

**LABOUR RELATIONS
AND SOCIAL MODEL
- a triadic comparison**

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Introduction

Prompted by the fundamental work carried out by Lester Thurow and Michel Albert,¹ the following deliberations represent an attempt to outline the basic elements of a labour relations model within the European Union (EU) as compared with the USA and Japan. In doing so, account is taken of the fact that Europeanisation and globalisation are exercising a destructive influence on national labour relations models² while, on the other hand, it is precisely for this reason that there is a growing need for a common intersection of the basic elements of national labour relations, related to the respective hemisphere (in this case Europe). An attempt of this kind can only adopt an ideal type of approach as it is not possible for it to cover all the national labour relations models practised in the countries of Europe with the same degree of thoroughness. The most it can do, rather, is to trace the “main stream” of the reality and tendencies of labour relations and, given the circumstances currently prevailing, confine its attention to Western Europe or, more specifically; the core of EU member states. Labour relations in Eastern Europe are still too much in a state of flux for any meaningful longer-term predictions to be made (Lecher, Optenhögel 1995). The following comparison will restrict itself to zooming in on the most conspicuous and important differences that exist and concentrate less on the fine mesh of labour relations, which can display considerable overlaps, so as to focus on significant variations.

At the same time such an attempt is worthwhile in several respects. First of all, the public at large and, in particular, workers, still cannot - possibly since Maastricht I and with this tendency increasing - identify at supranational level with a Europe that is growing ever closer together. This is quite understandable in view of the still very unsatisfactory social dimension of the EU and the comparatively greater difficulty that labour has always had compared with capital (Lecher 1981:214ff.) when it comes to entering the international dimension. However, the level of integration already attained in the Single Market and the imminent implementation of European Monetary Union make it an undeniable necessity, especially for workers and their representative bodies, to be able to cooperate at transnational level and thus Europeanise their labour relations. A joint “European Labour Relations” project, accepted, in particular, by the EU member states, could have a unifying effect, and ease the attitude of emphasising national differences that has thus far prevailed.

Secondly, the effect of a model of this type could also spread outwards - and in a twofold respect. First of all in contrast to world market competitors USA and Japan, who, in important central issues of labour relations, often adopt positions that virtually contradict those found in a typical European model and which are - as will be shown -

¹ The fundamental statements made in the two books by Thurow and Albert published in the early 90s concur to the extent that they consider European labour relations to have the best initial requirements for global competition (Thurow 1992, Albert 1991).

² This is the view of a study on the effects of the increase in numbers of multinational companies, their internal restructuring and intensified transnational relations in these companies on national collective bargaining models (Marginson and Sisson, 1994:15-51).

predominantly to the detriment of labour. At the same time such a model could also serve as a guideline for the development of new labour relations models in Eastern Europe. The clear failure in the mid-90s of a one-dimensional, market-centred, excessively severe economic policy with correspondingly negative social and socio-political repercussions in these countries could ease the path to developing labour relations more in line with the Western European model, thus making it easier for these states to achieve the integration in the EU which is desired throughout Europe. Also associated with this is the hope of being able to provide a fundamental alternative in these countries to the quasi “natural attraction” of the American labour relations system in the form of a model which is complementary to neo-liberalism.

What is also certain, however, is that the following basic elements of a European labour relations model can by no means be regarded as “self-starters”. Rather, under the current predominance of deregulation, of a market economy averse to intervention and of the erosion of the welfare state, they have moved into the firing line of a corresponding policy and publicity campaign. In the view of prominent authors, the Western labour relations system is currently being subjected to fundamental change under the pressure of market internationalisation, technological innovation and the increasing diversification of workers (see, among many: Locke, Kochan, Piore 1995:38-161). This aspect is dealt with in greater detail in the final section of the article.

As labour relations can only be described and evaluated within the context of a model of society that embraces them, the following is based on Traxler’s theory, i.e. that the only ideal types that exist today - after the demand-oriented Keynesian model that was so successful in the 60s and 70s became *de facto* obsolete under the present domination of economic globalisation - are, in essence, two alternative models which define the range of the comparison drawn here, i.e. the neoliberal and the supply-corporatist models. The following table presents the essential differences between them and provides information on the socio-political reference limits of labour relations (Traxler 1996).

