FRIEDRICH EBERT STIFTUNG

STUDY

Trade Unions in Europe

Innovative Responses to Hard Times

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April 2014

- Trade unions across Western and Central Eastern Europe have almost universally been losing membership, bargaining power and political influence over the last decade. Economic crisis and austerity have created even more unfavourable conditions.
- However, unions are not condemned by external forces to continuing decline and eventual irrelevance. Against the odds, they still have scope for strategic choice, and there are many examples of imaginative initiatives.
- In many countries there has been a turn to active ‚organising', though what this means is understood in very different ways in different national movements.
- Despite hard times, some unions have reshaped the bargaining agenda in innovative ways.
- To revitalise, many unions have redefined their purpose and social vision, have restructured or found new approaches to political engagement.

Globale Gewerkschaftspolitik

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1. Introduction

Across the EU, trade unions face hard times. Their status in the west as respected pillars of a »social model« has been undermined by globalisation and neoliberalism. In the east, they have never possessed this status.

For several decades, there has been a decline in the large-scale manufacturing industries in which unions had a major stronghold. Increasingly, their main strength has been in public services, but these have been threatened by budgetary pressures and the drive to privatisation. These trends took an extreme form in most of Central and Eastern Europe (CEE), with the abrupt creation of a market economy. Moreover, in both west and east there has been a rapid growth in diverse forms of »atypical« employment, with increasing labour market insecurity and rising unemployment. Young workers are particularly severely affected by labour market insecurity.

Associated with all these challenges is the process of »globalisation«, which weakens trade union capacity to regulate work and employment within the national boundaries in which they are embedded. There has been a political drift to the right and a decline in electoral support for social-democratic parties – which often appear unable or unwilling to contest the neoliberal agenda, particularly in CEE where interwar traditions of social democracy were suppressed by the previous regime.

There has been a loss of membership density (the proportion of employed workers who are union members) over the last three decades. As Table 1 indicates, this varies radically, from under 8 per cent in France and Estonia

Table 1. Trade Union Density and Collective Bargaining Coverage

	Union Density					Bargaining Coverage			
	1980	**1990**	**2000**	**2010[a]**		**1980**	**1990**	**2000**	**2010[a]**
FI	69	73	75	70		77	81	86	90
DK	79	75	74	69		72	69	80	85
SE	78	82	80	68		85	88	91	91
NO	58	59	54	55		70	70	72	74
BE	54	54	49	52		97	96	96	96
IT	48	39	35	36		85	83	80	85
IE	64	57	40	34		64	60	55	42
RO	100	80	40	33					70
AT	57	47	37	28		95	99	99	99
UK	51	39	30	27		70	54	36	31
SI		69	42	26		100	100	92	
EL		39	34	24			65	65	65
ES	19	13	17	20		76	82	83	73
BG	98	81	28	20					18
DE	35	31	25	19		78	72	64	61
NL	35	24	23	19		79	82	86	84
PT	55	28	22	19		70	99	92	90
CH	28	28	23	17		48	44	42	49
CZ			27	17				41	47
HU	94	83	22	17				47	34
SK			32	17				51	38
LV			26	15				21	22
PL	65	37	17	14				42	29
LT			17	10				12	14
FR	18	10	8	8		85	92	95	92
EE		94	15	8				29	25

a For some countries, 2008 or 2009. Source: ICTWSS database, based on national sources (Visser 2013)

to (until recently) over 80 per cent in Sweden. Membership in some countries has fallen drastically and almost continuously for three decades; in others the decline began later and has been less severe. The composition of union membership often reflects the structure of the labour force several decades ago, concentrated among male manufacturing workers and public employment, with weak representation in the expanding private services sector. Density is far below average for younger age groups.

Do unions need members?
Despite extremely low membership, French unions possess considerable mobilising capacity. In many countries, unions benefit from institutional supports which have traditionally reduced the need to recruit members. For example, in the Nordic countries, »Ghent« systems of union-administered public unemployment insurance made it unnecessary for unions to recruit actively; but these systems have now been weakened. Systems of multi-employer bargaining, and legal provisions for the extension of agreements to all firms in a sector, have in many countries ensured comprehensive coverage of collective agreements irrespective of membership levels, as Table 1 shows. But if union membership declines, these bargaining institutions can lose their efficacy; thus the content of sectoral agreements is being hollowed out as decision-making shifts towards the individual company. A recognised role as »social partners« is another institutional support; but here too, membership decline often reduces political influence and social legitimacy. Since the collapse of the former regimes, unions in CEE have generally lacked the institutional supports common in the west and are particularly dependent on their own resources; but these resources are meagre. Unions lack public legitimacy and a committed membership; yet without these, they are in a weak position to demonstrate a capacity as defenders of workers« rights.

In this Study, we explore some of the ways in which unions across Europe have responded to difficult challenges. We look first at efforts to introduce an »organising model« and to strengthen the representation of women, young and precarious workers. Then we consider mergers and restructuring, before examining changes in collective bargaining and responses to the crisis. We go on to explore the changing relationship between unions and politics, and efforts to build coalitions with social movements, before drawing some general conclusions about union revitalisation.

2. The »Organising Model« and Union Democracy

Hard times present unions with two challenges: first, to halt and reverse the aggregate decline in density; second, to build membership in particular among the under-represented groups, which means taking greater account of their distinctive interests. How have they responded?

Some American unions have seen the answer to membership decline in the »organising model«. Instead of a model under which a bureaucratic apparatus of union professionals provided benefits to members through collective bargaining and representation over individual grievances, the aim was to engage members collectively in developing their own representative capacities, so that much of the day-to-day work of representation and bargaining could be undertaken from below, with the union apparatus providing background support. Organising, in the face of hostile employers with a large repertoire of »union-busting« tactics, required careful »mapping« of the characteristics of target workers and the vulnerabilities of their employers, the »framing« of their grievances in ways which would build collective solidarity, and aggressive one-to-one recruitment drives.

Most unions now take seriously the challenges of recruitment, representation and mobilisation

Unions in Europe have responded to falling density to various degrees and in a variety of ways. Some have remained complacent but most now take seriously the challenges of recruitment, representation and mobilisation. In some, but by no means all countries, the »organising model« has been accepted, at least in part. However, the meaning of the organising model is itself often unclear, ambiguous and contested. Is it simply a toolkit which can be applied selectively, or does it require an integrated approach with a radical rethinking of broader trade union objectives and ways of operating? Can organising be reduced to recruitment, or does it require a much wider range of activities in order to rebuild organisational power?

Unions in Britain and Ireland have been particularly receptive to American recipes, not only for obvious linguistic reasons but also because they lack most of the institutional supports common in continental Europe and must recruit and negotiate company by company. British trade unions stand out for their explicit embrace of the organising concept; in 1998 the TUC opened its Organising Academy, consciously imitating American practice. To a lesser extent, similar challenges have also stimulated attention to »organising« in the main German unions.

Organising has represented a major challenge for CEE unions. Between 1990 and 2008, unions lost two-thirds of their members, more than twice the decline over the same period in the west. Most state-owned companies – traditional union strongholds – were closed or downsized, while greenfield sites and new small and medium enterprises were virtually union-free. At least in the initial years following the system change, there was considerable public distrust of trade unions. »Reformed« organisations were still identified with the old regime, whereas officials from the newly created unions were often viewed as co-managers of the painful restructuring process. Unions faced double task: to strengthen their membership base, which required the development of innovative organising strategies, especially in relation to non-traditional groups of workers, but also to ensure that the interests of the newly recruited members are adequately represented within the organisations.

2.1 Representing Women Workers

The representation of women's distinctive interests has long been a contentious issue for unions in Europe, and almost universally there now exist special structural arrangements. In nearly every confederation there is a women's committee, usually prescribed in the constitution and with input to the collective bargaining process. More controversial is the introduction of quotas or reserved seats in decision-making bodies. There have also been moves to provide special training to encourage women's participation in representative positions. A more recent policy issue has been gender mainstreaming, which means monitoring and where necessary changing all union activity to ensure gender equality; this has been recommended by the ETUC since 1999. According to a survey by Sechi (2007: 22-5), »almost all confederations reported that they do implement gender mainstreaming [but] only one third of them incorporate systematically gender mainstreaming in all their policy, as this principle requires.«

The manual worker confederations in the Nordic countries were among the first to create specific representative structures for women members and to target training and other initiatives at them. Some also introduced mentoring programmes for women. The effective representation of women's interests can also be seen in the early adoption of family-friendly policies and the advocacy of a supplement to the wages of low-paid women to compensate for the gender pay gap. All German unions have women's committees, some long-established, and in many cases there are strict rules for proportionality in executive bodies; similar initiatives have been undertaken more recently in Austria. However, in almost all countries with effective proportionality on elected committees, this is not matched in full-time officer positions and the top leadership.

In developing special arrangements for women, there has been an evident process of mutual learning.

In developing special arrangements for women, and also for »minority« groups with distinctive interests, there has been an evident process of mutual learning. This has been significantly stimulated by the ETUC (which has its own women's and youth committees). But some elements of this agenda can be contentious. The whole idea of special treatment, though designed to correct existing inequality of opportunity, may be seen as negating the principle of equality and non-discrimination. In France, Ardura and Silvera (2001: 7) note a widespread fear that special measures may create »a risk of marginalising or even >ghettoising<« women and minorities. In part this may reflect the distinctive French conception of »republican values«: all citizens are equal and thus there should be no differentiation, for example through ethnic monitoring. But the fear that special arrangements may be divisive exists elsewhere, as in the Nordic countries.

The existence of special structures is no guarantee of their effectiveness in shaping policy or that they will be

adequately resourced. Much of the literature on women's representation tends to argue that outcomes have been disappointing, though most writers agree that nevertheless there has been significant progress in recent years.

2.2 Recruiting Young, »Atypical« and Migrant Workers

In most countries, unions have also established separate structures for young workers. Vandaele (2012), in a survey of youth committees at confederal level, found that while most had a dedicated budget and some administrative support, though almost all respondents felt that their resources were inadequate.

