

Chapter 1

Trade unions in Europe: reform, organisation and restructuring

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Throughout much of western Europe the terms of the post-war settlement consolidated the position of trade unions. The state formalised the legal position of trade unions within the nation. Centralised or industrial collective bargaining arrangements encouraged particular forms of trade union activity, based on co-ordinated bargaining. Furthermore, the expansion of mass production regimes allowed trade unions access to a growing and relatively homogeneous membership. Key to these developments was the pursuit of Keynesian economic policies, and the conduct of different forms of exchange in which trade unions became involved with the state, in pursuit of higher levels of welfare benefits and full employment. There are, of course, variations within, and exceptions to, this general account, but the point is that trade unions were central to the institutions of the post-war settlement. The end of the long post-war boom during the mid-1970s set in train three developments which challenged the position of trade unions: an acceleration in the pace of economic internationalisation; the adoption of neo-liberal economic policies; and the reform of production regimes. The book examines how trade unions have responded to these developments in western Europe and Hungary.¹

The final breakdown in 1971 of the Bretton Woods system of international regulation was accompanied by widespread restructuring of world markets and policies of economic management. An increasing internationalisation of economic activity, concentrated on activities within the Triad of Japan and east Asia, USA, and western Europe, is marked by the extension of economic interdependence, an emphasis on economic competitiveness as the motor of restructuring, and a more prominent role for international regulatory institutions.² In the specific

context of western Europe, the development of the European Union (EU) has created an unparalleled supranational regulatory tier. These developments have led some to argue that the nation state is in decline (Horsman and Marshall 1994; Ohmae 1996; Streeck 1998). As it is within the nation state that trade unions have traditionally sought and achieved considerable influence, such a decline may jeopardise the position of trade unions. A further international development with which trade unions must contend is the growth of multinational companies (MNCs) that are beyond national regulation. In short, a coherent international agenda is required by trade unions if they are to retain their position and secure influence beyond the level of the nation state. Trade union reliance on activity and engagement at the national level is no longer a viable option.

During the twenty years following the end of the long post-war boom many states loosened their adherence to Keynesian policies of economic management. Neo-liberal policies became increasingly prominent, at the centre of which were attempts to 'free' markets from the rigidities seen as arising from trade union organisation and activity. Measures to deregulate labour markets were introduced; the coverage and content of collective bargaining was curtailed; employment protection legislation was amended to encourage numerical employment flexibility; and full employment policies were abandoned, in practice if not in principle. Privatisation became widespread, thus changing the employment circumstances of large numbers of trade union members. Furthermore, in several countries the neo-liberal programme of 'rolling back the state' involved curtailing trade union participation and involvement in macro-economic policy formulation. The political position of trade unions was thus challenged at the level of the nation state, as regulatory regimes were reformed.

Concurrent with the wider adoption of neo-liberal policy options were developments in production regimes. Such developments have been characterised as the rejection of mass production or 'Fordist' regimes in favour of some form of 'post-Fordist' mode of production (Kern and Schumann 1984; Ohmae 1990; Womack *et al.* 1990). While the nature of this transformation is subject to intense debate (Williams *et al.* 1987 and 1992; Hirst and Zeitlin 1991), recent changes to production regimes

present trade unions with a series of challenges. Shifts in the composition of the labour force away from manufacturing towards private sector services have reduced employment levels in the areas of traditional trade union membership strength. Additionally, the declining proportion of the workforce employed on full-time contracts in assembly line production requires trade unions to develop recruitment and representation strategies appropriate for the 'new' constituencies of women workers, part-time workers, temporary workers and those employed at small sites. Decentralisation also requires trade unions to formulate policies at regional and local levels, while ensuring some form of co-ordination is achieved between groups of members working in different localities. Furthermore, management has changed production regimes with the aim of raising commitment to enterprise goals, often bringing into question the commitment of workers to trade unions. Aspects of the human resource management (HRM) agenda have been used to erode the capacities of unionists to impose workplace controls and, in certain circumstances, have jeopardised union democracy (Parker and Slaughter 1988; Eaton 1995; Oetjen and Zoll 1994).

It is important not to exaggerate the pace and extent of these external changes. Nation states, for example, continue to exert considerable influence (Milward 1992), mass production regimes remain in place, and MNCs have yet to abandon their country of origin as their base of operation (Ruigrok and van Tulder 1995). The changes that have taken place, however, have compelled unions to embark on a series of wide-ranging reforms. As the chapters of this book illustrate, reform will not follow the same pattern in each country. The historical divisions between trade unions of function, religion and political affiliation, differences in the extent of trade union centralisation and confederal authority, and contrasts in national traditions of interest aggregation and political alliance building, will ensure that the pattern of reform remains differentiated, divergent and uneven. Irrespective of this historical variation, the issue for trade unions is to adapt to changes in national labour markets, which have tended to weaken their influence, while concurrently extending influence internationally and ensuring the representation of the 'new' groups of workers.

The purpose of this chapter is to specify the nature of the challenges faced by trade unions in Europe. The peculiarities of each nation are analysed in the country-based chapters that form the body of the book. In particular, relations between unions and the polity, the social movement aspects of trade union activity and macro-economic policy involvement in active labour market policies are examined within the country-based chapters. The final chapter of the book examines the development of international trade union structures, policies and activities within Europe.

Four inter-linked themes are found in most chapters of this book, albeit in different forms. The first of these concerns the articulation of relations between different levels of trade union organisation. An articulated trade union is established around cohesive and coherent inter-relationships between workplace, regional and national levels of organisation and activity (Crouch 1993; Kjellberg 1983). Where unions fail to achieve articulated structures, workplace activity is often isolated and relatively ineffective. Furthermore, the absence of articulation between different levels of union organisation often weakens union resistance to employers and slows internal union reform. The chapters of this book indicate that trade union articulation is under pressure. Challenges arising from the need to develop international policy and activity, combined with the decentralisation of bargaining, necessitate that trade unions articulate between international and workplace levels. In many of the countries covered in this book, trade unions have yet to find appropriate solutions to these twin challenges in the form of articulated union structures.

A second theme of the book is the emphasis placed by trade unions on recruitment and the development of forms of representation appropriate for 'new' groups of workers. In short, trade unions have failed to recruit workers employed in private sector services in sufficient numbers to replace those lost from areas of traditional strength. While a wide array of initiatives have been launched by trade unions to address this shortfall, the national chapters illustrate that considerable further progress is required if a permanent trade union presence is to be extended throughout private sector services. Similarly, many unions have established representative structures for under-represented groups, in

order to encourage higher levels of participation in union affairs. These measures constitute marked improvements on the earlier situation, but have yet to meet with the approval of the groups to which they are directed and, hence, are not associated with the intended levels of membership participation.

A third theme is the restructuring of unions by mergers and forms of closer working, such as cartels of unions. In practice, the restructuring of the labour market and changes in the patterns of interest aggregation and bargaining have rendered inappropriate many traditional forms of union structure. By way of adaptation, unions have merged or developed new forms of alliance. It remains to be seen whether such developments are the basis for extended union activities or merely a response to forestall further decline. Whatever the case, mergers raise questions of union representation in circumstances of rising membership heterogeneity, of new forms of relationship between union officials and members, and of how to generate membership commitment to new organisations.

A fourth theme that appears in many of the book's chapters is the growing importance of union organisation and activity at the workplace. Although the specific manner in which union activities in the workplace are undertaken varies, these activities are central to reform. Such activities include the recruitment of new members, articulation with the wider union, and relations with works councils or similar institutions and representation of individual members. The decentralisation of bargaining has further increased the burden of activities undertaken within the workplace, and has posed the question: can trade unions support members and union activities at the workplace?

In order to locate these themes, this introductory chapter charts the parameters of change within the countries covered in the subsequent chapters.³ It does this in two parts. Part One charts the dimensions of the challenge faced by unions. It focuses on changes in the labour market, on employers' approaches to trade unions, and on changes in national rates and levels of unionisation. Part Two reviews some of the responses introduced by unions to address these challenges. It examines the different approaches to membership recruitment, retention and

organisation, and the range of merger activity entered into by trade unions in western Europe. Relations between trade unions and the polity are not considered in this introduction. As we assume that institutions influence behaviour, variation in the political approaches of trade unions is consigned to the national chapters, where the impact of different institutional arrangements can be explored in detail.

Part One

Charting the dimensions of the challenge

Part One identifies the challenges faced by trade unions in western Europe. It argues that changes are underway in the labour market and in employers' behaviour that jeopardise forms of activity on which unions have relied since the implementation of the post-war settlement. It thus unearths those areas of union activity in which reforms are sought. To these ends, there are four sections. The first section illustrates some of the key changes to national labour markets, thus identifying the employment characteristics of potential members. The second section reviews the key developments in relations between unions and employers. In particular, it examines the trends in the coverage of collective bargaining and workplace representation, and the impact of union exclusion on workplace activity. The third and fourth sections present data on the rate of unionisation and the different explanations of the membership decline experienced in many countries since the late-1970s.

Labour market developments

This section charts several of the key developments in national labour markets since the end of the long post-war boom. It reviews the effects of these developments on trade union membership, and thus moves towards identifying the recruitment challenges faced by European trade unions. The constituency that formed the bedrock of trade unionism

throughout the first half of the twentieth century – male, full-time workers, employed in manufacturing industry on permanent or ‘standard’ contracts – is in decline. This decline has accelerated since the mid-1970s, with the consequence that trade unions are required to reform systems of representation if they are to recruit members from expanding areas of employment to replace those lost from traditional areas of strength.

The changing composition of employment

Table 1.1 illustrates the overall changes in national labour markets since 1967. Civilian employment grew in all countries between 1967 and 1996 except Finland, where a decline of 16,000 is recorded, due to the particularly steep recession of the early-1990s (see Chapter 5). Putting aside Germany, where the unification of East and West constitutes special circumstances, growth in civilian employment averaged 19.2 percentage points, with a peak of 56 percentage points in the Netherlands and lows of 4 percentage points in Italy and Spain. Growth in civilian employment between 1967 and 1996 was most marked in the smaller economies of Austria, Greece, Ireland, the Netherlands, Norway and Portugal, which averaged expansions of 32.8 percentage points; compared with average increases of 7.8 percentage points in the larger economies of France, West Germany (until 1990), Italy and the UK.