Two alternative models of social development

Dimension	Neoliberalism	Supply-corporatism
Competitiveness criterion	(Wage) cost minimisation	Productivity and quality lead ("up-grading")
Status of representative bodies/lobbies	No role for such bodies	Organisations as producers of collective goods
Development of informed political opinion	"Strong state", populist shaping of interest via plebiscites and mass media	Multi-stage concentration of interests via parties and organisations
Labour market and labour relations	Deregulation of the labour market, low-trust relations	Organised decentralisation, high-trust relations

Work organisation and the company	Dequalification, numerical flexibility, no co-determination	Qualification, functional flexibility, co-determination
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Source: Traxler, *Wirtschaft und Gesellschaft*, 1/1996:25

What then are the central elements of a European labour relations model, what is their correlation to the criteria of structuring society, where do the most significant differences to the competing models of the USA and Japan lie, and where do national labour relations models in Europe diverge to a substantial extent from such an ideal type?

1. Social balance and justice

In Europe, the respective extreme positions in this regard have been occupied, on the one hand, by the traditional Scandinavian welfare state of the 70s, and also the 80s, with its corporative solidarity and social policy financed by means of enormous transfer payments (see Meidner, Hedborg 1984), and the Manchester capitalism of direct, unfiltered confrontation between the individual and the market, covered over only by a populist pretention of the government in Great Britain in the 80s, on the other hand (from the perspective of the trade unions: Bielstein 1988). However, both models today find themselves in a critical phase. Scandinavia, and in particular Sweden, because the capacity to finance the social model has reached its limits, and Great Britain because of the social cost of the consequences of extreme economic and social deregulation and de-industrialisation. The other countries of Western Europe lie between these two positions with differing levels of affinity, though Britain lies in a distinctly more eccentric position. Spain, for example, with its now strongly deregulated labour market, and Portugal, with its economic policy oriented distinctly towards neoliberalism up to the mid-90s, are closest to the British example, while the more corporatively constituted Netherlands, Germany and Austria tend - although under enormous pressure for cuts in social services, in the first two at least - to still be closer to the Scandinavian-Northern European social model.

Taken on average, there is, in any case, evidence of a clear difference between the level of social entitlement and socio-political reality in Europe, on the one hand, and in the USA/Japan, on the other hand. The Reaganomics of the 80s denote - unlike Great Britain, incidentally - not so much a break in the socio-economic development of the USA but, rather, its logical continuation. Whether in terms of private health care (the reform of which, oriented towards the European model, has foundered during Clinton's presidency), or of a minimum wage below the poverty line or totally inadequate unemployment assistance, the USA is traditionally found near the bottom of the list of the developed industrialised countries when it comes to social policy. People have to essentially protect themselves from the negative effects of the market by caring for themselves, with social solidarity and the principle of social justice as a basis of consensus in society playing only a minor role compared with Europe (Lecher 1987:148ff.).

In Japan, the state can also be assessed as being weak in socio-political terms, as can be demonstrated using the examples of poor retirement pensions and totally inadequate commitment to creating financial equality of opportunity in the areas of socialisation and education. It is only the compensation payments made by the company at the end of an employee's working life that help bring state pension contributions above the subsistence minimum. The financing of expensive private schools and the equally expensive exam preparation courses that are almost always necessary is passed on completely to parents in the Japanese education system.

However, there is one very important difference compared with the USA. The social security of so-called core or permanent employees through extensive social benefits provided by the company (retirement assistance by means of high compensation payments, very high real wages and salaries even compared with the most highly developed Western countries, educational allowances for children etc.) provides, for roughly a quarter of the workforce - with this trend falling - a financially secure social situation that can be compared very favourably with the leading countries of Europe. However, this does, in real terms, work against persons not employed in regular positions, such as women, temporary and part-time workers, casual workers and foreign employees.³ The deeply segmented intra-company labour market in Japan therefore does not allow solidarity amongst workers as a whole or any extensive entitlement to social justice. This is, however, concealed in Japan through the population there identifying in extreme terms with its own country, especially *vis-à-vis* the “West”, with the result that the tensions that are, objectively speaking, undoubtedly present have not (yet) - in contrast to, for example, the USA and Great Britain - flared up in a form that is visible to everyone.