Organising the growing numbers of precarious workers has become a priority for many unions and confederations

The growing numbers of workers on precarious contracts (disproportionately composed of migrants and ethnic minorities and young people) are in all countries far less unionised than the rest of the workforce. Union responses to the challenge of »atypical« work have taken many forms, involving organising and recruitment, revisions to internal structures and new industrial, political and societal policies and actions. But do unions wish to represent precarious workers? They naturally oppose the deterioration in job security, pay rates and terms and conditions of employment that has accompanied precarious work, and have opposed initiatives by employers or governments to expand temporary and agency work and contracting-out. However, opposition to precarious work has also meant, in practice if not by design, that many unions have excluded precarious workers, for example by limiting membership to those working over a specific number of hours or with a particular contract of employment. Conversely, some unions have tacitly accepted the outsourcing of risk as a means of enhancing the security of their core members, creating a conflict of interests between »protected« and precarious groups.

Even when not formally excluding such workers, in the past few unions actively recruited them because of the difficulty and expense, while failing to address their specific concerns in their services, collective bargaining and proposals for legislation. However, most unions have come to understand that the increase in atypical work undermines their power resources and weakens their capacity to act, and organising precarious workers has therefore become a priority for many unions and confederations. In France, for example, the CGT has a dedicated youth organisation; the CFDT has devoted resources to recruiting trainees and students, and in call centres and temporary work agencies where many young workers are employed. Both confederations dedicate resources to campaigns among agency workers and those with fixed-term and other precarious forms of employment, many of whom are not only young but also foreign-born or of minority ethnic origin. However, normally these campaigns have propaganda value but result in no sustained gain in membership.

In both Spain and Portugal, where over one worker in five, and the majority of younger workers, are on precarious contracts, the main unions have established special departments for young workers and immigrants, as well as for women. In Italy, all three major confederations have created separate unions for temporary workers. Together they claim a membership of some 120,000 – a small proportion of the total precarious workforce, but more impressive than parallel efforts in other countries.

Organising atypical workers into entirely separate unions is structurally easier than accommodating them within existing union bodies

In some ways, organising atypical workers into entirely separate unions is structurally easier than accommodating them within existing union bodies. However, this may also be seen as a means of marginalising such workers, rather than mainstreaming their organisation within the core sectoral union structures. It also raises acutely the problem of cross-subsidising their recruitment and representation, which almost inevitably involves more resource costs per member than for »typical« workers.

Both Britain and Ireland opened their labour markets to CEE workers in 2004, whereas all other »old« member states except Sweden imposed transitional restrictions; and both experienced a substantial wave of immigration, primarily from Poland. Migrants are often employed as agency workers under far inferior conditions to those

of native-born workers, posing a threat to established standards; and in both countries, unionisation rates are far lower. As a result of such challenges, unions have moved towards an »organising culture«, particularly aimed at young, migrant and precarious workers. In the British case it is important to differentiate between ethnic minority workers, most of whom are UK-born or settled residents and have long had representative mechanisms in most unions, and migrant workers, some of whom are from ethnic minorities (and often undocumented) but many of whom are from other EU countries, particularly Poland, in many cases sent by foreign agencies. Some unions have used language training as a recruitment mechanism, and several have appointed officials fluent in the languages of migrant workers, although this can be very resource-intensive.

Unions have moved towards an »organising culture«, particularly aimed at young, migrant and precarious workers

In the Nordic countries, it is common for unions to provide information to young people in schools and colleges and to recruit student members at nominal subscriptions or without charge. Nordic trade unions have been particularly active in responding to the risk of »wage dumping« by migrants from the new member states, particularly in the construction sector: in the absence of statutory minimum wage mechanisms, the Laval and Viking judgments of the European Court of Justice threatened union capacity to maintain an acceptable wage floor, as we discuss further below. In Norway, for example, Fellesforbundet (which covers construction) has since 2006 undertaken systematic work to disseminate information in their own languages to workers from Poland and the Baltic states, providing language courses and achieving some success in recruitment.

Union efforts face the familiar dilemma that workers with the greatest need for collective representation and solidarity are often hardest to organise. In part this reflects a vicious circle: in countries where unions must win representative status workplace by workplace, most workers will only join a union if it shows its effectiveness by gaining recognition and negotiating improvements; hence membership remains low and the employer can refuse bargaining rights. The most cost-effective measure is thus »in-fill« recruitment, directed at non-members where unions are already recognised.

Even precarious workers have on occasion undertaken successful collective action of a traditional kind. Probably the most notable was by contract cleaners on the Dutch railways and at Schiphol airport, most of them immigrants: the longest Dutch strike since the 1930s; this won improved pay and conditions. This struggle, and a similar campaign for a living wage for cleaners in London, profited from coalitions between trade unions and community and religious groups. Similar successful strikes have been undertaken by mainly young, ethnic minority workers in Parisian fast-food outlets. What is clear from these cases, however, is that success depends on long and careful preparation in order to build collective identity and collective confidence, and not all unions have the resources or commitment to make such an investment.

In CEE, the extent of membership and representation problems has varied across countries. In Slovenia, given relatively high density and extensive collective bargaining coverage, unions could rely on their institutional position within the political and economic system, using workplace negotiations and social partnership deals not so much to cater to the interests of non-traditional workers or to attract them to the unions, but rather to limit the extent of atypical employment. At the same time, they tried to make sure that wages and working conditions of precarious workers were in line with labour legislation and collective agreements. This strategy was pursued in sectors with a relatively high share of atypical employment, such as retail, but also at the national level, where unions actively mobilised against the »mini-jobs« scheme. This initiative resulted in the rejection of the proposal in a referendum, but unions have failed to translate their campaign into membership gains.

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By contrast, the Baltic unions have been well aware of the need to broaden their membership base, but the acute lack of resources prevented them from launching

large-scale organising campaigns. As a consequence, density rates remain among the lowest in the EU. During the recent crisis, unions in all three countries staged anti-austerity protests and tried to protect jobs and working conditions of precarious workers, but could not reverse the falling unionisation trend. In the late 2000s, Estonia's biggest confederation EAKL lost 30 per cent of its members, while LBAS in Latvia shrank by 29 per cent. No major organising drives have so far taken place in Bulgaria and Romania, either. In the pre-crisis period, three out of five Romanian confederations undertook some attempts to bring vulnerable workers from the shadow economy back to legal employment, whether the latter was based on an atypical or standard employment contract.

Unions in the Visegrád countries (Poland, Czech Republic, Slovakia and Hungary) have a weaker institutional position than in Slovenia, but possess more resources than in the Baltic states and South-East Europe. This both requires and enables them to adopt a more proactive approach, with (at least partial) openness to a broader set of societal interests. In April 2012, Czech unions staged the biggest demonstration since 1989, mobilising around 100,000 people against the austerity agenda. Their Slovak counterparts tried to improve working conditions of »atypical« workers through litigation and mass media campaigns. Polish trade unions, in turn, have been particularly active in relation to membership recruitment. Applying US experience, Solidarność launched a major organising drive targeting security guards; it also recorded membership gains in the automotive industry and the retail sector, after a successful campaign for shop closures during public holidays. Polish unions were also remarkably successful in highlighting the problem of precarious employment, strongly criticising the increasing use of service-provision contracts, which were favoured by many employers over standard employment contracts. The label »junk contracts« was picked up by mainstream unions and entered public discourse. All in all, the Visegrád unions seem increasingly aware of the need to attract new members, but it is still too early to speak of a systematic turn to organising.

2.3 Union democracy

Most trade unions insist, with reason, that they are democratic organisations. However, there is great diversity in the formal decision-making structures in unions, both within and between countries. The relative powers of national officers, executive committees and conferences, the degree to which middle-range officials are elected from below or appointed from above and the balance of authority between confederations and their affiliated unions all vary. Cross-national differences reflect diverse understandings of the meaning of union democracy, but also relatively contingent decisions made a century or more ago: for example, unions subject to state repression often adopted highly centralised, almost military methods. Unions in some countries (such as Germany) have a high ratio of paid officials to members, others depend heavily on »lay« activists (as in Britain and France). In most unions, organisational structures exist at workplace level, but patterns of authority between such structures and the national, regional or local union are complex and shifting; an added complexity in many countries is the relationship between workplace union representation and works councils.

A major innovation in many countries is the use of membership surveys

Though the mechanics of its implementation differ widely across (and to a lesser extent, within) countries, all trade union movements tend to embrace a two-way conception of democratic policy-making. In one direction, members at the grassroots level meet to discuss policy questions, not least in respect of collective bargaining, elect their own local officers and also choose representatives to participate in higher-level structures (district, regional and ultimately national). There is also a general principle that top officials are either directly elected or else are chosen by a representative conference or congress. In some countries, there is a strong tradition of election of lower-level paid officials as well. In the other direction, the democratic credentials of top leaders and executive committees give them the authority to prescribe a policy framework for the lower levels of the union.

A major innovation in many countries is the use of membership surveys (sometimes extended to non-members as well) in order to establish their main concerns and opinions on union policy initiatives. It is common for unions to ballot their members before calling strike ac-

tion (in Britain, indeed, this has been legally required for the past three decades). In some countries, in addition, it is now common to hold membership ballots before approving collective agreements, particularly if the contents are contentious. Baccaro (2001) has described how bitter intra-union disputes over the 1992 agreement abolishing wage indexation led the confederations to hold a binding referendum over the tripartite pact the following year, a mechanism which allowed union leaders to insist on the democratic legitimacy of the outcome. Similarly in the Netherlands, ballots have been held over peak-level agreements since 2003, and also before ratification of some sectoral agreements. Surveys and ballots can be seen as a complement to the institutionalised mechanisms of union democracy, or as a means of bypassing these. In the case of ballots on collective agreements, opponents often argue that the leadership monopolises the presentation of the costs and benefits while the critics have no access to the official publicity mechanisms.

