Trade union influence under austerity in Europe (2008-2016)

A study of Greece, Ireland and Belgium.

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This dissertation is submitted for the degree of Doctor of Philosophy in Politics and International Studies.

Pembroke College, University of Cambridge, December 2017
Declaration

This dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration except as declared in the Preface and specified in the text.

It is not substantially the same as any that I have submitted, or, is being concurrently submitted for a degree or diploma or other qualification at the University of Cambridge or any other university or similar institution except as specified in the text. I further state that no substantial part of my dissertation has already been submitted, or, is being concurrently submitted for any such degree, diploma or other qualification at the University of Cambridge or any other university or similar institution. It does not exceed the prescribed word limit.
There's a simple doctrine: outside of a person's love, the most sacred thing that they can give is their labour. And somehow or another along the way, we tend to forget that. Labour is a very precious thing that you have. Anytime that you can combine labour with love, you've made a good merger.

-James Carville
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<th>Description</th>
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<tbody>
<tr>
<td>ABVV/FGTB</td>
<td>Algemeen Belgisch Vakverbond/Fédération Générale du Travail de Belgique – General Federation of Belgian Labour</td>
</tr>
<tr>
<td>ACLVB/CGSLB</td>
<td>Algemeene Centrale der Liberale Vakbonden van België/Centrale Générale des Syndicats Libéraux de Belgique – Confederation of Liberal Trade Unions, Belgium</td>
</tr>
<tr>
<td>ACV/CSC</td>
<td>Flemish: Algemeen Christelijk Vakverbond/Confédération des syndicats chrétiens - Belgian Confederation of Christian Trade Unions</td>
</tr>
<tr>
<td>ADEDY (Α.Δ.Ε.Δ.Υ.)</td>
<td>Ανώτατη Διοίκηση Ενώσεων Δημοσίων Υπαλλήλων - Greek Civil Servants' Confederation</td>
</tr>
<tr>
<td>CBC</td>
<td>Collective Bargaining Coverage</td>
</tr>
<tr>
<td>CD&amp;V</td>
<td>Christien-Democratisch en Vlaams - Flemish Christian Democratic party</td>
</tr>
<tr>
<td>CDH</td>
<td>Centre démocrate humaniste - Francophone Humanist Democratic Centre, Belgium</td>
</tr>
<tr>
<td>CME</td>
<td>Coordinated Market Economy</td>
</tr>
<tr>
<td>CNC/NCK</td>
<td>Confédération Nationale des Cadres/Nationale Confederatie v/h Kaderpersoneel – Association of Belgian middle-managers</td>
</tr>
<tr>
<td>CNE</td>
<td>Centrale Nationale des Employés – National Union of employees, ACV/CSC’s Francophone white-collar affiliate</td>
</tr>
<tr>
<td>Commission</td>
<td>European Commission</td>
</tr>
<tr>
<td>Council</td>
<td>European Council</td>
</tr>
<tr>
<td>DGB</td>
<td>Deutscher Gewerkschaftsbund – German Trade Union Confederation</td>
</tr>
</tbody>
</table>
ECB: European Central Bank

ECHR: European Court of Human Rights

ECI: European Citizens' Initiative

ECJ: European Court of Justice

ECSC: European Coal and Steel Community

EEC: European Economic Community

EESC: European Economic and Social Committee

EGSSE/ΓΕΔΔΑ: Γενική εθνική συλλογική σύμβαση - General National Collective Agreement, Greece

Elstat (ΕΛ.ΣΤΑΤ): Ελληνική Στατιστική Αρχή - the national Hellenic Statistical Authority

EMU: Economic and Monetary Union

EPSU: European Public Services Union

ERO: Employment Regulation Order, Ireland


ESM: European Social Model

ETUC: European Trade Union Confederation

ETUF: European Trade Union Federation
ETUI: European Trade Union Institute

EU: European Union

EURATOM: European Atomic Energy Community

EUROCOP: European federation for police unions and staff organisations

EWC: European Works Council

FEB/VBO: Verbond van Belgische Ondernemingen/Fédération des Entreprises de Belgique - Federation of Belgian Enterprises

FEMPI: Financial Emergency Measures in the Public Interest, Ireland

FSU: The Financial Services Union (Ireland)

GM: General Motors

GMB: General Municipal, Boilermakers and Allied Trade Union, UK

GSEE (Γ.Σ.Ε.Ε.): Γενική Συνομοσπονδία Εργατών Ελλάδας - The General Confederation of Greek Workers

GSEVEE/ΓΣΕΒΕΕ: Ελληνική Συνομοσπονδία Επαγγελματιών, Εμπόρων και Εμπόρων - Hellenic Confederation of Professionals, Craftsmen and Merchants

IBEC: Irish Business and Employers Confederation

ICFTU: International Confederation of Free Trade Unions

ICTU: The Irish Congress of Trade Unions.

IG Metall: Industriegewerkschaft Metall - Industrial Union of Metalworkers, Germany
**ILO:** International Labour Organisation

**IMF:** International Monetary Fund

**INE/GSEE-ADEDY/INE/ΓΣΕΕ-ΑΔΕΔΥ:** Ινστιτούτο Εργασίας-Κέντρο Επαγγελματικής Κατάρτισης - Vocational Training Center, Greece

**INMO:** Irish Nurses and Midwives’ Organisation

**ITUH:** International Trade Union House, Brussels

**JLC:** Joint Labour Council, Ireland

**KKE:** Κομμουνιστικό Κόμμα Ελλάδας - Communist Party of Greece

**LBC-NVK:** Landelijke Bedienden Centrale/Nationaal Verbond van het Kaderpersoneel - ACV/CSC’s white collar union affiliate

**LME:** Liberal Market Economy

**LO:** Landsorganisationen i Sverige - Swedish Trade Union Confederation

**LRC:** Labour Relations Commission, Ireland

**MEP:** Member of the European Parliament

**MME:** Mixed Market Economy

**MNC:** Multinational Corporation

**MOU:** Memorandum of Understanding

**MR:** Mouvement Réformateur - Francophone Reformist Movement party, Belgium
N-VA: Nieuw-Vlaamse Alliantie - New Flemish Alliance party, Belgium.

NERI: Nevin Economic Research Institute, Ireland

NGO: Non-governmental organisation

NIB: National Implementation Body, Ireland

OECD: Organisation for Economic Cooperation and Development

ΟΚΕ: Οικονομικό και κοινωνικό συμβούλιο της Ελλάδας - Economic and Social Committee, Greece

ΟΜΕΔ/ΟΜΕΔ: Οργανισμού Μεσολάβησης και Διατηρήσεως/Organisation for Mediation and Arbitration, Greece

ΠΑΜΕ/ΠΑΜΕ: Πανεργατικό Αγωνιστικό Μέτωπο - All-Workers Militant Front, Greece

Parliament: European Parliament

ΠΑΣΚΕ/ΠΑΣΚΕ: Πανελλήνιο Αγωνιστική εργαζόμενοι Συνδικαλιστικό Κίνημα - PanHellenic Agonistic Workers Trade Union Movement, Greece

ΠΑΣΟΚ/ΠΑΣΟΚ: Πανελλήνιο Σοσιαλιστικό Κίνημα - Panhellenic Socialist Alliance

PS: Parti Socialiste - Francophone Socialist party, Belgium

REA: registered employment agreement, Ireland

ΣΕΤΕ/ΣΕΤΕ: Συνδέσμος Ελληνικών Τουριστικών Επιχειρήσεων - Association of Greek Tourism Enterprises

ΣΕΒ/ΣΕΒ: Συνδέσμου Επιχειρήσεων και Βιομηχανιών - Hellenic Federation of Enterprises
SEO: Sectoral Employment Orders (Ireland)

SIPTU: Services, Industrial, Professional and Technical Union, Ireland

SME: Small and medium enterprise

SP.a: Socialistische Partij Anders - Flemish Socialist Party, Belgium

SYRIZA: Συνασπισμός Ριζοσπαστικής Αριστεράς - Coalition of the radical left, Greece

TD: Teachta Dála – member of Dáil Éireann, lower house of the Irish parliament

TEEU: Technical Engineering and Electrical Union, Ireland

TEU: Treaty on European Union

TFEU: Treaty on the Functioning of the European Union

Troika: the decision group formed by the European Commission, European Central Bank and the International Monetary Fund

TTIP: Transatlantic Trade and Investment Partnership

TUC: British Trades Union Congress

TUD: Trade Union Density

UCM: Union des Classes Moyennes –Francophone SME employers’ association, Belgium

UEB/VOB: Union des Entreprises de Bruxelles/Vereniging van de Ondernemingen van Brussel, Belgium

UN: United Nations

UNIZO: Unie van Zelfstandige Ondernemers – Flemish Union of Independent Entrepreneurs

UWE: Union Wallonne des Entreprises - Walloon Union of Enterprises

Ver.di: Vereinte Dienstleistungsgewerkschaft - United Services Trade Union, Germany

VLD: Open Vlaamse Liberalen en Democraten/Flemish liberals and democrats

VOKA: Vlaams netwerk van ondernemingen/Flemish Chamber of Commerce

WRC: Workplace Relations Commission
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Chapter 1 – Introduction

This study investigates the role played by the European trade union movement during the years of economic and social crisis in Europe between 2008-2016\(^1\), with a focus on the national trade union confederations in Belgium\(^2\), Ireland\(^3\) and Greece\(^4\). Each of these countries use the euro, are relatively small by European standards, and have contrasting industrial relations and political traditions (Visser 2008; Bechter & Brandl 2013). The union confederations in these countries are composed of local, regional, sectoral and occupational level organisations, are organised and structured differently, and are each affiliated to the pan-European, European Trade Union Confederation\(^5\) (ETUC) (Colfer 2011; Degryse & Tilly 2013).

The research explores the ways that unions mobilise political influence, with a focus on the role played by leaders and officers in national trade union confederations. The work seeks to establish whether unions are still relevant, and if they exert influence in new ways, as traditional resources and weapons wane (see Gumbrell-McCormick & Hyman 2013; Kelly 1998; Bieler 2006). In a broader sense, this thesis reviews European political processes, and considers the extent to which the tensions arising from the Eurozone crisis, increasing economic inequality, migration, high rates of unemployment, and political instability, can be ameliorated by trade union involvement in politics and labour market policy-formation.

While traditional measurements of union strength, including membership density\(^6\), collective bargaining coverage\(^7\), and the number of days lost to strikes, are still useful (and are explored in Chapter 5), they do not provide a complete picture of union power. A broader analysis of what unions do is required to better understand their role and influence. This includes union

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\(^{1}\) This research was written up in 2017, and no data was gathered beyond December 2016.

\(^{2}\) The Confederation of Christian Trade Unions (Flemish: Algemeen Christelijk Vakverbond; French: Confédération des syndicats chrétiens, ACV/CSC); The General Federation of Belgian Labour (Flemish: Algemeen Belgisch Vakverbond; French: Fédération Générale du Travail de Belgique, ABVV/FGTB) and the smaller General Confederation of Liberal Trade Unions of Belgium (Flemish: Algemene Centrale der Liberale Vakbonden van België Centrale; French: Générale des Syndicats Libéraux de Belgique ACLVB/CGSLB)

\(^{3}\) The Irish Congress of Trade Unions (ICTU).

\(^{4}\) The General Confederation of Greek Workers (Γενική Συνομοσπονδία Εργατών Ελλάδας/GSEE) and The Civil Servants’ Confederation (Greek: Ανώτατη Διοίκηση Ενώσεων Δημοσίων Υπαλλήλων/ADEDY).

\(^{5}\) In each country, there are small unions and confederations which are not affiliated to ETUC. The confederations that are affiliated to ETUC represent more than 90% of trade union members in each country.

\(^{6}\) The proportion of workers in an economy who are trade union members.

\(^{7}\) The proportion of workers whose terms and conditions of employment are determined by the social partners – that is, the representatives of workers and employers, and sometimes government - through collective bargaining.
involvement in state-supported institutions and social dialogue processes, through the formation of coalitions with other civil society actors, and through being active at the European Union (EU) level, where many rules governing industrial relations and social policy (the traditional purview of trade unions) now originate. The influence unions wield is now often more subtle, less militant, and harder to measure than heretofore (Lukes 2004).

The different relationships that unions maintain - with members, employers, governments and others – shape what unions do, and the resources these organisations draw upon. A unions’ ability to engage in sustained mobilisation is derived from material and financial resources and includes ‘people resources’ attained through membership, leadership, expertise, and access to networks and decision-makers, which are shaped by these relationships (Geary 2016; Goldstone & Tilly 2001). The mobilisation of influence comes in different forms, as we shall see in Chapter 6, where the analytical framework for this study is presented. The study focuses on how trust – or the lack thereof - influences what unions do; for example, how trust relationships influence union responses in Greece, which generally tend towards being more militant, and union responses in Ireland, which reflect a more partnership-oriented approach.

Trade unions and Europe

Reflecting the range of European trade union traditions that exist, this work advances a broad understanding of unions and union action which includes their role as labour market actors, vehicles of anti-capitalist mobilisation, and agents of social integration (Hyman 2001), as will be discussed in Chapter 4. Still, while trade union structures and traditions vary widely (see Crouch 1993; Visser 2008; Ebbinghaus & Visser 1999; Bechter & Brandl 2013), Sidney and Beatrice Webbs’ (1894) oft-quoted definition that describes a trade union as ‘a continuous association of wage-earners\(^8\) [that exists] for the purpose of maintaining or improving the conditions of their employment’, still holds up in the European context.

The Webbs identified three core union responsibilities. Firstly, collective bargaining, a term the Webbs themselves invented, is the process through which the social partners arrive at agreements which regulate the terms and conditions of employment. Secondly, legal enactment relates to the ways unions seek to influence legislation through formal negotiations or informal

\(^8\) The term ‘wage-earners’ fails to account fully for the rise of white-collar and salaried trade union members.
lobbying. Thirdly, through mutual insurance, unions support members in times of strike, work stoppage or ill-health by pooling, usually financial, resources (Webb & Webb 1894; Gumbrell-McCormick & Hyman 2013, pp1-5).

In their second seminal text, which concerns union organisation and collective bargaining, the Webbs (1897) introduced ‘industrial democracy’ to the social science lexicon. This concerns the involvement of workers in the running of their workplaces, and the sharing of authority between management and workers. The Webbs, who were Fabian socialists (discussed in Chapter 4), called for unions to become agents for the gradual democratisation of industry. This can happen formally, through works councils and joint committees, or through informal representations. This can involve unions, or increasingly, employers implement alternative employee voice mechanisms for worker consultation which avoid engaging directly with unions (Kaufman & Gottlieb-Taras 2015).

In modern terms, a union can be defined as a body comprised of workers that, by means of collective organisation and mobilisation, represent and advance the interests of their members in the workplace and in society (Williams 2014, p19). Unions are seen as a way for workers to obtain a collective voice, and to seek to protect workers from the arbitrary exercise of managerial prerogative. Union officers represent the interests of their constituents through the negotiation and administration of contracts which determine the terms and conditions of employment (Cooke 1986). They are usually democratic organisations, with members typically paying dues to join and to maintain membership.

Unions trace their origins to the guilds and friendly societies which emerged in Europe during the period of sustained industrialisation at the end of the 19th Century. These organisations allowed workers to control access to their craft. In the 20th century, unions moved from craft control to placing greater emphasis on collective bargaining, benefits, and political influence. For many, the post-war period represents the high-water mark for union organisation and influence, with rising density and coverage levels, and the increased tendency towards social pacts in many European countries (Crouch 1992). Following the introduction of the modern welfare state in this period, the struggle for benefits became less important, and many unions became disoriented. Today, unions tend to focus on grievances and discipline and the regulation of the employment relationship, while still maintaining an important role in asserting
the interests of workers through resort to direct action and protest in many countries (Williams 2014, p20).

The Webbs present two key trade union devices. Firstly, through the restriction of numbers, unions seek to defend the market position of relatively advantaged groups of workers against encroachment by other, less favourably-placed, workers. Unions help to obtain a sort of ‘monopoly’ in three areas in particular: the regulated professions (e.g. law, accountancy, medicine, architecture), the public services (e.g. health, education, the police) and where licenses-to-trade are required (e.g. taxi-drivers, street-traders, driving instructors) (Kirby 2016). These privileges find their origin in the medieval patronage and guild systems, and amount to the state exempting certain sectors from competition.

Thus, much trade union activity can be seen to protect a set of privileges for one group at the expense of others, and in uniting one group of workers, unions may divide others, creating labour market ‘insiders’ and ‘outsiders’ (Hyman 2001, p79). Such dual employment regimes, which institutionalise differences in the labour market, are widespread throughout Europe (Visser & Dølvik 2008, p3). The crisis since 2008- has created many such instances, where protected workers have remained protected, while unemployed and precariously-employed workers have lost or failed to obtain privileges. New-hires are increasingly employed under different, casualised, contracts, which leads to the dualisation of many workplaces (Standing 2011). This creates resentment among often younger workers and new labour market entrants towards established union structures. This has precipitated the emergence of alternative union structures in some countries which challenge traditional organisations (Tsakiris & Aranitou 2012).