In the vast majority of countries (with the exception of Austria and Norway), however, the traditional European social welfare state model is beginning, since the early 90s at the latest, to show distinct tendencies of being dismantled, coupled with increasing social polarisation. Elements of the neoliberal model (cost minimisation, deregulation of the labour market, increase in numerical flexibility) are gaining ground on the demand-corporate model, although there is no fear as yet of the latter becoming completely eroded.

2. Right to involvement in structuring social policy

In contrast to the USA and Japan once again, the trade unions in Europe have not traditionally confined and do not at present confine themselves to representing narrowly defined labour interests, rather they have always attempted, and are still doing so, to combine representation of the interests of workers with a right to involvement in structuring social policy. “Work” was and is regarded as the central point of reference of the “labour society”, thus legitimising deliberations on further developing this social project. It is, initially, unimportant in this regard whether such objectives are aspired to by factional trade unions, unified trade unions, through (neo)co-operative integration or even by means of countervailing force concepts on the part of trade unions in terms of autonomous collective bargaining. It is not the method of exerting influence on social development that is decisive in this respect but, rather, the right and will to think and act at all at this level.

³ According to the representative of the *Friedrich Ebert Stiftung* in Japan, the proportion of marginal workers had increased to 5/6 of the workforce by the mid-90s (FES 1995:2).

Comparing this situation with the USA and Japan, we find that this right does not exist either for the business unions in the USA or for plant and company trade unions in Japan. In both countries, the central organisation levels of trade unions and the employers are particularly weak compared with the plant level. Consequently, their internal co-ordination capacities are also weak and they do not exert any notable influence on collective bargaining policy. In Japan, however, a clear distinction has to be drawn between the (weak) collective bargaining policy-oriented employers' umbrella organisation, Nikkeiren (comparable to the National Federation of German Employer Associations (BDA)), and the extremely effective lobby organisation, Keidanren (corresponding to the National Federation of German Industries BDI)). In neither country, however, do the trade unions or employers, as they currently see their own respective roles, want to develop any overall socio-political concept.

A good example of the differing range of action between the trade unions in Europe and those in the two countries taken as a comparison is the discussion on the "future of work" and its social implications, which has been on-going in the highly industrialised countries of Europe, in particular, since the early 70s and intensified in the 80s. Although the issues dealt with in this respect, such as individualisation, change in the gender relationship, multicultural society and environmental problems, have been discussed in relation to their repercussions on the labour system and representative organisations, they were, at the same time, always placed in an overall socio-operative context. In the mid-90s, this perspective is, in the light of the challenge of mass unemployment, which now supersedes all other problems, being narrowed and intensified to "Alliances for Work" as in Germany, for example, or in Belgium, Italy, Ireland and Portugal.⁴ It is, however, becoming increasingly evident in this regard that - in Germany, for example - factions of the government (particularly the Free Democrats) as well as the employers and their federations are tending more and more to abandon overall consensus for the structuring of society and are setting their sights on imposing neoliberal, purely market-oriented concepts of a social order.

This understanding of society corresponds to the current situation in Japan and, in particular, in the USA, where there is no evidence of similar alliances or overall socially-oriented ideas and practices supported by the large federations. Even when taking into account that the rate of unemployment in the USA in 1996 is around 5.5% - similar to that in Japan, based on the same statistical criteria - and is therefore only about half the average European unemployment levels, this has become the predominant problem in both these countries and is the principal challenge facing all the political forces. Neglecting to integrate labour into society as one of the central challenges requiring action is something that applies both to the way trade unions see themselves internally in these countries, characterised by a narrow, plant-related concept of labour,

⁴ In March 1996, the European Trade Union Institute (ETUI) produced a detailed comparison of the "social pacts" in Italy, Ireland, Portugal and Germany (1997). For the proposal made by the German metalworkers' trade union IG Metall, see Lang, Kuhlmann 1996:189 ff.

as well as to the role expectation - coming from outside - placed by other significant social forces on the organisations representing the interests of labour.

