent legislative enactment, as well as setting the framework for bargaining at sectoral and company levels.

Pillarization has proved more resilient in Belgium than in the Netherlands. The two main confederations historically represented the Socialist and Catholic pillars, each with its own related parties and institutions for social insurance. But uniquely in Europe, for the past four decades the largest organization has been the *Algemeen Christelijk Vakverbond/Confédération des Syndicats Chrétiens* (ACV/CSC) with some 1.7 million members in seven sectoral federations; somewhat surprisingly, it overtook its Socialist rival in a period of weakening religious attachments and declining electoral support for the Christian-democratic party (Arcq and Aussems 2002); and it propagates a less strongly religious message than the Dutch CNV. The Socialist *Algemeen Belgisch Vakverbond/Fédération Générale du Travail de Belgique* (ABVV/FGTB) has some 1.4 million members, also in seven sectoral federations. Also virtually unique is the survival of a separate liberal confederation, the *Algemene Centrale der Liberale Vakbonden van België/Centrale Générale des Syndicats Libéraux de Belgique* (ACLVB/CGSLB) with 270,000 members (Faniel and Vandaele 2011; Faniel et al. 2011). Internally, the regional (Dutch- and French-language) union organizations have become increasingly separate; there are also separate federations within each union for white-collar workers. This causes considerable complexity in employee representation in national bargaining.

As ‘the homeland of the Ghent system’ (Vandaele 2006), Belgium has a framework for unemployment insurance which in effect privileges the three confederations and creates incentives for union membership, at least for workers at risk of unemployment (Faniel 2012). This has resulted, as Table 1.2 indicates, in union density not far short of Nordic levels, and in exceptional stability of membership over the past three decades.

The 'Southern' Countries: France and Italy

Can one speak of a 'southern model' of trade unionism and industrial relations? Yes, if we keep in mind the reservations noted previously. It is possible to construct a stereotype, representing a number of contextual features common (at least historically) to France, Italy, Spain, and Portugal (Greece is similar in some but not all respects). These include relatively late industrialization, a large agricultural sector, and a high proportion of self-employment, with many small employers, often violently anti-union. Historically, the Catholic church was a major obstacle to modernization, resulting in sharp lay-clerical cleavages; perhaps linked to this, in most cases there were strong Communist parties for much of the 20th century, resulting in sharply polarized politics and a division (and hence weakening) of the left. Trade unions have been ideologically divided, collective bargaining in most cases has been underdeveloped and there is a tradition of extensive state regulation of employment conditions. Despite an elaborate framework of representative institutions, their practical impact on employment regulation often seems weak. Many observers perceive a self-sustaining dynamic of highly politicized industrial relations; but others argue that there are signs of significant change, or emphasize the diversity within this group of countries. France and Italy are good cases to consider: up to the late 1960s the similarities in their industrial relations systems were notable, now there are marked contrasts. In both countries, the leading unions were once Communist dominated, and the shift to a more autonomous and more moderate position has involved open and acrimonious internal conflicts: one reason why these unions receive primary attention in our analysis.

The post-war evolution of industrial relations in *France* was shaped by the interaction of an inflexible power structure and economic modernization from above; but for several decades, governments have attempted to overcome the rigidities inherent in the traditional institutional structures and to encourage employers to take greater initiative. This has been reciprocated in major companies by more proactive, 'modern' management, with enthusiasm for US-style 'human resource management' (Hancké 2002). The main organization of larger employers, reconstructed in 1998 as *Mouvement des Entreprises de France* (MEDEF), exerts a powerful political influence in favour of liberalization. For the bulk of the post-war period, the political right has held power, since 1958 within a strong presidential system. At company level there is a tradition of authoritarian management and rigid occupational hierarchies: Taylorism, with its rigid division of labour, was more enthusiastically embraced in France than in the rest of Europe. The almost revolutionary upsurge of industrial and social protest in 1968 had little long-term impact on employment relations, in part because the main oppositional force, the

Parti communiste français (PCF) preferred to stabilize a social order in which it (and the main trade union which it dominated) enjoyed an established role. However, one outcome was an expansion of the welfare state, and today the unions (together with employers) play an important role in the administration of its complex institutional apparatus—a source of significant resources (Andolfatto and Labbé 2000).