Through the Webbs’ second device - the ‘common rule’-, unions advance the interest of all workers, regardless of union membership or affiliation. Unions thus serve a wider moral function, acting as a ‘sword of justice’, by campaigning and agitating for a better society (Flanders 1970; Thompson 1963). Here unions can provide a ‘countervailing power’ to the socio-economic dominance of capital (Galbraith 1952). This also creates the problem of ‘free-riding’, as workers obtain the benefits of union action without the obligations of membership (Booth 1985). These devices remain important when examining the formation of union interests and strategies. Freeman and Medoff (1984) describe them as representing the ‘two faces’ of unionism, that of the monopoly, and that of the collective voice.
Union Challenges

Today, unions face many cross-cutting challenges. This includes the near universal decline in membership\(^9\), and the collapse of traditionally highly unionised blue collar-industries, which deprives the unions of a traditionally core constituency. Some industries, particularly in manufacturing, are highly exposed to international competition, which allows for a high degree of production location transferability (Larsson 2015, p106). The processes of automation, the advent of micro-processing and technological advancements can make it cheaper for owners of capital to invest in machines than to pay people to work (Ford 2015). Politically, the linkages between unions and once powerful social democratic political parties have also weakened, depriving unions of political influence (Cramme & Diamond 2012). A broader discussion of these challenges is presented in Chapter 2.

A number of trends in the European industrial relations environment have also emerged (or have been accelerated) since the onset of the economic and social crisis in 2008, with major consequences for unions. These include:

(1) changes to working-time arrangements and downward pressure on wages (Deakin & Koukiadaki 2013),

(2) the proliferation of atypical employment (Standing 2011; 2014)

(3) changes to rules regarding redundancies, pensions, and unemployment entitlements and

(4) changes to industrial relations structures affecting social dialogue and collective bargaining, which often see unions excluded from political processes, or their role curtailed (Schömann & Clauwaert 2012).

Some of these trends pre-date 2008, and are loosely associated with globalisation (Handy 1984; Williams et al. 2014). These factors have reshaped the employment relationship and undermine traditional sources of union influence. These have manifested in different ways and to different extents throughout Europe, as will be discussed in Chapters 7-9.

\(^9\) A notable exception is Belgium, where membership numbers have been high and steady over the past half century (see Faniel, 2012; Eurofound, 2014(a)).
It was become axiomatic to consider the 21st century as a challenging time for trade unions. However, with more than ten million members, unions remain the largest civil society organisation in Europe by membership by some distance, and unions maintain the ability to influence politics and to affect change, as we shall see.

**European industrial relations**

Since the 1950s, the prevailing mechanism for managing the employment relationship throughout Western Europe has been the form of political exchange termed ‘corporatism’ (Heywood 2013, p257). One of the most conspicuous forms of corporatism is ‘economic tripartism’ which involves discussions and bargaining between business, labour, and state representatives which contributes to the formation of public policy (Slomp 2000, p81). These exchanges are often known as ‘social partnership’ or ‘social dialogue’ arrangements, and exist in many (but by no means all) European countries.

Procedurally, unions have been strengthened through formal involvement at the highest levels of European politics, and through bilateral relations between union leaders and European bureaucrats and politicians. A form of corporatist tripartism exists at EU-level through the auspices of the European social dialogue, which encompasses the discussions, negotiations and joint actions taken by the European-level social partners10 across the ambit of employment and social affairs (ETUC 2017b; Colfer 2011). European social dialogue deals with minimal social harmonisation on issues such as discrimination, equality, and health and safety, but not matters concerning pay or macroeconomic policy (Buda 1998, p24). Thus, while European social dialogue resembles domestic social partnership mechanisms in form, the range of topics covered are greatly circumscribed in comparison.

In the years leading up to the crisis, developments in EU-level social policy ground almost to a halt, and the EU is now committed to an agenda of competitiveness. This commitment is seen clearly in the conditionality attached to bailout programmes for beleaguered Eurozone economies, and through the EU’s new system of economic governance (discussed in Chapters 2-3) (Streeck 2013; Smismans 2013). Through the EU’s new economic governance regime,

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10 This includes ETUC, along with the employer representatives of BusinessEurope, which represents large businesses, and UEAMPE (Union Européenne de l’Artisanat et des Petites et Moyennes Entreprises), which represents small and medium enterprises (SMEs).
EU member states consent to much greater surveillance over national economic policy formation by the Commission than had hitherto existed (Buonanno & Nugent 2013, p28). This regime is based on extensive fiscal discipline, and seeks to address rising government debt and instability, and involves measures with major consequences for industrial relations. According to Erne (2013) new economic governance enshrines austerity in European policy, and brings about a shift in power to technocratic decision-making at EU-level (discussed in Chapter 3).

Crucially, member states are not passively subjected to EU policies, they actively shape them. The austerity measures implemented by EU governments and institutions since 2008, including by some social democratic parties, has tested many trade unionists’ support for the European project. Trade union orientations vis-à-vis Europe have been further complicated by enlargement to Central and Eastern Europe and the variance in wages and conditions that now exist within the EU, and the fear of social dumping this provokes (Gajewska 2009).

**European integration**

Since the 1950s, the role and status of European trade unions have been framed by the processes of European integration. These processes sought to escape the extreme forms of nationalism which had devastated the continent for centuries by uniting Europe’s democracies (Dinan 2014). European integration involves the ‘pooling of sovereignty’ between states across a range of policy fields in a bid to gain comparative advantage and to increase competitiveness on world markets (Sweet & Sandholtz 1997).

The intellectual origins of European integration reach back to the early decades of the twentieth century. Key figures include the Austrian-Japanese philosopher, politician and aristocrat Count Richard Nikolaus von Coudenhove-Kalergi (1874-1972), who wrote the Pan-Europa Manifesto in 1923 calling for a unified European state; Aristide Briand (1862-1932), former French prime minister who delivered a speech to the league of nations in 1930 on the subject, and produced a ‘Memorandum on the Organisation of a Regime of European Federal Union’, and British prime minister Winston Churchill (1874-1965), who in 1946 delivered a now infamous speech at the University of Zurich calling for the ‘United States of Europe’11.

11 Critically, in Churchill’s view, this would not include the United Kingdom, given that country’s *own Commonwealth of Nations* (Churchill 1946).
It was in the decades following the horrors of World War II, which had resulted in more than sixty million deaths, or 3 percent of the world’s population including more than thirty million Europeans (Traverso 2017), that European integration began in earnest. A series of processes were initiated that would pool the means of war-making (notably coal and steel) through the supranational institutions of the European Economic Community (EEC), the forerunner to the EU\(^\text{12}\). This was intended to irrevocably tie old European foes together in a state of mutual-interdependence. These agreements brought together the main continental European participants of World War II. In 1951 Belgium, France, Italy, Luxembourg, the Netherlands and West Germany signed the Treaty of Paris that established the European Coal and Steel Community (ECSC). The same signatories signed The Treaty of Rome (1957) which created the EEC. The EEC subsumed ECSC, and created the European Atomic Energy Community (Euratom).

Lacking a single, centralised government, European integration proceeds through dialogue, compromise and granular reforms, described by (Eriksen & Fossum 2000) as ‘integration through deliberation’. On a continent scarred by centuries of internecine warfare, national representatives became locked in conflict across meeting-rooms and debating chambers in Brussels, Luxembourg and Strasbourg, rather than across trenches or battlefields.

**European integration and industrial relations**

Following subsequent rounds of treaty reform, including the Single European Act (1987), the Maastricht Treaty (1992), the Amsterdam Treaty (1997) and the Nice Treaty (2003), the EU’s constitutional, legal and socio-political basis, including its two core treaties, the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU), were most recently affirmed in the Lisbon Treaty (2009).

The principles of proportionality and subsidiarity govern the exercise of the EU’s competence to legislate. Under the principle of proportionality, the actions of the EU are limited to what is

\(^{12}\) The EEC was renamed the European Community (EC) in 1993, upon the founding of the EU following the 1992 Maastricht Treaty. In 2009, the EC’s institutions were formally absorbed into the EU’s wider framework and the EC ceased to exist.
necessary to achieve the objectives of the treaties\textsuperscript{13} (EUR-Lex 2017a). Under the principle of subsidiarity\textsuperscript{14}, social and political issues in the EU should be dealt with at the level of the Member States as far as possible, without creating problems for other Member States (van Ours 2016). This seeks to ensure that powers are exercised as close as possible to the citizens\textsuperscript{15}. The principle authorises intervention by the EU when the objectives of an action can be better achieved at EU-level ‘by reason of the scale and effects of the proposed action’ (EUR-Lex 2017b). The aim of this is to guarantee a degree of independence for lower authorities in relation to higher bodies. It involves the sharing of powers between several levels of authority, a principle which forms the institutional basis for federal states.

The principle of subsidiarity was enshrined by the 1992 Maastricht Treaty, although the 1987 Single European Act had implicitly incorporated the principle with respect to environmental policy. Since the 2009 Lisbon Treaty, the competences conferred on the EU have been more precisely demarcated (Europarl 2017).

In keeping with the principle of subsidiarity, there has been limited harmonisation at the transnational level of labour law and social policy, which still operate largely at the domestic level. A comprehensive European labour code has not, as yet, emerged (Bercusson 2009; Barnard 2012, p3). Nonetheless, since the 1950s the European-level has been an important source for decent labour standards (Brown 2017; Marginson & Sisson 2004). This includes rights relating to part-time work, agency work, parental leave, consultation and information rights and discrimination which have all become part of the EU acquis - the body of common rights and obligations which is binding on all EU member states\textsuperscript{16}. European Social dialogue, and the Commission’s role in promoting it, was formally recognised in the Single European Act (1986)\textsuperscript{17}, which foreshadowed the Social Protocol that was annexed to the Maastricht Treaty (1992).

\textsuperscript{13} The principle of proportionality is laid down in Article 5(1) of the Treaty on European Union (TEU). The criteria for applying it are set out in the Protocol (No 2) on the application of the principles of subsidiarity and proportionality annexed to the Treaties (see Eurlex, 2016)
\textsuperscript{14} The principle of proportionality is laid down in article 5(3) TEU.
\textsuperscript{15} This is exercised in accordance with the proximity principle, referred to in Article 10(3) TEU.
\textsuperscript{16} The cumulative body of European Community laws, objectives, substantive rules, policies and, in particular, primary and secondary legislation and case law.
\textsuperscript{17} Through Article 118b
The Community Charter of the Fundamental Social Rights of Workers, adopted in 1989 by all Member States except the United Kingdom, established the major principles on which the European model of labour law is based, and shaped the development of the European Social Model (discussed in Chapter 3). The 1997 Amsterdam Treaty introduced important elements of social policy, including an employment strategy, and the Lisbon Treaty introduced the Charter of Fundamental Rights of the EU into the EU acquis, which includes further protections for unions and workers (Dinan 2014; Nugent 2017).

European integration and trade unions

The current shape of many European trade unions came into being following World War II, as part of the post-war consensus associated with the reconstruction of Europe. Many union traditions reflect the social democratic consensus that was sought by the Western powers, as a bulwark against the spread of communism (Maier 1977; Clay 1949). Equally, European integration was seen by many trade unionists as a source of regulation and limitation on the free market.

Trade unions have been involved with the processes of European integration since the beginning. In the 1950s André Renard, leader of the Belgian socialist ABVV/FGTB union confederation, was an enthusiastic supporter of European integration, and lobbied for the EEC to be delegated sweeping powers in the fields of industrial relations and welfare policy. The FGTB Metalworkers’ affiliate\(^{18}\) passed a resolution in 1954 welcoming ‘the results already obtained by the Coal and Steel Community in the economic realm’, and expressed support for ‘all action likely to prevent capitalist cartels from taking the place of the High Authority’ (the forerunner to the European Commission) ‘and imposing their dirigist practices, which are widely known’. The resolution continued, ‘Considering that Europe cannot be created except on the condition that the living standards of workers are raised first, [we] demand of sister organisations in other European countries [to] establish among themselves the closest possible ties in order to bring about finally the creation of a true European trade union power;’ calling ‘for the conclusion...of collective agreements, freely negotiated among producers’ and workers’ representatives under the aegis of the High Authority’. The union, under Renard,

\(^{18}\) Métallurgistes Wallonie-Bruxelles/MWB
claimed ‘the time has come to demand...a meeting of employers and workers of the six countries, in order to draw up a bill of basic rights for European workers’ (Haas 1958, p236).

In the early stages of EEC, trade unions established ‘mutual patterns of tactical unity, without achieving full federation’, but went ‘a good deal further’ than national governments, given their less rigid organisational structures, and greater ‘unity of action’ (Haas, 1958, p355). The Renard programme called for nothing short of EEC-wide collective bargaining, a prospect Marginson & Sisson (1998) remind us remains only ‘a virtual prospect’, and a charter of EEC-wide workers’ rights, which became a reality following the 1989 Community Charter of Fundamental Social Rights of Workers.

At EU-level, unions are represented by ETUC, which, was established in 1973, and is the world’s most sophisticated regional trade union organisation (Colfer 2011; Ladmiral 2003, p26). At its founding congress in Brussels in 1973, ETUC had 36 million members from 16 European countries, 17 confederations and six industry committees. Over the decades, membership has grown to include every major trade union confederation in Europe, including those with Christian, socialist and communist legacies, from both EU and non-EU countries (Degryse & Tilly 2013). In 1998, the French CGT (Confédération Générale du Travail), linked to the by then moribund French Communist Party, became the last major confederation to join. In 2017, ETUC represents 45 million members from 39 countries, with 89 national confederations and 10 sectoral industry federations (ETUC 2017c). Unlike traditional trade union confederations, ETUC is a ‘top-down’ organisation, and affiliates maintain their decision-making structures. ETUC has no mandate to impose a line on national confederations, giving the organisation’s limited room for manoeuvre, as we shall see.

ETUC, along with the EU-level employer representatives, are the only civil society organisation to be enshrined, albeit indirectly, in the European Treaties, through Title X on social policy (articles 151-161) TFEU. In Article 152, the EU ‘recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems’, reflecting the principle of subsidiarity, and declares that the EU ‘shall facilitate dialogue between the social partners, respecting their autonomy’, giving effect to the process of

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19 the Treaty on the Functioning of the European Union
European Social Dialogue and the Tripartite Social Summit for Growth and Employment, which Renard had wished for.

**European integration conclusions**

European integration has taken place in phases, driven forward as much by individual characters, such as the Belgian socialist politician Paul-Henri Spaak (1899-1972), the Italian communist and federalist Altiero Spinelli (1907-1986) and the French economist and politician Jacques Delors (1925-), as by events, including World War II, the 1970s oil shocks, and the economic and social turmoil since 2008. Debate continues as to whether the institutions, including the European Commission, Parliament and Council, represent the key ‘engines of European integration’ (Lindberg 1963; Pollack 1997; Wessels 2015), or whether it is the member states who take the lead (Moravcsik 1995; Moravczik & Schimmelfenning 1992; Bickerton 2013). Regardless of what drives the process, European integration has an enormous impact on the economic, social and political lives of the EU’s more than 500 million citizens. By breaking down borders, harmonising policies in fields that were traditionally the sole purview of national governments, by agreeing trade deals with third countries, and by replacing the national currency in nineteen member states with the euro, the EU represents the most far-reaching and successful experiment in regional government in history.

After seven waves of enlargement the EU includes twenty-eight countries spread across three time-zones, and it conducts its work in twenty-four official languages. Its border reaches the Arctic circle in the north, the old soviet sphere of influence in the East, the Mediterranean Sea to the south, and the Atlantic Ocean to the West.

Cohn-Bendit & Verhofstadt (2012, p79) argue that the European project exists to ‘avoid one country dominating the old continent again’ and ‘to provide a pole of stability against Communism’. This sense of no country or nation dominating any other has allowed the EU as a political project to work, but the experiences of recent years have highlighted the enduring importance of the nation state in European politics, particularly in the financial assistance

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20 The EU’s membership may be reduced by one, following the UK’s vote to withdraw in 2016.

21 Particularly in the context of the EU, ‘nation’ and ‘country’ cannot be conflated. The EU is made up of 28 member states, some of which, including the United Kingdom, Belgium and Spain, contain two or more ‘nations’.
programmes for indebted members. The threat of the spread of communism has also provided an impetus for European integration in the decades following World War II, as we shall see.

Over the past decade, Europe has been racked by crises which have threatened the very viability of the European project (discussed in Chapter 2). These crises have been political, social, economic and financial in nature, and pose far-reaching consequences for the industrial relations, political, economic and social landscapes in Europe, and for trade unions and their ability to exert influence. The question for unions is whether their organisations can adapt and develop ways of mobilising influence to effectively meet these challenges.

Research questions

The study investigates three main research questions which are answered in the concluding chapter. Firstly, ‘what have unions done in the crisis to mobilise political influence and to contribute to the formation of labour market policy?’. Here, I examine what unions in Europe have done during the crisis years of 2008-2016, using an analytical framework based on four modes of trade union influence, which is introduced in Chapter 6. This is framed by an understanding that unions are enmeshed in a series of relationships, have different ideological orientations, undertake different activities, and cultivate and maintain different sources of power which together shape how they act (Gumbrell-McCormick & Hyman 2013)

Mode I looks at ‘mobilisation and organisation; the unions’ artillery power’, and considers unions’ relations with their members, and includes mobilisation and organising activities.

Mode II looks at ‘institutions and collective bargaining; the unions, the state and the law’, and considers union’s relationships with the state, state-supported institutions and transnational regulatory bodies, and includes collective bargaining, social dialogue and lobbying activities.

Mode III looks at ‘politics and coalition formation; the unions and alternative sources of legitimacy’, and considers unions’ relationships with political parties and civil society actors, and the coalitions and alliances they form.
Mode IV looks at ‘trade unions and the European-level; beyond the national shell’, and considers the multifaceted transnational dimension of union activity, and considers how unions exert influence through autonomous action at EU-level, and through the auspices of ETUC.