3. Position of the trade unions as an intermediary organisation

Much has been thought and written over the past few years about the decline in the power of trade unions and the decentralisation of labour relations, and not only in Europe (Müller-Jentsch 1986:270ff.). The reasons most frequently cited for this phenomenon are:

- the decline of the socialist workers' movement and the problems trade unions have achieving the same membership levels in the tertiary sector as in the secondary sector;
- the disappearance of traditional social milieus and thus of the correlation between the living and working location;
- the limitations of the welfare state and the Keynesian state economy;
- the organisation within plants and companies, and thus the de-collectivisation, of representative bodies both on the employee and the employer side;
- the trend towards a two-thirds society.

These phenomena do indeed present serious risks to the status and future of labour relations. However, in most European countries, the organisational strength and wide claim to representation enjoyed by the trade unions ensure that they are still able to retain their positions in the structure of labour relations between the state and the employers (federations). This is true for Scandinavia, Belgium, Germany, Italy, with reservations also for Ireland, as well as for Great Britain (where the trade unions have stabilised since the early 90s). However, the situation is precarious in the other Southern European countries and, in particular, in France where trade union membership levels have now dropped to below 10%, with the figure for private industry as low as around 6%. Nor is there any end in sight for this decline, even after the extensive trade union campaigns conducted at the end of 1995.

The extreme (negative) example of France can, however, also be used as a basis for discussing the differences to the also very low (and further declining) membership levels in the USA (15%) and Japan (22%). The reasons for the developments in France in this context will not be considered further here. (The main issues would be extreme factional trade unions, huge state influence on trade union collective bargaining policy, the problem of isolated and exposed militant trade union members, the individual right to strike and, not least, the fragmentation of bodies representing workers' interests, particularly at plant/company level).⁵ The aim is, rather, to show how the other two

⁵ An overview of the difficulties facing French trade unions from the plant point of view is given by Lecher, Wendeling-Schröder 1990.

protagonists in the field of labour relations, i.e. the state and the employers, are trying, in contrast to the USA, in particular, to protect the trade unions from further decline.

A little-known fact, for example, is that in France all the trade union confederations, with their various political and/or ideological leanings, are closely tied into state and other official institutions in a quasi corporative manner (Französische Botschaft 1992). At the level of the *départements*, for instance, they are represented on 30 and, nationally, on 100 bodies. They are involved in the industrial arbitration system and also perform a responsible role in the social security system. The attempt by the French government to exclude the trade unions (especially the FO) from social security administration was one of the decisive reasons for the strikes in December 1995. They receive substantial state subsidies (currently around DM 50 million) without which they could hardly continue functioning. Moreover, provisions exist whereby, for a limited period and free of charge, ministerial officials are placed at their disposal to assist with work in, for example, the jointly sponsored research institute, IRES. The employers are also becoming increasingly concerned about how to ensure the survival of trade unions as collective bodies representing the interests of workers. A number of large groups of companies, including the retail group CASINO and the insurance company AXA, have, for instance, already reached agreements with the trade unions with the objective of supporting them financially and safeguarding their organisation.

At this juncture, we are not concerned, within the context of systematically questioning the status of a European labour relations system in a triadic comparison, with analysing or evaluating the certainly not unproblematic support payments made by the state or a number of larger companies with regard to their possible implications for trade union policy. More interesting in our context is, rather, that this labour relations model is diametrically opposed to the American practice of “union-busting”, which was enforced, in particular, by the Reagan administration in the 80s and is still practised today without any substantial changes as a new service provided by specialist management consultants and is evidently accepted as being legitimate across wide areas of American society without any great discussion. The declared objective of this policy is to completely wipe the trade unions out of plants and companies. The difference in status accorded to labour relations and that of the trade unions within them could hardly be more drastic between Europe and the USA.

The Japanese trade unions have an interesting, different problem in this regard which is rooted in their high degree of segmentation. Even now, only permanent workers are organised in the trade unions in Japan, with only a few exceptions (e.g. in the textile sector). They have therefore set up an, as it were, exclusive closed-shop against the remainder of the workforce. Their membership levels have stagnated consistently at between 20% and 25% since the late 50s when they lost their fight, oriented towards society as a whole, against the total capitalisation of the country after a series of defeated strikes.⁶ For this reason, alone, the trade unions are not recognised in Japan as

⁶ The fact - still widely unknown in the West - of the radical change from a conflict-oriented workers' movement to a

an intermediary organisation between the state and the workforce (let alone the unemployed) that speaks for all workers and embodies democracy.