This links to a further theme: the use of new mechanisms of communication to inform members and explain union aims and policies to the wider public. In Britain, the TUC has launched a web-based service for workers in the »new economy«, providing advice and information on employment rights and some limited services as well as acting as a gateway to union membership. This includes special »channels« covering health, pensions and job-searching. Computerisation and internet technologies have brought a virtual revolution in trade union communications, though the degree of impact varies cross-nationally. After a late start in many countries, the use of such technologies has extended dramatically, and the scale of qualitative improvement is as striking as quantitative increase: union web sites are now generally user-friendly, even though differing in professionalism (which is indeed resource-intensive). For example, LO in Denmark publishes a weekly electronic magazine, which is one of the most cited sources on labour market and welfare issues in the country.

Almost universally, workers can now join a union online. Many union websites now have Facebook and Twitter links, and some general secretaries provide their own blogs. Web-TV is an increasingly common medium for spreading campaigning messages. In some countries, unions are happy to collaborate with other online activists. The intranet has become a key resource for communication among officials and with workplace representatives, at least in northern Europe. Unison in Britain is an example of a union that has launched »virtual branches« to link members without a fixed workplace. As Greene and Kirton have suggested (2003), electronic technologies allow members to adapt union activity to their own time constraints, and also provide »safe spaces« for those, such as women, who find traditional union meetings an uncomfortable environment.

In the main, union web sites are under firm leadership control, at least in their public domains. Nevertheless, there have been changes, particularly as local branches or workplace organisations open their own websites (now a topic of trade union education and training, for example in Austria). Many unions also use their websites for online surveys. In some countries, organised opposition groups have developed their own web presence.

Are new forms of electronic communication a threat to traditional mechanisms of union democracy, or can they enhance these? This is a vital issue which few unions have as yet systematically addressed.

3. Mergers and Restructuring

3.1 Structural Diversity

In all European countries, most (though usually not all) trade unions of any significance are affiliated to peak confederations. Only Austria, Britain, Ireland and Latvia have just one central body. Austria is exceptional in that there exist only seven trade unions, all affiliated to the ÖGB. In Ireland, very few unions, all small, are outside the ICTU. In Britain, the TUC contains only a minority of registered unions but almost 90 per cent of total membership; the only substantial unions outside its ranks are specialist bodies in the health service. Though post-war German trade unionism was remodelled along similar lines to its Austrian counterpart, the DGB has always faced rivals.

Elsewhere there is greater diversity. In the Nordic countries, there are separate confederations for manual, routine white-collar and professional employees. In Greece, the main organisational division is between GSEE in the

private sector and ADEDY in the public, though internally both confederations have complex and fragmented structures.

In other countries, the primary basis of division is ideological: or at least, competing confederations derive from past ideological identities which may have lost much of their force over time. This is most obvious in the Netherlands, where the socialist and catholic movements merged over three decades ago. In Belgium too, old ideological conflicts have become muted. Switzerland has two rival confederations, derived from socialist and christian ideological traditions, though the distinction in part overlaps with the manual/white-collar division. In Italy the clear political differences which once split the CGIL into today's three main confederations have also become diluted, and a joint platform is often possible. There is also competition from numerous smaller organisations, some associated with right-wing political currents, others protagonists of militant sectionalism, particularly in the public sector. The pattern in Spain is similar, though in Portugal the division between the two main confederations remains sharper. The most complex picture is in France: the five confederations traditionally regarded as »representative« face competition from a number of more recent rivals, including the radical leftist SUD. Unified action, whether in collective bargaining with employers or in political mobilisation, is rarely achieved and is usually fragile. Whether new rules on representativeness will simply the picture of extreme fragmentation despite very low membership is as yet uncertain.

What do confederations do? At one extreme, individual unions are autonomous and merely delegate to the confederation certain functions which they feel cannot be undertaken separately, or at least only at greater cost, such as political lobbying and public campaigning. The British TUC is an obvious example: it was created by unions that were already well-established but saw advantages in possessing a common voice. It is they who decide what resources to assign to the confederation and what authority to allow it. In Germany a similar relationship now exists, and debates about the future role of the confederation have shown clear tensions between larger affiliates, which would prefer to provide the bulk of services »in-house«, and smaller unions which lack the resources to do so.

At the other extreme, unions may be subsidiaries of the central confederation, to which they pay their subscriptions and which then distributes resources to its individual (usually sectoral) affiliates. While unions in many countries once approximated to this model, in general there has been a gradual loss of central authority. In Austria, in theory member unions are sub-units of the ÖGB itself, which exercises control over their finances and functions. In practice, they possess far greater autonomy; but the confederation still has a significant say in collective bargaining strategies, as well as deriving considerable authority from its role in »social partnership«. LO confederations in the Nordic countries once had stronger control over affiliates than today, when collective bargaining is more decentralised.

The countries with ideologically divided movements traditionally had strong confederal authority. This was particularly true of communist trade unionism, but today most former communist confederations are themselves ideologically divided. In most Southern countries, it is normal for confederations to determine the subscription levels and the proportion of income to be allocated to the sectoral organisations, though in some cases the latter may choose to set additional fees to supplement their own funds. An important question, which links closely to the degree of autonomy in collective bargaining, is the payment of strike benefits. For example, in the Netherlands the FNV defines overall collective bargaining targets and provides the bulk of funding for strikes by its affiliates if their demands are within specified limits; otherwise they have to use their own resources. In the Nordic countries, similar provisions apply.

In all countries, the shift in the weight of union membership towards the public sector has been a source of tensions

In CEE countries, the old division between reformed »official« organisations and their counterparts created in opposition to the former system still holds strong. Also, in many countries plant-level union activists do not want to grant additional competences and resources to their colleagues at sectoral and confederal levels, which precludes union centralisation. In Slovenia, trade unionism was initially divided between the »successor« ZSSS and the »new« KNSS, and other rival organisations have

since emerged. Currently, seven confederations have representative status in the Economic and Social Council.

The Visegrád countries offer a very heterogeneous picture. In the Czech Republic and Slovakia, ČMKOS and KOZ SR, the successors of the reformed Czechoslovak ČSKOS, are the strongest confederations; their challengers have significantly lower membership. Polish trade unionism, by contrast, was long marked by sharp political conflicts and turf wars between NSZZ Solidarność – the challenger to the former regime – and the »reformed« OPZZ, though the division has become less pronounced in recent years. In 2002, a third large confederation emerged, Forum ZZ. Recent years have also brought a growing popularity of radical movements; though their membership remains low, they have nevertheless influenced the strategy of mainstream unions. In Hungary the split between former »official« unions and those emerging from the democratic opposition has also been very pronounced. Inter-union competition and conflicting political allegiances have precluded strategic cooperation among confederations, discouraging each from joining protests called by their rivals.

The structure of the Baltic trade unions is also diverse. In Latvia, LBAS is the only national confederation, and all significant unions are affiliated. Estonian unions are divided along occupational lines between EAKL, which covers mainly manual workers, and TALO, which is mainly white-collar. There are three Lithuanian confederations, based on ideological differences, though they now largely cooperate. In Bulgaria, the division between »old« KNSB and »new« Podkrepa is still present, but the two confederations usually take similar positions and initiate joint protest actions. Romania has a more fragmented structure, with five umbrella organisations reflecting different ideological roots but usually able to cooperate.

In all countries, the shift in the weight of union membership towards the public sector has been a source of tensions. Concerns with competitiveness shape bargaining policy in export-oriented industries, whereas the economic constraints in the public sector are very different. Today, when governments in all countries impose often severe restrictions on public expenditure, such conflicts assume new forms. Confederations face a challenging task in sustaining a common front despite divisive pressures.

3.2 Unity is Strength?

Almost universally, the number of trade unions has been reduced over the past decades. In most cases this has involved the amalgamation of small unions or the absorption of a smaller by a larger partner, thus making little impact on the overall structural pattern; but some mergers have created conglomerate or »mega-unions«, with profound implications.

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The process has been particularly notable in the UK, where the number of unions has fallen by three-quarters in the past half-century; two unions now account for 40 per cent of total membership, and almost half the membership of the TUC. In Ireland too there has been a merger wave, less radical than in the UK. Elsewhere, the trend to conglomerate unions has been most marked in Germany and the Netherlands. The DGB had 17 affiliates in the 1970s but now only eight. The most substantial change was the formation of ver.di in 2001, straddling a range of public and private services, together with transport. In the Netherlands a protracted process of consolidation in the private sector culminated in 1997 with the merger of the two multi-sector unions in manufacturing and private services, together with several others, to form Bondgenoten. With the public sector union AbvaKabo it represents 60 per cent of FNV membership. In Austria there has also been considerable concentration: from 16 ÖGB affiliates until the late 1970s to seven today. The three largest unions now contain 60 per cent of ÖGB membership. In Belgium, the number of unions in both main confederations has roughly halved over the past four decades. In both Swiss confederations there has been a process of consolidation; within the larger, the SGB/USS, Unia includes more than half the total membership.

The Nordic countries have seen numerous mergers in their manual and white-collar confederations. In Sweden and Denmark, for the most part these have involved rather small unions. It is also notable that the professional confederations have been virtually untouched by the

merger process. Concentration has been greater in Norway, where Fellesforbundet is a merger of seven separate unions, and there have been some parallels in Finland.

In the Southern countries there has been a gradual, less radical process of consolidation. In France, the most notable change has been within the CFDT, which has reduced its number of federations by half to 15, sometimes against internal resistance. Mergers have been more general in Italy: all three main confederations had around 30 sectoral federations in 1970 and have reduced the numbers by approximately half. In Spain, the number of member unions of CCOO has halved in the last two decades, falling more modestly in UGT. In Portugal and Greece there has been far less progress in simplifying the complex internal fragmentation of the main confederations.

In the CEE countries there has been little evidence of merger activity. If anything, there has been further fragmentation

In the CEE countries there has been little evidence of merger activity; if anything, there has been further fragmentation. In some cases, as in Lithuania and Romania, there have been amalgamation discussions between rival confederations, but without success.

Why merge? There is a broad consensus that mergers have been largely defensive rather than inspired by a new trade union vision. Often, membership decline and the associated loss of income has caused budget deficits and put continued viability at risk. Traditional recruitment boundaries have been eroded by technological change, privatisation or the growth of new activities such as logistics. This may cause conflicts between previously distinct unions, with merger a solution. Or unions which are still numerically and financially viable may merge in order to secure a long-term recruitment base.