At workplace level, the law defines a complex network of committees and delegates, with limited powers but symbolic importance. *Délégués du personnel* deal with individual grievances; *comités d'entreprise* have powers (unlike German works councils) limited to workplace consultation and the administration of social and welfare facilities, for which they receive a budget from the company; *sections syndicales* are entitled to facilities as union representatives. *Délégués* and *comités* are elected by proportional representation; election results are taken very seriously by the rival unions because they offer evidence of relative strength.

Collective bargaining can take place at economy-wide, sectoral, and/or company level. Until very recently, any of five 'representative' unions could sign a valid company agreement, even if it had few members. The sector was long the main level of collective bargaining, but company bargaining has increased considerably in the past three decades. On paper, there is 90 per cent collective bargaining coverage, despite the collapse of union membership. What does this tell us about the practical importance of collective agreements? Many sectoral agreements merely replicate what is already prescribed by law (some even specify minimum wages *below* the statutory level). Key contentious questions are how far, and how, company agreements should be able to 'derogate' from the terms of sectoral agreements; and whether there should be alternative arrangements for workplace bargaining where no union representatives exist. Some argue that the growth in company bargaining is actually a means by which managements evade the effect of higher-level regulation, leading to 'managerial unilateralism' (Goyer and Hancké 2004) and 'deregulation of the labour market' (Jenkins 2000).

French unionism comprises a multiplicity of rival confederations with component industrial federations and regional or departmental sections. They possess complex political and ideological identities, often with internal divisions; all three main confederations declare themselves Socialist. For half a century until changes in 2008, five were formally recognized as 'representative', regardless of their numbers, giving membership in national consultative machinery and bargaining rights at every level. These are the *Confédération générale du travail* (CGT), long closely linked with the PCF, though the ties have formally disappeared; the *Confédération française démocratique du travail* (CFDT), created in 1968 by the secularized majority of the Christian

confederation; the CGT-*Force ouvrière* (FO), which broke away from the CGT in 1948 but claims to be the true representative of its original traditions; the *Confédération française des travailleurs chrétiens* (CFTC), concentrated in a few strongly Catholic regions; and the *Confédération générale des cadres* (CFE-CGC), which competes with the other confederations to represent engineers, technicians, supervisors, sales, and other white-collar staff. Other confederations include the *Union nationale des syndicats autonomes*, a federation of 'independent' unions, in particular in education; the *Fédération syndicale unitaire*, consisting of mainly leftist unions which broke away from, or were expelled by, the former; and SUD (*Union syndicale solidaires*), a group of independent leftist unions, largely breakaways from CFDT.

Membership figures are notoriously difficult to verify in France, but it is agreed that unions' combined density has fallen continuously for several decades, and is now the lowest in western Europe. The CGT has traditionally been regarded as the largest, though this is contested by the CFDT (Goetschy 1998). The main strength of all unions is in the public sector. The meaning of union membership has differed from that in most other countries, implying a willingness to engage actively in the work of recruitment and representation. With declining numbers, it has become increasingly common for one activist to hold a number of representative positions (*cumul des mandats*). Since the law provides for a specified amount of paid release from work for elected representatives, those holding a multiplicity of positions may become full-time unionists, and there has thus developed a large 'trade union elite' (Guillaume 2011) at workplace level: what has been termed 'virtual unionism' given the paucity of members, particularly in the private sector (Howell 2009).

In many respects, *Italy* paralleled France in its historical background to industrial relations. The early post-war decades were marked by social and economic backwardness; the political hegemony of the right; authoritarian employers; weak, politicized, and fragmented unions. As in France, we can identify an interaction of politics and economic modernization, but the dynamics have been very different. During the Cold War there was a succession of centre-right governments, dominated by the Christian democrats. The Communists (*Partito comunista italiano*, PCI) were the second largest party, with a peak of a third of the popular vote, but excluded from government after 1948. There was an 'opening to left' in the 1960s, when the Socialists were admitted to the ruling coalition; and in the 1970s the PCI adopted the 'historic compromise', supporting the existing constitutional order in return for enhanced status in policy-making. In the early 1990s, a succession of corruption scandals led to the collapse of the ruling parties, while the PCI dissolved. This resulted in a new polarization between a restructured right led by Berlusconi, and a centre left led by ex-Communists.