4. Industry-wide negotiations

This feature, which is still characteristic of European labour relations, has considerable inward repercussions in the representative bodies themselves as well as outwardly as a condition of social order, thus differing distinctly from the situation in the USA and Japan. Despite a certain erosion of the blanket collective bargaining agreement caused by strong tendencies towards making this the responsibility of individual companies, the sectoral collective bargaining agreement is still a predominant or at least significant collective bargaining instrument⁷ in the most important countries of Europe - with the exception of, in particular, Great Britain, Ireland with reservations, as well as Greece and France. Most Western European countries have a differentiated system of levels of collective bargaining negotiations, which are also used to varying extents. In Italy, for example, there is a multi-stage system of articulated negotiations (i.e. it is possible, de facto, to change the negotiating level at any time); at the umbrella organisation level in France there are also so-called inter-professional agreements as well as sectoral collective bargaining agreements, the enforcement of which is, however, no longer guaranteed in a systematic manner at company level because of the weakness of the trade unions. Sectoral negotiations dominate in Germany and Denmark with strongly developed collective bargaining autonomy and a wide range of issues covered. This level also continues to be of considerable significance in most of the other countries.

On the other hand, there has been a greater tendency over the past few years towards “flexible” company negotiations, something that has developed to a particularly great extent in Great Britain and is also playing a distinctly more significant role in other European countries *vis-à-vis* blanket, national, regional and/or sectoral collective bargaining policy. In this regard, it is important for the parties to the collective agreement - i.e. also for the employers’ federations - to combine socially necessary, as well as individually desired, decentralisation and differentiation with a collective bargaining policy of framework co-ordination and, thus, collective commitment in an innovative fashion (see Dubiel 1989, Bispinck 1995). The serious discussion now commencing with regard to a European collective bargaining policy can make a positive contribution to creating the framework required (Lecher 1996:36ff.). This necessity particularly concerns those countries with a so-called dual system of works representation - i.e. the vast majority of them - and relatively well-developed plant autonomy. In addition, large companies, in particular, continue to be very interested in equalising competition in relation to working conditions through industry-wide collective agreements, especially on matters of pay rates.

consensus-oriented movement in the second half of the 50s is impressively illustrated on the basis of a series of examples by Kawanishi 1989.

⁷ This is impressively verified through an up-to-date comparison of national collective bargaining systems in Europe conducted by Incomes Data 1986.

The situation is quite different in the USA and Japan, where negotiations are conducted in an extremely plant/company-related manner. Thus, the vast majority of American workers in trade unions are covered by collective bargaining agreements drawn up with only one company or even with a single plant of a large company. This is associated, above all, with the complex, decentralised procedure of recognising the trade unions as a collective bargaining unit or as having the capacity to be a party to a collective agreement in the plant/company. The counterpart to this is “union-busting”, which has already been referred to and practised particularly intensively in the last few years.⁸ The trade unions battle for recognition and, where necessary, to remain present at plant/company level. This is where they are firmly established, therefore, and this is where their crucial area of activity lies.

In Japan too, the decisive collective bargaining entities for the trade unions today are also the plant and the companies. After the crushing in the private industrial sector in the 1950s of the SOHYO trade unions, with their industry-wide, conflict-oriented approach, directed at achieving a socialist society, in a series of very hard and sometimes bloody confrontations with companies and the state, the organisational principle of plant-related autonomous representation of permanent workers asserted itself. This form of representation usually enjoys an extremely co-operative relationship with management and has only loose links with its own sectoral or umbrella representative organisations. Nor did the amalgamation of the most important ideologically-oriented federations to form a new umbrella organisation known as RENGO in the late 80s alter the intra-trade union balance of power. At best, rather, it helped improve the opportunities for lobbying the government somewhat. Furthermore, the joint collective bargaining offensive of the Japanese trade unions in the spring, known as SHUNTO, has also suffered over the past few years from a rapid erosion of their importance at plant level.

In the area of intra-company sectoral collective bargaining policy, a lot also depends, of course, on the extent to which the employers are organised in federations with recognised negotiating power and on whether the state respects the autonomy of collective bargaining. Both of these criteria are prerequisites that do not exist in the USA and Japan to the same degree as in most European countries.