A significant proportion of the rise in employment is accounted for by the increasing participation of women in the labour market. By 1996, for the countries listed in Table 1.1, the average participation rate in civilian employment of women was 60.7 per cent compared to 79.9 per cent among men. Taking the eleven countries for which data are available for both 1972 and 1996, reveals the extent of shift towards the employment of women.⁴ In 1972 the average participation rate for men was 88.7 per cent and 46.6 per cent for women. By 1996 the average for men had declined to 79.5 per cent whereas that for women had increased to 61.5 per cent. In 1970 only in Finland did women fill more than 40 per cent of the jobs in civilian employment. By 1996 they did so in all western European countries with the exceptions of Greece (35.9 per cent), Ireland

Table 1.1: Changing Levels and Composition of Civilian Employment, 1967 - 1996

Number of Civilian Employees Proportion in Agriculture ¹ Industry ² Services ³																					
Country	1967			1970			1975			1980			1985			1990			1996		
	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%
Austria	3,081			3,051			2,943			3,070			3,235			3,412			3,737 ⁴		
	16.4	41.4	42.2	14.6	41.4	44.0	12.5	40.9	46.6	10.5	40.3	49.3	9.0	38.1	52.9	7.9	36.8	55.3	7.2	33.2	59.6
Belgium	3,534			3,604			3,663			3,657			3,517			3,726			3,724 ⁵		
	5.7	43.9	50.3	4.9	42.6	52.5	3.8	39.7	56.5	3.2	34.7	62.1	3.1	30.2	66.7	2.7	28.3	69.0	2.6	27.7	69.7
Denmark	2,264			2,315			2,332			2,460			2,522			2,638			2,593		
	13.5	37.1	49.5	11.5	37.8	50.7	9.8	31.5	58.8	7.1	30.4	62.4	6.7	28.1	65.2	5.6	27.5	66.9	4.0	27.0	69.0
Finland	2,103			2,115			2,211			2,318			2,427			2,457			2,087		
	26.8	33.6	39.6	22.6	34.6	42.8	14.9	36.1	49.0	13.5	34.6	51.8	11.5	31.9	56.5	8.4	31.0	60.6	7.1	27.6	65.3
France	19,763			20,328			20,864			21,334			20,915			21,732			21,951		
	16.3	38.9	44.8	13.5	39.2	47.2	10.3	38.6	51.1	8.7	35.9	55.4	7.6	32.0	60.4	6.1	29.9	64.0	1.4	27.0	71.7 ⁶
Germany	25,461			26,169			25,585			26,528			26,062			27,946			35,360 ⁷		
	10.4	46.9	42.8	8.6	49.3	42.0	6.8	45.4	42.0	5.3	43.7	51.0	4.6	41.0	54.4	3.4	39.8	56.8	3.3	37.5	59.1
Greece	3,186			3,134			3,198			3,356			3,588			3,677			3,824 ⁸		
	46.0	22.5	31.5	40.8	25.0	34.2	35.2	27.9	36.8	30.3	30.2	39.5	28.9	27.4	43.7	24.5	27.4	48.2	20.4	23.2	56.4

Country	1967			1970			1975			1980			1985			1990			1996		
	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)	%	%	(000s)
Hungary							5,744 ⁹						5,573 ¹⁰			5,300			3,605		
							21.3	44.6	34.1				20.2	40.1	39.7	15.8	36.1	48.1	8.4	33.0	58.6
Ireland			1,052			1,045						1,141				1,059			1,307		
	30.4	28.2	41.3	27.1	29.9	43.1	22.4	31.8	45.8	18.3	32.5	49.2	15.9	28.9	55.2	15.0	28.6	56.4	10.7	27.2	62.3
Italy			19,315			19,218						20,313				21,123			20,036		
	24.4	37.3	38.3	20.2	39.5	40.3	16.7	39.2	44.1	14.3	37.9	47.8	11.2	33.6	55.2	9.0	32.4	58.6	7.0	32.1	60.9
Netherlands			4,505			4,679						4,970				6,268			7,028		
	7.1	39.5	53.4	6.2	38.9	54.9	5.7	34.9	59.4	4.9	31.4	63.6	4.9	28.1	67.0	4.6	26.3	69.1	3.9	22.2	73.3
Norway			1,458			1,497						1,875				1,992			2,047 ¹¹		
	16.0	37.0	47.0	13.9	37.3	48.8	9.4	34.6	56.1	8.5	29.7	61.9	7.4	27.2	65.4	6.5	24.8	68.8	5.2	23.4	71.5
Portugal			3,284			3,345						3,940				4,474			4,475		
	34.7	32.9	32.4	30.0	32.9	37.1	33.9	33.8	31.3	27.3	36.6	36.1	23.9	33.9	42.2	17.8	34.8	47.4	12.2	31.4	56.4
Spain			11,876			12,220						11,550				12,578			12,394		
	29.4	34.4	36.2	27.1	35.5	37.4	22.1	38.4	39.6	19.3	36.1	44.6	18.3	31.7	49.9	11.8	33.4	54.8	8.7	29.7	61.6
Sweden			3,695			3,854						4,232				4,508			3,963		
	9.9	41.3	48.8	8.1	38.4	53.5	6.4	36.5	57.1	5.6	32.2	62.2	4.8	29.8	65.4	3.3	29.1	67.5	2.9	26.1	71.0
UK			24,570			24,381						25,004				26,577			26,088		
	3.6	45.6	50.8	3.2	44.7	52.0	2.8	40.4	56.8	2.6	37.7	59.7	2.5	31.6	65.8	2.1	29.0	68.9	2.0	27.4	71.0

Sources: OECD, *Labour Force Statistics*, various years, for all countries except Hungary 1976 and 1986 (Frey and Timar 1993).

Notes:

1. Agriculture includes agriculture, hunting, forestry and fishing. Industry includes manufacturing, electricity, gas, water and construction.
2. Services includes wholesale and retail trade, restaurants and hotels; transport, storage and communication; financing, insurance, real estate and business services; community, social and personal services; and activities not adequately defined.
3. Data refer to 1994.
4. Data refer to 1992.
5. Data refer to 1992.
6. Data refer to wage earners and salaried employees.
7. Data refer to East and West Germany.
8. Data refer to 1995.
9. Data refer to 1976.
10. Data refer to 1986
11. Data refer to 1995.

(38.8 per cent), Italy (35.8 per cent) and Spain (35.2 per cent). In other words, the expansion of employment since the end of the long post-war boom is largely due to the increased participation of women. While trade union membership among women has increased during the same period, in most countries union density remains lower for women than for men. Only trade unions in the Nordic countries and Ireland have achieved equal rates of membership among women and men. A key priority for trade unions in many countries is thus the recruitment and organisation of larger numbers of women, together with the introduction of the means to encourage higher rates of participation in union activities among women.

The shifts in the sectoral composition of employment shown in Table 1.1 also require trade unions to alter their recruitment emphasis. Employment in agriculture declined in every country illustrated in Table 1.1. This decline was consistent both in terms of absolute numbers of employees and as a relative share of total employment. Only in Greece (20.4 per cent), Ireland (10.7 per cent) and Portugal (12.2 per cent) does employment in agriculture now account for more than 10 per cent of civilian employment.

The proportion of civilian employment located in industry increased until the end of the post-war boom. Thereafter, decline became more widespread and was universal in proportional terms between 1985 and 1996. Greece is unique in that employment in industry was larger in both absolute and proportional terms in 1996 than in 1967. However, in Ireland, Portugal and Germany, allowing for the effects of unification, absolute increases in the number employed in industry are recorded over the same period. Steep proportional declines are recorded in the UK (18.2 percentage points) and Belgium (16.2 percentage points), reflecting the shift of jobs away from manufacturing industries in these countries. Given that trade union membership in 1967 was heavily concentrated in manufacturing, the decline of employment in industry indicates the extent to which trade unions have to shift their recruitment priorities away from these areas of traditional strength to the areas of employment growth.

Whereas there is a tendency for employment in agriculture and industry to contract, in services absolute and relative employment growth has been universal. In 1967 employment in services comprised more than half of civilian employment in three countries, Belgium, the Netherlands and the UK. By 1996 employment in services constituted more than 60 per cent of employment in all countries except Austria, Germany, Greece, Hungary and Portugal. Initially this growth was concentrated in the public sector as Keynesian policies were implemented in attempts to stabilise employment levels after the end of the post-war boom. In more recent years, and particularly after about 1985, employment growth in services has been stronger in private sector services. It should come as no surprise that those countries with the largest shares of employment in services, the Netherlands (73.3 per cent) and the UK (71.0 per cent), have relatively large private services' sectors. As the public sector tends to be relatively well organised by trade unions throughout western Europe, it is from private sector services that the new recruits must be drawn to replace those lost from manufacturing. Furthermore, as is illustrated below, this shift towards private sector services is associated with other labour market features that also mitigate against trade union organisation, such as the proliferation of small sites and large numbers of workers employed on part-time, temporary or casual contracts.

The expansion of part-time and temporary work

The growth of part-time working since the end of the long post-war boom is illustrated in Table 1.2.

Two central issues are illustrated by Table 1.2. Firstly, in most countries, the proportion of total employment constituted by part-time working has increased since the end of the long post-war boom. Only in Denmark and Norway was the proportion of part-time employment lower in 1997 than in 1973. However, both these countries were exceptional in that over 20 per cent of total employment was already employed on a part-time basis in 1973. While there are considerable differences between countries, three principal reasons explain the growth in part-time employment:

- employers' attempts to increase working time flexibility, particularly in private sector services, where part-time workers have been increasingly used to increase the duration over which the service is available, such as to cover for longer shop opening hours;
- the choice of workers to work for shorter hours and/or at times which are appropriate for their private lives;
- the result of negotiation between unions and employers aimed at protecting employment levels by reducing the hours worked by individual employees.

Table 1.2 : Growth in the proportion of part-time working¹ in western Europe, 1973-1997

Country	1973 %	1979 %	1983 %	1990 %	1993 %	1997 %	Women's share of part-time employment in 1997 %
Austria	6.4	7.6	8.4	8.8	10.1	10.8	89.1
Belgium	3.8	6.0	8.3	10.2	12.8	17.4	89.2
Denmark	21.2	22.7	23.7	19.9	18.9	19.0	64.8
Finland	6.7	6.7	7.7	7.2	8.6	7.5	68.6
France	5.9	8.1	9.6	12.6	13.7	15.5	78.8
Germany	10.1	11.4	12.6	13.2	15.1	15.0 ²	86.7 ²
Greece			6.5	5.5	4.3	8.7	62.9
Hungary						3.3	71.3
Ireland	6.7	5.1	6.6	8.1	10.8	16.7	74.0
Italy	8.4	5.3	4.6	5.7	5.4	12.4	74.7
Netherlands	8.7	16.6	21.4	27.3	28.4	29.1	78.9
Norway	23.0	27.3	29.6	26.6	27.1	21.2	80.0
Portugal		7.8	7.8	5.9	7.4	7.9	81.3
Spain				4.1	6.3 ³	7.9	77.1
Sweden	18.0	23.6	24.8	23.2	24.9	23.6	76.3
UK	16.0	16.4	19.4	21.8	23.3	23.1	82.8

Source: OECD. Employment Outlook, various years.

Notes 1: National definitions of part-time work are used. These vary from country to country, see OECD Employment Outlook for details.

2: Data refer to 1996. 3: Data refer to 1994.

As was noted above, the increase in the relative size of private sector services in most countries continues apace. Furthermore, the number of cases where working time reductions are implemented in order to protect employment levels shows no sign of abating. It seems likely, therefore, that part-time work will continue to increase as a proportion of total employment. In other words, it is essential for trade unions to identify the interests of part-time employees, to implement internal reforms to ensure their representation, and to incorporate issues appropriate to part-time workers within policy agendas, if trade unions are to recruit part-time workers in greater numbers than hitherto.

Table 1.3: Growth in the proportion of temporary working¹ in western Europe, 1983-1994

Country	1983 %	1985 %	1987 %	1989 %	1991 %	1994 %
Belgium	5.4	5.7	5.1	5.1	5.3	5.1
Denmark	12.2	12.3	11.1	10.0	11.9	12.0
Finland	11.1	10.7	11.2	11.9	13.1	13.5
France	3.3	4.7	7.1	8.5	10.2	11.0
Germany	9.7	10.0	11.6	11.0	9.5	10.3
Greece	16.3	21.2	16.6	17.2	14.7	10.3
Ireland	6.2	7.3	8.6	8.6	8.3	9.4
Italy	6.6	4.8	5.4	6.3	5.4	7.3
Netherlands	5.8	7.6	9.4	8.5	7.7	10.9
Portugal	14.4		16.9	18.7	16.5	9.4
Spain	15.6		15.6	26.6	32.2	33.7
Sweden	12.0					13.5
UK	5.5	7.0	6.3	5.4	5.3	6.5

Source: OECD. *Employment Outlook*, various years.