Early post-war industrialization was driven by the substantial state-owned sector and by large private employers such as Fiat. Economic growth was at first based on unilaterally imposed wage restraint, extensive migration from the rural south to the industrial north, a rigid division of labour, and work intensification. This resulted in social dislocation, which in turn fuelled an explosion of grassroots militancy, culminating in the 'hot autumn' of 1969. In contrast to France in 1968, mass industrial militancy had long-term effects. A new system of workplace union representative structures emerged, and was codified by the *Statuto dei lavoratori* (Workers' Statute) of 1970. This created a trade union-based workplace representative institution with considerable legal rights but without a clear organizational definition. A revised system was introduced following a peak-level agreement in 1993, giving a clearer structure to representation by what is now called the *rappresentanza sindacale unitaria* (RSU). Workplace representation is union based, and representatives enjoy the extensive legal powers specified in the 1970 Statute. The powers of the RSU have made it difficult for employers to impose change unilaterally, leading to the development of 'microcorporatism' (Regini 1995) in company-level and regional industrial relations from the 1980s: modernization has tended to be negotiated rather than unilaterally imposed (as in France), though a more aggressive and authoritarian management approach has become increasingly evident.

As in France there are rival trade union confederations, but the pattern is less complex. The largest, the *Confederazione generale italiana del lavoro* (CGIL), was created at the end of the war as a unitary organization but soon split. It was long controlled by the PCI with a left-Socialist minority, but from the 1970s became increasingly autonomous. Numerically it is more clearly dominant than the CGT in France, accounting for roughly the same total membership as the other two confederations combined (Regalia and Regini 1998). Second is the *Confederazione italiana dei sindacati lavoratori* (CISL), traditionally led by Christian democrats but with no formal religious identity. Considerably smaller is the *Unione italiana del lavoro* (UIL), formed by right-wing Socialists and republicans. A variety of other confederations and 'autonomous' unions also exist, but their influence is relatively small, except among some strategically important groups of public service workers.

The weak and politically divided movement obtained a major boost after the 'hot autumn', with a rapid rise in membership and self-confidence, and growing cooperation (often tense) between the three main confederations. Unstable governments with little popular legitimacy felt obliged to negotiate with the unions over significant social and economic policy moves. This strengthened unions' public status, but also made them co-responsible for at times unpopular reforms. In the 1980s and 1990s, unions lost employed membership, so that today half the total in the main confederations is

actually retired. (This reflects union efforts to retain and represent pensioners, but also strong union involvement in administering the occupational pensions system.) Over the same period, the main unions have at times faced serious challenges from 'autonomous' rivals. Nevertheless, they retain a high degree of popular legitimacy. 'Union exclusion' is not a realistic option for most large employers, though 'divide-and-rule' tactics remain common and have recently intensified.

Collective bargaining involves a reasonably effective 'articulation' between economy-wide, sectoral, local, and company levels, reconfigured by several peak-level agreements in the last two decades. At least in the major areas of union organization (the public sector and large private firms), there is a far more serious bargaining culture than in France. Legal regulation is less comprehensive, and in recent decades there has been a shift towards much stronger 'voluntarism'. A new principle of 'negotiated legislation' developed from the 1980s: more flexible statutory regulation is normally agreed in peak-level tripartite bargaining before being approved by parliament. But the agenda of both collective bargaining with employers and 'political exchange' with governments (Pizzorno 1978) has posed serious challenges to many of the gains of the hot autumn and the years of union strength which followed. The most sensitive and symbolic was the *scala mobile*, the system of wage indexation which had distinct egalitarian effects; during the 1980s and 1990s it was reduced and eventually abolished. We pursue some of the issues in the next chapter.