This framework provides a way to organise data and information gathered during fieldwork and research and is applied to the cases considered in Chapters 7-9. While it does not attempt to provide a comprehensive analysis, this approach presents a good account of what unions have been doing throughout the crisis.

The second research question asks ‘are trade unions still relevant?’. This explores if unions are in a state of terminal decline, or if revitalisation is possible (see Silver 2003; Waddington & Hoffmann 2000). It investigates whether unions are responsive and capable of innovation by cultivating new ways to respond to challenges, as traditional sources of power decline.

The third and final research question asks, ‘has the European-level become more important for trade union action during the crisis?’, given that many of the challenges unions face now emanate from, or are shaped by, the EU-level. This seeks to establish whether the most recent phase of crisis-induced European integration has provided ‘crystallisation points for contentious transnational action’ to occur, and if it has not, why hasn’t it (Erne 2015, p346)? While the examination of the three cases in this thesis does not provide a comprehensive or exhaustive analysis of all trade union action in Europe, it does provide an understanding of the role of the European-level in three small EU countries. In a bloc where 22 of the 28 members can be described as ‘small’ (see Steinmetz & Wivel 2016), the findings here can provide starting points for further discussion and research.

In answering these questions, this research sheds light on how unions, particularly those involved in social partnership arrangements, can affect the resilience of domestic and European economies. This does not just concern the coordination of economic policies, but refers to the wider European debate about what can be delivered at the national and European levels by governments and stakeholders in the age of austerity (Glassner & Keune 2010). Given the comparative nature of this research, it also attempts to detect evidence that the crisis has induced convergence or divergence among trade union practices and industrial relations traditions throughout Europe (see Marginson & Sisson 2004).
Locating this study

Industrial relations, as a field of study, historically focuses on worker and employer organisations, collective action, workplace conflict and the regulation of the employment relationship either by law or through joint regulation and collective bargaining (Cradden 2011 p4; Kaufman 2004, P435-6). The field of ‘European industrial relations’ refers to the actors, institutions, and practices that regulate the employment relationship in Europe, including at EU-level (Bercusson 2009). This study resides within this field, although not exclusively.

This work is interdisciplinary in nature. I work across broad disciplinary boundaries and draw on literature and concepts from a diverse range of fields including: political science, labour studies, international relations, sociology, economics, law, history and management studies, as well as the field of industrial relations. This work, and the approach taken to it, is informed by contributions from writers including: Bercusson, Bieler, Crouch, Erne, Geary, Grint, Gumbrell-McCormick, Hyman, Ioannou, Kelly, Lukes, Pochet, Silver, Tarrow, and Vandaele.

A note on terms

Hereinafter, European Union (EU), the European project, the European institutions, and occasionally ‘Europe’ will be used interchangeably, and will be taken to mean, the institutions and agencies of the European Union. Trade union, or simply ‘union’ relate to the same thing, as does ‘the labour movement’ or ‘organised labour’. When the ‘crisis’ or ‘crises’ are referred to, this relates to the range of economic, political, social, and financial challenges that the European project now faces. A ‘crisis’, can be defined as: ‘a time of intense difficulty or danger...when a difficult or important decision must be made’, or ‘the turning point of a disease when an important change takes place, indicating either recovery or death’ (OED 2017). As such, ‘crisis’, implies something that can be escaped from, and while the patient may be in a bad way, they are not yet dead, and full recovery is possible. However, any recovery depends on the diagnosis of the problem, the choices taken, and the resources deployed in response to it. The next and final section of this introduction reviews the methodological approaches taken for this study.
Methodology

‘Everyone who attends a ball, meaning a dance, has a different memory of the event, some happy, some disappointing...how, in the swirl of music and ball gowns and flirtations could anyone hope to make a coherent account of exactly what happened, and when, and to whom?’

Bernard Cornwell, *Waterloo*

This section reviews the theoretical approach, research design, and methods used in this study. The above-quote captures the sense that much political science research is subjective, that the researcher inevitably puts something of themselves into their work, and that it is always tricky to use theory to explain a moving target, ‘especially one as protean as the Greek crisis’ (Bickerton 2015).

Following attempts from the late 19th century to promote a more scientific approach to politics and the social sciences generally, since the 1950s there has been renewed recognition of the importance of values, normative theories and empirical analysis (Heywood 2013). This thesis is in this tradition, and cannot be objective in any scientific sense, as it deals with essentially normative, subjective questions – such as ‘are trade unions still relevant?’ and ‘has the European-level become more important for trade union action during the crisis?’.

Researchers see the world through their own, unique, esoteric prism, and discussions between interlocutors - during elite interviews, for example - are unique to each exchange (Yanow 2006). As with Geertz (1977, p9), I note that ‘what we call our data are really our own constructions of other people’s constructions of what they and their compatriots are up to’. This is a broadly constructivist and interpretivist approach (Kratochwil 2008), that emphasises the importance of institutions (Steinmo 2008) and how they change over time and shape political choices (Streeck & Thelen 2005).

This thesis undertakes a comparative case study analysis of the national trade union confederations in Belgium, Greece and Ireland. As discussed, these countries are small, use the euro, and have contrasting industrial relations traditions. Each country joined the EEC relatively early (Belgium in 1957, Ireland in 1973 and Greece in 1981), and have had different
experiences of the 2008-2016 crises. While Greece and Ireland endured bailouts from the Troika of the EU, European Central Bank (ECB), and International Monetary Fund (IMF) (hereinafter ‘the Troika’) in 2010, Belgium did not. While Ireland exited from its programme in 2013, Greece sought further financial assistance in 2012 and 2015, and remains under the Troika’s jurisdiction.

These countries’ industrial relations systems and economies are markedly different with regard to, for example, trade union density, rates of collective bargaining coverage, dominant levels of bargaining, form and reach of social partnership (where it exists), and varieties of capitalism. This is discussed in Section II below (chapters 4 and 5). A further important difference is seen in the countries’ growth regimes and economic trajectories. Ireland’s economy is export-led, and is heavily dominated by (especially US) foreign direct investment (FDI), and has been characterised in recent years by a cycle of boom, bust and recovery. Greece meanwhile might be best classified as a domestic demand-led economy, with the notable exceptions of shipping and tourism, and with a major focus on the non-tradeable sectors. Greek growth prior to the recession was driven by cheap credit, domestic consumption, and the growth of its public sector. Belgium’s economy is somewhere between the two, but is somewhat closer to Ireland and experienced steady, gradual growth in the lead-up to the crisis (Baccaro & Pontusson 2016; Hope & Soskice 2016). These differences have a major influence on the shape of governments’ economic and labour market policies, which have a major impact on trade union orientations, and thus on the nature of trade union action. Further discussion and analysis of the socio-economic conditions in each case is discussed below in Section III.

Data was gathered through fieldwork and interviews over more than three years. This included more than sixty qualitative elite interviews (see Appendix I), several hundred conversations with key actors, and participant observation at the national and European-levels. Dexter (1969/2006) pioneered the use of elite interviewing as a method for data-gathering in the social sciences. He argued that interviewing people with specialised information about, or experience of, social and political processes is different from standardised interviewing, as with 'elite' interviewing the investigator must be willing to allow the interviewee to teach them what the problem, the question, or the situation is. Equally, in light of relatively sparse secondary literature on phenomena which continue to develop, interviews were used to access the legal and historical expertise required to test my interpretations. Information gathered in this way is
‘soft data’, and is used as a source of observation and opinion, as opposed to hard, dispassionate evidence.

Findings from interviews were triangulated with data and information gathered from other sources, including documentary analysis, statistical databases maintained by the likes of the Organisation for Economic Cooperation and Development (OECD), the European Trade Union Institute (ETUI) and the International Labour Organisation (ILO), public pronouncements by relevant actors, and by listening and talking to key actors and informants.

This research has involved the analysis of both qualitative and quantitative data, and it has been important to be aware of the reliability of the evidence presented, the representativeness of subjects, and the reflexivity, assumptions and biases of the interviewees and interviewer (Ivors 2011). It is important to note also the shortcomings of work based on narratives from interviews and sparse sources in recently-evolving circumstances. Crises, institutions, actors and actions are observed, not in quantified terms, but through the impressions of well-placed third-party observers and participants, over a relatively short and recent time-span. While not claiming to provide a complete account of European trade unionism, this examination highlights examples of convergence, divergence and common trends, and sheds light on the current status of the European trade union movement, in these national contexts at least. The analytical framework deployed here could easily be applied to other trade union confederations, and other social movement actors.

Any fieldwork research is unavoidably influenced by the contextual circumstances, and it is important to place these on record. In total I spent 16 months ‘in the field’ spread across these three countries, and I made more than a dozen shorter trips to undertake research and to attend conferences. During my fieldwork I was present for many key political and historical moments in each country, partly by accident and partly by design. This included general elections, referenda and strikes. Specifically, I spent four months in 2014 as a visiting researcher with ETUC’s think-tank ETUI at International Trade Union House in Brussels. I made use of ETUC’s excellent library, and interacted with key people in ETUI, ETUC and allied
organisations. This period coincided with the 2014 Belgian federal elections, the appointment of the new European Commission cabinet under Jean-Claude Juncker, and a general strike (discussed in Chapter 9). I was based in Athens for six months between 2014-2016, including three as a visiting researcher at the American College of Athens. I was in Greece during many of the flashpoints of the crisis, including the 2015 bailout negotiations, and subsequent referendum and general election (discussed in Chapter 7). I spent six months undertaking fieldwork, and volunteering as a political activist in Ireland between 2013-2016, which coincided with local, European and general elections, and Ireland’s exit from its bailout programme in 2013 (discussed in Chapter 8). These experiences allowed me to gain a firmer understanding of the political contexts in each country which complemented my interviews and readings thus allowing me to consider my findings within their own particular contexts.

Interviews were face-to-face, with a small number over the phone, and took place largely in English, with a small number in French (which I speak) and Greek (where an interpreter was used). The interviews were open-ended in the sense of allowing, within a prepared framework, each question-and-answer exchange to lead on to the next, drawing on a ‘shopping-list’ of topics hoping thereby to expose the priorities, suspicions, and motivations of each interviewee. This included questions regarding the nature of trade unionism and industrial relations in each country, how the years of crisis were perceived and which actors were seen as important, and what role the EU-level played in practical, political and rhetorical senses. I was particularly interested in questions which shed light on how trade union power had been mobilised, how trade unions and their leadership are perceived in the public consciousness, and where blame for the crisis had been attributed.

In preparing and conducting each interview, I was mindful of how the political and institutional context is important and different for each interlocutor. Careful notes were taken and written-up as soon as practicable following each interview. Following consultation with well-placed mentors, interviews were not recorded, given the sensitivities and peculiarities of especially Greek politics.

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22 International Trade Union House is also home to IndustriALL, a global union representing 50 million working people in more than 140 countries, working across the supply chains in mining, energy and manufacturing sectors, ITUC and other union national and transnational union organisations.
As a practical empiricist, I want to talk to people on both sides before writing about a place or event. Surveys are useful but should be treated with caution, and it is often the questions asked that are the critical thing (Smith 2016). Awareness of the historical and political context is crucial for understanding complex political realities, as are discretion, political instincts, and emotional intelligence.

Gathering data about policy in the real world requires a high degree of persistence, curiosity and patience. Finding my way in each country required walking different paths. In Greece, political advisers that were close to senior union figures and politicians explained some of the complexities of Greek industrial relations and politics, introduced me to people, brought me to demonstrations, and helped me to gain the confidences of relevant actors. In both Belgium and Ireland, politics is more transparent and accessible than in Greece, but there is still nothing like an introduction or reference to gain access to key actors. Different people have power in these countries, social networks are complex, and there are ‘gatekeepers’ who can make important introductions to other actors, and often did. Like this, the interview process ‘snowballs’, as meetings lead to further meetings (Dexter 1969/2006).

In Ireland, functionaries at the union confederation and civil servants provide invaluable insights and direction, but it was important to talk to representatives from the affiliate organisations, given that ICTU is highly decentralised, and affiliates play a more central role in day-to-day decision-making than in the other two cases. In Belgium, senior union figures are the equivalent of senior politicians, but remained accessible and happy to meet. They are supported by well-resourced bureaucracies, and functionaries who are also forthcoming with their time. I was conscious of the different political contexts of each interlocutor, of the different sorts of information they had access to, and whether they had their own political agenda, as was often the case with trade unionists, employer representatives, and politicians, when testing my interpretations. Ultimately however, each elite interviewee that I spoke to was treated similarly – practitioners, politicians and academics included – as each interlocutor had specialised experience and information that was relevant to my study, in keeping with Dexter’s approach.

As this current research project pertains to peak-level confederations, it cannot fully account for the various levels of industrial relations activity across these cases – for example, regarding Ireland’s decentralised industrial relations system, where much power resides with individual
unions, and regarding the activities of local and sectoral union organisations across the three countries. This can create challenges, as some of the modes of union influence that I explore operate across different levels, for example with respect to the sectoral and national levels when it comes to collective bargaining, lobbying and social pacts, and with respect to the lower more local levels, when it comes to recruitment, servicing and union organisation activities. As such, it is important to emphasise that this study focuses on the role of the peak level organisations across these levels only, rather than at the activities being undertaken by lower level union organisations. An exploration of these actors is warranted, and presents fertile ground for further research.

My interpretations draw on a selection of interviews with trade unionists, employer representatives, politicians, civil servants, journalists, activists and other experts. In each case different people In each case I sought to speak to the same groups of people to begin with, but took advice, and followed directions. While I spoke to a wide and representative range of actors, it would always have been better to talk to more, but political and social circumstances sometimes prevented this from happening, for example during fieldwork at the peak of the Greek crisis, where some union figures and other actors were difficult (or impossible) to reach.

Interviewees each have knowledge, and usually direct experience, of industrial relations at the national or EU levels. The ‘shopping-list’ of questions intended to probe what they regard as the main activities, strengths, weaknesses, and threats to the labour movement. The degree of intimacy between the interlocutor and the unions determined the slant and detail of questions. A number of themes and trends were revealed which acted as underlying assumptions and received wisdom. These inform my analysis and helped me to devise what I regard as the most relevant areas for review. The four modes of the analytical framework used in this study are based on a thematic analysis of what was said (and not said) during interviews, and what was garnered from research and fieldwork, which together capture the most important areas of activity for the relevant union confederations during this period.

There is a Greek proverb which says that ‘the appetite comes in the eating’, meaning that you get your ideas as you go along. Equally, this work is methodologically inductive. Data was collected from research, fieldwork and interviews, and ideas, concepts and themes which emerged repeatedly helped to guide my research, and to develop the analytical framework around which data and interpretations are organised. Jules Piot, the Belgian Doctor who
discovered the Ebola virus, said ‘That's how we began to figure it out...you do it by talking, looking at the statistics and using logical deduction’ (Brown 2014). Similarly, to undertake research of this kind, the researcher has to go and talk to a lot of people and review available evidence, which is what I did. This reflects the tenets of grounded theory (Allan 2003; Strauss & Juliet 2017).

During the years that fieldwork took place, the political and social dynamics changed continuously across these case studies, most particularly in Greece, where in 2010-12 there were many well-attended demonstrations, which is less the case today. Ireland reached the nadir of its crisis in 2010, exited its bailout programme in 2013, and returned to growth in 2014, and is now the fastest growing Eurozone economy (OECD 2017a). Belgium sustained a change of government in 2014, where the biggest party, the Flemish nationalist Nieuw-Vlaamse Alliantie/New Flemish Alliance (N-VA) is avowedly hostile to unions. Taking a step back, all of Europe has changed during this period, given the economic, social and political consequences of the crisis years. This is not a history project, but a snapshot in time, of a highly volatile moment in the political development of the EU and of the European trade union movement, which tells us something about how power is distributed today.

Previously I spent almost four years working in politics, spread across the European Parliament, the Irish Parliament23, and student politics, and I remain involved in Irish and British politics. These experiences have allowed me to develop good access to relevant actors and networks, which has been useful when planning and undertaking fieldwork.

Conclusion

Historically, unions have been among the core political and social actors in Europe and they have contributed substantially to the formation of the labour market and welfare state. Unions have fought for industrial democracy and for the betterment of society, but for decades they have been beset by a range of challenges which have eroded their influence. The crises in the EU and the Eurozone exert further pressure, particularly given the increasing surveillance powers of the European Commission and the impact this has on labour markets.

23 Specifically in Dáil Éireann, the lower house of the Oireachtas – the Irish Parliament.
The dominant narrative regarding the future of both the EU and the European trade union movement is pessimistic. Based on the evidence reviewed here, this research comes from a perspective of more optimism. This research will not provide a post-mortem of how unions, or indeed the EU, have died, but rather reaches for a prospective account of what the varied response of unions to austerity tells us about the important role they continue to play in protecting social goods, as Europe turns to austerity.

On a visit to Cambridge, in January 2016 the leader of the UK Trades Union Congress (TUC) Frances O’Grady, quoting the late Scottish miners’ leader Mick McGahey (1925-1999) stressed that the labour movement must assert itself ‘as a movement, and not a monument’, arguing that unions must be willing to change, to meet the challenges they face. Similarly, Gumbrell-McCormick and Hyman (2013, p22) argue that ‘if unions are to appeal to the Facebook and YouTube generation, their image, language and modes of communication must be very different from what is traditional, even if the underlying message of solidarity remains the same’. This thesis will explore if unions have the capacity to do so in this unprecedented phase of European integration.