Note 1: National definitions of temporary work are used. These vary from country to country, see OECD *Employment Outlook* for details.

A second central issue to emerge from Table 1.2 is related to the increasing participation rates of women. In each of the countries listed in Table 1.2 women constitute more than 60 per cent of part-time workers. In Austria and Belgium this percentage rises above 89 per cent. A significant proportion of the rise in the participation rates of women is thus accounted for by the rise in part-time employment. The recruitment imperatives for trade unions to increase membership among women workers and part-time workers are thus inextricably inter-linked.

An additional development associated with attempts by employers to increase numerical flexibility is the introduction of temporary working. In many countries workers employed on such contracts are either eligible for reduced dismissal protection or are unprotected. Table 1.3 illustrates the trends in temporary working since 1983.

The use of temporary work varies markedly among the countries shown in Table 1.3. Spain is an obvious outlier in that more than one third of workers are employed on a temporary basis. Other countries fall within the range of five and thirteen per cent. Since 1983 growth in the use of temporary work has been steepest in Spain, France and the Netherlands. Country studies suggest that the use of temporary contracts is cyclical. During the initial phases of an upturn, employers rely on overtime working from existing employees to cover additional demand. Only if the upturn continues will employers take on additional staff on temporary contracts to meet additional demand (see Rubery *et al.* 1993; Visser and Hemerijck 1997). Furthermore, in the UK employers are prepared to employ workers on a succession of temporary contracts, rather than move them from a temporary contract to a permanent contract (NACAB 1993). By this mechanism employers keep such workers outside of many legal protections.

Three central points arise for trade unions from the increasing use of temporary workers. Firstly, the increase in the use of temporary work represents a further move away from the traditional employment pattern of full-time and permanent contracts on which trade union recruitment was dependent until the late 1970s. Secondly, the use of temporary contracts is often associated with increases in the rate of labour turnover, to which trade unions must adapt. Thirdly, greater mobility

between industries and sectors is also associated with temporary contracts. Such mobility brings into question traditional trade union structures based on industry. As Chapter 15 on Spain illustrates, new methods are required in order to increase membership retention in such circumstances.

Table 1.4: Unemployment rates in Europe, 1967-1997

Country	1967 %	1970 %	1975 %	1980 %	1985 %	1990 %	1997 %
Austria	1.8	1.5	1.7	1.9	3.6	3.2	4.4
Belgium	2.5	1.9	4.5	7.9	12.3	8.7	9.2
Denmark	1.2	0.7	4.9	6.5	7.3	8.3	5.5
Finland	2.9	1.9	2.2	4.6	5.0	3.4	13.1
France	2.1	2.5	4.0	6.3	10.2	9.0	12.4
Germany	1.7	0.6	4.0	3.2	8.0	6.2	10.0
Greece	5.4	4.2	2.3	2.8	7.8	7.2	10.0 ¹
Hungary						9.8 ²	9.9 ¹
Ireland	5.0	5.8	7.3	7.3	17.4	13.7	10.1
Italy	5.3	5.3	5.8	7.5	10.1	10.8	12.4
Netherlands	1.6	1.0	5.2	6.0	10.9	7.5	5.2
Norway	0.7	0.8	2.3	1.6	2.6	5.2	4.1
Portugal	2.5	2.5	4.4	7.7	8.5	4.6	6.8
Spain	2.9	2.5	4.3	11.1	21.1	15.9	20.8
Sweden	2.1	1.5	1.6	2.0	2.8	1.5	9.9
UK	2.0	2.2	3.2	5.6	11.5	5.5	7.0

Source: OECD, *Labour Force Statistics*, various years.

Notes: 1. Data refer to 1996. 2. Data refer to 1992.

Persistently high rates of unemployment

A further feature of labour markets in Europe since the end of the post-war boom is the persistently high rate of unemployment. Table 1.4 shows that, as the recession set in during the 1970s, unemployment rates rose sharply. Greece was alone in having a lower rate of unemployment in 1980 than in 1970. Furthermore, having risen throughout the 1970s, unemployment rates tended to remain high, relative to pre-1970 levels, throughout the 1980s and 1990s. Responses within the different regulatory regimes of western Europe did no more than mitigate the extent of the rise in unemployment. By 1997 the unemployment rate in Finland, France, Germany, Greece, Ireland and Italy was more than 10 per cent, and in Spain more than one fifth of the labour force was unemployed.

Unemployment is not equally distributed across the different sections of the labour force. Unemployment rates among young, unskilled and women workers tend to be higher than national averages. The 'shake-out' in manufacturing industries throughout the 1970s and 1980s also led to higher rates of unemployment among men of more than 50 years of age. Furthermore, the extent of long-term unemployment is rising and was estimated to constitute 48 per cent of the total in the EU (Klosse 1994).

For trade unions the implications of these persistently high rates of unemployment are wide-ranging. Firstly, as the rise in unemployment led to a questioning of the role and terms of welfare states, trade unions defended welfare systems. As these had been implemented when unemployment rates were lower, trade unions, in practice, advocated higher levels of public expenditure which was a source of tension with governments intent on cutting costs in these areas. Secondly, many trade unions offer a limited range of services to the unemployed and are thus unable to retain unemployed workers in membership. Thirdly, more emphasis was placed on changes to working time as a means to maintain employment levels. Activity in this area comprised macro-level campaigns to reduce the length of the basic working week and company-based initiatives to introduce short-time working to protect jobs. Fourthly, in several countries trade unions entered wider national exchanges with governments and employers, with the objective of

generating joint approaches to the reduction of unemployment. Such arrangements necessitated greater co-operation between unions and confederations of unions. As the chapters of this book illustrate, this co-operation resulted in new alliances between unions and new forms of closer working.

Relations with employers

Shifts in the composition of the labour force and high rates of unemployment were accompanied by changes introduced by employers, intent on adapting to new forms of international competition. This process of adaptation has influenced the form and character of bargaining relationships between employers and unions. In particular, bargaining tended to be decentralised and its coverage narrowed (see Fajertag 1998). Increased international competition also promoted the search for greater workplace flexibility and mechanisms to generate higher levels of employee commitment. In the public sector privatisation, increased use of contract labour and restrictions arising from tight limits on public sector spending influenced the pattern of labour relations. Both private and public sector employers developed a range of measures to handle unions.

These employer-led processes are neither universal nor even, but have had marked effects on the relations between national trade union structures, institutions of workplace representation and union organisation at the workplace. Although collective bargaining coverage remains relatively high in most countries of western Europe, the decentralisation of bargaining places a greater emphasis on the workplace than hitherto. Union organisation within the workplace is thus in the forefront of change, yet the data reviewed here indicate the weakness of union organisation at the workplace in terms of presence and activity. In pursuing greater flexibility employers have exposed weaknesses in the articulation of activity between different levels of union organisation.

The coverage and decentralisation of bargaining

Neo-liberal economic orthodoxy suggests that the coverage of collective bargaining should be reduced in order to limit trade union 'inter-

ference' with the operation of 'free' markets. As neo-liberal policies have been more strongly advocated by employers in recent years, efforts have been made to reduce the coverage of bargaining. Some employers have left employers' associations in order to pursue independent wage policies and others have de-recognised trade unions. Multinational companies, particularly US-based operations, have also attempted to resist inclusion in collective bargaining agreements. Similarly, a relatively large number of employers based in the Eastern *Länder* of Germany have not affiliated to employers' associations and are thus not covered by formal collective agreements (Rupert and Shroeder 1998). The coverage of collective bargaining in western Europe is illustrated in Table 1.5.

Table 1.5 is based on the proportion of employees covered by collective agreements. This measure is limited in two respects. The results indicate a higher coverage of bargaining 'by employees' than if the data were compiled on a 'by company' basis, because of the concentration of employment and unionisation in larger workplaces. For example, data for West Germany indicate no coverage of collective bargaining at 38.4 per cent of companies compared to 16.9 per cent of employees (Kohaut and Bellman 1997). This point suggests that the smaller workplaces in private sector services are most likely to be excluded from the coverage of collective bargaining. A further limitation of the data is that coverage by collective bargaining is not directly associated with a union presence at the workplace. In France, for example, 90 per cent coverage by collective bargaining is accompanied by a unionisation rate of 9.0 per cent. In several countries trade unions have been able to increase the coverage of collective bargaining by recourse to extension mechanisms laid down in labour law, rather than through the development of workplace union organisation. Furthermore, where national political exchanges or social pacts are agreed, the coverage of bargaining is recorded as widespread, although unions may be absent from the workplace. Table 1.6 thus presents data showing the extent of employee and trade union representation at workplace level in ten countries of the EU.

Table 1.5: The coverage of collective bargaining, 1980-1996¹

Country	1980 %	1985 %	1990 %	1996 %
Austria			71	
Belgium			90	
Denmark		74		55
Finland	95		95	95 ²
France	85	92	95	90
Germany (west)	76	74	76	83 ³
Greece				90 ²
Hungary				45 ³
Ireland				90 ²
Netherlands	63	62	60	80
Norway			75	66
Portugal	59	61	62	
Spain	60	67	60	82
Sweden			83	85 ³
UK	83	76 ⁴	65	48 ²

Sources: Traxler (1996) for 1980-1990; ILO (1997) for 1996; Kohaut and Bellman (1997) for the German data for 1995; and Brown *et al.* (1997) for the UK data.

Notes:

1. Collective bargaining coverage rate is the proportion of employees covered by collective agreements.
2. Data for 1994. 3. Data for 1995. 4. Data for 1984.

Table 1.6: Percentage of workplaces with employee representation, 1996¹

Country	Any form of workplace representation %	Works councils or joint consultation committee %	Trade union representatives %
Denmark	66	20	38
France	80	25	39
Germany	66	58	6
Ireland	58	9	43
Italy	80	46	34
Netherlands	55	33	8
Portugal	33	4	10
Spain	83	59	24
Sweden	92	10	85
UK	61	13	32

Source: European Foundation for the Improvement of Living and Working Conditions 1997.

Note 1: The data relate to larger workplaces: those with over 25 employees in the cases of Denmark, Ireland, the Netherlands, Portugal and Sweden; and above 50 employees in the cases of France, Germany, Italy, Spain and the UK. The data are thus likely to overstate the total level of representation.

There are marked disparities between the presence of workplace representation and the presence of trade union representatives. In each country, trade union representatives are found at a smaller proportion of workplaces than workplace representation. By comparison with works councils or joint consultation committees, however, the extent of the trade union presence is more variable and is influenced by the institutional arrangements prevailing in each country.

Of the countries listed in Table 1.6 it is only in Sweden that there is a trade union presence at more than half of the workplaces. This, of course, raises questions concerning recruitment and representation. Although *Betriebsratsmitglieder*, *délégués du personnel*, or others involved in institutions of employee participation, may engage in recruitment activities, the absence of union representatives limits the opportunities for recruitment and union-based activity. The absence of union representatives is most marked at small workplaces and in private sector services where the most intensive recruitment efforts are required if the membership losses sustained since the mid-1970s are to be reversed.