There is a broad consensus that mergers have been largely defensive rather than inspired by a new trade union vision

How far have amalgamations improved the position? In the business world there are examples of successful mergers and acquisitions, but also many failures. Among trade unions the same seems to be true. In some cases there is an unquestionable logic to integrating unions which compete for overlapping groups of workers and negotiate with the same employers; but most recent union mergers have involved far more heterogeneous constituencies. Over time, any union develops its own distinctive »culture«: shared beliefs, ways of working, relationships between different levels of the organisation. Integrating different union cultures is a problem not always anticipated; officials and activists may cling to their pre-merger identities and modes of action.

Recent surveys have reached sombre conclusions. In general, membership decline has continued as before. Financially, mergers offer the scope for economies of scale; but agreement to amalgamate usually requires guarantees of job security to existing staff. Hence initially there have often been high costs in providing generous early retirement or voluntary severance schemes. Aligning very different organisational structures is often difficult; so, for example, in the case of ver.di the »matrix« structure of cross-cutting sectoral, geographical and functional divisions was a compromise between conflicting organisational logics, and proved costly and inefficient to operate. More generally, within merged unions organisational conservatism tends to predominate over innovation. Thus »the merger process has the potential to contribute to union revitalisation, but very few examples have been unearthed where this potential has been realised« (Waddington 2005: 387).

The continuing trend to fewer unions with straitened financial resources will intensify pressures to streamline confederal organisations and functions

Moreover, big is not necessarily beautiful. Rightly or wrongly, members may see the new »super-unions« as remote, or may perceive their distinctive interests as no longer adequately represented. In this respect, it is significant that the mainly small professional unions in Scandinavia have shown little appetite for amalgamation, believing that a distinct occupational identity is a powerful resource.

A final issue raised by large-scale mergers is the impact on the role of confederations. As noted above, small un-

ions often rely on their peak organisation to provide services which they cannot economically offer on their own resources. Large unions, conversely, may prefer to cover such activities on their own behalf and under their own control, and accordingly to reduce their contributions to the confederation. The rise of mega-unions shifts the balance in this respect. Much more generally, the continuing trend to fewer unions with straitened financial resources will intensify pressures to streamline confederal organisations and functions.

4. Collective Bargaining in Hard Times

Despite declining union membership, in most countries collective bargaining remains institutionally robust. As we have seen, regulation by collective agreements before the crisis was comprehensive: apart from Britain, Ireland and most CEE countries, where only a minority of the workforce was covered, the rate exceeeded 80 per cent except in Germany. Quantity is not however the same as quality; and an increasing dilemma for unions is whether to accept a dilution of the content of agreements, and perhaps also a reduction in their scope, as the price of sustaining a bargaining relationship.

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4.1 Bargaining Decentralisation

There has been a widespread shift in bargaining from the sectoral (or cross-sectoral) level, where unions benefit from economies of scale in the negotiating process and the outcomes are more transparent, to company level. This requires competent negotiators in each bargaining unit, and it is far harder to ensure that prescribed standards are maintained. Bargaining at company or workplace level has always been part of the industrial relations landscape; but normally this supplemented the terms of multi-employer agreements. In many countries, a hierarchical relationship was formally prescribed: lower-level agreements could not undercut those at higher levels. But decentralisation has weakened the regulatory compass of multi-employer agreements (for example, determining only minimum pay rates, not increases for those paid above the minimum); and many countries have seen moves to allow company-level derogation from the terms of multi-employer agreements.

Decentralisation has continued in western Europe, with negotiations at company or workplace level acquiring increased importance

Two decades ago, Traxler (1995) argued that the trend towards company bargaining did not mean the disintegration of multi-employer systems. Only in Britain had sectoral bargaining been displaced. In most other countries, single- and multi-employer negotiations coexisted. Typically, there was a process of »organised decentralisation«, with sectoral agreements devolving the application of specific agenda items to local negotiations.

Since then, decentralisation has continued in Western Europe, with negotiations at company or workplace level acquiring increased importance; in some countries the shift is no longer »organised«. A further trend has been the individualisation of conditions within companies through performance-related and »merit« pay systems. This has posed particular challenges, given traditional assumptions that solidarity requires standardised conditions and rewards across the workforce as a whole. In the Nordic countries, most sectoral agreements no longer prescribe actual pay increases but set broad parameters for decentralised bargaining. This often encompasses individualised performance-related pay, so indeed these might be described as »three-tier« systems. However, unions negotiate the procedures for performance evaluation, advise individual members and submit appeals against unfavourable outcomes. In general, unions endorse such three-tier systems; in particular, professional unions see this as a means of achieving enhanced rewards for highly qualified employees (thus partially reversing the egalitarian outcomes formerly achieved by blue-collar unions). But unions need strong local organisations in order to retain effective oversight of the process, and there are signs of growing unevenness in workplace strength.

Decentralisation creates serious problems where unions have lower membership density and less integrated

relationships between national and workplace structures. Germany is an obvious example: as the price of achieving a reduction in the working week in 1984, IG Metall agreed that its detailed application should be determined at company level, setting in train a sustained process of devolution. After German unification in 1990 and the economic crisis in the east which soon followed, unions accepted »hardship« and »opening« clauses in sectoral agreements, allowing firms in economic difficulties to undercut agreed conditions. There has also been a trend towards pay individualisation. Some observers suggest that decentralisation may enable employers to reduce standards, but also offers unions an opportunity to mobilise in support of their own demands. However, this presupposes a capacity to sustain and extend organisational power at the workplace in a coordinated fashion. Other observers are pessimistic: unions face the threat of exit workforces act as »veto-players«, and a growing low-wage sector with a precarious workforce, weak unionisation and often without either collective bargaining coverage or works councils.

In Austria the architecture of centralised bargaining remains more robust than in Germany. However, as in other countries there has been a reduction in the effective impact of higher-level agreements, with low basic wage increases at sectoral level and scope for bonuses negotiated – or applied unilaterally by management – at company level. With the company level increasingly important in determining real pay increases, unions face obvious difficulties in sustaining central coordination. In both the Netherlands and Belgium, opening or hardship clauses have become common, though their impact seems less than in Germany.

The rapid growth of enterprise collective bargaining has been one of the most notable features of French industrial relations: in 2010 there were over 33,000 company agreements, an increase from around 1,000 in 1980. For many observers this growth has been a reflection of union weakness. Until the recent changes to the rules on representativeness, the fact that a minority union could sign a valid collective agreement opened the possibility for »sweetheart« deals that favoured the employer. There has also been a rapid spread of performance-related pay, though for manual workers this normally relates to collective rather than individual performance. Can French unions achieve a stronger influence in workplace negotiations? Union workplace representation possesses breadth rather than depth, with diminishing numbers of activists struggling to cope with the demands of increasingly decentralised industrial relations which require technical skills which most lack. There is evidence of similar problems in Spain and Portugal.

In Italy, by contrast, there is a long tradition of two-tier (or three-tier) bargaining. In the late 1960s there was an explosion of workplace bargaining, closely linked as both cause and effect to the »hot autumn« of 1969; for several years, decentralised bargaining was often a vehicle for offensive workplace struggles. The balance of power shifted with economic adversity in the late 1970s. Decentralisation created space for more participative involvement of rank-and-file members, but also made overall coordination of bargaining policy more difficult. Recent attempts to reconfigure the relationship between levels have been driven, as in other countries, by the managerial pursuit of flexibility – reinforced by the deregulation drive of the Berlusconi governments – and have proved contentious.

Change in the UK was far more radical, with most multi-employer bargaining – at least in the private sector – ending two or three decades ago. As in other countries, there has been a rapid growth in individualised pay systems, extending to nearly half of all private-sector workplaces by 2004). Disorganised decentralisation, together with the systematic removal of institutional supports for collective representation, has made the overriding priority for private-sector unions the achievement and retention of bargaining relationships with individual employers. The dominant union response was to persuade employers that unions were willing to act as »partners« in enhancing company performance. The record of partnership has been intensely debated, with advocates insisting that a shift from adversarialism to constructive engagement was a means of winning the support not only of employers but also of employees, while critics argued that partnership involved an essentially subaltern role which obstructed the creation of independent, activist-based organisation. Union recognition often appeared to require acceptance of a constrained trade union function. Workplace unions often focused more on individual representation than on collective bargaining; and unions' role on collective issues was commonly reduced from negotiation to consultation. There was also

a growing focus on »soft« bargaining issues, where employer opposition was less likely.

Ireland is a curious anomaly. For more than two decades, peak-level partnership agreements set the framework of industrial relations. However, while all other countries with cross-sectoral bargaining also have robust institutions at sectoral level, in Ireland (as in Britain) these largely disintegrated in the 1980s, partly because of the influx of foreign companies. Union attempts to achieve some peak-level support for their bargaining role at company level proved unsuccessful, resulting in a complete lack of articulation between centralised partnership and company industrial relations; here the Irish unions face the same difficulties as their British counterparts.

In CEE, while bargaining institutions and mechanisms are formally in place, their actual impact is generally much more limited

In CEE, while bargaining institutions and mechanisms are formally in place, their actual impact is generally much more limited than in the west. Government policies in response to the crisis have put additional pressure on the region's weak bargaining structures. Slovenia stands out as the only country with strong social partner organisations and robust multi-employer bargaining. In the public sector, both cross-sectoral and sectoral collective agreements exist, whereas in the private sector, after the abolition of the cross-sectoral agreement in 2005, negotiations are pursued predominantly at sectoral level and often supplemented by company-level deals. In other CEE countries, collective bargaining is less established and takes place mainly at company level. Fragmented unions represent only a fraction of the working population and are thus unable to set the bargaining agenda. Most employers do not wish to be bound by sectoral agreements, do not join employers' associations and refuse to engage in any form of dialogue above the company level. Some cross-country variation can nevertheless be observed. Bargaining coverage is higher in the Visegrád countries than in the Baltic states, and sectoral agreements are more frequent in Slovakia and Romania than in other countries. The Baltic states display the lowest coverage rates in the EU, with agreements concluded almost exclusively in the public sector and within large state-owned enterprises. Low incidence of bargaining translates into low levels of trust in bargaining institutions.