Outline of the rest of this study

The rest of this thesis is arranged into three sections. Section I is made up of Chapters 2-3, and presents the political, social and economic context in which European trade unions reside today. Chapter 2 reviews the European crises (2008-2016), and Chapter 3 presents the measures taken by the EU institutions and national governments to respond to these challenges.

Section II is made up of Chapters 4-6, and constitutes the theoretical part of this thesis. Chapter 4 presents the origins and dominant orientations of Europe’s trade unions, reviews some of the major political currents which shape 21st century trade unionism, and introduces the prevailing European industrial relations traditions. Chapter 5 considers the theoretical basis of union power and influence, and considers the role of trust relations and the predictability this can engender. Chapter 6 provides this study’s analytical framework, which is based on the four

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24 For the Murray Edwards College ‘Capitalism on the Edge’ lecture series, see http://www.murrayedwards.cam.ac.uk/about/capitalism-edge
aforementioned over-lapping modes of influence which capture the major sources of power that unions currently have.

Section III, is made up of Chapters 7-9, and presents the empirical part of this study. This involves an investigation of the industrial relations traditions, and the role played by the union confederations, in Greece, Ireland and Belgium between 2008-2016, using the analytical framework previously identified. Finally, Chapter 10 concludes.
Section I – Social, political and economic context – the European crises.

This section presents the political, social and economic context in which European trade unions reside today. Chapter 2 reviews the European crises (2008-2016), and Chapter 3 presents the measures taken by the EU institutions and national governments in response to them.

Charles Darwin said the researcher could, metaphorically speaking, take either the microscope or the telescope to their subject of study. Taking the telescope, the researcher can take a broad, ostensibly superficial view of a wide area of study, but that is not to say one that is lacking in rigour. Alternatively, the researcher can take a closer, more detailed look at a narrower area of study using the microscope. Chapter 2 involves a more telescopic view, where the European crises, and how they affect trade unions and industrial relations, are considered quite broadly. Chapter 3 looks at the implications of these crises for unions, the EU and its citizenry, and involves a closer, more in-depth assessment, and a more microscopic approach.
Chapter 2: Europe and its crises

This chapter sets the scene for the cases discussed in Section III, by tracing the general challenges in the EU’s political economy, and ones specific for unions. Specifically, part I of this chapter considers the range of crises facing the EU. Part II reviews some of the structural factors associated with EU membership which constrain trade union action. Part III looks at some of the other challenges specific to trade unions. Part IV considers the state of the European social model. The final part concludes.

Part I: The global crises in Europe- a potentially lethal cocktail

Since 2008 the EU has endured what is widely regarded as the most serious sequence of crises it has yet faced (Streeck 2013; Habermas 2012; Stiglitz 2016). Several countries came close to defaulting on sovereign debt, economic growth slowed and turned negative, and unemployment and social deprivation soared to dizzying heights. The ongoing financial crises in Greece and the European periphery have shaken the foundations of Economic and Monetary Union (EMU) to its core (Pisani-Ferry 2014). The arrival of hundreds of thousands of refugees from Afghanistan, Africa, Iraq, and Syria on Europe’s shores and borders has tested the EU’s single-border (Samaddar 2016). The Schengen free-travel area, established in 1995, was almost pushed to breaking-point in 2015 and 2016 as national governments, including France and Austria, moved to suspend the agreement amidst the rise of new European nationalism, the erection of razor-wire fences, and fears of terrorism (Traynor 2016).

Following the Russian military interventions in Ukraine and the annexation of Crimea and Donetsk-Oblast in 2014, Russia’s support for Syrian president Bashar-al-Assad, and the Russian military’s frequent incursions into European airspace and waters, tensions between Russia and the West are at their highest since the 1980s (Oliphant 2015). This renewed

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25 The Schengen area is a group of European countries which have abolished passport and any other type of border control at their mutual borders. It was signed in June 1985 in Schengen, Luxembourg, and was first implemented in 1995, with the involvement of seven of the ten EEC member states. In 2016 it is composed of 26 states which includes: the members of the EU in 2016 with the exception of the UK and Ireland, who have opted out and will not join, and Cyprus, Croatia, Bulgaria and Romania who are obliged to join but have yet to do so. It also includes the four European Free Trade Association (EFTA) members, namely Iceland, Liechtenstein, Norway and Switzerland.
confrontation has been described as a ‘renewed state of Cold War’ with the EU and the U.S. on one side, and Russia on the other (Richards 2014; Trenin 2014; Boyt, 2015).

Throughout the crisis years, the European political landscape has fragmented. Many traditional ‘mainstream’ parties – that is, historically electorally successful parties of the left and right (Meguid 2005) – have borne the brunt of voter dissent, and are losing ground to hard-right, hard-left and populist alternatives, which often espouse virulently euro-sceptic, anti-migrant and xenophobic messages (Mair & Smith 2013; Erlanger 2015; Kessel 2015). Social democratic parties, the traditional allies of the labour movement, have experienced a particularly acute decline (Cramme & Diamond 2012). Recent years have also seen increased support for secessionist and regionalist movements in the likes of Catalonia, Flanders, and Scotland, as the turmoil in Europe has prompted some nations and regions to attempt to close ranks (Simms & Guibernau 2016).

This situation has caused some mainstream parties to adopt the policies of these ‘challenger parties’ (Hino 2012). This sees issues entering the political bloodstream, regarding race and religion for example, which had been the preserve of extremist political discourse for most of the last century (Heerden et al. 2014). This was seen in the UK government’s decision to hold a referendum on that country’s membership of the EU in June 2016, partly in a bid to see off the threat posed to the ruling Conservative party by the right-wing populist anti-migration UK Independence Party (UKIP) (Rigby 2014), and the move by several French municipalities to ban the ‘Burkini’ from French beaches in 2016, at least partly in a bid to stem the rise in support for the Islamophobic Front National party (Pech 2016).

In November 2016, the world’s political axis shifted to the right, following the election of the right-wing populist Donald Trump as the 45th president of the United States of America. Alongside this, events including the rejection of then Italian prime minister Matteo Renzi’s constitutional reform referendum in Italy in December 2016, the far-right Freedom Party (Freiheitliche Partei Österreichs/FPÖ) gaining 46 percent of the vote in the Austrian presidential election in January 2017, and 20.5 percent in legislative elections in October 2017,

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26 Although, it has been argued that the new Cold War is not between the West and Russia, but between the West and China (Powell, 2015).

27 The ‘burkini’ (‘or burquini’) is a type of swim-suit which covers the whole body except the face, which is intended to accord with Islamic traditions of modest dress.
and the 13.5 percent achieved by the Eurosceptic xenophobic Alternative fur Deutschland (AfD) in the September 2017 German federal elections, expose the increasing instability and polarisation of European politics. Francis Fukuyama (2016) has gone so far as to say that ‘the democratic part of the political system is rising up against the liberal part, and is threatening to use its apparent legitimacy to rip apart the rules that have heretofore constrained behaviour’.

Amid these changes, Europe’s leaders have prioritised tackling some immediate problems before others, largely focusing on questions of sovereign debt and competitiveness, and a number of major political and constitutional challenges may yet lie ahead for the EU. Article 7 TEU states that sanctions can be taken against member states in cases of ‘serious and persistent breach of EU values’. The second Hungarian government of Viktor Orban, elected in 201028, has been accused of taking measures which are anti-democratic, xenophobic and contrary to the EU’s founding principles (von Bogdandy & Sonnevend 2015). German liberal Member of the European Parliament (MEP) Alexander Lambsdorff urged the Commission to investigate a possible ‘systematic violation of European values’ by Orban’s government, following the adoption of constitutional changes in 2013 which allegedly curtail press freedoms and the separation of powers (BBC 2013). The Polish government has also been accused of becoming increasingly authoritarian, by introducing reforms to the judiciary and media regulation which amount to a ‘dismantling of the rule of law’ and which are seen as being incompatible with EU values (Grabbe & Lehne 2017). In 2015, a European Citizens' Initiative (ECI) calling for sanctions against Hungary over alleged breaches of EU fundamental values was registered with the Commission (Maurice & Zalan 2015). Such measures require the unanimous support of the European Council to be implemented however, and it is is unlikely that such political support currently exists, but it is clear that tensions regarding the protection of the fundamental values of the EU exist, particularly between ‘older’ members in the West and ‘newer’ members in the East.

When taken alongside the threats posed by climate change, global health pandemics, terrorism, natural disasters, the ‘demographic time-bomb’ of Europe’s ageing population (Economist 2012), and increasing inequality, or what Piketty (2014) calls ‘the rise of the second belle époque’, given the dramatic rise of the richest 1 percent in society (see Atkinson 2015), there

28 Orban also served as prime minister between 1998-2002;
is a potentially lethal cocktail of threats facing the European project, its member states, and its citizenry. As outlined previously, trade unions have been intrinsic to the European project since the very beginning, and much of their influence, and hard-fought worker protections have derived from EU-level. Thus, a challenge for the European project is a challenge for the trade union movement.

Many of these challenges emerged in the context of the 2008 global financial crisis. Some of these phenomena were caused, or were at least exacerbated, by structural factors, institutional shortcomings and longer-term trends associated with EU membership. These can be traced back to earlier phases of European integration, particularly, the lack of ‘burden-sharing’ or fiscal union built into EMU following the 1992 Maastricht Treaty, as well as to several key decisions of the European Court of Justice (ECJ) (discussed below).

Part II: Challenges inherent in the EU’s institutional infrastructure

The Eurozone

EMU is the most important and conspicuous manifestation of European integration. Currently nineteen EU countries use the euro, and nine do not. All member states, with the exception of Denmark and the UK, have either adopted the euro, or are legally obliged to do so – but given political realities, it is unlikely many other members will join soon, if at all.

The convergence criteria, laid out in the 1992 Maastricht treaty set out the conditions that member states must meet in order to adopt the euro. The criteria provide a set of baseline indicators on the stability, soundness and sustainability of public finances, and set out how member states must align rules governing national central banks and monetary policy. In 1998, the conversion rates between the euro and the national currencies of participating member states were irrevocably fixed. All debt was demarcated in euros, and the newly formed European Central Bank (ECB) acquired responsibility for Eurozone monetary policy. In the biggest cash changeover in history, January 2002 saw national banknotes and coins throughout the Eurozone replaced by the euro. The introduction of the Euro is seen as an important step towards full economic integration, and the completion of the single market.

29 Montenegro and Kosovo both use the Euro, but are not EU members.
Eurozone membership was designed to deliver a lowering of transaction costs, price transparency, and the elimination of exchange rate uncertainty. This helped to reduce borrowing costs, particularly in Southern Europe (Commission 1998, pp13-14). Eurozone membership involves trade-offs, however. Members lose the interventionist tools that are traditionally used by governments to stabilise the economy in times of economic shock, including the ability to devalue the national currency and to moderate interest rates. This has important implications for national politicians and social partners, as the scope to influence policy-formation is curtailed.

The theory of optimum currency area

The economic theory of optimum currency area, developed by Robert Mundell (1961) and built-upon by Ronald McKinnon (1963), presents the conditions under which it would maximize economic efficiency for a region to form a currency union. The Eurozone provides the most recent and largest example of an attempt to engineer an optimum currency area. It also provides a ‘before-and-after’ the crisis model, which tests some of the theory’s principles.

There are four key criteria for an optimum currency area to exist. The first requirement is labour mobility. Secondly, there must be free capital flows and price and wage flexibility, so that market forces can distribute money and goods efficiently. Thirdly, participating units should have similar business cycles. Most importantly for Europe, the fourth criterion relates to the need for risk-sharing, through automatic fiscal transfer mechanisms that can facilitate social transfers to areas experiencing recession or economic shock, from areas experiencing a surplus (Krugman 2012).

It has been argued that the Eurozone does not constitute an optimum currency area (Eichengreen 1991; Koziara 2013). This is partly explained by the diversity of languages and cultures in the EU, which presents a barrier to labour mobility. O’Rourke and Taylor (2013) note that in 2011, more than 40 percent of U.S. residents were born outside the state where they live, while in the Eurozone this figure is only 14 percent. Full labour mobility remains only a theoretical possibility in the borderless EU.
Meanwhile, Schelkle (2016) argues that the Eurozone could be an optimum currency area, but is merely ‘missing institutions of risk-sharing between its member states’ (see also Duval 2016; Vrnáková & Bartušková 2013). The provision of automatic transfers between European regions, while theoretically possible, has proven politically intractable. Notably, this was also missing in the United States following the introduction of the dollar in 1862. Only time will tell if these mechanisms will develop through political or functional ‘spill-over’, as might be argued by neofunctionalist scholars (Haas 1958; Börzel 2006).

**Crisis in the Eurozone**

In the years leading up to 2008 a ‘structural divergence’ in Europe became exposed, with export-oriented countries running current account surpluses (including Germany with a 7.5 percent surplus in 2006, and 6 percent in 2008, see Tradingeconomics 2016). This resulted in excess (often German) capital flowing into peripheral Eurozone economies, which provided an oversupply of cheap credit, which in turn fuelled real estate bubbles especially in Ireland and Spain (Ross 2009) and unsustainable public spending, especially in Greece (Lapavitsas 2012).

From 2008, as borrowing costs soared, several countries came dangerously close to defaulting on sovereign debt repayments. Between 2008-2012, eight of the twenty-eight EU member states received some form of financial assistance from a combination of the EU, ECB and IMF, namely Cyprus, Greece, Hungary, Ireland, Latvia, Portugal, Romania and Spain (Hobolt & Tilley 2014). Loans were typically contingent on sweeping austerity measures, fiscal adjustments, and structural reforms.

The Troika is an innovation of the crisis. It conducts its work on an ad-hoc basis and has no legal personality or headquarters. Its priority is the avoidance of moral hazard, whereby actors come to perceive a lack of incentive to guard against risk, as one feels protected from the consequences of one’s actions. The Troika has been accused of ‘making an example’ of debtor countries, with a senior European official remarking privately that ‘Greece practically deserves to go through pain’ given the perceived recklessness of successive governments (interview 2: 26.01.15). A senior European trade union figure describes the German government as ‘agents of Greece’s penalisation’ and that ‘they did the opposite of what the Americans did after World War II, and imposed austerity…there is no spirit of George Marshall and George Clemenceau
[in Europe today] \(^{30}\) (interview 3: 27.10.16). This can be understood as partly to discourage countries from breaking the EU’s fiscal rules (Dam & Koetter 2012), and also to undermine support for anti-austerity political forces, which remain strong in countries including Greece, as we shall see.

Recent key ECJ decisions in the field of social and industrial relations policy

The role and jurisprudence of the European Court of Justice (ECJ) in EU politics is frequently debated (Alter 1998; Carruba et al. 2012; Stone Sweet 2004), particularly regarding its increasing scope over recent years. This has led some to accuse it of judicial activism (Obermaier 2008; Grimmel 2012). Recent ECJ decisions have had profound consequences for trade unions and industrial relations (Bercusson 2009). These affect collective bargaining practices and the effectiveness of social action, including the right to strike. Most notable are the judgements in the Viking\(^{31}\) and Laval\(^{32}\) cases in 2007, and the Rüffert\(^{33}\) and Luxembourg\(^{34}\) cases in 2008, collectively referred to as the ‘Laval Quartet’. These cases concern the Posted Workers Directive (96/71/EC).

The Directive relates to situations where employees are sent by an employer in one member state to undertake work in another. The status of posted workers differs from the status of mobile workers, in that posted workers remain temporarily in the host member state and do not

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\(^{30}\) The Marshall Plan (officially the European Recovery Programme) saw the U.S. government granting $13 billion to help fund the rebuilding of the Western European economies in the aftermath of World War II. George Marshall, after whom the programme is named, was U.S. Secretary of State when the plan was initiated under President Harry Truman (and Chief of Staff of the U.S. Army for the duration of World War II). Georges Clemenceau played a central role in the politics of the Third French Republic (1870-1940), and was prime minister of France during World War I. Clemenceau was a driving force behind the Treaty of Versailles at the Paris Peace conference, and is remembered for taking a harsh position against Germany. The Treaty forced Germany to disarm, make substantial territorial concessions (which included restoring Alsace-Lorraine to France), and to pay substantial reparations, all partly due to Clemenceau’s lobbying. The Treaty of Versailles, and Clemenceau’s role within it, are subject to ongoing debate among historians and economists regarding how the treatment of Germany contributed to events which precipitated the outbreak of World War II. The Cambridge economist John Maynard Keynes, a delegate at the Paris Peace conference, spoke out forcibly against the punitive nature of the Treaty’s terms, claiming that it would traumatise and humiliate the German people, and limit Germany’s ability to buy exports. Thus, it should be said that while George Marshall and the European Recovery Programme are universally regarded as playing a positive role in the post-World War II redevelopment of Europe, memories of Georges Clemenceau, and the Treaty of Versailles, are more contested and varied.

\(^{31}\) The Rosella or International Transport Workers Federation v Viking Line ABP [2008] IRLR 143 (C-438/05)

\(^{32}\) Laval Un Partneri Ltd v Svenska Byggnadsarbetareförbundet [2008] IRLR 160 (C-319/05).

\(^{33}\) Dirk Rüffert v Land Niedersachsen.

\(^{34}\) Commission of the European Communities v Grand Duchy of Luxemburg. Case C-319/06, European Court Reports 2008 I-04323.
integrate with its labour market (Malmberg 2010). The Directive seeks to ensure that posted workers are entitled to a set of core rights in the state to which they are posted (Commission 2017e). When it was adopted in 1996, labour law experts regarded the Directive as being of limited relevance given that its main purpose was to allow for the application of host countries’ labour laws to posted workers. However, the treatment of posted workers has prompted a lively debate regarding the compatibility of national and European labour regulations (see Eurofound 2010).