The weaknesses of European trade unions at the workplace are likely to be exacerbated as employers press for the further decentralisation of collective bargaining arrangements. The decentralisation of collective bargaining clearly has different specific implications within different regulatory regimes. A number of common implications for trade union organisation and activity, however, can be identified. Firstly, the number of bargaining units will continue to rise with bargaining decentralisation. Trade unions will thus have to service and support more bargaining units. Where single channel bargaining arrangements persist, this increase is direct in the sense that it is local union lay representatives that require support. Where dual systems operate the union support function will require co-operation with the activities of the works councils. Secondly, the decentralisation of bargaining also requires trade unions to co-ordinate local activities more extensively to ensure that the different local settlements are informed by 'best practice' elsewhere. Undertaking these functions places great demands on union support facilities and requires some form of union presence within the workplace. As Table 1.6 shows, the presence of union representatives at the workplace is insufficient to undertake these support and co-ordination functions.

Union exclusion at the workplace

The absence of trade union representatives at workplace level is not the only major challenge to address in relations with employers. A wide range of measures are being introduced by employers to secure greater workplace flexibility and higher levels of employee commitment to the

goals of the enterprise. In workplaces where there is no union presence, such measures may render union recruitment initiatives less effective. At unionised workplaces such measures may by-pass or exclude union structures.

A broad range of measures associated with the HRM agenda have been implemented with the objective of enabling employers to communicate directly with workers. The coverage of team-working, quality circles and total quality management, for example, increased sharply throughout the 1980s and 1990s. The intention underpinning such schemes is to exploit the 'voice' option through direct participation and communication (Regalia 1997; Oetjen and Zoll 1994). Traditionally the 'voice' option was exercised via the channels of either works councils or trade unions. Direct participation mechanisms, however, exclude works councils and trade unions and thus may lead to a diminution of their influence at the workplace (see Parker and Slaughter 1988).

During the 1980s a myriad of studies reported that direct participation mechanisms were not leading to exclusion or loss of workplace influence. This situation was confirmed in countries operating the single union channel of representation and the dual system.⁵ The situation changed markedly during the 1990s. The exclusion of local union organisation became more widespread within single-channel systems: team working systems were established from which local union representatives were excluded; facility time for local union representatives was reduced, preventing them from undertaking the additional duties arising from direct participation; and direct communication systems were used to secure agreement between employee and employer without union involvement (Smith and Morton 1993; Williams 1997). Greater concern is also expressed within the context of dual systems of workplace representation. In particular, the extension of *Öffnungsklauseln* (opening clauses) to cover wages and salaries, as well as a range of work organisation issues, and their increasing use without trade union rights of veto, has brought into question the operation of the German model (Schnabel 1998; Flecker and Schulten 1999). Among the issues questioned are the provision of greater levels of support by unions to unionised works councillors, and the extension of works councils into private sector services and small companies in manufacturing. Similarly,

in the Netherlands *FNV-Dienstenbond* (the service sector union) issued a policy statement that conditionally accepted workplace re-organisation, yet was unable to participate in the introduction of team-working at the largest Dutch supermarket chain because of the absence of union organisation at the workplace (Leisink 1997).

The trade union movements of southern Europe have traditionally placed great emphasis on a strong national-level union presence, rather than intricate networks of local union representatives. As Chapters 14 and 15 on Portugal and Spain illustrate, the relative absence of local networks has allowed employers to pursue 'unilateral' policies in connection with the HRM agenda. In Italy, however, the reallocation of responsibilities from national to local union unions has regenerated local union organisation, which had been moribund throughout much of the 1980s (Locke 1990). In order to address these weaknesses, the three confederations in Italy and the two main confederations in Spain have entered into workplace alliances, the *Rappresentanza sindacale unitaria* (RSU) and *unidad de acción* (unity of action) respectively. These are intended to generate uniform union positions and to limit the effects of management strategies intended to play one group off against another.

Accompanying measures to encourage direct participation are management schemes intended to promote employee commitment to the enterprise. Although extensive national differences remain, the range of financial participation schemes, which link pay to company performance, and share ownership schemes has increased sharply in most EU member states since 1980 (Kester and Pinaud 1996). Traditionally most unions have been sceptical, if not opposed, to financial participation schemes, as they tend to be unilaterally introduced by management, to widen workplace inequalities and to reduce the influence of collective bargaining. In France, however, financial participation schemes are regulated by legislation that obliges management to settle the terms of profit-sharing schemes with worker representatives. Trade unions have thus adopted more pragmatic approaches, based on securing agreement on the terms of implementation. The contrast between the French approach and that in Belgium and the UK, goes some way to explaining the views of unions towards such schemes. In Belgium and the UK financial participation

schemes tend to be introduced unilaterally by management, which have often used them as part of a strategy to exclude unions (Vaughan-Whitehead 1996).⁶ Some local unions, however, are now attempting to influence the implementation of such schemes, due to the interest expressed in them by members. In other words, opposition from unions at national level is being undermined by developments within the localities.

The direction of change in unionisation since 1955

From the outset it should be acknowledged that the levels of unionisation in western Europe are generally, but not universally, higher than in the United States, density of 14.2 per cent in 1995, and Japan, density of 24.0 per cent in 1995 (ILO 1997). However, western Europe tends to be unionised to similar levels as attained in the adjacent central and eastern European countries and the Baltic states.⁷

Table 1.7 illustrates the pattern of change in trade union membership and density since 1955. Two features are apparent within the pattern of change. Firstly, membership and density tended to rise between 1955 and the late-1970s, albeit at different national rates, followed by decline in most countries during the 1980s and 1990s. The end of the post-war boom during the 1970s thus marks the beginning of a period of contraction in the level and rate of unionisation. Belgium, Denmark, Finland and Sweden are the exceptions to this general pattern of development in that membership has increased in the three Nordic countries since 1980, and has remained at a relatively stable level in Belgium. The reasons for this variation are discussed below. It is also apparent that the weaker trade union movements, in terms of the level of unionisation they had achieved, tended to decline earlier than their more organised counterparts. In other words, during the late-1970s stronger union movements were able to deploy resources that delayed the onset of decline.

A second feature in the trend of unionisation is that the range of union densities among the countries shown in Table 1.7 has tended to increase since 1950. The range of union densities in 1950 was 37.1 percentage points, varying between a peak of 67.3 per cent in Sweden to a low of

30.2 per cent in France. By 1995 this range had extended to 78.9 percentage points with a peak of 87.5 in Sweden and a low of 8.6 per cent in France. The increase in the range of union densities is a feature of the period characterised by membership growth and that marked by decline. Union densities have thus diverged since 1955.

Within these aggregate patterns of development, there are five inter-linked features arising from analyses of disaggregated data. These features have been present for much of the post-war period.

First, men tend to be more heavily unionised than women. The Nordic countries constitute exceptions to this general trend in that rates of unionisation by sex are similar, if not higher, among women. The difference in rates of unionisation by sex in Ireland is also less than two percentage points (Roche and Ashmore forthcoming). Evidence suggests that differences in the rate of unionisation between men and women arise from features associated with the segregation of employment: the employment of women is concentrated in private sector services; the contractual arrangements of many women, specifically the relatively large number of part-time and temporary contracts; and the concentration of the employment of women in small workplaces where union representatives, who recruit workers into unions, are relatively scarce (Sinclair 1995).

A second feature of disaggregated analyses is that the rate of unionisation tends to be much lower among younger workers than among their older counterparts. Increasing age by ten years is estimated to increase the probability of union membership in the EU by over 24 per cent (IRS 1998). The average age of trade unionists in the UK is 46 and in the Netherlands density among 15 to 24 year olds is 15 per cent compared to a level of 40 per cent among those aged 45 or more (TUC 1997; Visser and Hemerijck 1997). Similar structural reasons to those that explain the relatively lower unionisation of women also contribute to the lower rates of unionisation among young workers. In particular, the employment of large numbers of young workers in private sector services, and at small sites where there are high rates of labour turnover, tend to depress unionisation rates. In addition, some argue that younger workers are more 'individualised', as a result of the social changes

during the 1980s and 1990s, with the consequence that they are less susceptible to the collectivism that underpins trade unionism (Valkenburg and Zoll 1995; Hoffmann *et al.* 1993). Furthermore, the formality of trade union practices may also inhibit younger people, more used to the greater informality of the movements in which they participate, such as those concerned with the environment, animal rights or anti-racism.

A third feature of disaggregated data is that white-collar workers tend to be less unionised than their manual counterparts, although since the mid-1960s the gap in unionisation rates between the two groups has tended to narrow. This difference reflects the traditions of union organisation among manual workers in manufacturing industry. The higher rates of unionisation in the public sector have significantly contributed to the narrowing in the occupational rates of unionisation. In many countries manual and white-collar workers are organised by different unions which may affiliate to different confederations. This has led to the proliferation of trade unions. In some countries it has also led to disputes between unions regarding the occupational status of potential recruits. As the distinctions between manual and white-collar work become more opaque, it seems likely that such disputes will continue and may inhibit recruitment.

A fourth feature of disaggregated studies is the relative weakness of trade union membership among migrant workers and workers from ethnic minorities. Survey data from the UK, for example, indicate that while aggregate union density is 30 per cent, that among Indian workers is 29 per cent and among Pakistani/Bangladeshi workers is 16 per cent (Cully and Woodland 1998). Similarly, in the Netherlands the rate of unionisation among the ethnic minorities is 13 percentage points lower than the average rate (Olney 1996). In Germany the presence of large numbers of foreign workers was shown to have a significant effect on lowering trade union density (Schnabel 1989). The introduction of larger numbers of union officers from the ethnic minorities and representative institutions for workers from the ethnic minorities is thus a priority if this degree of under-representation is to be reversed.

A fifth feature arising from disaggregated analyses are the sectoral differences in the rates of unionisation. In general terms, union density in the public sector tends to be higher than in other sectors followed, in order, by manufacturing and private sector services. Although density in manufacturing has remained fairly stable in many countries, the decline in manufacturing employment has resulted in large-scale membership losses. The central issue for unions to address is that membership remains concentrated in the public sector and manufacturing where employment levels are tending to decline, whereas in private sector services unionisation is relatively lower, yet employment is expanding.

Explaining the pattern of unionisation

A number of models have been developed to explain the pattern of unionisation shown in Table 1.7. Several of these models are inter-related. Furthermore, particular explanatory factors are not equally influential in all countries and may be overridden by more powerful factors. With these points in mind four explanations are examined here, not with the intention of assigning precedence to one or another, but with the objective of identifying the range of policy questions that trade unions could usefully address in order to reverse the decline in unionisation.

The influence of the business cycle

In classic formulations of the business cycle model movements in unionisation are explained in terms of shifts in inflation, wages and unemployment (Commons *et al.* 1918; Wolman 1936; Ashenfelter and Pencavel 1969; Bain and Elshiekh 1976). Proponents of business cycle explanations expect inflation and union membership to be positively associated, as workers unionise in order to protect their standard of living and as employers are more likely to concede union demands when prices are rising. Rising wages are also anticipated to stimulate union membership because workers assign these rises to the efforts of trade unions. An inverse relationship between unemployment and unionisation is expected by business cycle theorists for three reasons: unions offer relatively few benefits to unemployed workers; the costs of membership are high for unemployed workers; and employers are more able to resist recruitment campaigns when unemployment is high.