Government policies in response to the crisis have put additional pressure on the region's weak bargaining structures

The lack of institutional »voice« in CEE has gone hand in hand with relatively low frequency of strikes and other public manifestations of discontent. This is not to say that the region has not seen major labour protests. In Poland, mass demonstrations of the early 1980s gave rise to the Solidarność movement, while in Slovenia the general strike in the early 1990s cemented trade unions' position within the country's socioeconomic system. Beyond these spectacular cases, however, unions have generally been relatively quiescent. The low incidence of protests is often attributed to cultural factors, such as apathy allegedly inherited from the socialist system, as well as economic variables, in particular the hardship and insecurity experienced by workers during the transition. In addition there are alternative, individual-level forms of expressing discontent that became quite widespread, such as protest voting, electoral abstention or »escape« to the informal economy (Greskovits 1998).

At the point when the gap between strike rates in the West and in CEE started to close, the crisis broke, changing the economic climate and policy mix

EU entry provided yet another strategic opportunity: »exit« in the form of emigration, which allowed workers to »vote with their feet« (Meardi 2012) against poor employment prospects and adverse working conditions. The resulting labour shortages in certain occupations have boosted employee assertiveness and translated into a growing incidence of standard forms of mobilisation. At the point when the gap between strike rates in the West and in CEE started to close, however, the crisis broke, changing the economic climate and policy mix.

4.2 Crisis and austerity: The limits of radicalism

Though all Europe was affected by the global economic crisis, the impact varied considerably across countries. Ireland – with its housing bubble and deregulated financial sector – was the first victim; the cost of rescuing failed banks more than doubled government debt between 2008 and 2010. A bail-out from the »Troika« of the EU, European Central Bank (ECB) and International Monetary Fund required a drastic austerity package which prolonged the recession and caused increasingly high levels of unemployment. In both Spain and Italy, threats to eurozone membership brought direct intervention by the ECB, leading first to radical cuts in public expenditure and public employment and then to more systematic changes in the industrial relations regime. Greece and Portugal suffered even more brutal intervention by the »Troika«, with demands for the decentralisation of collective bargaining, reductions in minimum wages and the removal or restriction of provisions for extension of agreements. The most dramatic outcome was in Portugal, where the number of workers covered by collective agreements fell from 1.9 million in 2008 to 0.3 million in 2012. However, drastic austerity programmes, imposed externally or by the ideological decisions of national governments (as in the UK), have been far from universal.

Greece and Portugal suffered most brutal intervention by the »Troika« regarding collective bargaining systems and reductions in minimum wages

Unions with depleted resources were not well placed to respond to the crisis. There is evidence of both radical responses, and a reinforcement partnership. Often the two have been paradoxically interconnected. Radical actions, whether national general strikes – most notably in Greece and Spain – or company-level conflicts, have often been defensive in objectives. Conversely, efforts to seek consensual solutions through social dialogue have faced an intensified opposition of class interests (who will pay for the crisis?) and diminished space for positive-sum outcomes.

»There can be no return to business as usual«: this was the unanimous trade union response to the crisis. Yet was the aim to negotiate with those wielding political and economic power for a tighter regulatory architecture for financialised capitalism, or to lead an oppositional movement for an alternative socio-economic order? Two familiar and intersecting contradictions of union action were evident. One was the dilemma of short-term imperatives versus long-term objectives. One Belgian union leader commented: »it is easy to say: we need to change the balance of forces. But that does not tell us how to proceed …. Our members expect us to look after their immediate interests.« An Italian leader made a rather similar point. »Right now it is difficult to discuss strategy, insofar as we are bound to react to situations of crisis.... As the first priority we have demanded an end to dismissals, then the application of every means of income maintenance, after which we can develop general analyses of industrial reconversion« (Gumbrell-McCormick and Hyman 2013: 124-5).

A dominant effect remained the intensified downwards pressure on wages and conditions

A second contradiction is between a global economic crisis and trade union action that is national or indeed sub-national in character. The international trade union organisations produced powerful analyses and progressive demands, but with little impact on day-to-day trade union practice. Indeed the dominant response was to defend and enhance competitiveness, meaning a struggle of country against country, workplace against workplace, intensifying the downwards pressure on wages and conditions.

The crisis provoked a variety of conflictual responses at workplace level, including a spate of sit-ins against job cuts and plant closures, reminiscent of the struggles of the 1970s. France in 2009 saw a number of episodes when senior managers were held hostage by workers. The most publicised British dispute against job losses began in 2009 at the Lindsey oil refinery in Lincolnshire, owned by the French multinational Total. The company subcontracted a construction project to an Italian firm employing only foreign labour – displacing existing workers – on terms inferior to those specified in the British collective agreement for the sector. An unofficial strike quickly escalated, with sympathy action across the country. Yet radical forms of action do not imply similar

radicalism of objectives. In most cases, such workplace struggles seemed gestures of defiance and despair, with little belief that they would prevent announced closures or job losses. Rather, the aim was commonly to limit the number of dismissals or to achieve improved redundancy packages. For this reason, such disputes were usually relatively easy to resolve.

In a survey of responses to the crisis, Glassner and Galgóczi (2009) found widespread agreements on »partial unemployment« or short-time working, often buttressed by pay compensation from public funds as well as by company negotiations to enhance compensation above statutory levels. In Germany, though more systematic job-saving measures were pursued, in many companies (often with at least tacit union approval) the protection of the »core« workforce was at the expense of temporary workers; the same occurred in Austria and in the Visegrád countries, which are linked to the German economy through their exports. In Denmark, badly affected by the crisis, numerous company agreements provided for work-sharing. The Dutch government subsidised short-time working and temporary lay-offs for firms in difficulties; while in Belgium, a substantial recovery package included funding for »technical unemployment« and special provisions for short-time working and temporary lay-offs. In France too, the government funded a programme of »partial unemployment«; nevertheless temporary workers bore the brunt of the crisis. In Italy, a long established system of lay-off pay was widely used to cushion job losses. Another demand pursued successfully in some countries, primarily at company level, was for temporary periods of slack demand to be used for vocational (re)training rather than resorting to lay-offs. Again, this was facilitated in some countries by state subsidies. In a number of countries, trade unions' constructive role in negotiating job-saving measures has enhanced their public reputation.

One outcome of the crisis has been a widespread reinforcement of wage moderation, with some employers pressing for downwards renegotiation of existing pay agreements. Generally, pay increases were below the rate of inflation. Negotiations over restructuring and job reductions, with the aim of agreeing some form of »social plan«, were common across most countries.

Even in countries with a tradition of national pacts, the crisis made peak-level dialogue very difficult

Even in parallel with symbolic protest action, unions in most countries endeavoured to manage the crisis through peak-level social dialogue. In some countries, however, there were no serious efforts to obtain tripartite agreement; in others, such efforts failed, or provoked serious divisions among the parties involved. Even in countries with a tradition of national pacts, the crisis made peak-level dialogue very difficult. Since government action underlay national responses to the crisis, macro-dialogue was inevitably tripartite rather than bipartite. The outcome typically involved ad hoc, narrowly focused agreements – if any.

However, on broader issues of pay policy and restructuring of pensions and other social benefits the process of peak-level bargaining became fraught, with a breakdown of negotiations in some countries and in others serious inter-union divisions. Initially, Belgium seemed a relative success story; but after almost two years without a government, a new administration took office at the end of 2011 and initiated a major austerity programme, including cuts in social benefits and a two-year increase in the retirement age. In the Netherlands, government proposals to increase the retirement age were strenuously opposed by the FNV; but in June 2011 an agreement was signed by the FNV president and subsequently endorsed by a majority of the executive. However the two largest affiliates, with the majority of the membership, were strongly opposed and the result was to tear the FNV apart.

In France, internal divisions among the unions weakened their capacity to influence government responses to the crisis. They mobilised a series of national strikes and demonstrations to call for more effective job-saving initiatives and to oppose a range of austerity measures; in many cases all the main unions participated, but often with evident differences of perspective. However, some unions were more anxious to seek negotiated solutions, and the change of government in 2012 seemed to create a more favourable climate for social dialogue. In Italy, the initiatives of the Berlusconi government split the unions. In 2009, in a break with precedent, a pact was implemented which was signed by CISL and UIL but not CGIL; this revised the collective bargaining system,

devolving more responsibilities to the company level, extended the duration of sectoral wage agreements to three years, and included a new (more limited) inflation index as a guideline for pay negotiations. In practice, however, the three confederations maintained a united front in most sectoral negotiations – though not, most notably, in metal-working. A more moderate position was signalled by the CGIL in 2010, and all three confederations agreed a list of common objectives in response to the economic crisis. The three unions also presented a common front against the liberalisation of labour law pushed by the new »technocratic« Monti government in the spring of 2012, though this unity was strained at a number of points.

In Ireland, the government crisis package resulted in breakdown, particularly over its imposition of a »pension levy« which involved in effect a cut in public sector pay. The ICTU attempted to maintain a united front, issuing in February 2009 a ten-point plan designed to meet the interests of both public and private sector workers. This was followed by a »day of protest«, the biggest mass demonstration in Ireland for 30 years, and a general strike was threatened. In late 2009 a new phase of confrontation began, and the partnership agreement was suspended. In February 2011 a new government was elected, with Labour as a junior partner; it partially improved the industrial relations climate by restoring the minimum wage to its previous level.

In the absence of peak-level dialogue in Britain, responses to the crisis have been particularly tense. The right-wing government elected in May 2010 made debt reduction a political mantra, though the debt ratio was actually lower than in Germany, whose government preached austerity for others but did not practise it at home. In consequence, UK debt actually increased after two years of austerity while that in Germany fell. The government programme involved some half million public sector job cuts, a pay freeze and major reductions in public sector pensions, as well as massive inroads into welfare spending. However, unions have had to tread carefully when contesting the government, even in defending underpaid workers. TUC leaders were well aware of the risks, particularly given experience in Ireland. A massive national day of action was organised in March 2011, and another in October 2012, and a number of one-day public sector strikes took place.