In the Viking and Laval cases, which involved unions in Finland and Sweden respectively, the court held that the terms of the Directive do not allow a host state to make the provision of services in its territory conditional on the observance of terms of employment that are above the mandatory rules for minimum protection. As collective agreements are not universally binding, unions are prohibited from taking industrial action to enforce their terms against non-compliant foreign service providers (Gumbrell-McCormick & Hyman 2013, p24).

In the Ruffert case, a German company, with a contract for building work with a local authority, subcontracted work to a Polish service-provider. The posted workers received lower wages than were prescribed in the relevant collective agreement. The ECJ held that a demand to pay wages prescribed in the collective agreement was not justified under the Directive, and the disparity in wages was not against EU law (Malmberg 2010).

In the Luxembourg case, the ECJ asserted that under the Directive, member states may extend conditions of employment on matters beyond their ‘hard nucleus’, if they concern public policy provisions. However, the Court held that this exception must be interpreted strictly as a derogation from the fundamental principle of freedom to provide services, the scope of which cannot be determined unilaterally by a member state (Malmberg 2010).

These decisions exhibit the precedence afforded to economic freedoms vis-a-vis social rights in the ECJ’s jurisprudence, and have given rise to what Rhodes describes as a ‘new source of contestation’ between social and economic rights (Rhodes 2011, p299). Fundamentally for unions, while acknowledging that the treaties contain a fundamental right to associate and to strike, the Court held that such rights may be subordinated to the freedoms of establishment.

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35 Specifically, Article 3.10
and to provide services (Davies 2008; Zahn 2008) and that collective action may be an undue restriction on economic freedoms (Koukiadaki 2014; Malmberg 2010).

The Directive has been seen to facilitate ‘social-dumping’ (Kilpatrick 2009; Barnard 2009) – that is the export of goods or services from a country with weak (or poorly enforced) labour standards where the exporter’s costs are artificially lower than its competitors, to countries with higher standards, representing an unfair commercial advantage (Bernaciak 2012; Colfer 2011, p47-48). This potentially allows employers to engage in ‘regime shopping’, which could precipitate a ‘race to the bottom’ in labour standards.

In 2014, the Commission approved the ‘Enforcement Directive’ (2014/67) which aims to strengthen the application of the Directive, and to prevent fraud and the circumvention of rules. The Commission has pushed for a full redrafting of the Directive, under which the tax regimes of posted workers would be aligned with those of host country workers, and ‘posting missions’ cannot exceed two years, but stops short of harmonising social contributions (Barbière 2016). This process is politically fraught, and eleven (mainly Central and Eastern) member states have objected to these proposals under the ‘yellow-card’ control mechanism, introduced in the Lisbon Treaty, which allows national parliaments to protest against any EU legislation which is seen to breach the principle of subsidiarity.

In reality, ‘social dumping’ is not just to the advantage of employers who obtain gains through cost-cutting, but also to workers and their representatives in low-wage parts of Europe (i.e. Eastern and Central Europe) who can obtain pay and conditions which exceed those available at home, while still undercutting ‘host country workers’ (in Northern or Western Europe). This tension remains unresolved. While ETUC are at least nominally opposed to social dumping, declaring ‘Free movement, yes; Social dumping, no!’ (ETUC 2015), the issue of posted workers exposes an East-West divide within the organisation.

Conclusions – Europe and its crises

The crisis years have exposed the weaknesses set deep inside the European project. Many of the EU’s problems rest with the euro and how it was designed- what Verhofstadt and Cohn-Bendit call the Eurozone’s ‘lethal incompleteness’. The crisis provides ‘proof that Europe, or at least the Eurozone, cannot operate without a common budgetary, fiscal, economic and social
policy’ (Cohn-Bandit & Verhofstadt 2012, p78-79). Stiglitz (2016, p5) notes that, while there are many travails facing the EU, the European project suffers from ‘one underlying mistake’ that is, the lack of ‘institutions that enable a region of Europe’s diversity to function effectively with a single currency’. The ECJ has also sought to level the economic playing field, rather than to consolidate the social acquis around higher common denominators.

The foregoing discussion serves to outline the hostile environment in which the EU’s social dimension has recently evolved. As well as the challenges in the EU’s political economy, institutional infrastructure and socio-legal context, a number of challenges more specific to trade unions undermine their ability to exert influence.

Part III: The challenges facing trade unions

The third quarter of the twentieth century is considered a ‘golden age’ for organised labour in the advanced industrial economies. This period is characterised by rising incomes, relatively egalitarian wage structures, and reasonable levels of job security (Brown et al. 2010). Unions in this period were strong, and contributed meaningfully to the promulgation of public policy. The subsequent forty years have been less favourable for labour, and a range of cross-cutting challenges threaten the unions’ viability. This includes the decline of traditionally highly-unionised industries, the erosion of the standard contract of employment, and cuts to public expenditure and services. This has resulted in dramatic reductions in union density, collective bargaining coverage, and the number of days lost to strikes throughout Europe – the traditional measurements of union vitality (discussed in Chapter 5). Collective bargaining, where it occurs, has become increasingly decentralised, and since the 1970s there has been a substantial fall in the ‘wage share’, that is, the share of national income devoted to wages (as opposed to profits) (Waddington 2005, p530; Deakin & Koukiadaki 2013, p6).

Fundamentally, the decline of national Keynesianism since the 1970s has seen the emptying-out of the institutional spaces that provided the bases of union power. This sees the concept of corporatism, which dominated European industrial relations for much of the twentieth century, transformed from an ‘institutionalisation of conflict’ based on a culture of compromise to the ‘institutionalisation of partnership’ based on an ideology of consensus (Streeck 2013; Upchurch et al. 2009, p157-158). This changes the nature of industrial relations and how it is
practiced, and undermines the solidarities upon which trade unionism and collective action are built (Macartney 2011). This can be partly understood in the context of the rise of neoliberalism and the individualism which underpins it, particularly since the 1980s (Harvey 2007).

Labour standards have been degraded throughout the crisis since 2008. Employers and governments have rendered labour markets more flexible by the introduction of atypical contracts (Koukiadaki & Kretsos 2012), captured by the rise of the gigging economy, and the breaking-down of the standard employment relationship which had prevailed since the 1940s (Taylor 2017). Many workers no longer have employers in the traditional sense, but technologies that allocate work according to market efficiency. The Webbs (1894) told us that collective bargaining can only succeed with a continuous employment relationship, and the reshaping of the workforce in this way poses massive challenges for unions and their ability to engage in collective bargaining and organising activities.

Globalisation, the often broadly-defined process of international integration brought about by the exchange of products, services, ideas, and aspects of culture through advancements in telecommunications and transportation, has intensified cross-national competitive forces, which undermines the very idea of the nation state (Krugman 1997; Reich 2016; De Grauwe & Polan 2003). Capital, goods, and services now pass seamlessly across borders, and has increased the importance of international financial capital, and with it, the strategic influence of MNCs.

The strategic priorities of multinational corporations (MNCs) have tested the limits of national industrial relations systems, and MNCs are more elusive for unions than domestic adversaries (i.e. employers and government). The ownership structures of MNCs are often too complex for the borders of any one country, and MNCs can avoid local political pressures, as traditional strikes and industrial action still largely take place within national contexts (Hyman & Gumbrell-McCormick 2013, p22). Trade unions remain almost invariably nation-based in focus, and transnational-level union organisations remain relatively under-developed, as we shall see (Brown 2014, p137). This undermines the unions’ ability to effectively meet the challenges posed by globalisation.

For decades, unions have been suffering particular losses through the steady decline of two of their core constituencies: the blue-collar working class and the public sector (Crouch 2000,
The traditional model of trade unionism was based on large-scale, stable employment, with identifiable employers within a single country (Hoffmann & Hoffmann 2009). Visser (2012) speaks of the 'eclipse' of this industrial union model. Some industries, particularly in manufacturing, are highly exposed to international competition (Larsson 2015, p106). Companies can move production from the industrialised West to lower cost locations, such as China, Vietnam and Turkey. Silver (2003, p4-5) explains how MNCs have weakened labour’s bargaining power, by ‘moving (or just threatening to move) production halfway around the world’. Micro-processing, automation, and technological advancements also make it often cheaper to invest in machines than to pay people to work. As jobs are replaced by machines, unemployment increases. This undermines union bargaining power, as the threat to withdraw labour is undermined by the availability of surplus labour (Hyman 1972).

As Europe’s manufacturing industry has declined, the significance of the services, or tertiary, sector has grown (Economist 2005). The services sector now accounts for almost 70 percent of all European employment (Eurostat 2017c). It is harder for unions to organise service workers, as they traditionally wield little structural power – that is, it is harder to interrupt their employers work by interfering with supply chains (discussed in Chapter 5), which further weakens union bargaining power.

Despite cuts to the numbers working in the public sector in many countries during the crisis, public sector workers still account for about 80 percent of union members in Europe (Glassner 2010). This has a distorting effect on the outlook of unions, not least because a core aim of public sector unions is for governments to attract more taxes to fund salaries and services. Public sector unions have not been spared the affliction of outsourcing, technological-displacement, league-tabling, and benchmarking usually associated with the private sector, and while unions make up a disproportionate amount of trade union members, public sector workers now wield less power than heretofore.

While paradoxically, the need for collective action to defend workers’ interests arguably increases in the current context, density has fallen steadily since the 1980s. This can partly be explained as workers see little benefit in maintaining union membership given the direction of

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36 The division between manufacturing and services has become redundant to any understanding of European labour markets. A more sensible split is between low-skilled and high-skilled jobs.
change, and as workers have less disposable income to spend on membership dues. Unions have experienced particular difficulty in attracting younger members, as unions are often associated with the protection of already protected (often older) workers. Alongside this, unions have encountered increased employer hostility, especially since the 1980s, which can be a source of discouragement for potential joiners (Dundon 2002). Unions have also proven thus far incapable of organising the increasing numbers of atypically and precariously employed workers in significant numbers (Gumbrell-McCormick 2011; Heery 2005).

Fundamentally, in most Western countries, workers don’t need to join a union to obtain employment rights that are now guaranteed by the state. This includes holiday entitlements, parental leave, and health and safety protection, matters which unions fought hard battles for throughout history (Kirby 2016). The ability of individuals to obtain the benefits of group action without incurring the costs is nothing new, but in Europe, employment protection legislation has developed to such a degree that the state itself has made unions, and much of what they do, redundant (Booth 1985). This has forced social democratic trade unions in particular to consider what they are now for, and what their priorities should be.

Regarding political power, unions in many countries have long been close to parties of government. Today, once allied, particularly social democratic, parties are in freefall37. Through their associations with centrist and social-democratic parties, some unions are seen as part of a discredited elite with union leaders seen as part of a trade union aristocracy that is disconnected from the rank-and-file membership (Otjes & Rasmussen 2017). This can be understood as part of the wider breakdown of the linkages between representative democracy and citizens, as mainstream parties exit ‘the arena of popular democracy’ (Mair 2013, p90). At EU-level, this is described as a ‘democratic deficit’, as a perceived gulf opens between the citizens and the EU-establishment (Wallace & Smith 1995).

At the same time, support for populist and challenger parties has increased throughout Europe (Meguid 2005; Taggart 2004) 38. Many populists espouse positions on social and economic policy that were traditionally advocated by unions and social democrats, and much populist messaging resonates with the unions’ traditional support-base. This includes the promotion of

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37 Their decline can be linked to the parties’ shift towards neoliberalism from the 1980s.
38 Populism is taken to mean a thin-centred ideology, which divides the world into a corrupt elite and a pure citizenry, and harkens back to a heartland which may or may not have ever existed.
interventionist industrial politics, varying degrees of economic protectionism, and opposition to unfettered globalisation (Gumbrell-McCormick & Hyman, 2013, p11).

On top of all of this, the late-twentieth century has seen the virtual disappearance of the distinctive social formation termed ‘working class’ which formed the backbone of European trade unionism for the past century (Zolberg 1995, p28). A related trend sees growth in the income of people with human capital, that is, professionals, such as architects, doctors and business owners, and a decline in income for service workers such as cleaners, drivers and caterers. The standard of living of service workers is relatively unchanged since the 1950s. Ultimately the modern workforce is in the throes of a dramatic transformation, as the traditional, class conscious collectivism of the industrial manual worker, being replaced by the self-interested individualism of the skilled, mobile and career-centred white-collar worker (Kelly 1998, p1). This environment makes any collectivist vision of society, and the notion of solidarity upon which trade unionism is based, difficult to sustain.

Émile Durkheim argued in favour of combating individualism and basing the existence of societies on a ‘consensus of parts’. He maintained that the source of social life is twofold: the similitude of consciousness, and the division of social labour. He used the term ‘organic solidarity’ to describe the interdependence of co-operatively functioning individuals and groups, which should be regulated by rules which define the nature of these relationships (Merton 1934, p320). Durkheim indicates that if ‘society’ simply resulted from individuals being brought into temporary contractual relationships for the satisfaction of their immediate interests, we would no longer have a society but Hobbes's ‘state of nature’ (Durkheim 1982).

Pessimistically, Crouch (2000, p77) correctly predicted the emergence of a heterogeneous economy made up of diverse and rarely solidaristic groups of salaried workers, with marginal, insecure labour-market positions, and large numbers of workers pushed into involuntary self-employment. This does not present the possibility of industrial relations in the old sense, and prevents people from settling in permanent work, losing the ability to develop a ‘life narrative’

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39 Although class identities persist in some cases, notably in Greece.
40 Human capital is understood as encompassing the stock of a person’s knowledge, habits, social and personality attributes, and creativity (Becker 1994).
41 The rise in support for populist political voices can partly be explained by the alienation felt by these voters from the establishment given these circumstances.
42 This has been taken as justification for workers to combine in trade unions for their betterment, and for the betterment of society.
(Sennett 2007). This is reflected in demographic shifts. Europeans now, on average, leave getting married, buying a house, or investing in a pension till later in life, if at all (Davies et al. 2014). Beck (1992) argues that the regulatory frameworks of class and family are being replaced by the ‘reflexive modernity’ of individuals’. This heterogeneity in society means public policy offerings can no longer be designed in standard packages, which complicates the unions’ legal enactment functions.

These changes militate against the accumulation of social capital - the aggregate of the actual or potential resources linked to possession of a durable network of relationships of mutual acquaintance and recognition - to membership of a group (Bourdieu 1986). The inability to plan for life has dramatically changed the realm of individual agency and power. Paradoxically, if a worker lacks an established position of employment, they cannot make sense of their position in society, and are more likely to revolt than the worker with an established position. This should increase the relevance of organised labour (Sennett 2007; Vance 2016, p6-9). To date however, unions seem to have been unable to exploit this reality (Tapia & Turner 2013).

Some argue that unions, as they are currently structured, no longer fulfil any meaningful purpose. In this reading, by cooperating with government and employers, unions have become structurally weakened and incapable of inflicting costs on employers (Allen 2000; Culpepper & Regan 2014). Edwards (2007, p127) takes this analysis a step further, arguing that unions have become ‘colonised by the market’, as relationships between unions and members have become commodified into transactions between consumers and service-providers. This echoes with Crouch (2000)’s depiction of a post-democratic society, where a small elite takes the major decisions within a seemingly democratic society, and Michels (1968) ‘iron law of oligarchy’ of more than a century ago. From a radical democratic perspective, which challenges the state-form itself, (Hardt & Negri 1994) argue that unions have become the means of capitalist discipline, exploitation, and domination, and are complicit in the processes of capitalist production through participation in capitalist institutions, and Pasture et al. (2000, p100) argues, unions are becoming ‘increasingly irrelevant’.

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43 The rise in precarious employment partly explains the rise in disaffection reflected in the rise in fortunes of populist parties.
44 Michels argues that any democratic organisation will succumb to rule by an elite, through the tactical and technical necessities of organisation.
It has become common to regard unions, at least in Europe, as being in a state of decline. Indeed, the statistics confirm that a decline has occurred, but the nature and extent of this differs dramatically between countries\textsuperscript{45}. However, crude statistical ways of measuring union power do not provide a complete picture of the state of union strength. Unions remain the largest civil society organisation in Europe, with more than 10 million members, and maintain the ability to exert influence in different, often more subtle ways, as we shall see. In the context of these challenges, the existence of a European social model which protects union and workers’ rights, and the unions’ role within it, is covered in the last section of this chapter.

Part IV: The European Social Model

The European Social Model (ESM) is a contested term used by policy-makers, intellectuals and commentators to describe the desire shared by the European political elite and EU decision-makers to simultaneously promote economic growth and social cohesion. It is characteristic of the post-World War II consensus which prevailed in Europe, until the 1980s (Jepsen & Pascual 2005; Dølvik & Martin 2015). There is no specific provision for ESM in any EU treaty or agreement, nor any widely-accepted definition of the term; as (Trubek et al 2001, p3) notes, ‘ESM means different things to different people’ Proponents and commentators draw on Articles 3 TEU and its reference to the pursuit of a ‘social market economy’ to identify the term’s origins, as well as the Treaty’s preamble and Article 2, where the member states set-out the values and objectives upon which the European project is based. This includes: the promotion of ‘economic and social progress’ and a ‘high level of employment’. ESM is most clearly represented in EU social legislation, including in Directives regarding working time, the rights of agency workers, and workplace information and consultation rights.