Table 1.7: Trade union membership and density, 1950 - 1997

Country	1950 (000s) %	1955 (000s) %	1960 (000s) %	1965 (000s) %	1970 (000s) %	1975 (000s) %	1980 (000s) %	1985 (000s) %	1990 (000s) %	1995 (000s) %	1997 (000s) %
Austria	1,290.6 66.3%	1,398.4 67.5%	1,501.0 65.8%	1,542.8 64.8%	1,520.3 63.6%	1,587.5 59.8%	1,661.0 59.6%	1,671.4 60.6%	1,644.8 56.2%	1,583.4 49.1%	1,497.6 46.6%
Belgium	1,024.6 43.3%	1,188.9 47.8%	1,312.2 51.6%	1,423.1 50.5%	1,605.8 54.9%	2,103.4 69.0%	2,310.1 75.7%	2,331.7 80.9%	2,367.6 77.6%	2,589.5 85.0%	
Denmark	712.3 55.5%	837.6 61.1%	946.5 61.8%	1,050.6 62.1%	1,150.6 62.6%	1,413.1 74.4%	1,792.4 87.8%	2,006.9 90.8%	2,071.3 88.9%	2,160.7 93.2%	2,166.0 89.9
Finland	381.2 33.1%	405.0 32.7%	468.2 34.4%	642.5 42.1%	950.4 57.4%	1,408.5 74.6%	1,646.4 80.9%	1,783.9 81.3%	1,915.4 87.6%	2,111.3 95.5%	2,108.0 95.6%
France	3,686.0 30.2%	3,006.0 23.5%	2,532.0 19.2%	2,818.0 19.1%	3,458.0 21.0%	3,782.0 21.1%	3,282.0 17.1%	2,443.0 12.2%	1,968.0 9.2%	1,945.0 8.6%	
Germany	5,993.6 40.8%	7,138.5 39.7%	7,762.6 38.7%	8,075.3 37.9%	8,207.1 37.7%	8,917.9 40.6%	9,484.3 40.6%	9,323.7 40.5%	9,619.7 38.5%	11,369.0 ¹ 35.5%	10,532.3 ¹ 33.4%
Greece						591.0 ²		595.7 ³ 16.5%	564.4 ⁴ 15.4%	429.5 11.2%	
Hungary								3,000.0 74.1%		1,860.0 52.5%	
Ireland	295.3 41.9%	316.4 45.6%	325.5 50.2%	371.9 54.4%	424.1 59.1%	466.7 61.5%	545.2 63.5%	501.5 62.5%	490.6 58.5%	517.9 52.3%	
Italy	5,214.6 43.8%	5,536.0 43.9%	3,908.0 28.5%	4,011.0 28.5%	5,530.0 38.5%	7,708.0 48.5%	7,138.0 49.0%	8,851.0 42.0%	10,145.0 39.2%	10,523.0 38.0%	
Netherlands	1,214.6 44.2%	1,257.3 41.2%	1,399.0 44.2%	1,481.4 41.7%	1,560.9 39.8%	1,694.2 42.0%	1,716.6 39.4%	1,491.1 33.2%	1,632.7 29.5%	1,806.7 30.2%	1,818.3 28.9%
Norway		604.6 52.5%	680.9 57.2%	730.0 57.7%	785.5 57.9%	903.9 60.8%	1,093.9 64.4%	1,202.1 67.1%	1,287.9 70.3%	1,387.4 72.5%	1,452.2 71.3%
Portugal									1,434.0 51.4%	800.0 25.6%	
Spain						1,606.6 18.5% ²	1,109.9 13.8%	1,037.0 14.2%	1,561.0 16.8%	1,405.9 15.8%	1,456.9 15.1%
Sweden	1,605.6 67.3%	1,758.9 69.2%	1,909.1 70.7%	2,103.3 65.4%	2,325.2 66.6%	2,766.7 73.2%	3,114.3 78.2%	3,349.8 81.5	3,387.7 82.4%	3,390.2 87.5%	3,317.0 86.4%
UK⁵		9,003.0 44.3%	9,460.0 44.5%	9,715.0 43.0%	10,672.0 48.55	11,561.0 52.0%	12,239.0 54.5%	10,282.0 49.0%	8,854.0 38.1%	7,275.0 32.1%	7,117.0 30.2%

Sources: Data for Austria, Belgium, Denmark, Finland, France, Germany, Ireland, the Netherlands, Norway, and Sweden are taken from Ebbinghaus and Visser (2000). For these countries total trade union membership is reported. The density figure is calculated by expressing total membership as a proportion of the 'gainfully employed' (Austria, Belgium, Denmark, Germany); 'net density, dependent' (Finland, France, Sweden) and 'gross density, employed' (Ireland, Netherlands, Norway). The data for Greece were kindly supplied in personal communication from Christos Ioannou. Membership data: refer to members that vote in the elections that take place in years of trade union congresses. Density data: express the membership data as a proportion of total employment. The data for Hungary are taken from ILO (1997). Membership data are drawn from records held by the major union confederations and are likely to include self-employed, retired and unemployed trade union members. Density data express membership as a proportion of employed labour force. The Italian data are from Regalia and Regini (1998). Membership data exclude the UIL before 1970; before 1980 they include unemployed and retired members but from 1980 include only employed members. The density data express membership as a proportion of the employed labour force. The Spanish data are taken from Jordana (1996) for 1977-1990 and from Ebbinghaus and Visser (2000) for 1995 and 1997. All membership data exclude pensioners, but include the very few unemployed workers that retain union membership. Density data express membership as a proportion of the employed labour force. The data for the United Kingdom are from Waddington (1992) from 1955 to 1985 and from the Labour Force Survey for 1990-1997. Membership data: 1955-1985, exclude as far as possible all unemployed and retired people that retain union membership; 1990-1995, exclude all retired and unemployed. Density data: 1955-1995, membership expressed as a proportion of the labour force excluding employers, self-employed and registered unemployed.

- Notes:**
1. East and West Germany combined, all preceding years refer to West Germany alone.
 2. Data refer to 1977.
 3. Data refer to 1986.
 4. Data refer to 1989.
 5. Data refer to Great Britain; that is, they exclude membership from Northern Ireland.

None of these three relationships is consistent in every European country. There is variation between countries in the nature of the relationships, that is whether they are positive or negative (Bain and Elshiekh 1976; Roche and Larragy 1990; Schnabel 1989), and their strength (Freeman 1990). Furthermore, the relationships proposed within the business cycle vary within countries over different historical periods (Pedersen 1982; Carruth and Disney 1988). It is also evident that institutional features, such as the presence of income policies and the extent of legal support for unions at the workplace, influence the effect of the model (Western 1997:102-121).

The effect of institutional differences can be most clearly illustrated by reference to the impact of unemployment. Table 1.4 showed that unemployment rates have risen since the mid-1970s, albeit with cross-national variation in the rate and timing of the increases. The impact of unemployment has been particularly hard-felt in manufacturing where the employment 'shake-out' had adverse effects on unionisation. It was noted above that in four countries (Belgium, Denmark, Finland and Sweden) unionisation rates have either risen or remained stable during the period of rising and high unemployment. In these four countries a variant of the Ghent system is in operation. In the Ghent system, trade unions perform a role in the administration of unemployment benefits. While the precise nature of this role varies between the four countries (see Western 1997:50-65), it ensures that there are benefits of retaining union membership during periods of unemployment. The rising levels of unemployment after the mid-1970s were thus not as damaging to the rate of unionisation in these countries as elsewhere. Indeed, in Belgium the level of unionisation among the unemployed in 1993 is reported as 61.3 per cent compared to 44.6 per cent among the employed (IRS 1997). The same source reports that in Denmark 79.7 per cent of the unemployed are union members. Compare these figures with levels of unionisation among the unemployed in 1993 of 6.0 per cent in West Germany, 13.0 per cent in Italy, 9.5 per cent in Ireland, 6.7 per cent in Portugal, and 10.5 per cent in the UK where the Ghent system is not operated (IRS 1997). Rising levels of unemployment have thus contributed to the patterns of decline in unionisation since the end of the post-war boom in all countries except those where trade unions

perform a function in the administration of unemployment benefit. In other words, the impact of unemployment on unionisation rates is influenced by institutional circumstances.

Sectoral shifts in employment

Sectoral shifts in the composition of employment are estimated to account for about 40 per cent of the decline in western European trade union membership between 1970 and 1992 (Ebbinghaus and Visser 1998). This figure does not diverge much from country-level analyses for the Netherlands and the UK (Visser 1991; Waddington 1992), although it markedly overstates the national effect attained for West Germany (Schnabel 1989). These analyses, however, do not take into account a variety of other factors associated with shifts towards private sector services including, for example, higher rates of labour turnover; more employment at small sites; and the greater use of part-time, temporary and subcontract labour. Each of these factors tends to be linked with weaker trade union organisation. In other words, the decline in unionisation indicated by sectoral shifts in employment may understate the overall effects.

In practice, many trade union movements failed to develop extensive networks of activists at workplaces in private sector services during the 1970s and 1980s. In the absence of such networks of activists, trade unions have found it difficult to recruit and retain members in private sector services. In some countries attempts have been made to deploy trade union officers on these recruitment duties. There are insufficient officers to have a significant effect on membership levels, however, and such activities draw them away from supporting existing members. The development of more effective methods of recruitment and retention in private sector services is thus a priority.

Employment growth in private sector services varies by occupation. At one extreme are high-technology companies engaged in computing and research and development, which employ highly skilled, white-collar workers at relatively high rates of pay, often within an internal labour market. At the other extreme are cleaning and catering operations that employ unskilled workers on low pay with little, if any, job security. The

recruitment challenge for trade unions is thus twofold. Policies are required which will attract workers into membership from both occupational groups.

Opposition to unionisation from employers

This explanation of the recent decline in unionisation has been developed most extensively in the United States (Goldfield 1987; Kochan *et al.* 1986). In essence, proponents of this explanation argue that resistance to unionisation from employers has had a significant effect on levels of unionisation, although it is acknowledged that institutional circumstances also impinge on this effect. In the decentralised bargaining environment of the United States, where there is no system of regulation and representation akin to that in western Europe, and unions are weak, employer resistance is at its most pronounced. Particular employer strategies are also associated with this resistance in the United States such as the use of 'union-busting' consultants, sacking strikers and replacing them from among the unemployed and the use of a range of delaying tactics in the conduct of certification elections (Goldfield 1987: 226).

In much of the EU there are fewer incentives for employers to engage in the same activities as their American counterparts. The presence of multi-employer bargaining, often supported by legislation, ensures that similar wage costs are incurred by employers. Only by re-locating outside of a particular regulatory regime is an employer able to significantly change these circumstances. While there are notable examples of such relocations, for example into central and eastern Europe, there is little evidence to indicate wide-ranging shifts (Hoffmann and Hoffmann 1997; Dicken 1992).

There are, however, instances which suggest that some practices from the United States are being imported into the EU. US-based employers have resisted their incorporation into the regulatory regime of the specific countries in which they have invested. Digital Equipment Corporation in Germany, for example, does not participate in multi-employer arrangements. Similarly, only after extensive campaigns did Swedish and Danish unions manage to ensure that Toys 'R Us and

McDonalds complied with the terms of the appropriate collective agreements. Furthermore, in Ireland and the UK, many US-based employers have been able to resist unionisation. In Ireland and the UK, for example, neither Toys 'R Us nor McDonalds are unionised.