The economic crisis hit new member states particularly hard. Poland was the only EU country that managed to avoid recession, and predictions of »stormy times« in the region proved largely accurate. After more than a decade of spectacular growth, CEE states were among the first victims of the crisis, and three, Latvia, Hungary and Romania, needed to sign stand-by agreements with the IMF in order to stabilise their finances. Recently, Slovenia has moved under the radar of the EU and international financial institutions in view of its ailing banking sector and gloomy growth prognoses.

The downturn and the subsequent anti-crisis policies pursued by CEE governments had a considerable impact on collective bargaining outcomes and, more generally, on wage levels and working conditions. In an effort to reduce their budget deficits, Latvia, Romania, Hungary and the Czech Republic adopted drastic austerity measures in the public sector, including salary cuts and the elimination of supplementary payments. Crisis-ridden CEE countries have also witnessed a substantial fall in real wage levels: between 2007 and 2009, they shrunk by over 15 per cent in Latvia and by 5 to 10 per cent in Estonia, Hungary and Lithuania. In the most affected countries, collective bargaining was on the defensive. In Estonia, for instance, the number of collective agreements fell nearly by half, whereas Slovenia recorded over five times more instances of collective agreement breaches than in the pre-crisis period. By contrast, in states that experienced merely a temporary decline in exports the incidence of plant and sectoral bargaining increased, as unions and management debated short-term working schemes and restructuring measures. There are indications, however, that many of these deals have cemented pre-crisis patterns of labour market segmentation, protecting the core company workforce at the cost of temporary and agency workers.

During the crisis some CEE governments transformed the institutions and procedures of collective bargaining

During the crisis some CEE governments transformed the institutions and procedures of collective bargaining. In Hungary and Romania, which remained under IMF surveillance, such adjustments went particularly far, weakening the position of trade unions and increasing

the decentralisation of collective bargaining. In Romania, the Social Dialogue Act introduced in 2011 abolished the national agreement for the private sector, reorganised sectoral bargaining structures and raised representativeness criteria. The changes have brought the bargaining process to a virtual standstill, causing a fall in coverage from 70 per cent to an estimated 20 per cent. In Hungary, the new Labour Code that came into force in January 2013 restricted strike rights, limited protection for trade union activists and allowed collective agreements to deviate from the labour law. The anxiety accompanying the crisis also provided fertile ground for increased decentralisation in other CEE countries. Estonia, for instance, restricted the continuity of collective agreements after the expiry date, while Slovakia tightened its extension criteria.

With the crisis, conflicts over wage increases became less common. Nevertheless, unions in companies relatively unaffected by the downturn resorted to strike threats during wage negotiations. In Latvia, Romania and Slovenia, anti-austerity protests brought down the governments, but did not translate into increased union density. In the Baltic states, rallies were staged by various social and occupational groups, such as students, police officers and drinks producers, but rarely took the form of mass events.

4.3 Innovative collective bargaining strategies

Though the collective bargaining environment in all countries has placed unions on the defensive, there are also signs of innovative responses. We do not attempt to survey countries systematically, but provide some illustrative examples.

Though the collective bargaining environment in all countries has placed unions on the defensive, there are also signs of innovative responses

In a number of countries – notably Germany –unions have long played a role in initial vocational training, but influence on continuing career development has been less common. This has been a subject of contention for IG Metall, which achieved its first collective agreement on continuous vocational training in 2001. In Belgium, biennial inter-sectoral agreements have since 1986 included provisions for funding vocational training, while in Denmark such frameworks are negotiated at sectoral level. Elsewhere, any union bargaining role is usually more decentralised. One much discussed example is the workplace learning agenda in the UK, which received financial and institutional support from the 1997 Labour government and was coordinated by the TUC. Enthusiasts argued that Union Learning Representatives were able to develop both an advisory and a bargaining role, thereby strengthening workplace union organisation; others are more sceptical.

»Humanisation« of work was often a key trade union demand in the 1970s, resulting in significant improvements in the quality of work. But a shift in the balance of power from the 1980s, and a growing priority for job-saving over job quality, resulted in a reversal of many of the gains. Work intensity has increased; a growing proportion of workers (almost half) perform monotonous work; exposure to most physical hazards has increased, as have feelings of insecurity – all factors which help explain the rise in work-related stress.

The issue of stress has received increasing attention in collective bargaining, particularly since 2004 when the ETUC and the European employers' organisations signed an »autonomous framework agreement«. Though the outcome has been uneven, unions in all countries have since given increased attention to the problem. Both largest British unions have issued guidance to workplace representatives and have supported legal action against employers. In Denmark, FOA reached a comprehensive anti-stress agreement with the local government employers in 2005, resulting in a wide-ranging five-year campaign. In Germany, IG Metall developed its own anti-stress campaign, including a support pack for workplace representatives and a draft legislative proposal, in the context of the broader Gute Arbeit (good work) initiative which it launched in 2002. Since 2007 the DGB has organized a large-scale annual survey on the same theme, while ver.di has pressed for a collective agreement on stress in the health care sector. More recently, TCO in Sweden has published a large-scale »stress barometer«. In France, where a peak-level agreement on stress was signed in 2008, the issue has assumed key importance for unions following a spate of work-related

suicides, particularly at France Télécom Orange. By raising the problem of stress and wider work quality issues on the bargaining agenda, unions in many countries have endeavoured to find new ways of mobilising worker awareness that their personal job-related issues have broader collective relevance and that trade unionism can be part of the solution.

The concept of »good work« also links closely to growing trade union attention to »work-life balance« and »family-friendly« work arrangements. In Sweden, work-life balance has been addressed in many collective agreements. In Belgium, this has been an element in intersectoral and sectoral agreements for the past decade. In Germany, ver.di launched a campaign in 2003 with the slogan »Take your Time«, in part as a reaction against company-level employer demands for increased working time, including at unsocial hours. Its interventions have included both sectoral bargaining demands and guidance to workplace negotiators. GPA in Austria has also made work-life balance a major bargaining issue, and has achieved some success in collective agreements. In both countries, unions have responded to employer demands for working time flexibility by insisting that this should provide workers with greater time sovereignty, and that there should be collective oversight of individual work schedules. In the UK, where working hours have traditionally been among the longest in Europe, this has also been a major concern for trade unions. Overall, Keune (2006: 16, 23-7) has found that »there is no unified trade union point of view on working time flexibility«; and in terms of outcomes, »there has been a steady increase in employer-oriented types of working time flexibility«, while »trade unions have difficulties achieving their objectives through collective bargaining under the present economic and political circumstances«.

With the advance of mass manufacturing in the twentieth century, unions in most countries attempted to standardise conditions in order prevent employers from discriminating between workers. This neglected the extent to which workers' preferences might be differentiated, in part because of the diversity of their individual circumstances. One means of adapting to such diversity is the pursuit of more flexible forms of regulation, particularly in respect of the organisation of working time. A pioneer in this process has been the Netherlands, where in 1993 a peak-level policy document recommended more flexible agreements, particularly in respect of performance-related pay. This was followed by the growth of »à la carte« or »cafeteria« collective agreements, allowing for instance a choice between increased pay or reduced working time. There have been similar developments in Denmark, with collective agreements providing »free-choice accounts« which can be used for extra holidays, as pension savings or taken as increased pay.

Innovations in collective bargaining strategy are often designed to foster capacity-building at workplace level

Innovations in collective bargaining strategy are often designed to foster capacity-building at workplace level. An example is the campaign entitled Besser statt billiger (better rather than cheaper), launched by IG Metall in 2004, against the background of widespread employer demands for cost-cutting reductions on employment levels and adverse changes in work arrangements. In association with the campaign for »good work« discussed above, the union aimed to move beyond a defensive and reactive response by developing alternative proposals for product innovation and new production methods, formulating arguments and analyses which could help mobilise members behind their workplace negotiators.

In hard times, innovative bargaining approaches are increasingly necessary. Yet given the short-term challenges, they may often assume a low priority. Indeed, effective responses to crisis require responses both above and below collective bargaining: rebuilding effective organisation and mobilisation capacity in the workplace, as we discussed earlier; and developing an effective political challenge to neoliberalism, as we discuss below. Otherwise, collective bargaining in the crisis can easily degenerate into a »beggar-your-neighbour« form of concession bargaining.

5. New Approaches to Political Engagement

Unions are inescapably both economic and political actors, yet the relationship between the two roles is complex and contradictory, and the priority assigned to each varies across countries and over time. In many European

countries, trade unionism was an offshoot of an emergent working-class movement in which political radicalism shaped union identity and action: the task was to challenge capitalism, not to seek modest reforms within it. Where more moderate, social- or christian-democratic trade unionism prevailed, a focus was still on societal change. Ideologies inherited from the formative period of trade unions have proved persistent. This has been most evident in the re-orientation of (former) communist unions in southern Europe: the increased priority assigned to collective bargaining has often provoked substantial resistance from »traditionalists«.

In order to give priority to collective bargaining, at least if their membership is in the private sector, unions typically require relatively high membership density and the financial resources to sustain prolonged disputes where necessary. If such resources are modest, mobilisation on the streets may be easier than sustained strike action, which is a component of bargaining power, even if not its only source. As an extreme example, the fragmented French trade unions with minimal density in the private sector have virtually lost the capacity to organise strikes there.

The economic crisis has forced even reluctant unions in sometimes sharp political conflicts

In Europe as a whole, economic crisis made the state a key interlocutor, even for unions which traditionally drew a line between »economic« and »political« action. Financial assistance to struggling employers, special subsidies to maintain income in cases of short-time working and extensions to active labour market policies – all widespread trade union demands – required engagement in the political arena. Conversely, government attempts to tackle budget deficits through attacks on public sector jobs, pay and pensions, and more general assaults on the welfare state, have forced even reluctant unions in sharp political conflicts.

5.1 Trade Unions and Political Parties

Historically, unions in most of Europe emerged with a close and often subordinate relationship to political parties, whether social-democratic, communist or christian-democratic; but over time, the links have generally been weakened, or abandoned altogether (though formal separation may still permit close informal interlinkages).