Essentially, ESM is a philosophy of government, grounded in the indivisibility of human and social rights, and an historic compromise between economic progress and social protection (Feickert 2000). A BusinessEurope representative opines that ‘it is quite clear that Europe stands out as a continent, given its...high social spending compared to the rest of the world [and given its] high rate of industrial relations practices...it’s clear that there is a social model...and that social dialogue is an important feature of it’ (interview 1: 13.09.16).

\textsuperscript{45} Table 4, p119, provides a range of statistics which exhibit these differences.
Hyman (2001, p20) contends that ESM, as a term, was coined by Jacques Delors to provide a ‘human face’ to the completion of the single market. When presenting the Commission’s programme for 1986, then Commission President Delors, asserted that ‘the creation of a vast economic area based on the market, and business co-operation, is inconceivable - I would say unattainable–without some harmonisation of social legislation. Our ultimate aim must be the creation of a European social area’ (Heppie 1987, p77). Thus, ESM may be understood as the promotion of government policies which seek to protect the European workforce and citizenry from the potentially damaging effects of an unfettered free-market. Thus, unions can be seen as being a central component of ESM.

The prevailing view points towards ESM being fatally undermined, or at least under severe strain. The radical left philosopher Étienne Balibar claims that ‘Europe is dead as a political project’ (Davidson 2015), and in 2012 then ECB president Mario Draghi notoriously concluded that ‘the European social model has already gone when we see the youth unemployment rates prevailing in some (EU) countries’. The original purpose of EEC, and the special role afforded to the unions within it, was to promote economic development while protecting social cohesion. Economic integration has taken place, but social protection remains primarily the responsibility of the nation state governments, and unions remain primarily concerned with the national level.

Conclusions - The EU’s ‘lethal incompleteness’

The European project, European trade unions, and Europe’s unique social model faces a wide range of exogenous and endogenous challenges. Unions have been integral to the processes of European integration since the beginning, and anything which undermines the European project has the potential to undermine Europe’s trade unions and their ability to exert influence. The introduction of the euro is a game changer for unions and political actors, as the promulgation of monetary policy, once a key feature of domestic industrial policy, is no longer within the gift of national governments and social dialogue processes. The crisis years have exposed the weaknesses set deep inside the European project, and many of the EU’s problems rest with the euro and how it was designed, particularly given the lack of fiscal transfers and budgetary institutions - the Eurozone’s potentially ‘lethal incompleteness’.
But does the failure to provide fiscal transfers expose the limits of European integration? Whether the Eurozone, as it is currently structured, can exist in a way that does not cause harm to Europe’s citizens remains unanswered. The lack of any requirement for strong regions to help regions experiencing a temporary shock through social transfers may have a degree of appeal for selfish voters, but without a minimal degree of risk-sharing, no monetary union can function correctly. It is notable also that the eight countries that received financial assistance are relatively small and are found on Europe’s periphery. Whether larger members, such as Spain or Italy, would be treated in the same way as Greece or Ireland, given the greater structural power wielded by those larger members, is open to question. The ECJ has also sought to level the economic playing field, rather than to consolidate the social acquis around higher common denominators, further undermining social cohesion and the scope for union power.

However, European integration has involved the institutionalisation of peace on a continent ravaged by war and cruelty for centuries. The problems the European project seeks to resolve, and the differences it seeks to overcome, or at least learn to live with, were never going to make European integration a straightforward process. The question for unions-is whether they can adapt, and can develop new ways of exerting influence to effectively meet the challenges posed by their political and economic realities in the next phases of European integration.

The next chapter reviews the EU-backed responses that have been mounted to the challenges that have been outlined here. It considers the consequences of the crises and reforms on the political and industrial relations context in which trade unions reside, for the social, political and economic well-being of the European citizenry, and finally for the European project itself.
Chapter 3 Europe’s crisis responses, and their consequences

‘Europe will be forged in crises, and will be the sum of the solutions adopted for those crises’.

- Jean Monnet (1888-1979).

Since 2008, EU and government-backed initiatives have been introduced which are designed to arrest the worst effects of the economic and social crisis, and seek to address the shortcomings of the Eurozone’s architecture and the EU’s structural divergences (Zoppè & Copeland 2017). Some of these initiatives originate in Europe’s national capitals, and some in the European institutions in Brussels46 and Frankfurt47. These measures have taken two main forms.

Firstly, since 2010, bespoke ‘bailout packages’ were agreed with crisis-stricken economies after some governments became unable to borrow on capital markets. Article 125 TEU prohibits automatic social transfers from one part of the union to another, making these bailouts ad-hoc and inconsistent. Seeking to prevent moral hazard, the international creditors made these bailout agreements contingent on austere structural reforms. The bailouts for Greece and Ireland are considered in Chapters 7-8.

Secondly, since 2011, the EU has introduced permanent measures designed to bring stability to the entire EU economy, known collectively as the EU’s new-economic governance regime. This involves an enhanced role for the European Commission in surveilling domestic budgets through the European semester process (Degryse 2012), and the introduction of a nascent banking union, which sees the pooling together of aspects of banking regulation (Commission 2015b). The new regime goes some way to correcting the incompleteness of the EU’s economic infrastructure, without addressing them entirely. These measures have involved the deepest phase of European integration in a generation, and enshrines austerity and fiscal discipline into the fabric of the European project. Notably these measures have not been complemented by

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46 The host city of the European Commission headquarters.
47 The host city of the ECB headquarters.
corresponding social protection measures. This regime has far-reaching implications for all EU member states, and not just those in formal bailout programmes.

Part I of this chapter looks at the measures deployed by the EU institutions and member states in response to the challenges outlined in Chapter 2. Part II considers the social, political and economic consequences of this for Europe’s citizens. Part III considers the consequences this has for the European project itself. The final part concludes.

Part I Crisis responses

Austerity, bailouts and the Troika

Blyth (2013, p2) defines austerity as voluntary deflation, where the economy adjusts through a reduction in wages, prices and public spending in a bid to increase competitiveness. Particularly during the crisis, given the monetary policy constraints within the Eurozone, an emphasis has been placed on ‘internal devaluation’, which sees governments seeking productivity gains through supply-side reforms, reductions in unit labour costs, and cuts to wages and public expenditure (Dahan 2012; Scharpf 2013, p133). Between 2010-2013, unit labour costs in Ireland fell by 12.2 percent, second in Europe only to Latvia, where they fell by 15 percent (Erne 2013a). However, there is a fallacy of composition – if everyone pursues austerity at the same time, it is counter-intuitive to think things will improve.

In attempting to avert financial meltdown, the EU improvised the tripartite structure known as the ‘Troika’ (made up of the EU, ECB and IMF). The involvement of the IMF in this formation saw the EU, for the first time, outsourcing what were heretofore sovereign responsibilities to an international financial institution48. The involvement of the IMF was justified given the EU’s aforementioned institutional shortcomings and lack of expertise in handling the potential for the global contagion and panic which would have resulted from a European ‘Lehman Brothers moment’49 (Kalyvas 2015). The IMF’s inclusion also provides ‘political cover’ for the EU, as responsibility for austerity can be apportioned to the fund. An officer at the

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48 In the context of the third Greek bailout in 2015, the Troika was renamed ‘the institutions’ (see Brunnermeir et al, 2016, p19)
49 Financial services firm Lehman Brothers filed for bankruptcy in September 2008, amounting to the largest bankruptcy filing in U.S. history, with Lehman holding over $600 billion in assets.
International Trade Union Confederation (ITUC) confirms that ‘The IMF were brought in to the Troika to [provide] outside legitimacy – and so the governments could pull back and say ‘it wasn’t us’ (interview 5: 02.12.14).

While the EU managed to outsource at least part of the blame for austerity to the IMF, national governments and parliaments had no such luxury. Many parties of government suffered the electoral consequences of austerity, and were swept from office (Lazaridis & Campani 2016). In 2011 in Italy and Greece, democracy was temporarily suspended by the installation of unelected technocratic governments, partly to ensure austerity budgets were implemented (Hopkin 2012).

Troika bailouts were extended to Greece\textsuperscript{50} (in 2010, 2012 and 2015), Ireland (in 2010), Portugal (in 2011) and Cyprus (in 2013). The EU and IMF also undertook informal ‘missions’ to member states that were experiencing economic difficulties, including to Romania in 2009, and Latvia in 2010. The missions resulted in the extension of financial assistance in exchange for a commitment to deliver deficit reduction to below 6 percent of GDP (Dahan 2012).

Despite France, Italy and Spain (to date) not having concluded official bailout agreements (Spain’s banks were recapitalised by the ECB in 2012, see Commission 2012) significant pressure has been exerted on those countries’ governments to introduce austerity measures (Deakin & Koukiadaki 2012, p10). While smaller countries including Cyprus, Greece, Ireland and Portugal were subject to swingeing reforms and austerity, France, Italy and Spain were essentially spared. As above, this can partly be explained by the larger countries’ greater political leverage, but also by the fear among Europe’s leaders of the potentially devastating implications that acknowledging any serious economic crisis in these bigger economies would have for the wider Eurozone economy (Das 2016).

Bailout reforms were laid out in Memoranda of Understanding (MOUs) negotiated between the Troika and debtor governments. The MOUs, and missions focus primarily on rigorous

\textsuperscript{50} As will be discussed in Chapter 7, the IMF, initially did not participate in the third Greek bailout programme in 2015. The IMF stance was that in order to participate, they needed to have confidence around the ownership of the programme. Greece had not paid the IMF, (in the language of the IMF, Greece was in ‘arrears’ rather than having ‘defaulted’), which had never happened in an advanced country. The IMF agreed to ‘stay on the sidelines’, and would join if they gained confidence, for example, if the Europeans would agree debt relief that would make the debt sustainable, a key criteria of the IMF.
fiscal discipline and retrenchment obtained through cuts to public spending, the privatisation of public assets, and tax increases. The LSE’s Prof Richard Hyman, speaking in Brussels in 2014 noted how the idea of ‘reforms’ was traditionally ‘associated with progress, and making things better, but today...’reforms’ usually imply taking away some protection or benefit from working people’ (Hyman 2014).

Some MOU measures pertain to areas that lie beyond the scope of the European treaties. This includes in relation to collective bargaining, education, health, minimum wages, and legislative promotion of atypical contracts, which remain national competences. This was possible, as the agreements were made by sovereign governments, outside the scope of the European institutions. However, in practice, governments had little choice but to accept the bailouts and their punitive conditionality (Lapavitsas 2012; Colfer 2016, p144).

The MOUs also went beyond strictly deficit-related matters. Measures include reforms to public administration, banking regulation, social and industrial policy and the structure of regulated professions. Reforms typically rendered existing labour law more flexible and weakened minimum labour standards51, and were often presented as necessary to overcome the economic crisis (Horn 2012). Many run counter to established labour law principles, including in relation to trade union autonomy.

During the crisis, governments have acted increasingly unilaterally in the fields of industrial and social policy (Schömann & Clauwaert 2012). Many reforms were introduced without recourse to democratic or participatory procedures following the use of ‘emergency procedures’, which bypass parliaments and social partners. In the bailout negotiations, the social partners had minimal input, or were absent altogether. A senior Irish trade unionist laments how the unions ‘had become just another lobby group’ in the context of the Irish crisis (interview 6: 20.03.14). However, the Irish unions still engaged with the Troika, while in Greece, unions rejected any opportunity to do so, as we shall see. In Spain and Greece unions brought successful complaints before domestic courts, the ILO and the Council of Europe, although this had little impact on the direction of EU-backed austerity (ILO 2012; Colfer & Ioannou 2017).

51 The Commission, ECJ, and ECB, have exerted similar, deregulatory pressures on EU member states that did not enter official bailout programmes with the Troika, including Romania, Spain and Italy.
New economic governance: Europe’s ‘silent revolution’

As well as these reactive bailouts, since 2011, the EU has introduced a range of permanent measures ostensibly designed to support the European economy in the longer term. These are described collectively as the EU’s ‘new economic governance’ regime, and amount to a centralisation of economic policy in Brussels and Frankfurt. This sees member states consenting to a greater surveillance role for the Commission over national budgets and economic policy-formation than had hitherto existed (Buonanno & Nugent 2013, p28). The measures constitute an alphabet soup of policies including: the fiscal compact treaty, the two pack and six pack bundles of regulations, the Euro-plus pact, the European Semester programme, the Europe 2020 strategy, the European Financial Stability Facility (EFSF), the European Stability Mechanism (ESM) and an emerging ‘Banking Union’ (Commission 2017b). This broad structure is based on extensive fiscal discipline, and seeks to tackle rising government debt and Eurozone instability.

The bailout agreements and new economic governance reveal the ‘growing pre-eminence of fiscal policy over social policy’ in the EU (Dahan 2012, p326). Meardi notes that the Commission and ECB achieved ‘in a few months what employers and right-wing government had not even dared to ask’ (Meardi 2012a, p12). The focus on wage-competitiveness and fiscal consolidation fails to account for the institutional diversity and structural imbalances within the Eurozone, and is based on the false assumption that European integration would lead to an automatic convergence of prices and wages (Regan 2013, p2; Scharpf 2011). Ultimately, market forces have proven an ineffective means of precipitating European integration.

Central to new economic governance is the European Semester programme, the EU's annual cycle of economic policy guidance and surveillance. Here, the Commission analyses fiscal and structural reforms proposed by member states, including national budgets, and provides non-binding recommendations through country-specific recommendations, crucially, before national parliaments get a chance to (Commission 2017f). Country-specific recommendations

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52 The so-called ‘six pack’, comprising five regulations and one directive covering fiscal and macroeconomic surveillance, and aims to fortify the EU’s stability and Growth Pact.
53 The Euro Plus Pact involves stronger economic coordination in terms of competitiveness and convergence, and is integrated into the European semester cycle (discussed below), with the Commission responsible for monitoring implementation in the Member States. (Eurofound, 2013, p6).
54 The nascent banking union sees the pooling together of aspects of banking regulation at EU level in a bid to ensure banks and financial institutions ‘are stronger and better supervised’ (Commission, 2015b).
also stray beyond the scope of the European treaties and have included suggestions to abolish wage-indexing systems, to decentralise wage bargaining arrangements, to weaken protections against dismissals, and to moderate minimum wages. This is permissible given the recommendations are non-binding in nature. In reality, they carry important political weight. For example, unemployment and other welfare benefits in Romania have been cut by 15 percent since 2010, following recommendations in these areas (Eurofound 2013, p7). However, recommendations, are not exclusively austere. Vanhercke and Zeitlin (2014, p356) report that an analysis of 141 country-specific recommendations in 2013 yields 67 containing at least one item that addresses improvements to ‘employment or social policies’.

New economic governance involves a shift in power to technocratic decision-making at EU-level (Erne 2013b), which former Commission President Jose-Manuel Barroso called ‘a silent revolution’ (Phillips 2011). New economic governance changes relations between the EU institutions and member states, as each member state is issued country-specific recommendations and are now all subject to similar pressures as those in bailout programmes.

The disruptive effects this has on power-dynamics within states, and on the ability of parliaments and social partners to exert influence is obvious, particularly as unions have failed to successfully politicise their struggles against economic governance (Bieler et al. 2015). This is partly explained by the abstract nature of economic governance and austerity, which are difficult to communicate easily to citizens. As recommendations are meted out nation-by-nation, this also makes it difficult for unions to organise transnationally. However, the technical nature of the regime provides scope for unions to lobby the Commission for recommendations which are favourable to the interests of their members.

By expanding the scope of EU surveillance to anything that is deemed to prevent excessive imbalances, new economic governance challenges fundamental constitutional rights, and undermines the neoliberal ‘new constitutionalism’ of EMU, replacing what was a Hayekian rule-based regime with a political regime based on executive interventions (Erne 2015, p356). The new regime sees the injection of liquidity into the European economy by the ECB and the establishment of the EU’s permanent crisis resolution instrument the ‘European Stability

55 Friedrich von Hayek condemned government intervention in the economy, seeing it as a precursor to an authoritarian state (see Hayek 1944).
Mechanism’ with the power to issue debt instruments to Eurozone members in need of financial assistance, and to recapitalise troubled banks (Mezzacapo 2013; Pisani-Ferry et al. 2012). In theory, this facility would undertake the role played by the Troika in future sovereign bailouts.

Part II Consequences for industrial relations, the citizen, and the EU

Impact of the crisis on industrial relations practices

Alongside these EU-backed reforms, as outlined above, a number of industrial relations trends have emerged over recent years which present further challenges for the labour movement. These include: changes to working-time arrangements, the proliferation of atypical employment (Standing 2011; 2014) changes to rules on pay, redundancy and pension entitlements (Schömann & Clauwaert 2012), and changes to industrial relations structures and processes which affect social dialogue and collective bargaining. Some of these pre-date the economic crisis, and may be linked to the Maastricht convergence criteria, as governments cut public deficits in preparation for entry into EMU. They may also be associated with the turn to neoliberalism since the 1980s more generally (Mason 2015; Drucker 1993). However, some reforms were certainly induced, or at least accelerated since 2008, but it is difficult to disentangle one from the other. Let us deal with these in turn.