5. Labour relations and political representation

After World War II, all Western European countries had a period of government led by social democrats or socialists, or such parties were at least involved in a coalition government. Even where these parties were in opposition, though, the division of labour between the political and trade union arms of the workers' movement functioned

⁸ See, in particular, Moberg 1992:73 ff. That this is just the tip of the iceberg is also verified by the sharp increase in proceedings against companies for obstructing trade union recognition ballots and the equally large increase in the number of de-recognition votes initiated by the companies themselves. See Rosenberg 1996:440.

“grosso modo”. The closest associations - and not always to their benefit as was apparent in the years of Thatcherism in the 80s - have been between the British Labour Party and the trade unions affiliated to the TUC. However, in the Scandinavian countries, Germany and the corporative-oriented states of the Netherlands, Austria and, with reservations, Belgium, there was and still is a close relationship between these parties and the trade unions.

Following the end of the dictatorships in the second half of the 70s, the socialist parties in Spain, Greece and Portugal also proved themselves capable of governing in a relatively close relationship with the trade unions. From the early 80s to the mid-90s, France had its longest period of socialist (actually social-democratic) government after World War II. Despite the dominance of the Christian party since 1945, which has only collapsed over the past two years, the work of the government in Italy has also been influenced by the socialist party PSI, in the 80s in particular, and placed under continuously strong opposition pressure by the Communist-oriented PCI and PDS (now social democrats). Since April 1996, the left-wing alliance has had a majority in both houses for the first time since the war. However, the link between all three of the large, representative, politically-oriented trade union confederations, CGIL, CISL and especially UIL, and this “left-wing bloc” has been and still is a somewhat loose one.

There is general evidence in a number of countries (France, Spain, Italy) of social democrats increasingly asserting their own identity at the expense of traditionally socialist positions. The proven ability of these parties to govern, also latent in opposition, is influencing - and this is the important point for us to realise - the position of trade unions in the respective labour relations systems - be it because this leads to direct co-operative co-involvement and, accordingly, co-integration, or be it because workers' and trade union positions also have to be taken into consideration indirectly in the pluralist negotiating process through the parliamentary power play of representative democracy.

In any case, the dual representation that has grown historically between parties and trade unions is, for European workers, still intact and efficient - compared with Japan and the USA at any rate. Furthermore, this co-operation has, historically, also had a great influence on the trade unions' organisational structures (Kaelble 1987:89). In countries with strong social democratic parties (Germany, Austria, Scandinavia, Great Britain), unified and relatively centralised trade unions have developed. In countries where there is intense competition between workers' parties and Christian parties (France, Belgium, Italy and, with reservations, the Netherlands), this split has also been reflected in social and Christian-oriented trade unions. Finally, in countries where, as a result of the Cold War, Communist parties competed with their socialist counterparts (Italy, France, and in forms for a long time repressed by Fascist regimes also in Portugal, Spain and, partly, Greece), this also led to the emergence of corresponding factional trade unions.

In the USA, on the other hand, neither of the two large parties sees itself as being expressly worker or even trade union-oriented. Permanent contacts between the Democratic Party and the trade unions, for example, are minimal, in spite of the support of Sweeny's AFL/CIO for President Clintons re-election in 1996. At most, a number of intellectual groups endeavour, in the grey zone of helping in party work and especially before the Presidential elections, to formulate worker-oriented positions, which they then present to others in wider packages. Sometimes, trade union support for a Democratic presidential candidate is even regarded as being more of a burden than a help by that party, as was shown by the fiasco surrounding Walter Mondale's candidacy in the 80s.

Although a socialist party does exist in Japan, it was continuously in opposition from 1945 until the early 90s with no chance whatsoever of coming to power. It was also weakened in the late 80s with the loss of its trade union reference point through the dissolution of the factional trade union SOHYO. The new unified trade union umbrella organisation in Japan, RENGO, is predominantly influenced by the former private industry and, thus, permanent worker-oriented, co-operative trade union known as DOMEI. Only after the de facto collapse of the ruling party LDP, which fragmented into many different factions, did it become - apparently only temporarily - possible for the Socialist Party to become involved in the forming of the government in the short term. Relations between the parties and the trade unions in Japan are still principally different to the situation in Europe, being played out against the background of a strongly capital-oriented conservative-liberal party dominance which now has a secure majority once again despite all the scandals following the irritations of the early 90s.