The law and workplace representation

A further factor that influences unionisation is the extent and scope of local union organisation. The argument here is that where unions have been able to secure influence at the workplace within institutions established for workers' participation, they have sustained fewer membership losses (Hancké 1993). It is acknowledged that the constitutional basis of the institutions of workplace participation vary; in Austria, Belgium, France, Hungary, the Netherlands, Germany and Spain, for example, statutory provisions are in place that are outside of union organisation. In Denmark, Finland, Italy, Norway and Sweden workplace participation has its origins in national collective agreements, which were later supplemented by legislation. Ireland and the UK illustrate a third variant in that traditionally unions have sought recognition from an employer. Usually, only after recognition is secured are there developments in local union organisation.

Two factors are identified as being particularly influential. Firstly, legal support, in so far as it ensures that workplace institutions for participation either exist or may be established, and secondly, unions with the resources to exploit these as bases in recruitment campaigns. Statistical analysis reveals the efficacy of the explanation (Hancké 1993). Furthermore, where legal support is present, but well-resourced unions are absent, conditions are shown to be inadequate to sustain membership levels. In France, for example, unions lost members following the introduction of the Auroux laws, which extended the legal underpinning of participation at the workplace, in part because the unions lacked sufficient resources to exploit the opportunities presented to them by the legislation (Goetschy and Rozenblatt 1992).

A further factor associated with these issues is the use of HRM practices to promote participation in the workplace. In recent years, for example, the use of team briefings, team-working, quality circles and

profit-sharing schemes has burgeoned, as managements have attempted to promote greater levels of commitment among workers to the enterprise. Where employee participation is legally underpinned, management-led participation schemes have been introduced with union agreement and co-operation. In consequence, unions have tended to retain influence at the workplace. Where there is no legal support for either a works council or a union presence, however, these same practices have been used by management to by-pass union organisation and, hence, render it less effective (Kochan *et al.* 1997). As union organisation has become less effective at the workplace, so union membership has also become less attractive to potential members.

Part Two

Searching for solutions to the challenges

The introductory section of this chapter isolated four themes that resonate throughout the chapters of this book: trade union articulation; membership recruitment; mergers and forms of closer working; and the centrality of union organisation at the workplace. In terms of these themes, Part One showed that the articulation between different levels of union activity is threatened by the decentralisation of bargaining and a requirement to extend union organisation into expanding areas of the economy, particularly into private sector services. It illustrated some of the different employment characteristics exhibited by potential members that work in private sector services, thus raising the prospect of increasing membership heterogeneity. Part Two extends this analysis by examining attempts to address these challenges in the areas of recruitment, retention and organisation. A range of measures has been implemented to address the recruitment challenge. As such, they incorporate the themes of articulation, recruitment and union organisation at the workplace. These measures are examined here by reference to the debates between the servicing model and the organising model of unionisation.

Membership decline and labour market restructuring have also encouraged many unionists to question whether existing union structures are appropriate to meet the challenges. Part Two thus examines the range of merger activity undertaken by trade unions, and develops linkages between the four themes and the impact of trade union mergers. It illustrates the importance of mergers as a means to concentrate resources and thereby develop recruitment, retention and organisation. In addition, the issues of post-merger union articulation and the support available to members at the workplace are examined by reference to the character and outcomes of merger activity.

Recruitment, retention and organisation

The extent of the decline in membership, coupled to the relative absence of union representatives in the workplace in private sector services, has raised the profile of issues concerned with recruitment, retention and workplace organisation among trade unionists. Research has been commissioned in several countries with the objectives of establishing why people join unions and what unions have to do to improve organisation at the workplace. This section reviews some of the findings arising from this research, and the policies introduced to improve services.

Considerable progress has been made in identifying ‘why people join trade unions’, but there is still wide-ranging debate as to how to implement the findings in terms of trade union policy. In practice, there are two policy approaches that have been adopted, the servicing model and the organising model. While these approaches are not mutually exclusive, and both have their merits, it is argued here that the available evidence points to the long-term requirement to extend the network of trade union representatives to hitherto unorganised workplaces and thus encourage higher rates of membership participation.

Why do people join trade unions and who recruits them?

Improvement in the ‘core’ business of unions is on the agenda for most union movements. Unions have traditionally undertaken an insurance role in representing individual members in their workplaces. This

purpose has regularly been ranked as the prime reason for membership by workers. In the Netherlands joining a union to 'avoid personal problems in the work environment' is the primary reason for joining for both manual and white-collar workers (van de Vall 1970; Klandermans 1986). In the UK no fewer than 72 per cent of new members cite the provision of 'support if I have a problem at work' as being one of the two main reasons for joining a union (Waddington and Whitston 1997). Danish results are comparable, as joining a union 'to ensure that my interests are protected' is ranked second after joining in order 'to become a member of the unemployment scheme' (Jørgensen *et al.* 1992). In Sweden and Italy instrumental or support issues were found to be growing in significance as a reason for joining, compared to more ideological reasons (Di Nicola 1997; Sverke and Sjöberg 1997). The support issues cited by members as being important include the following: individual representation on discipline and grievance cases; receiving regular communications from the local and national union; and a visible union presence at the workplace in the form of local representatives and union officers. In practice, of course, a union presence at the workplace is essential, as it is through contact with the local representative that support is provided to the member in the first instance.

Evidence from the UK suggests that local union representatives remain the most potent recruiting agents for trade unions; no fewer than 30 per cent of new members were directly recruited by shop stewards. By comparison, full-time officers account for only 3.5 per cent of members recruited (Waddington and Whitston 1997). This result further substantiates the argument that a union presence at the workplace is a central feature of the recruitment process. The nature of the recruiting agent is also important, as it appears that 'like best recruits like'. In other words, women are better at recruiting other women (Heery and Kelly 1988) and young unionists are better at recruiting other young workers. For the trade union, therefore, the central issues are targeting potential recruits and selecting appropriate trade unionists to undertake recruitment (Pocock 1997).

Several unions acknowledge that they are unable either to provide, or to support, local representatives in all the workplaces at which they have members. In attempts to address this weakness, telephone centres have

been established for members to contact if they require advice or support. Some unions encourage all workers to contact these telephone centres for advice, irrespective of whether or not they are in membership. If the worker joins the union, advice is then made available. Such centres may thus assist unions in securing members from new workplaces.

In the light of these findings a wide range of measures have been fostered by trade unions to encourage recruitment activities. In practice, these measures concern identifying potential new members, deepening unionisation rates at sites where there is already a union presence, raising the profile of recruitment as a key activity for trade unionists, and encouraging participation of larger numbers of members in recruitment activities.

Many unions initially emphasised the importance of deepening recruitment at sites where a union presence had already been established. Efforts were thus directed towards reducing the number of free-riders. While such an approach is available to many unions, where industrial unionism prevails, particularly in manufacturing, it is the only effective approach for unions whose recruitment bases are contracting. Deepening unionisation is the easiest option to pursue, as the issue is to build on a union presence rather than establish such a presence. It can, however, be only a temporary strategy (Armingeon 1989), as the areas within which trade union membership is concentrated are contracting. Concurrent with approaches to deepen density were campaigns to raise the profile of union recruitment as an issue. The 'Link-Up' campaign of the Transport and General Workers Union in the UK and the 'FNV-My Agent' campaign in the Netherlands, for example, were concerned to raise the profile of recruitment as an important issue for existing unionists, as well as attracting new members.

Efforts to attract new groups into membership have emphasised the changing profile of trade unions and the issues that are thought to be attractive to such workers. In attempts to attract young workers into membership, unions have sponsored music festivals and concerts. The GMB union in the UK sponsors Brentford and Scunthorpe Football Clubs and *Dansk Metal* in Denmark used to sponsor the national

women's handball team, thereby ensuring that union logos appear on the players' shirts. Several unions have also used advertisements on television in order to attract potential members. It is unclear, however, how many new members have been recruited by these means. In recognition of the different employment circumstances of many potential members, discounted membership contributions for part-time and young workers are now widespread.

Attempts have been made to encourage a wider range of members to engage in recruitment activities. *IG Metall* has recorded membership increases, for example, by offering incentives, such as radios or CD players, to existing members who recruit a minimum of ten new members. In the UK several unions have launched similar schemes with the intention of broadening the number of people engaged in recruitment activities. The 'Recruit a Friend' campaign of UNISON encourages members to recruit their colleagues at work. If the member is successful s/he is entered by the union into a raffle for a holiday. The use of direct cash incentives by the same union, however, had no long-term effect.

In recognition of the failure to stem the rate of membership decline, the Trades Union Congress (TUC) in Britain has established an 'Organising Academy' at which young recruiting officers are trained before being sent out to recruit in areas designated by affiliated unions with which the recruiting officers work. This approach follows similar initiatives launched by the Australian Council of Trade Unions (ACTU) and the American Federation of Labor – Congress of Industrial Organisations (AFL-CIO). The rationale that underpins this approach is that existing full-time officers of trade unions have insufficient time to devote to recruitment activities, and local representatives are unable to recruit outside of their own workplaces. It is, therefore, necessary to train additional officers who will be concerned exclusively with recruitment. Preliminary returns from the work of the trainees from the Organising Academy suggest that new members are being secured, although they tend to be concentrated in workplaces where unions are already present, rather than at new sites (Heery *et al.* 1999).

Organising strategies

There are two broad approaches to recruitment that have been adopted, the servicing model and the organising model (see Bronfenbrenner *et al.* 1998; Conrow 1991). These approaches are not mutually exclusive and tend to be pursued as different elements of a recruitment strategy. The servicing model relies on initiatives from inside official trade union structures. Within the terms of the servicing model, trade union officials, rather than local union representatives, provide support to members who encounter problems. Support is thus provided externally to workplace union organisation. Other features of a servicing approach also do not require the presence of the union at the workplace, such as the Ghent system that was mentioned earlier, and the provision of welfare benefits. In addition, during recent years trade unions have started to introduce a range of financial services in order to attract new members.

In contrast, the organising model is built upon the presence of union representation and organisation at the workplace. The idea underpinning the model is that participation in union affairs at all levels is actively encouraged. During the initial phases of development, official union structures may be called upon to support nascent workplace organisation, to train local representatives and to establish appropriate institutions. The intention over the longer term, however, is that workplace organisation becomes more self-sufficient as a result of membership participation. The servicing model and the organising model are examined below. The examination illustrates the linkages between trade union articulation, workplace organisation and the unionisation of the expanding sectors of the economy.

Servicing model. The servicing model relies on trade union activities external to the workplace to support trade unionists at their places of work. It thus places an enormous burden on official trade unions to undertake these duties. The decentralisation of bargaining, the proliferation of small sites of employment and the absence of local union representatives at many workplaces, has led many unions to accept that the servicing model in its 'ideal' form is no longer viable as a means of providing support to members in their workplaces. There are not

enough trade union officials to cover the growth in the number of workplaces and bargaining units.

There are some noteworthy caveats to this generalisation. The Ghent system, for example, in which unions have a role in the administration of unemployment benefit, is, without doubt, one of the most influential tools for maintaining membership levels. Unions in countries where the Ghent system operates have managed to extend organisation throughout much of private sector services, to equalise unionisation rates among men and women, and to secure members among part-time, fixed-term contract and temporary workers. The Ghent system is thus a very effective manifestation of the servicing model. During recent years in Sweden, however, white-collar workers and workers in commerce have increasingly opted to join the unemployment insurance fund only and have not become union members. Similarly, in Denmark the regulations concerning unemployment insurance for young people were changed in April 1996, prompting fears among trade unions that young workers would no longer become members. Further changes to early retirement schemes (*efterlønssordningen*) were also opposed by Danish trade unions as they were thought likely to promote earlier withdrawals from unemployment insurance funds and hence, membership losses. The link between workers and unionisation is thus not secure even where the Ghent system operates.