Changes to working-time

Since 1993, the EU Working Time Directive has set maximum and minimum standards for working time. The norms governing this have been breaking down since 2008. In some countries, notification periods and compensation for dismissals have been reduced (Greece, Spain, Portugal), thresholds for collective dismissals were changed (Greece), and the grounds for dismissal have been extended (Spain, Portugal) (OECD 2013). There have been extensions to obligatory over-time (Czech Republic, Hungary and Lithuania), annual limits have been increased, and compensation reduced (e.g. in Portugal, where new legislation in 2012 reduces additional pay for overtime by 50 percent). Extensions of reference periods for calculating working-time have been extended (Hungary, Poland and Romania), and new provisions extending reference periods and short-term working arrangements have been introduced (Austria, Belgium, Bulgaria, France, Germany and Spain) (Glassner & Keune 2010).
Atypical and part-time employment

In the decades following World War II, the standard contract of employment provided strict constraints regarding the length of the working week, wages and leave entitlements. This has been undermined by the explosion in use of atypical (fixed-term, part-time, temporary) contracts (e.g. Czech Republic, Greece, Portugal, Romania, Spain). These tend to afford less protection than traditional contracts, and render labour markets more flexible (Koukiadaki & Kretsos 2012). A common trend sees increases in the number of times fixed-term contracts can be renewed (Netherlands, Poland, Slovakia). Legislation to facilitate temporary agency work has also been introduced (Belgium, Czech Republic, Greece, Romania, UK).

Atypical contracts are sometimes targeted at specific groups, particularly young people and new labour market entrants. A ‘youth contract’ was introduced in Greece where new hires of up to 25 years of age earn 20 percent less than pre-crisis rates, with a two-year trial period, no employer social contributions, and no unemployment benefit entitlements (Cholezas 2014). A new training contract was introduced in Spain for ‘unskilled people’ aged 25–30 which exempts employers from social security contributions. In Ireland, newly qualified nurses and teachers were offered contracts at 20 percent below their predecessors, following a recruitment embargo lasting two years (RTE 2011).

Part-time work is a relatively recent phenomenon in Europe, arriving largely since the 1980s, with increased female participation at work. By its nature, part-time work tends to be more flexible (Blossfeld & Hakim 1997). Rates of part-time work have increased, including involuntary part-time work, and rules prohibiting the requirement of part-time employees to work overtime hours have been abolished in Spain and Greece (Clauwaert & Schömann 2012, Koukiadaki & Krestos 2012).

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56 This is arguably being at odds at least with the spirit of The Directive on Temporary Agency Work (2008/104/EC), one central objective of which is to prevent the abuse of successive fixed-term contracts.

57 It should be said that some reforms are in response to The Directive on Temporary Agency Work, and in some instances, more protective measures resulted, such as in Luxembourg (see Eurofound, 2012).
Pay, redundancy and pension entitlements

Austerity and new economic governance have had an impact on pay, particularly in the public sector, and particularly in the countries subjected to Troika bailouts (Visser 2012). This has involved pay-freezes, below-inflation wage increases, pay cuts, and reductions in public sector numbers in bids to boost productivity. In Latvia, the government cut public sector pay, in Portugal, public sector pay was frozen and then cut, as was the minimum wage. In 2010, public sector pay in Romania was cut by 25 percent, and in Ireland, by 5-15 percent (Erne 2013a).

Reforms to redundancy rules have been introduced in three main areas, often in combination. Firstly, the definition of ‘redundancy’ has been reviewed, particularly concerning economic reasons as grounds for dismissal (Czech Republic, Portugal, Spain, Slovakia, UK). Secondly, rules governing dismissals have become more flexible, making it easier to lay-off workers (Estonia, Greece, UK, Romania). Thirdly, procedures governing redundancies designed to weaken existing regulations generally have been introduced, including the reduction of notice periods (Bulgaria, Estonia, Lithuania, Slovakia, Spain, Portugal, UK), increased grounds for lay-offs in SMEs (UK), weakening employers’ obligations to consult with worker representatives (Spain), weakening third-party intervention procedures (Estonia), restricting access to employment tribunals (UK), reducing severance entitlements (Czech Republic), and using public funds to finance redundancy benefits (Portugal) (Schömann & Clauwaert 2012; Glassner & Keune 2010; Eurofound 2014b).

Industrial relations structures and processes, and the level of collective bargaining

A shift towards the decentralisation of collective bargaining has occurred, where national or sectoral-level bargaining has moved to the local or enterprise-level (France, Italy, Greece, Portugal, Slovakia, Spain) (Dell’Aringa & Pagani 2007; Ribeiro 2016). Changes were introduced in the 2000s which eroded traditional participatory forms of social partnership, as in Hungary, (with the election of a right-wing government in 2010), and in Estonia and Slovakia in bids to deregulate the labour market (Clauwaert & Schömann 2012).
In Romania, annual national collective negotiations have been abolished, and replaced by sectoral-level agreements. This seeks greater flexibility and competitiveness and to ‘align wage growth with productivity’ (Eurofound, 2013, p8). Lower-level agreements typically provides less favourable terms than higher-level agreements, and creates coordination problems for unions (Bruun et al. 2014). In Czech Republic, many company-level agreements no longer cover wage provisions (Karel 2016), and in Greece the national-level collective agreement no longer determines the minimum wage (Kornelakis & Voskeritsian 2014). Other reforms see binding arbitration tribunals replaced with non-binding alternative dispute resolution mechanisms (Bulgaria, UK, Spain) (Clauwaert & Schömann 2012).

The volume of bargaining overall has decreased in Europe (Marginson 2015). In Portugal, the number of sectoral agreements fell from 139 in 2009 to 42 between 2008-2012, covering 1,039,291 and 245,136 workers respectively (Commission 2014b). The representativeness criteria for social partners have been reviewed (Greece, Hungary, Italy, Netherlands, Portugal Romania, Slovakia, Spain) and traditional union prerogatives have been extended to other workplace representative bodies, often at company-level (Portugal, Slovakia, Greece).

These trends are typically the result of attempts to induce flexibility and to reduce the cost of employment. They tend to further deregulate already deregulated labour markets and represent a retrograde step for worker protection. The most far-reaching reforms have been in Southern and Eastern Europe.

In the past, governments turned to the social partners in times of economic crisis. Since 2008 the involvement of the social partners in policy-promulgation has been curtailed, and social dialogue structures have been recast and greatly weakened. This must be understood in the context of the degradation of the standard model of full-time employment which had prevailed in the decades following World War II. This makes work less predictable and stable, and contributes to labour market segregation, which sees already vulnerable workers becoming further marginalised. Some reforms are at odds with European directives, for example on fixed-term and part-time work, and ESM generally (Dolvik & Martin 2015). All this has a major

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58 Interestingly, in Finland, decentralisation of bargaining has proven unsuccessful, and employers have been come out in support of national collective agreements.
impact on unions, on political and industrial relations, and on the wider European social, political and economic context in which unions reside.

Social, political and economic consequences

Since the onset of the economic and social crisis, the European continent has experienced a fall in GDP, declining economic growth, and an increase in deprivation, mental ill-health, economic migration and inequality (Rigney 2012; Jimeno 2015; Stuckler et al. 2009). Unemployment, particularly youth unemployment, has soared. In the third quarter of 2017, EU unemployment was 7.5 percent, and Eurozone unemployment 8.9 percent, up from 6.8 percent and 8 percent respectively in 2007, and 10.5 percent and 11.4 percent in 2012 (Eurostat 2017c). The highest rates in 2017 are observed in Greece, at 23.4 percent, and Spain, at 19.5 percent. Unemployment peaked in Greece in 2013 at 27.5 percent, and 26.1% in 2013. Notably, young people were hit especially hard in Greece, with a full 52.4 percent of under-25s being out of work in 2014 (Eurostat 2017c).

Personal and household debt has risen dramatically since the 2000s (OECD 2015; Pettifor 2006). The gross debt-to-income ratio in the Eurozone stands at 96.6 percent for 2014, with rates as high as 179.6 percent in Ireland, 214.2 percent in the Netherlands, and 265.1 percent in Denmark, although wide variance exists, with rates as low as 45.9 percent in Slovenia and 34.3 percent in Lithuania (Eurostat 2016). Bond yields in some countries have fluctuated wildly, indicating serious doubts within financial institutions regarding the credit-worthiness of governments’ ability to repay debt. Yields reaching 12.1 percent in Romania in 2008, 17 percent in Latvia in 2009, 10.7 percent in Belgium, 14.8 percent in Ireland, 14.2 percent in Italy and 17.4 percent in Portugal in 2011, and 48.6 percent in Greece in 2012 (Blundell-Wignall 2012). This left some European governments (including in Greece and Portugal) unable to service their debts, and others (including Cyprus and Ireland) unable to bail out over-indebted banks; in both cases, these banks were taken into public ownership which, in the Irish case, amounted to the largest bank bailout in history (Ross 2010).

59 The cases considered in this study have had different experiences of the crisis in this regard, as will be discussed in Chapters 7-9. Appendix II includes details of unemployment, including youth unemployment for the countries considered here between 1960-2013.

60 The gross debt-to-income ratio of households is defined as loans, mortgages and other liabilities divided by gross disposable income, with the latter being adjusted for the net change in pension entitlements.

61 That is to say the rate of return received by investing in government bonds.
As above, while unions are primarily concerned with the economic and social wellbeing of their members, unions also wield a ‘sword of justice’ (Flanders 1970) and agitate for improvements to social welfare provision and public services for society at large. The involvement of unions in governance can also play an important role in promoting equality. Inequality has increased during the crisis, but in a way that is not uniform. In some countries, including Belgium and to a lesser extent Ireland, the level of inequality remained largely unchanged, while others, including Greece saw increases, having already started from a position of relative inequality (Tóth 2013, see Table 1, and figure 12).

**Table 1: Inequality in Belgium, Greece and Ireland**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Belgium</td>
<td>27.0</td>
<td>26.4</td>
<td>26.3</td>
</tr>
<tr>
<td>Greece</td>
<td>34.0</td>
<td>33.1</td>
<td>34.3</td>
</tr>
<tr>
<td>Ireland</td>
<td>31.0</td>
<td>28.8</td>
<td>29.8 (^{63})</td>
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<tr>
<td>Eurozone average</td>
<td>-</td>
<td>30.3</td>
<td>30.7</td>
</tr>
<tr>
<td>EU average</td>
<td>-</td>
<td>30.5</td>
<td>30.7</td>
</tr>
</tbody>
</table>

**Source:** (Eurostat 2017d).

Through involvement in wage-negotiations and social dialogue, unions may have helped Belgium to remain one of the most equal countries in the EU. Ireland is mid-table in terms of equality and remained so during the crisis. Greece is the least equal of the three. However, despite the upheaval of the past decade, inequality has not changed much. These things tend to move slowly over time\(^{64}\).

Income and wealth distribution are perhaps the most salient aspects of the socio-economic divide in Europe. The gaps between countries at the top and the bottom of any ranking persist, with some convergence also taking place\(^{65}\). What is clear is that most inequality increases are now within countries, and income inequality has increased in most European countries over

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\(^{62}\)The Gini coefficient is a measure of statistical dispersion representing income distribution, and the most commonly used measure of inequality

\(^{63}\)For Ireland, the 2015 figure is used.

\(^{64}\)Some comparative political, economic, social and economic data, including 10-year bond yields (1960-2013) and gini coefficients (2004-2014) for the countries considered here are presented in Appendix I, below.

\(^{65}\)However, it is notable that since 2012, inequality in both Ireland and Greece has declined, while in Belgium it has increased marginally, although the relative positions of the countries remains the same.
the past 30 years. Today it is at an all-time high. In the 1980s, the average disposable income of the richest 10 percent in society in OECD countries was around seven times higher than the poorest 10 percent. Today, it is almost 10 times as high. Most notably, no longer are those at the bottom the elderly, but the young, and families with children (OECD 2017b, p7). The effects of this have been especially severe in southern Europe. This situation poses enormous challenges for the cohesiveness and future of European societies, and of the EU itself.

Part III Consequences for the European Union

The crisis has changed the EU irrevocably. The rules-based approach to budgetary planning, favoured since the Maastricht Treaty (following German reunification), has been undermined by the new economic governance regime. Politically, the crisis has undermined the ordoliberalism – that is, the German variant of social liberalism which emphasises the role of the state in ensuring the market produces results close to its theoretical potential - which had been at the heart of EU policy for the previous twenty years (Streeck 2013).

From a labour perspective, the crisis shows how difficult it is for unions to be effective without a sympathetic state, either through legal enactment or through the completion of national and sectoral agreements. This underscores the abiding strength of the member states in European politics, whose jealously-guarded sovereignty prevents coordinated EU-level responses to many of the bloc’s most egregious challenges, despite the increasing reach of the EU’s new economic governance measures. Bickerton (2016a) describes the EU as a ‘mirage’: from ‘far away, the image is clear and strong [but] As you get closer, it starts to wobble and shimmer until eventually it disappears’. While some power is delegated to EU institutions by national governments, the EU remains closely policed and managed by its members (Bickerton 2016b pp28-37). The exception is the ECB, whose role and independence has increased in the crisis (Brunnermeier et al. 2016).

The crisis has also exposed the power of the financial sector in the EU economic order. One of the major causes of the sovereign debt crisis was the belief that some European banks were ‘too big to fail’. This is seen in the bailouts of the Irish and Cypriot economies, which were primarily designed to prevent the collapse of the European banking systems (Colfer 2016). In theory, any bank default could initiate a domino effect, as other banks holding assets in them
collapse in turn. This scenario was avoided by the nationalisation of private debt. According to Mair (2013, p151-2), the main beneficiaries of European austerity are the senior managers of banks, government bondholders and EU institutions, including the ECB.

Streeck and Schafer (2013, p19) describe the current system as ‘democratic capitalism’ where two constituencies, citizens and financial markets, compete for resources. Policies that are beneficial to the financial sector are not necessarily beneficial to ordinary citizens. While markets are interconnected globally the interests of citizens generally remain national and local. While financial interests exert sustained pressure on governments, ordinary citizens are comparatively weaker, and exert influence mainly only through periodic elections. Thus, the will of actors in the stronger of these constituencies – financial markets – tends to prevail.

Notwithstanding claims that the crisis will induce the ‘slow-motion decline’ of the EU (Ferguson & Roubini 2012; Simms & Less 2015; Streeck 2015), this period has ushered in the deepest phase of European integration in a generation. Despite the proposed UK withdrawal from the EU, the EU, its membership, borders and institutions have remained largely intact. In 2013, amidst the crisis, the EU expanded, with Croatia becoming the 28th member. In 2015 Lithuania tied their economic fate irrevocably to Europe becoming the 19th Eurozone member, following Slovakia who joined in 2009 and Estonia in 2011. At the time of writing, Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey have submitted applications for EU membership, and are deemed ‘candidate countries’. It is unclear if any of these applications will ultimately be successful (Commission 2017d), but what is clear is that EU membership is something that (some) European countries continue to aspire to. This can be seen as an extension of EU soft power.

While these years have been extremely challenging for the EU, crises have been part and parcel of the European project since its very beginning, and will no doubt remain so. As the influential French diplomat and outspoken advocate for European integration Jean Monnet (1888-1979) is attributed to have said ‘Europe will be forged in crises and will be the sum of the solutions adopted for those crises’. For the future of the EU, the question is not how to avoid future crises, but rather, whether the resources and political will can be found to respond more effectively when they occur.
Conclusions

The responses mounted by the EU institutions and governments in the context of the economic and social crises since 2008 have had a direct impact on industrial relations practices, on the political, social and economic wellbeing of the EU and its citizenry, and on how unions exert influence.

Structural reforms and austerity have led to worsening working conditions, and to the embedding of fiscal discipline in the EU’s economic governance. This risks inducing a continent-wide race-to-the-bottom in labour standards, and undermines the protective role of individual and collective labour law. The economic policy options available to states and domestic actors have narrowed as the fiscal room for manoeuvre diminishes. This presents a challenge to unions who wish to challenge austerity, especially when reforms are presented as necessary for a country’s economic survival.

Unions have traditionally been primarily involved in the domestic political arena. As the factors which shape domestic economic policy increasingly play out transnationally – including through the Troika bailout programmes and new economic governance - unions may need to devote increasing resources to the EU-level to be effective, as we shall see.

The sovereign debt crisis has provided the necessary exogenous stimulus for the EU member states and institutions to recognise the extent of their financial interdependence. The unmasking of the vulnerability of the current system has led to calls for mechanisms to mutualise debt, to burden-share, and to address the pro-cyclical macro-economic imbalances that the crisis has exposed. It has not, however, been enough to precipitate full economic integration, and to date, the crisis has proven an insufficient catalyst for adequate reforms to occur to address the shortcomings within the Eurozone especially. The idea of facilitating fiscal transfers is politically fraught, as voters in better-off regions are reluctant or unwilling to transfer tax revenue to less-well-off regions.

Following years of grinding austerity, in November 2016 the Commission sanctioned a 0.5 per cent ‘fiscal expansion’ across the Eurozone for 2017. This is seen as a shift in the EU’s policy from one of austerity, towards one of fiscal expansion (Commission 2017a; Lynch 2016). On a continent weary from austerity, the political impact of this could be important.
The ways that Europe’s trade union confederations can mobilise influence in response to these processes is the subject of Section III. Before this, Section II presents the historical and political context of European trade unionism, and the forms that trade union power can take.
This section presents the historical and political context of European trade unionism, which frames the discussion of industrial relations in Greece, Ireland and Belgium in Section III. Chapter 4 considers some of the philosophical underpinnings and dominant ideological orientations which shape the European labour movement, and the varieties of European industrial relations traditions which coexist. Chapter 5 reviews the nature of trade union power, and chapter 6 introduces the analytical and conceptual framework which guides this thesis.
Chapter 4: The Orientations of European Trade Unions

‘Europe’s social model is underpinned by the social market economy, and a rejection of the liberal free market. It’s a society based on checks on the market, strong trade unions, strong welfare states, and collective bargaining. In the 1950s, the Red Army was on Europe’s Eastern borders - the emergence of Europe’s social model was also in part due to this threat, as well as elements of French republicanism, Catholic teaching, and third-way Fabianism’.