Three key developments have affected all European countries though to differing degrees. The first is cultural and ideological. Secularisation has undermined the identities of formerly christian-democratic unionism: the only significant exceptions are the Belgian ACV/CSC, the much smaller Dutch CNV, and Travail Suisse. An analogous process occurred in countries with mass communist parties and satellite trade unions. The CEE countries are clearly a special case, which we discuss below; in the southern countries where communist parties once dominated the left, there has been a drastic decline (Greece is perhaps an exception). Social democracy has proved electorally more robust, but in most countries is far weaker than a few decades ago. Indeed in a post-Keynesian world, there is no clear consensus on what social democracy stands for.

The second key development is structural. Traditionally, both unions and left-oriented parties found their core support among manual workers in cohesive industrial communities. The decline of old industries, the growth in white-collar and professional occupations and, more generally, rising educational levels have posed challenges for both unions and parties. Social-democratic parties for their part have tended to take their dwindling working-class base for granted while targeting the »median voter«, resulting in a policy convergence with their opponents to the right.

The third key change is the advance of neoliberalism. The pursuit of international competitiveness, efforts to contain public finances, loss of faith in Keynesianism and conversion to »lean government« have become as much the hallmarks of centre-left as of right-wing governments. Neoliberal restructuring places inevitable pressures on the party-union nexus: electoral expediency, or simply the limited room for manœuvre in the management of national economies within global economic disorder, places social-democratic parties on a collision course with union movements whose own commitments include the defence of workers' incomes and the social achievements of past decades. Little is left of a social-democratic »project« to inspire either parties or unions and to bind them together.

In CEE, all in all, party-union links forged in the transition period have weakened labour rather than boosting employee rights

The picture in CEE is evidently distinctive. Under the previous regime, unions did not act as autonomous organisations but were dominated by communist parties. By and large, their role was to discipline workers at state-owned enterprises and familiarise them with party decisions and policy plans; they also performed certain social functions. Hence, in contrast to west European countries, there was no tradition of mutual interdependence and beneficial exchanges between unions and political parties. After the system collapsed, links between political groupings and organised labour emerged, but involving much less mutual loyalty than in the west. Political parties, which in most CEE countries were stronger than their union partners, would default on their promises and pursue policies that went against workers' interests. They would also include union leaders in party structures and decision-making processes, which not only hindered unions' mobilising capacity but also stirred considerable controversy among rank-and-file members, especially when the policies that followed involved painful restructuring measures. All in all, party-union links forged in the transition period have weakened labour rather than boosting employee rights (Avdagic 2004).

Examples abound. In Poland, Solidarność activists assumed important positions in the early centre-right governments and created their own party before the1997 elections, while OPZZ sided with the social democrats. However, this did not prevent the »shock therapy« policy measures. In the mid-2000s, Hungary's reformed unions were excluded from discussions on major liberalisation reforms despite their formal alliance with the socialist party. Even if labour-friendly regulations were enacted, there was no guarantee that they would be preserved. Slovak labour laws, for instance, would reflect union preferences whenever left-wing parties were in power, just to be reversed by centre-right cabinets. On the other hand, the Slovenian example shows that party-union links can be effective if power resources of the two actors are roughly equal. Unions in the former Yugoslav republic constituted sizeable interest groups with large pools of voters, thus could not easily be ignored by politicians. As a result, they co-shaped policy-making through tripartite agreements and social pacts.

5.2 Political exchange and social partnership in crisis

Many European countries have traditions of »social dialogue« or »social partnership« at macro level. In Austria, the Netherlands and Belgium, formal institutions of peak-level tripartite concertation date back to the years of postwar reconstruction; in the Nordic countries, bipartite peak-level dialogue seemed firmly established (though in Sweden it broke down); a series of pacts was agreed in Spain after the restoration of democracy; while in Germany it was long accepted that changes in social and labour market policy should be based on consensus among the »social partners«. Italy and Ireland have more adversarial traditions, but peak-level social pacts were agreed in more recent decades. In the early post-war decades, »political exchange« could yield clear positive advances: unions endorsed explicit or implicit wage restraint in return for enhanced social welfare and the promise of a share in future growth.

The social pacts of the 1980s and 1990s, by contrast, were responses to twin crises: the erosion of national competitiveness, and the effort to reduce public deficits in line with the restrictive convergence criteria for economic and monetary union (EMU). In return for their assent, union signatories sought job creation strategies (or much more modestly, limitations on job loss). Under harder economic conditions, and with trade union power resources diminished, political exchange became a process of »competitive corporatism« (Rhodes 2001), with unions seeking »least-worst« outcomes rather than positive gains.

Social dialogue faced a particularly harsh climate after financial and economic crisis hit Europe in 2008. Economic and political difficulties can make bipartite agreements (union-employer) and tripartite deals (also involving government) more difficult though perhaps more necessary. Traditional mechanisms of peak-level dialogue in many countries moderated the labour market impact of the crisis, but where governments subsequently pursued severe austerity programmes, unions have usually seen little option but to resist, often leading to the breakdown of tripartite relationships.

In CEE, the record of social dialogue has been much less impressive than in the west; even so, its role should not be completely dismissed. Tripartite negotiations in the newly democratised CEE countries ensured social peace by involving union and business representatives (at least to some extent) in policy discussions. In effect, it made it possible to establish »a new capitalist order with a minimum of social unrest« (Iankova and Turner 2004: 85). In the initial years, unions managed to bring important social issues to government attention. In Poland, for instance, negotiations after the 1992 strike wave led to the Pact on State Enterprise in Transformation that addressed social aspects of privatisation. In Bulgaria the social partners state signed the 1991 Political Agreement for Peaceful Transition towards Democracy, and participated in drafting the laws on collective bargaining and dispute settlement. In the second decade of transformation, tripartite negotiations rarely resulted in formal social pacts. As Gardawski and Meardi (2010) claim, however, even such failed »pacting« attempts gave social partners an opportunity to exchange views and fostered social learning.

The recent crisis brought an increase in tripartite activity. Despite the promising start, however, cabinets often ignored hard-won tripartite compromises

The recent crisis brought an increase in tripartite activity. In Slovakia, the government set up a special negotiating body, the Economic Crisis Council, to discuss future policy directions; while in Slovenia austerity measures in the public sector were debated with the social partners within the Economic and Social Council and announced in the form of tripartite agreements. In Poland and Bulgaria, unions and employers' associations initiated bipartite talks and subsequently presented a joint list of policy proposals. This growing incidence of tripartite talks led some observers to perceive a revival of social dialogue: in most CEE countries it was indeed the first time when governments and social partners thoroughly discussed issues not related to the system change. Despite the promising start, however, cabinets often ignored hard-won tripartite compromises. In the Baltic states, early agreements on a progressive approach to wage cuts gave way to an across-the-board austerity drive. In Poland and Bulgaria, the governments defaulted on their initial promises and only partially addressed social partners' proposals. In view of the selective implementation, it seems that by temporary extending the scope for tripartite negotiations, CEE governments sought merely to demonstrate their responsiveness to societal initiatives. The resulting »PR corporatism« helped them generate societal and electoral support at difficult times, but failed to improve the quality of social dialogue (Bernaciak 2013).

5.3 The search for alliances and new approaches to mobilisation

The weakening of trade unions' influence over their traditional »fraternal« parties can be interpreted as part of a more general decline of their own representativeness and mobilising capacity. Unions have lost elements of their former structural and organisational power; while the diminished effectiveness of long-established political channels can be regarded as one index of the erosion of their institutional power. In many countries, this has encouraged a search for new alliances and coalition-building.

In many countries, the diminished effectiveness of long-established political channels has encouraged union's search for new alliances and coalition-building

There are many reasons why this has seemed an attractive option. It can increase access to new constituencies: this is particularly important for efforts to recruit previously unorganised (or weakly organised) groups of workers. Coalitions may also be a source of added legitimacy for union campaigns: working with community or religious organisations may help unions recruit ethnic minority members, and a common campaign with relevant NGOs (non-governmental organisations) may strengthen union claims to represent a broad public interest. Finally, alliances can strengthen unions' mobilisation capacity, particularly when working with NGOs that possess a vibrant activist base.

Relations with external organisations and groups often involve tensions. Union officials often stress that their organisations possess a substantial paying membership

and established procedures of internal democracy, unlike many other »civil society organisations«. Conversely, some NGOs regard unions as part of the establishment, reluctant to engage in radical action which might threaten their institutional status. Certainly, most unions are very hesitant in associating with groups engaged in extra-legal (even if non-violent) direct action, partly because their own material resources might be exposed to sanctions, but more fundamentally because their own ideology and identity are often centred around their role as »social partners«. Frictions can also arise from jurisdictional conflicts: for example, do unions or women's groups have the primary right to represent the distinctive interests of women workers?

There is a long history of unions seeking allies in organising consumer boycotts of employers with which they are in dispute (the ver.di campaign against Lidl is an obvious recent example), such collaboration has become a vital element in the defence of public services in the face of privatisation and budget cuts. A notable example is the initiative of the British TUC, together with a number of its public sector affiliates, which in 2010 funded the launch of a web-based campaign bringing together trade unions and a range of national and local groups and social media campaigners to develop anti-cuts activities.

Another focus concerns issues of equality and identity, which have become part of the union agenda in most countries. In general, unions have been relatively late to embrace the rights of women, migrants and ethnic minorities, workers with disabilities and gays and lesbians; in all these cases, advocacy groups and organisations pre-existed trade union engagement. Moreover, in many cases those campaigning within trade unions for the rights of such groups are also active as part of external collectivities, hence bridging the different components of emergent alliances. Particularly in the case of representation of the interests of minority ethnic workers, collaboration with other groups fighting discrimination may lead directly to broader anti-racist and anti-fascist campaigns.

The need to collaborate with established issue-specific NGOs is even more evident in the case of wider, more overtly political issues. One of these concerns the environment, and more specifically proposals for sustainable development in industries where unions organise. Germany is a pioneer in this respect. On the one hand, environmental groupings and NGOs apply pressure both within trade unions and from without in order to shift their policies; on the other, once unions have embraced a commitment to sustainability, they often collaborate with specialist NGOs in order to formulate concrete strategies.