The Anglophone Countries: Britain and Ireland

It is reasonable to discuss Britain and Ireland together as 'anglophone' countries (although Irish is the 'official' language of the latter, it is spoken by only a minority of the population). Properly one should distinguish between (Great) Britain, which comprises only the mainland (England, Scotland, and Wales), and the United Kingdom (UK), which includes Northern Ireland; but for simplicity we follow common practice in using the terms interchangeably. Ireland was part of the UK until gaining independence in a series of stages after 1922, becoming separated from the 'six counties' of Northern Ireland—a source of persistent and at times bloody tension. Its past colonial status left Ireland with the legal and other institutional features of British industrial relations. Though these have altered over time, both countries can be regarded as LMEs, very open to foreign trade and investment, and with 'voluntarist' industrial relations systems.

The character of *British* industrial relations and trade unionism has long been distinctive. Britain was the home of capitalist industrialization, and this 'first-mover advantage' together with military power resulted in global

economic hegemony for much of the 19th century when the main elements of industrial relations were formed. Employers, subject to only limited competitive pressures, perceived little need for external support and displayed only weak collective solidarity: a trait very evident in more recent times. Imperialism brought economic growth from which many workers could also benefit, facilitating a long and 'spontaneous' evolution of pragmatic industrial relations processes and institutions.

In contrast to the revolutionary crises in many other European countries, in Britain the rising entrepreneurial class achieved economic autonomy and political rights peacefully and incrementally, and did not need to mobilize the working class as fellow contestants of the traditional order (a mobilization which in many European countries then resulted in autonomous working-class assertiveness). The transition from feudalism to capitalism involved the *negative* principle of detachment of the (relatively weak and undeveloped) state from economic life: the doctrine of *laissez-faire*. This was carried over into industrial relations, running with the grain of a common law system within which the freedom of (individual) contract was paramount. This legal framework created a bias against collective regulation of employment conditions, making trade union organization and action for many decades unlawful. The distinctive British route to legalization of trade unionism and collective bargaining was through negative 'immunities' rather than positive rights: creating a system known as 'voluntarism' or 'collective *laissez-faire*'. Collective agreements are not legally binding contracts, unions are not 'agents' of their members, and there are no extension mechanisms to generalize agreements across whole sectors. Nor (until the recent application of minimal European provisions) has there been a legally prescribed system of workplace representation. Until the late 20th century, the role of statute law in defining substantive conditions of employment (pay, working hours) was extremely limited and the legal basis of employment protection was likewise extremely weak; job security largely depended on scarce skills or collective strength. Britain also differs from most of continental Europe in that collective bargaining is detached from the welfare regime and labour market policy.

British trade unionism evolved slowly within this distinctive socio-economic and legal framework. In one respect it is a unitary movement, with a single confederation, the Trades Union Congress (TUC)—formed in 1868—representing almost all significant unions. But in other respects it is remarkably fragmented. From the 1890s (when official labour statistics were first compiled) to the 1940s there were over 1,000 union organizations; and though numbers have been reduced substantially through a series of merger waves, there are still 170 (of which 54 are affiliated to the TUC). Most are very small; conversely, there are fourteen very large unions with over 100,000 members each, accounting for 85 per cent of the total. The earliest

unions emerged as small societies of skilled workers; later, 'industrial' unions (which, however, rarely covered every category of worker in their sector) were created in the major 19th-century industries; 'general' unions arose for lower-skilled workers excluded from the craft unions; in the 20th century there was a substantial growth of white-collar and public sector unionism. Mergers, and the efforts of old unions to expand into new areas of recruitment, have created an immensely complex map of trade unionism in which no 'pure' models exist.