Historically, unions have also provided a range of individual welfare services, such as sickness benefit, funeral benefit and convalescence homes, as part of the servicing role. Several of these welfare provisions remain in place, although many have been overtaken by state provision. Survey evidence from Ireland, Denmark and the UK indicate that welfare services are in the mid-range of reasons for joining (ICTU 1998; Jørgensen *et al.* 1992; Waddington and Whitston 1997).

A more recent development within the terms of the servicing model is the provision of packages of financial services as an inducement to membership. Such services have been offered by unions in Belgium, Denmark, Italy, the Netherlands, Sweden and the UK. Included in these packages are credit card facilities, holiday discounts, mortgage schemes, and health and home insurance policies. Implicit in their introduction is

a changed relationship between union and member, based on individual consumer interest rather than collective industrial interests. In practice, unions offer discounted financial services on the basis of allowing exclusive access to the membership to specific companies offering such services. Packages of financial services are claimed to represent an adjustment by unions to a 'new individualism' (Bassett and Cave 1993).

It is far from clear that these measures have been effective in attracting new groups of workers into membership. Survey evidence from the UK, for example, indicates that only 3 per cent of new members regard such services as being among their first or second reasons for joining a union (Waddington and Whitston 1997). Similarly, in Belgium and Denmark such services are of little appeal (Jørgensen *et al.* 1992). However, in the Netherlands individual financial services have contributed to reversing membership decline during the 1990s (IRS 1994). Advocates of this new form of the servicing model also claim that financial services are important as a means of retaining members. Initial evidence, however, indicates that only 2 per cent of members cite financial services as being one of the two primary reasons for retaining their union membership (Waddington 1999).

Considerably better results have been obtained from the implementation of individual services that directly concern work. The provision of legal services, for example, is relatively highly regarded by British trade unionists, while their Dutch counterparts value a service through which advice is provided in filling out tax returns. In several countries research is also underway within trade unions to ascertain whether it will be possible for unions to provide pensions to supplement state-funded provisions. Unions that organise professional workers have also recorded recruitment successes through the provision of professional services. Unions of nurses, for example, cite the efficacy of professional indemnity insurance as a means of recruiting and retaining members. The extension of professional services is now being considered more widely. To illustrate, the Transport and General Workers' Union has investigated the issues associated with the provision of insurance protection for the licences of drivers of trucks and buses. The servicing model is thus not moribund, for there are options which are attractive to members within the terms of the model. These options, however, do not

address the central reason for joining the union, namely, 'support if I have a problem at work'. The question thus remains, how might this support be provided at unionised workplaces and extended to workplaces in private sector services?

Organising Model. The organising model rests on the assumption that more membership participation in union affairs is required if decline is to be reversed. An organised union presence at the workplace, an appropriate number of local union representatives and institutions to enable participation throughout all levels of the union are central to the model. In order to establish workplace union organisation support for it may be required from outside the workplace. Once workplace organisation is set up, however, the organising model assumes that the provision of training and specialist advice are the principal forms of external support provided by the union. In broad terms, two approaches have been adopted within the framework of the organising model. Firstly, campaigns are underway to improve workplace organisation where there is a union presence, and to extend it into new areas. Secondly, extensive reforms of participative structures have been introduced, directed specifically towards encouraging participation in union affairs of the 'new' groups.

As Table 1.6 illustrated, there is considerable progress to be made to ensure that union representatives are present at workplaces where there are union members. A majority of Dutch and French trade unionists, for example, report no active union presence at their workplace (Klandermans and Visser 1995; Dufour and Nunes 1998). Even in highly unionised Denmark, 31 per cent of members report that there is no *tillidsrepræsentant* (shop steward) present at their workplace (Jørgensen *et al.* 1992). In recognition of these shortfalls, a large number of unions are investigating how the number of local union representatives might be increased. Examinations are now being conducted on how the quality of workplace union organisation may be improved through the provision of new forms of training to union representatives, and by making available a wider range of support and advisory services from the union centres. In Belgium, for example, unions are campaigning for lower size thresholds to trigger the establishment of company councils and health and safety committees, in order that union organisation

might be spread to the smaller workplaces that characterise private sector services.

In addition to the inadequate numbers of local union representatives, there is also criticism from members concerning the quality of local union organisation. About two-thirds of union members in the UK, for example, thought that there was room for improvement on individual representation, in union communications and in the presence of union representatives at the workplace (Waddington 1999). Each of these issues is considered by members to be central to the issue of support at the workplace. These criticisms by members should be qualified, however, as very few members take the opportunity to attend union meetings through which they might address some of these concerns.

On the specific issue of recruitment activities, membership participation appears influential. *IG Metall* was more successful with its recruitment campaign at Digital Equipment Corporation than at International Business Machines because it adopted a participatory approach, and used more extensive communication systems to reach potential members (Roßmann 1994). Similarly, organising initiatives in the United States have been more successful where membership participation has developed a degree of self-sufficiency in areas of communication and representation (Bensinger 1998). These examples of the benefits of high levels of participation, however, should not disguise the relative infrequency of a union presence at European workplaces and the generally low levels of membership participation.

Also integral to the organising model is the participation in union affairs at all levels of larger numbers of workers from under-represented groups. There is no agreement on how this can be achieved. Take, for example, the case of women. Some argue that organisations directed exclusively towards representing the interests of women are most successful in raising a range of issues of central concern to women (Trebilcock 1991; Cockburn 1983, 1991). The long-standing independence, and recent membership growth, of exclusive unions for women in Denmark (*Kvindelig Arbejderforbund* – KAD) and the Netherlands (*Vrouwenbond*) support this view. In recognition of this point many unions have established committee structures to facilitate the emergence of bargaining

agendas which include issues of concern to women. The contrary argument is that issues of importance to women may be marginalised, rather than integrated, by the presence of exclusive organisations (Briskin and McDermott 1993; Crain 1994). Furthermore, items generated by such organisations for inclusion on the bargaining agenda are among the first to be dropped during negotiations (Colling and Dickens 1998; Cyba and Papouschek 1996). Women are also inadequately represented in the decision-making structure of most unions at national and European levels (Braithwaite and Byrne n.d.). It is apparent that further reforms must ensure that, in addition to defining targets for representation and participation, the activities of women become integral to the decision-making and social processes of trade unions; in short, it is necessary to mainstream gender issues (Garcia *et al.* n.d.).

Other measures have also been introduced to encourage the membership and participation of under-represented groups. A range of additional institutions intended to encourage participation have been introduced by many unions. Committee structures for young workers and ethnic minority workers are now common throughout European trade unions. However, the establishment of a union specifically for young workers (*Jongerenbond*) by the *Federatie Nederlandse Vakbeweging* (FNV) in the Netherlands failed to attract large numbers of young members.

Merging trade unions

Changes to labour markets, employer policies towards trade unions and membership decline are linked to proposals to reform and restructure trade union organisation. Restructuring has involved a variety of different approaches ranging from formal mergers through to forms of closer working, such as cartels of unions. While these changes effect relations between national trade union movements and European-level trade union organisations, they remain embedded within the nation state and have yet to embrace wider transnational union organisation. Attention here is directed towards merger activity. The specific issues arising from the operation and politics of cartels of unions and their impact on union bargaining policies are examined in the country chap-

ters. Three issues integral to the merger process are assessed: the character of recent mergers, the influences that promote mergers and the different outcomes of mergers. Examination of these issues further highlights the interconnections between trade union articulation, membership recruitment and workplace organisation.

The character of merger activity

Existing forms of union organisation and structure influence the character of trade union merger activity in each country. However, four features characterise the recent trends in merger activity.

The first of these is that where there is more than one confederation of unions, confederation boundaries tend to impose limits on merger activity. Whether confederations are occupationally differentiated, as in the Nordic countries, or politically differentiated, as in southern Europe, does not affect the general pattern. Within the politically differentiated confederations of Southern Europe, this has resulted in different combinations of unions within competing confederations. In other words, the industrial union structure within confederations has been restructured in different ways. Where a single confederation of unions is dominant, confederation boundaries are not impermeable. In both Germany and the UK, for example, unions from outside the *Deutscher Gewerkschaftsbund* (DGB) and the TUC are in the process of merging with unions affiliated to the confederations.

Mergers of confederations, of course, are relatively rare. When confederations merge, however, the number of union mergers tends to increase as unions affiliated to the confederations merge. Two cases from the Netherlands illustrate this second characteristic. In 1974 the *Nederlandse Centrale voor Hoger Personeel* (NCHP) merged with the confederation that represented higher civil servants, the *Centrale van Middelbare en Hogere Ambtenaren* (CMHA), to form the *Vakcentrale voor Middelbaar en Hoger Personeel* (MHP). Mergers involving unions from the two constituent confederations followed, in practice, as a form of internal reorganisation. Similarly, the merger between the socialist union confederation *Nederlands Verbond van Vakverenigingen* (NVV) and the Catholic union confederation *Nederlands Katholieke Vakverbond* (NKV) in

1982 to form the FNV was accompanied by the merging of the affiliated unions of the two confederations. The proposed mergers of the three Italian confederations and of the *Geniki Synomospondia Ergaton Ellados* (GSEE, General Confederation of Greek Workers) with the *Anotati Diikisis Enoseos Demosion Ypallilon* (ADEDY, Confederation of Greek Civil Servants) by the end of the year 2000 will, if accomplished, also result in an acceleration of sub-confederal union mergers.

A third characteristic of the recent merger process is that confederations have had little influence over the specific mergers undertaken by affiliated unions.⁸ The direction of merger activity thus exhibits no simple pattern in most countries. Whereas several confederations have encouraged mergers among affiliated unions, the direct assistance provided is usually limited to the provision of either guidance on past practice or arbiters in cases of dispute. As affiliated unions tend to maintain their autonomy, opportunities for confederal leadership are often curtailed. The role of the *Österreichischer Gewerkschaftsbund* (ÖGB) is a marked European exception, in that the confederation has played a major part in developing a proposal to replace a structure based on fourteen unions with one comprising only three unions, covering manufacturing, services and the public sector respectively. While it remains to be seen if this form of involvement will result in the proposed structure, initial closer working and co-operation arrangements between affiliated unions are following the intended pattern of development.

A fourth characteristic of recent mergers is that they take two forms: an amalgamation in which two or more unions merge as roughly 'equal' partners to form a new union; and an acquisition which involves one union 'taking over' another (see, for details, Waddington 1995). In practice, an amalgamation usually occurs when the participating unions intend to generate a new profile for the post-merger union as a means of attracting members from a hitherto unorganised area of the labour market. By contrast, a union absorbed in an acquisition is often in steep decline with a membership base drawn from a contracting or restricted section of the labour market.

Why merge?