Finally, an important theme for alliances is union engagement in issues of international solidarity (including ethical trading), resistance to neoliberal attacks at EU and global level and anti-war struggles. Public sector unions in many countries have been particularly involved, given the threat from global and EU liberalisation policies to established public services, most notably the Bolkestein directive on service liberalisation in 2004-6.

It seems that CEE unions seek increased distance from political parties, demonstrating instead their readiness to defend workers' economic interests through public campaigns

Increasingly aware of the pitfalls of direct political involvement and the limited effectiveness of tripartite negotiations, CEE unions have recently tried to increase their visibility in the public space by similar means. The most widely used strategies in this regard have been public campaigns on pertinent social issues. In Poland, campaigns for minimum wage increases and public protests against certain atypical employment forms (»junk jobs«) brought together all three union confederations, irrespective of their traditional political allegiances. Unions have also tried to mobilise around broader societal interests. All in all, it seems that CEE unions seek increased distance from political parties, demonstrating instead their readiness to defend workers' economic interests. Hungary's firefighters and law-enforcement unions have tried yet another strategy: disappointed with the political establishment, they have launched an independent opinion exchange platform to stimulate political and economic debates.

6. Conclusion: Regaining the Initiative?

There is a paradox at the heart of trade unionism: at one and the same time, unions are social movements with the goal of social betterment, but also often con-

servative bureaucracies which opponents can depict as defending vested interests. Unions require stable organisation if they are to be effective, and established procedures if they are to be democratic; and they cannot ignore the core membership who pay their contributions. But they also need moral power resources: they are not mere insurance companies, and can survive only if they express a social ideal and a social mission. Managing this paradox demands great strategic imagination.

The development of moral power resources requires a set of values. Any live and democratic movement will contain areas of debate and division over their precise content. The different ideological traditions discussed earlier have embodied very different conceptions of a better socio-economic order and the means to attain this.

In most countries, unions have become far more professional in the public presentation of their policies and positions

A normative vision becomes a power resource only when effectively communicated:. Communication has both an internal and an external dimension. Internally, any union needs to create a genuine collective identity, with a lively exchange of information and opinion in order to develop an enlightened commonality. External communication is no less important, especially in an era when the mainstream media are anything but sympathetic to trade unionism. In most countries, unions have become far more professional in the public presentation of their policies and positions, with large unions in many countries appointing specialist communications officers. This is one area where cross-national exchange of union practice and experience can be particularly valuable.

This links closely to another issue: how do unions »frame« their case? Everyone possesses a world-view, however inchoate, a set of beliefs and assumptions which make sense of a complex social environment and act as selective filters for what is heard. Today, such world-views are predominantly shaped by the »commonsense« of neoliberalism: the notion that acquisitiveness is an unquestionable virtue, that money is the measure of all things, that »free« markets are unquestionably efficient and virtuous. To get their message across, unions must undermine these dominant frames by identifying popular beliefs which can be aligned to the movement's own objectives. So, for example, the central purpose of trade union action can be presented as the pursuit of social justice, the struggle for economic and industrial democracy, the defence of humanity and autonomy against precariousness and stress at work, the search for opportunities for self-development in employment. All share a master narrative: trade unions are collective means for workers to defend their human rights against the dehumanising imperatives of profit. Framed in these terms, union policies and actions can resonate with deeply held, if often subsidiary elements in people's everyday understanding of economy and society.

How have unions engaged in the battle of ideas? An interesting example is the statement of fundamental values adopted by Danish LO at a special congress in 2003, when it severed formal party links. The overarching argument is that »solidarity creates opportunities«. While we can achieve some of our goals as individuals, together we can do more: an argument which challenges the simple dichotomy between individualism and collectivism. The document presents a positive statement of union objectives, both for members and the broader public, in plain language and covering many of the key themes that trade unionists in any country would emphasise.

Unions must link their actions to powerful narratives like the pursuit of social justice, the struggle for economic and industrial democracy, the defence against precariousness and stress at work, the search for self-development

A parallel example, from a different ideological tradition, is the analysis presented by the Belgian ACV/CSC for its congress in 2010 and disseminated almost a year in advance for discussion, under the title »Let's build tomorrow together«. The aim was to provide a long-term understanding of the key challenges – but also opportunities – facing trade unions and to develop responses, with the argument that »another future is possible«. Produced as the economic crisis unfolded, this effort to define a union strategy for the longer term is particularly impressive as an attempt to propagate a positive trade union vision.

The lesson is that, when speaking with one voice, unions with few members can nevertheless campaign persuasively

A notable instance of successful defensive struggle is the resistance in France in 2006 to the introduction of a new form of contract for workers aged under 26, allowing dismissal without justification in the first two years of employment. The change provoked massive student protests, and all significant trade unions – very unusually – mobilised together against a threat to job security. The unions framed the new contracts, first as a form of discrimination (hence contrary to republican principles), second as paving the way to reduced job security for all workers (hence an issue of direct concern to all). Following mass demonstrations and both local and national strikes, the government withdrew the legislation. The lesson is that, when speaking with one voice, unions with few members can nevertheless campaign persuasively against the damaging policies of an apparently strong government.

Another example of imaginative engagement in a battle of ideas is the resistance by British unions to austerity and public sector cuts. From the outset, the objective was to understand and engage with public attitudes, drawing on survey evidence and where necessary commissioning their own opinion polls. Initially, a majority of the population had accepted government arguments that cuts were unavoidable because of the size of government debt; that they would be implemented fairly; that expenditure could be reduced by eliminating »waste« without reducing core services; and that union resistance reflected an attempt to preserve the »privileges« of public employees. In part the unions attempted to demonstrate that the austerity measures were economically counterproductive (a »false economy«), would hit both private and public sector workers, were unfairly targeted at ordinary people while protecting the rich, and reflected an ideologically driven agenda to cut back the welfare state, including the popular Health Service. But the aim was also to convey a positive message: to »provide some alternative vision and hope«, as a TUC official described it.

A different example is the campaign for a statutory minimum wage in Germany. Traditionally, German unions (like their Nordic counterparts) were opposed to any legislation on wages, but attitudes began to change with the growth of a low-wage sector only weakly covered by collective agreements. In 2006 the DGB endorsed the demand for a statutory minimum. In contrast to their British counterparts, who used mainly »insider« pressure through the Labour Party to achieve the minimum wage in the 1990s, German unions launched a high-profile campaign with simple slogans, posters and display advertising, eye-catching public events, a dedicated website and a broad-based online and SMS petition. By framing the issue in terms of fairness, the need to end the growing scandal of poverty wages, the unions won extensive public support and legislation is now being drafted.

There is mounting evidence that unions in the new member states are taking up the challenge and lead a struggle against neoliberal restructuring

In CEE, innovative trade union initiatives face particular difficulty. The austerity drive and direct political intervention in the collective bargaining process have put considerable strain on weak industrial relations institutions. In most cases, however, societies have not remained passive when faced with the harsh policy course. Across the region, there has been growing discontent with elite-driven cost-cutting measures, and mounting opposition to political attacks on social entitlements and labour market protections. Perhaps somewhat paradoxically, this presents trade unions with a strategic opportunity to reassert themselves as representatives of the broad sections of the population that are disillusioned with the neoliberal policy prescriptions.

There is mounting evidence that unions in the new member states are taking up the challenge and lead a struggle against neoliberal restructuring. They have staged large-scale protests against austerity measures, labour market deregulation and social exclusion; they have also actively opposed to the privatisation of health care and other services of general interest. Already before the crisis, they made considerable efforts to modernise their communication strategies and experimented with new communication tools, including the social media, and new forms of interaction with their current

and future constituency, such as internet campaigns and signature-gathering. They have also proved ready to take on board the specific concerns of marginalised or underrepresented groups, such as »atypical« employees or those working in the shadow economy. The fact that such actions enjoy high levels of societal support shows that despite enduring weakness, unions are not merely »the creatures of the past«. Just the opposite, they have a crucial role to play in the new capitalist systems insofar as they highlight the contradictions of the economic »catching-up« process and stand up for workers' rights »in hard times«. It also proves the utility of organising across the region as the method of regaining the membership losses incurred during the transition.

What general conclusions can we draw? First and foremost, there are no »quick fixes« through which unions can regain the initiative: revitalisation requires strategy, not just tactics. So, for example, the »organising model« which unions in many countries claim to have embraced is not just a set of techniques. A serious »turn to organising« means rethinking the aims and objectives of trade unionism, the constituencies that unions attempt to represent, the forms of action which they adopt and the nature of their internal democratic processes. Or to take a very different example, union mergers – which in many countries have been seen as a route to revival – can be as disastrous as many business mergers, partly because they are commonly perceived as an organisational short cut without adequate attention to the need, and the opportunity, to redesign trade unionism along innovative lines and to embrace the interests and aspirations of a wider constituency.

One reason for the relative infrequency of strategic innovation is that this raises difficult »political« questions. Trade unions possess strong organisational inertia, because strategic change threatens established internal power relationships, while any reallocation of resources to reflect new priorities creates losers as well as winners. There are usually many veto points which can block contentious change.

Strategic innovation cannot simply be a matter of blueprints designed at head office level. They must be translated into action, which means engaging the »willingness to act« of grassroots members and representatives. Effective innovation is most likely where unions maintain a permanent and active internal dialogue, cultivate the »social capital« of their members, and use their mechanisms of internal education to develop and replenish »organic intellectuals« who can provide a reflective bridge between leadership and rank and file.

Many unions have lost a mobilising belief in their own capacity. Unions have to believe that a better future is possible

The material challenges to unions are obvious; but above all else, in most countries they are ideologically on the defensive. Hence the need to recreate moral power resources. This is partly a question of vocabulary, partly of channels of communication, but crucially also of ideas. Many unions have lost a mobilising belief in their own capacity to achieve a better economy and a better society. What is needed is a new, imaginative counter-offensive. Unions have to believe, and demonstrate, that a better future is possible.

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Imprint

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ISBN 978-3-86498-848-6