6. Overall position and outlook

There are evidently important similarities between most European countries as well as distinct differences to the comparative models in the USA and Japan. Despite initial erosion of the European social model and the labour relations model inherent in it, especially in the areas of "social justice" and the "capacity to structure social policy", elements of supply orientation still outweigh those of neoliberalism in Europe - with the exception of Great Britain. However, the shape of the "European model" only starts to become clear when we compare it with the USA and Japan and thus emphasise what is has in common rather than the internal differences. It can be attractive inwardly (integration at European level with functional differentiation and subsidiarity) as well as outwardly, particularly towards Eastern Europe and possible also the newly industrialised countries (NIC). In view of the comparatively negative social evaluation of the alternative models in the USA and Japan, one of the most important tasks of the workers' movement and worker-oriented parties in Europe, and in the EU core, will be to lend their active support to the further development of this European labour relations system based on the national intersections referred to.⁹

⁹ As stated by Leibfried/Rieger, there is, in this regard, a close correlation between national, developed social policy (welfare

This is all the more important when we consider that the elements of the model dealt with here are by no means securely established. On the contrary, the right of workers to solidarity and social justice is being subjected to a difficult endurance test through the substantially reduced scope for distribution and planned or already enforced redistribution among the pool of the potentially employable (same working hours for less pay, cutbacks in unemployment and social welfare assistance). The entitlement of trade unions to continue acting, for society as a whole, as an important point of identity in European labour relations, is in danger of running more and more into a vacuum, in the light of new, decentralised, joint company production concepts (lean production) and company-polarised social techniques (corporate identity). Recognition of the trade unions as intermediary organisations for all workers (including the unemployed) with a right to be involved in structuring society has become increasingly difficult since the mid-70s through their weakly established position in the service sector, the continuing decline in their attractiveness for young workers (with the exception of the Scandinavian countries in both cases) and, in particular, through splitting off the unemployed as a result of mass unemployment.

Comprehensive, industry-wide collective bargaining policy is being increasingly undermined by plant flexibilisation and differentiation, which is increasingly relativising trade unions' claim to collective representation.¹⁰ In this regard, not only trade unions but also employers' federations are struggling for survival in many countries. The relationship between labour relations and the political representation of workers, especially in the form of social democracy, is being called into question with the dissolution of the Keynesian welfare state and the renaissance of liberal market policy.

However, precisely because the fundamental elements, as outlined here, of an up-to-date European labour relations system which could potentially be strengthened, can, at present, by no means be regarded as being securely established from the point of view of the workforce, it is important to consciously recognise these elements, accept them in a positive manner, and defend and expand them in an offensive way. What is required, therefore, is for those actively involved in the labour relations system to look more intensively to the common ground linking labour relations in different European countries in contrast to the USA and Japan, though without trying too hard to level out the national differences that have emerged historically and which are often functionally practical. Only where these differences prove to be incompatible with fundamental elements of a European labour relations system - the American and Japanese examples indicate such problem areas - will corrective measures to national systems be unavoidable in the social interest, as well as in the interest of the humanising and

state model) and globalisation of the economy: "Functioning systems for extensively safeguarding income and living standards, i.e. modern welfare states, act as hinges between society restricted to a nation-state and an industrialised, highly autonomous, unpredictable world economy. Social policy limited to the nation-state is therefore a prerequisite and not a subordinate "boarder" in a liberal and transnational political economy. (...) Despite the interlinking of the world economy and both autonomous and highly unstable markets, economic crises and their social consequences can no longer be responded to with economic nationalism, as was customary between the two World Wars" (1996:221).

¹⁰ That this tendency applies both to workers and company representative bodies is proven impressively by Streeck 1996:86 ff.

stabilising of society. The examples of individual European countries presented here clearly show that the pressure for adaptation, from the still strongly co-operatively to corporatively influenced Scandinavian countries and Central Western Europe to the Romance-oriented “Mediterranean belt” and the outsider positions of the Anglo-Saxon system, particularly in Great Britain (which, apart from the relationship between the Labour Party and the TUC, which is now becoming looser, displays much more common ground with the American system than with the average form of Continental labour relations), is intensifying.

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