A multitude of reasons underpin the merger process, many of which are masked by the rhetoric attached to the pre-merger discussions and political positioning. Advocates of merger tend to downplay the impact of external factors in propelling the unions involved towards merger, and emphasise the positive aspects of restructuring. These are said to arise from the economies of scale achieved by the post-merger union. In this context reference is usually made to improvements in membership services and support. In many recent cases, however, unions have been compelled to merge by a combination of membership decline and financial weakness. Compounding these factors are the effects of bargaining decentralisation which require unions to engage in the costly servicing of a larger number of bargaining units and increasing membership heterogeneity which necessitates supporting a more diverse set of membership interests. Unions that organise in declining industries and occupations, or have their membership base restricted by other factors, have been particularly hard-hit by these developments. Unions of leather workers, woodworkers and agricultural workers, for example, have been acquired by larger counterparts in Germany, the Netherlands, Sweden and the UK. Employment in the leather industry in these countries is simply not sufficient to support an independent trade union, even if a high rate of unionisation is secured. On a larger scale, the total expenditure of all UK unions on administration was greater than the income gained from members between 1988 and 1997, illustrating the extent of financial weakness among unions during a protracted period of membership decline (Certification Officer various).

While membership decline and the features associated with it may have promoted many mergers, there is little evidence to suggest that mergers have resulted in stronger organisations capable of securing new recruits from the expanding areas of the economy. Mergers are much more likely to have mitigated the effects of losses from traditional membership heartland. The acquisition of a small union of textile workers by *IG Metall* in Germany, for example, has not reversed the overall decline in *IG Metall's* membership, nor has it allowed the union to secure large numbers of new recruits from the textile trades.

It remains an open question whether mergers have led to improved services as a result of economies of scale. Most merger agreements certainly include provisions to protect the employment of union employees. When membership is declining this should lead to increases in the ratio of full-time officers to members and, hence, improvements in membership support. In practice, however, many recent mergers have been followed by the introduction of early retirement schemes for union employees as post-merger unions attempt to reduce costs. Furthermore, several recent mergers have been accompanied by rumours that union officers influenced the choice of merger partner in order to protect or enhance their terms and conditions of employment. In other words, there may be an undue influence on the merger process arising from the employment circumstances of union officials.

Advocates of merger also claim that mergers may reduce competition between unions for members that may facilitate an improvement in the representation of members. Competition between unions for members may be reduced or eliminated when mergers involve unions with overlapping membership bases. For example, the proposed merger in Germany to form *Vereinigte Dienstleistungs Gewerkschaft* (VER.DI, service sector union) involving *Gewerkschaft Öffentliche Dienste, Transport und Verkehr* (ÖTV), *Industriegewerkschaft Medien* (IGMe), *Gewerkschaft Handel Banken und Versicherungen* (HBV), *Deutsche Postgewerkschaft* (DPG) and *Deutsche Angestellten Gewerkschaft* (DAG) may reduce competition for members between the unions involved in the merger. However, the merger may also lead to forms of membership competition in new areas. The membership of DAG includes white-collar workers in manufacturing industries. If the post-merger union were to attempt to deepen unionisation in these areas it would come into conflict with the unions in manufacturing that have traditionally organised manual workers, but are now expanding to incorporate white-collar grades. The point here is that it is not union restructuring alone that determines the nature and extent of competition for members; structural changes in the labour market and employer diversification are also influential. The principle of one union per employer which has informed post-war German trade union organisation becomes ever-more difficult to sustain as companies pursue interests in manufacturing and in private

sector services, and as strategic alliances between companies, outsourcing and franchising become commonplace.

Merger outcomes

In terms of the specific combinations of unions and forms of union governance, the outcomes of merger activity are varied and not readily classified. This variation is compounded by the enormous range of 'starting points' from which most mergers originate, with respect to union traditions and history, bargaining structures and forms of interest aggregation. Three themes, however, may be identified as having a resonance in several of the countries examined in the chapters of this book.

The first of these is that the position and roles of union confederations are brought into question. Traditionally union confederations have acted as conduits to governments, particularly if a social democratic party is in power, and, more recently, as participants in European-level trade union activities. The concentration of membership in fewer, relatively larger unions has jeopardised the role as a conduit to government, as it seems likely that governments will wish to discuss issues of concern directly with the larger unions. A similar position emerges regarding relations with European-level institutions in that larger unions are more likely to discuss relevant issues directly, rather than through union confederations. To this end, several unions have established offices in Brussels to ensure their direct representation. Indeed, some of these unions claim that such offices are part of the additional services that can be made available as a result of involvement in the merger process.

Two other issues for union confederations arise from merger activity. If power effectively comes to reside with a small number of large unions within a confederation, the attraction of the confederation to non-affiliated unions may diminish. In practical terms, why join a confederation when it is not possible to exert any influence of the policy of the confederation? In addition, and by contrast to the points raised above, confederations have administered demarcation disputes between affiliated unions. If, as was suggested above, disputes regarding membership

merely shift in form and focus as a result of mergers, union confederations may still have this important function to perform.

A second outcome of the recent merger activity are further shifts away from the industrial form of union organisation. In Germany the form of this shift is the linking of industrial organisations to form multi-industry unions in manufacturing, while the proposed merger to form VER.DI will result in a sectoral union for services. This latter form of organisation resembles that proposed by the ÖGB for Austria. In contrast, the formation of *FNV-Bondgenoten* combines both manufacturing and service sector unions.⁹ Similarly, within the Italian union confederations and within the *Confédération Française Démocratique du Travail* (CFDT), mergers between affiliated unions have broken down the original industrial structure as chemical workers' unions have merged within miners' unions.

A third, and related, outcome of this merger activity is that membership of individual unions continues to become more heterogeneous. In many instances increasing heterogeneity has occurred as overall membership has declined. This has resulted in ever-more complex forms of internal union representation as unions have attempted to integrate membership diversity while trying to retain union cohesion. Following the formation by merger of UNISON, the largest union in the UK, for example, a system of 'fair representation' was introduced to the constitution whereby women members, black members, gay and lesbian members, and members with disability were to be represented, proportionally to membership, on committees at every level of the union (Terry 1996; Fairbrother *et al.* 1996). Similarly, industrial and occupational committee structures now abound in post-merger unions, as mechanisms to ensure the representation of minority groups. While relatively little work has been undertaken on the effects of these measures on post-merger levels of membership participation, evidence from Sweden showed that post-merger membership participation declined (Sverke and Sjöberg 1997a). American research also suggests that membership participation may decline because mergers create additional layers of government between officers and members (Chaison 1986).

Conclusions

This chapter has 'set the scene' for the country-based chapters that follow. It identified some of the challenges faced by trade unions from shifts in the composition of employment, the decline in membership and the reforms implemented by employers. Coupled to persistently high levels of unemployment and state-led restructuring of national regulatory regimes, these challenges have placed unions on the defensive.

Trade union responses to the reforms of regulatory regimes are assessed in the country chapters. Union responses have focussed on extending unionisation into the expanding private services sector and on adapting union structures to changes in the labour market. While extending union organisation into private sector services will consolidate the finances of many ailing unions, the principle purpose is to revitalise unions by encouraging greater participation and involvement from groups currently outside of many union movements. In order to accommodate the peculiarities of workplaces in private sector services and to promote higher levels of participation among members employed therein, it has been necessary to reform methods of recruitment and systems of representation in many countries. Although considerable progress is recorded, it has been insufficient to reverse membership decline in the countries that do not operate the Ghent system, and to encourage higher levels of participation. In other words, representatives from the traditional areas of membership strength continue to hold the key positions of influence within unions and national union movements. Furthermore, in many cases, there are insufficient members from private sector services to bring influence to bear to change the traditional agenda.

Membership decline, financial stringency and changes in the labour market have also promoted widespread union restructuring through mergers. Although much of the rhetoric attached to mergers emphasises the additional services and support for members that might result, there is little evidence to suggest that this is the case. More likely is the defensive merger intended to mitigate the effects of membership decline. A defensive merger merely retains existing services, rather than

enhances them. A key issue arising from mergers in such circumstances is that membership heterogeneity increases while the level of membership remains constant or declines. The range of support services that the membership requires thus increases, irrespective of the direction of membership change. The extent of trade union merger activity in Europe has also raised issues of participation and representation. It remains to be seen whether small groups of members acquired by a large union can retain an identity and an influence within the post-merger organisation, or whether large-scale amalgamations can be completed without long periods of post-merger introspection as the internal structure of the new union is worked out.

Throughout this chapter and many of those that follow, articulation between the different levels of trade union activity is a central theme. In particular, it is apparent that the decentralisation of bargaining and the organisation of membership at larger workplaces have prompted a range of measures intended to establish or maintain articulation between workplace and wider union activity. Members from competing unions have entered into alliances in order to limit the impact of their isolation at the workplace. Where dual systems of representation are in operation, attempts are underway to enhance the linkages between trade union and works council activities. Similarly, a wider range of approaches to communications are now in place, which are intended to encourage greater cohesion across increasingly heterogeneous memberships. In several countries these, and associated, measures have acted to restore articulation between different levels of union activity within the nation state. Although, the range of structures and activities that extend beyond the nation state is becoming more extensive (see Chapter 18), they have yet to be articulated with many of the activities that take place within the nation state. A key question is whether European activities can be linked to workplace-based activities in a manner that is meaningful to the trade union member for whom the workplace is the primary location of his/her trade unionism. Success in meeting this objective would constitute a key stage in developing a European trade union movement.

Notes

- ¹ On first reading the inclusion of Hungary appears anomalous in a collection that focuses on western Europe. Three issues underpinned our decision to include a Hungarian chapter. First, Hungary is in the first wave of countries pressing for admission into the EU. Its inclusion thus allows assessment of the trade union issues that might arise on Hungary's entry to the EU. Second, after 1990 a wide-ranging series of reforms were introduced, which were intended to develop works councils along the lines of the German model. Third, the transformation of Hungarian trade unions bears comparison with the transformation processes that occurred in Portugal and Spain after authoritarian regimes were rejected.
- ² Among the institutions with a key international regulatory role are the Organisation for Economic Co-operation and Development (OECD), the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF) and the World Bank.
- ³ Data are not available on all of the labour market issues for each of the countries covered in the chapters of this book. Coverage is thus as wide as is possible, but excludes some countries for particular issues.
- ⁴ The eleven countries are Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and the UK. Data are taken from OECD (various).
- ⁵ Where the single union channel of representation prevails von Prondzynski (1992) for Ireland and Terry (1986) for the UK argued that recent changes had not significantly weakened the position of workplace trade unionism. Similarly, Müller-Jentsch and Sperling (1995) reported evidence of continuity in the German dual system throughout the 1980s.
- ⁶ In the case of the UK, Pendelton *et al.* distinguish between technical, paternalist and representative employee share ownership schemes, arguing that only the latter offer some opportunities for the extension of 'industrial democracy'. However, these authors show that these schemes have tended to disintegrate in the UK as workers opt for financial rewards, and that they have made little difference to the working life of employees (1995: 57-58).
- ⁷ The unionisation rates for some of these states are Bulgaria, 58.2 per cent; Czech Republic, 42.8 per cent; Estonia, 36.1 per cent; Poland, 33.8 per cent; Slovakia, 61.7 per cent (ILO 1997).
- ⁸ An important non-European exception to this generalisation is the case of Australia, where the ACTU formulated and implemented a blueprint for trade union structural reform by merger. In consequence, the total number of unions in Australia declined from 299 in 1989 to 132 in 1996 (Australian Bureau of Statistics, 1998).
- ⁹ The unions involved in the merger that produced *FNV-Bondgenoten* included *Industriebond-FNV* (manufacturing sector union) *FNV-Dienstenbond* (the services union), *Vervoersbond-FNV* (the transport union), and *Voedingsbond-FNV* (the agriculture and foodstuffs union).