Traditionally there has been a profound ambiguity at the heart of British trade union ideology and practice. For over a century, most main unions (though not the TUC itself) have espoused Socialist objectives and are collectively affiliated to the Labour Party. Though the Party has never been Social-democratic in the continental sense, its policies have been comparable and it was in part responsible for the construction of a welfare state significantly different from the 'liberal' model which Esping-Andersen (1990) bases primarily on the USA. Yet 'voluntarism' has shaped trade union identity, with 'free collective bargaining' a pivotal principle. This meant, for example, that throughout the 20th century most unions opposed the idea of a statutory minimum wage. Effective collective organization, ideally resting on a strong network of workplace representatives (shop stewards), was considered the best source of improved standards and job protection. Cooperation with management was viewed with suspicion, though pragmatic accommodation was in reality the rule. In their years of greatest membership—the 1960s and 1970s—British unions could be described as both militant and moderate. Militant in that strike action was often used in the early stages of negotiation rather than as a last resort, at least in major union strongholds in manufacturing. But modest in that struggles were often defensive, or involved efforts to maintain a group's position in the earnings hierarchy rather than to change that hierarchy itself.

Over a long period, 'voluntarism' delivered results (Heery 2010: 550–1). However, the effectiveness of a system of industrial relations based on 'free collective bargaining' rested on important preconditions: a favourable employment structure; acquiescent employers; and an 'abstentionist' state. As we discuss in the next chapter, the erosion of all these foundations has posed major challenges. Rapid occupational and sectoral changes, the rise of more sophisticated and aggressive managements, and above all the systematic anti-union offensive of the Conservative government elected in 1979 confronted British unions with an existential challenge.

Industrial relations and trade unionism in *Ireland* are marked both by the formative period of incorporation in the UK, and by the struggle against British rule. From the British tradition stemmed a fragmented union structure deriving from craft origins; tense and antagonistic relations between unions and

employers; and a suspicion of company-level cooperation (von Prondzynski 1998). But in contrast to Britain, nationalism overrode class politics. The two leading parties, *Fianna Fáil* and *Fine Gael*, have their origins in divisions in the republican movement in the 1920s and are both on the political right; for most of the post-war era the Irish Labour Party achieved only around 10 per cent of the popular vote, with a peak of just under 20 per cent, though on several occasions it has been a junior partner in government. Nationalism (and a strong strand of Catholic conservatism), together with the country's small population (the lowest of our ten countries), contributed to a centralized, highly institutionalized, and quasi-corporatist system of industrial relations. Notably, the Labour Court (actually a tripartite mediation body) has played a key role since its creation in 1946; while the series of formal 'social partnership' agreements, first signed in 1987, marked a very different path from that taken in Britain.

Ireland was long an impoverished, highly agricultural economy, with unemployment leading to large-scale emigration. Rapid economic advance from the 1950s—the 'Celtic tiger' phenomenon—was based to an important extent on government pursuit of foreign inward investment, particularly from US-based (often fervently anti-union) multinationals in high-technology sectors. Low corporate taxation and a minimal welfare state were concomitants of this approach. Liberalization of financial markets, and an artificial housing boom, made this model of economic modernization extremely vulnerable.

Trade union structure has many parallels with that in Britain, with the same range of cross-cutting occupational, sectoral, and conglomerate organizations. As in Britain, a single confederation, the Irish Congress of Trade Unions (ICTU), encompasses most significant unions (indeed it is more representative than its British counterpart). Following mergers, a single union, the Services, Industrial, Professional and Technical Union (SIPTU), occupies a dominant position. A distinctive complexity is that the ICTU covers both the Republic and Northern Ireland, and many of its affiliates do not recruit in the Republic. Of those that do, some have members only in the Republic, some organize in both parts of the island, while some are UK-based. The presence of British-based unions was once a source of considerable tension, and indeed provoked a split in the predecessor of the ICTU, but these historical frictions seem to have been largely resolved.

Conclusions

In this chapter we have outlined some of the key features of trade union organization and its context in each of ten countries. Patterns of recruitment and representation differ substantially, to an important extent in line with

national institutional differences; these are certainly associated with contrasting 'varieties of capitalism', but no neat classification is possible (Thelen 2012). Different organizational forms are linked to differences in union identities, in understandings of trade unions' mission in society, and in assessments of their key historical achievements. As Locke and Thelen argue (1995), these factors colour the threats and opportunities that unions encounter in hard times, shape their perceptions of the significance of the challenges that confront them, and hence inform their responses. These are themes we explore in the next chapter.