-John Monks, former ETUC and TUC general secretary.

Introduction

The above quote from a senior European labour movement representative (interview 7: 18.07.11) captures some of the factors which shape Europe’s trade union landscape, namely: the European social model and the unions’ role within it, the historical fear of the spread of Communist subversion which partly drove the initial phase of European integration, and which helped draw the centrist ETUC into the EU fold (and saw the likes of Greece, Spain and Portugal join the EU relatively early in the 1980s), and some of the main philosophical currents which shape trade union politics and identities, namely republicanism, Catholic social teaching, and third-way Fabianism. This chapter considers some of the philosophical underpinnings and dominant ideological orientations which shape the European labour movement, and the varieties of industrial relations traditions which coexist in Europe today.

European trade unions and their confederations reflect structural demarcations, which often manifest as criteria for inclusion and exclusion. Demarcations include sectoral differences, for example between public and private sector unions as in Greece, and occupational differences, for example between blue-collar and white-collar workers, as in Denmark. Ebbinghaus (1995) identifies two further cross-cutting cleavages, between religious and secular unions, as in Belgium, and between revolutionary and reformist traditions, as in France. The fragmentation caused by these cleavages, especially in Southern Europe, has undermined the potential for unions to wield influence, and reinforces the bias towards protest (Gumbrell-McCormick &

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66 Article 3(3)TEU sets among the objectives of the EU, that of promoting ‘a highly competitive social market economy, aiming at full employment and social progress’.
Hyman, 2013, p136). The primary divide remains the extent to which unions resort to militant or moderate action (Fox 1966; 1974).

As above, unions are considered here in a broad sense as behaving, to different degrees and at different times, in three different and overlapping ways. Firstly, unions are locked in a struggle between labour and capital, acting primarily as vehicles of anti-capitalist mobilisation (Lapides 1987). Secondly, unions are agents of social integration, and are seen as vehicles for raising workers’ status in society through the advancement of social justice (Hyman 1994; Hyman 2001, p1-2). Thirdly, unions are understood as interest organisations with predominantly labour market functions (Perlman 1928).

Part I of this chapter presents some of the philosophical traditions which underpin the unions’ ideological and political legacies – namely republicanism, Catholic social teaching, and Fabianism. This sheds light on the historical, social and political contexts in which unions have evolved. Much industrial relations literature underplays the significance of these factors. Part II reviews the dominant ideological orientations which form trade union traditions, and their tendency towards militancy and moderation. Part III considers the dominant varieties of capitalism, and locates the cases considered here therein, and within the varieties of European industrial relations traditions. Part IV concludes.

Part I: Philosophical legacies and European trade unionism

Republicanism

Fundamentally, a republic is a system of government where the citizenry hold sovereignty. Republicanism revolves around the principle that authority emanates from the consent of the people, and the rejection of monarchical and dynastic principles. It is associated with ancient Greek and Roman philosophy and the Enlightenment. Its tenets are traced to the works of Aristotle, Plato and Polybius (Lane 2014), and include theories of mixed government, elections, participative democracy, and civic virtue. Book V of Plato’s Republic asserts that rulers must have the nature of philosophers – that is, of philosopher kings – for there to be civic peace (Stevenson & Haberman 2004).
A thread running through European trade unionism is the classical republicanism advanced by the Swiss Charles-Louis Montesquieu (1689-1755) and the French Jean-Jacques Rousseau (1712-1778). The central tenet of classical republicanism is that people need power, not just protection (Runciman 2014, p131). Classical republicanism involves ideas of positive law, and a form of social contract based on ideas of the ‘general will’, where citizens are in a direct relationship with the state (Rousseau 1762; Cole 1973). It promotes a universalist outlook of society, grounded in solidarity, as opposed to emphasising identity politics based on religious, racial, gender, class or other cleavages. Classical republicans sought to distinguish themselves from liberalism, which was developing around the same time, and focused on institutional and constitutional features of political rule. Modern republicanism emerged in the USA following the American War of Independence (1775-1783) and as democratic radicalism in France following the 1789 Revolution. Both events sought to overthrow monarchic rule.

The founders of Belgium adopted some of the language of the Enlightenment when establishing their constitutional monarchy in 1831. In Ireland, the Society of United Irishmen, founded in 1791, drew inspiration from the American and French Revolutions (Boylan 1981). The Irish tricolour was inspired by the flag of the French Republic (Forney 2004) and the language of republicanism remains in Irish politics, particularly regarding Anglo-Irish relations. In Greece, following the fall of the regime of the colonels in 1974 and the restoration of democracy, the monarchy was abolished and replaced by the democratic institutions of the third Hellenic republic (Featherstone 2006).

While republicanism first emerged in Europe as a revolutionary movement, everything is relative, and republicans have tended to occupy the democratic centre, opposing absolute and aristocratic rule. Following the fall of the Paris commune in 1870, the French variant of republicanism (‘radicalism’), became a major force in French, and then European politics (Horne 2007). Following various mergers and splits, the French Radical Party remains the oldest party in France, having formed in 1901, one year following the foundation of the British Labour Party67.

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67 The party is now affiliated to the centre-right ‘les Republicains’ party (founded in 2015), formerly the Union for a Popular Movement (Union pour un mouvement populaire/UMP), one of the two traditional blocs in the politics of the fifth French Republic, opposite the now beleaguered French Socialist party.
The values of European trade unionism, of European social democracy, and of the EU itself are essentially republican. The EU embodies the principles of democracy, positive law, the acceptance of taxation in exchange for the maintenance of a social-wage, citizen and stakeholder participation in policy-making, and social dialogue. Even the countries which maintain monarchies are all constitutional (e.g. The Netherlands and Sweden), where the powers of the monarchy are limited, and reside inside a form of government that is explicitly, or essentially, republican in outlook.

Catholic Social Teaching

A second intellectual current which has influenced the development of European trade unionism is Catholic social teaching. The simplest definition of Catholic social teaching is the Catholic Church’s doctrine about human society. It considers matters of social justice, poverty, wealth, economics, social organisation and the state, and aims to guide Christian behaviour. It is geared towards action, and affords special preference to the poor (Coote 1989, p150-154). Catholic social teaching has a well-documented tradition on work, labour and unions, which is rooted in the human right of association (USCCB 2017). This is framed by the Church’s role in the long struggle for fair wages, safe working conditions, and poverty alleviation (Sirico 2011).

The concept of the ‘just wage’ (sometimes called the family wage) is central to Catholic social teaching. This promotes the notion of the wage-contract being supplemented by a ‘social contract’, through which workers and managers share stakes in ownership, management and profits at work. This can be taken as an endorsement of industrial democracy.

A primary concern of Catholic social teaching relates to the legitimacy of the ownership of private property. The clearest expression of this came with Pope John Paul II’s pronouncement that ‘there is a social mortgage on all private property’ (Walsh 2003, p142). However, in the Catholic outlook, the excessive accumulation of property in private hands can be injurious to society and for the betterment of society, certain property must be nationalised. This rejects the individualism of liberal capitalism, and the collectivism of Marxism and socialism, and evokes

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68 Quadragesimo Anno 65 “contractus societatis”, which amounts more a contract of social partnership.
the political centrism reflected in the political and ideological orientation of ETUC and the European project itself (Coote 1989, p156).

Catholic social teaching has long defended the right to form and join trade unions. However, in the Catholic view, unions should eschew political entanglements, and focus purely on the plight and rights of workers. Unions should defend (a very broad understanding of) property rights, pay-levels, worker participation in management decisions, improvements in benefits, and matters of health and safety, and should not stray beyond these core interests (Coote 1989, p156).

While the roots of Catholic social teaching can be traced to the early Christian theologian and philosopher Saint Augustine of Hippo (354-430) and the Italian Dominican friar Thomas Aquinas (1225-1274), modern Catholic teaching is widely believed to originate with several modern Papal encyclicals including ‘On the Condition of Labor (Rerum Novarum) by Pope Leo XIII (1891).

The situation of the industrial proletariat in the 1890s was dire. Exploited by capitalist owners paying low wages, workers were largely unprotected, partly due to anti-union attitudes among employers and legislators, and by the failure of the state to defend citizens’ rights. For Leo XIII, this offended human dignity, natural justice, and the social obligation of ownership. Rerum novarum – literally, of revolutionary change - advocates for economic distributism, militates against injustice and inequality, and condemns both capitalism and socialism. The encyclical advanced the view of the existence of a social aspect of property rights and the aforementioned ‘just wage’. Rerum novarum was written at the request of the US, British and Irish bishops, who were appalled at the conditions and deprivation of industrial labourers. The circular states that ‘the most important of all [workplace associations] are workingmen's unions’ claiming that ‘It is better that two should be together than one; for they have the advantage of their society. If one falls he shall be supported by the other. Woe to him that is alone, for when he falleth he hath none to lift him up’.

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69 Circular letters sent to all Catholic churches.
70 no. 50
Ninety years later, Pope John Paul II’s 1981 encyclical ‘On Human Work (Laborem Exercens)’ built upon Leo XIII’s vision for trade unions, claiming ‘their task is to defend the existential interests of workers in all sectors in which their rights are concerned. The experience of history teaches that organisations of this type are an indispensable element of social life, especially in modern industrialised societies. (no. 20)’. Notably, Laborem Exercens emphasises the Catholic vision of unions staying away from party politics, stating ‘unions do not have the character of political parties struggling for power; they should not be subjected to the decision of political parties or have too close links with them’. The encyclical offers both an affirmation of the potentially positive role for unions in society, and also a warning against the potentially corrupting influence of the communist-oriented unions, which were seen as a potentially dangerous extension of the Soviet Empire (Sirico 2011).

Pope Benedict XVI’s 2009 ‘Charity in Truth (Caritas in Veritate)’ acknowledges the social-integrative role of unions, urging them to ‘turn their attention to those outside their membership, and in particular to workers in developing countries where social rights are often violated’ (no. 64), endorsing the unions’ ‘sword of justice’ role, beyond their immediate workplaces.

Over the decades, Catholic social teaching’s position has evolved from being opposed to strikes and lock-outs, to endorsing the legitimacy of such actions as a last resort to assert workers’ interests. This was seen most vividly with Pope John Paul II’s support for striking shipyard workers in Gdansk in the 1980s (Szporer 2014). As above, this outlook comes with two important caveats. Firstly, unions should not act as protagonists in class war, or without concern for the common good. Secondly, unions should seek to improve labour legislation, but should not be associated too closely with any political party, nor subject to party control (Sirico 2011). The Christian roots of trade unions in the likes of Belgium, Netherlands, France and Italy, where unions are highly-politicised, always sat uneasily with the Catholic vision of the political role of unions.

The cross-over between Catholic social teaching, European integration, and the development of European trade unionism are many. Catholic teaching opposes poverty, promotes human dignity, and opposes the extremes of fascism, socialism and communism. It endorses the role of unions in society and originated the organising principle of ‘subsidiarity’ - which was first
invoked by Pope Pius XI in his 1931 encyclical ‘In the 41st Year (Quadragesimo Anno)’ 71, stating that matters ought to be handled by the smallest, lowest or least centralised competent authority possible. As discussed in Chapter 2, the principle is now most associated with the processes of European integration.

Catholic social teaching helped to normalise the role of trade unions in Europe, especially in the context of the fear of communist subversion – remember the senior trade unionist’s quote, and the fear of the ‘Red Army...on Europe’s Eastern borders’. In the 1970s, ETUC, whose political orientation is firmly in the democratic centre, was afforded a privileged place within the governance of the European institutions, partly for this reason.

**Fabianism**

A third intellectual current which has conditioned the development of European trade unionism is the Fabian movement. Founded in 1884 in London, the Fabian Society is an organisation which seeks to advance the principles of democratic socialism and equality of opportunity through gradual democratic reforms (Thomson 1976). The Society would become the UK’s pre-eminent academic society in the late-Victorian and Edwardian eras. The society’s founding members were drawn from the Victorian elite, and included Sidney and Beatrice Webb, the English socialist poet Edward Carpenter, and the Irish playwright and essayist George Bernard Shaw. United in their rejection of violent upheaval as a method of change, they promoted the power of local government and trade unionism (Fabians 2017).

The Fabians advocate the advancement and renewal of Western European Renaissance ideas. The society has had a significant impact on British politics and was a founding organisation of the Labour Representation Committee, an alliance between socialists, trade unionists, and intellectuals, which ultimately led to the creation of the British Labour Party in 1900 (Laybourn 1988). The society was instrumental in the founding of the London School of Economics and the New Statesman journal. Today, the Fabian Society remains an affiliated society within the Labour Party, and functions primarily as a think-tank. Claiming a membership of 7,000, the society continues to seek to influence Labour Party policy, and sponsors candidates seeking election to parliament.

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71 Nos 79-80.
The Fabians are internationalist in outlook and sought to reform Britain’s imperialist foreign policy. It had major influence on the politics of former British colonies including Australia, Canada, India, New Zealand, Pakistan and Singapore, as well as, curiously, Sicily (Fabians 2017). The politics of the first prime minister of Singapore, Lee Kuan Yew (1923-2015)\textsuperscript{72}, were influenced by Fabian socialism, albeit with a sense of disappointment at its achievements. Lee felt the Fabians ‘were going to create a just society for the British workers—the beginning of a welfare state, cheap council housing, free medicine and dental treatment, free spectacles, generous unemployment benefits’ (Barr 2000). Today, this language would not be amiss in a trade union manifesto.

Historically, the society was in favour of a capitalist welfare state based on the Bismarckian model, with an emphasis on the provision of an old-age pension (Marwick 1967). In 1909 Beatrice Webb’s Minority Report to the Commission of the Poor Law provided the foundation for much of the modern welfare state, and many of the ideas that would shape the landmark 1942 Beveridge report, a founding document of the British welfare state (see Robson 1928).

While Fabianism has had its major influence on the English-speaking socialist movement, it has had an impact elsewhere in Europe too. The ‘Tindemans report’ (1976), written by former Belgian prime minister Leo Tindemans, contained proposals for further European integration, much of which has come to pass, including direct elections to the European Parliament, EMU and the Common Foreign and Security Policy (CFSP). George Thomson (1976), while European Commissioner, in response to the Tindemans report, declared: ‘I belong to the Fabian tradition of British Labour politics. It’s belief in what it called ‘the inevitably of gradualism’ may not be very dramatic, but it seems to me it is as appropriate to our complicated, multi-national Community as it was to the tolerant, easy-going habits of British Parliamentary democracy. The symbol of the Fabian Society is the tortoise, and I sometimes think that the [European] Community is like a tortoise: if you keep looking at it, it does not appear to move, but if you look away and then look back again you will find that it has moved very perceptibly’ (Thomson 1976).

\textsuperscript{72} Lee served as prime minister between 1959-1990, making him one of the longest serving democratically elected heads of government in history. Lee studied at the LSE and at Fitzwilliam College, Cambridge.
The principles of gradual, inclusive and consensual development advanced by the Fabians are the principles of European trade unionism - and of European integration. The defence and promotion of gradual reforms, as opposed to revolution, seeks to challenge the threat posed by the spread of communism in the same way that Catholic social teaching does.

Republicanism, catholic social teaching, and Fabianism are democratic, and acknowledge the importance of workers’ rights, trade unions, and industrial democracy. They are anti-fascist and anti-communist in nature, which helped carve out the special status ETUC and its members have been afforded in European politics.

Alongside these currents, a number of trade union ideological orientations coexist in Europe, which shape European trade unionism.

Part II: Ideological orientations

Introducing the ‘frames of reference’ approach to the study of industrial relations, Alan Fox (1966) argued that it is always possible to conceive the employment relationship in one of two incompatible ways. Firstly, it can be a relationship of social membership which exists to satisfy common interests. This he called the ‘unitarist’ frame of reference. Alternatively, it is a negotiated, contractual relationship which exists to satisfy the interests of separate but interdependent groups. This he called ‘the pluralist frame of reference’.

Fox (1974) added a third option, which he called the radical frame (sometimes incorrectly called the ‘Marxist’ frame, see Ackers & Wilkinson 2005, p444). Here, the employment relationship is seen as entirely illegitimate, existing solely to satisfy the interests of the dominant party – usually the employer. Similarly, Crouch (1993) identifies three types of relationship that exist between organised labour and capital, namely: bargained corporatism, pluralist collective bargaining, and pure contestation.

The ‘frames of reference’ approach remains valid, and continues to shape research, teaching, and practice in the field of industrial relations (Cradden 2011, p4-5). The lens through which a union’s members and leadership sees the world –their ‘frame of reference’ – often shapes the
tactics and strategies chosen, and the degree to which a union engages in militant or moderate action.

The dominant identities embraced by unions reflect the historical contexts in which industrial relations emerged. This reflects the material circumstances and ideological traditions which shape the interests that union members and leaders identify with. This affects conceptions of democracy, the agendas and priorities unions pursue, and the type of power resources they cultivate (discussed in Chapters 5-6). The clash between rival ideological visions of union identity has led in almost every European country to the fragmentation of the labour movement (Crouch, 1993).

Hyman (2001) identifies three ideal types of trade union orientation. Industrial relations in Europe for the past 100 years has been defined by the struggle between these rival blocs. ETUC, includes members from across this spectrum but is remarkably stable despite this heterogeneity (Taylor 2004).

Firstly, in the radical oppositional bloc, unions are seen as being locked in a struggle between labour and capital, and primarily provide a form of anti-capitalist opposition. Despite substantial differences of emphasis, and often bitter internecine conflicts, all versions of this model prioritise militancy and socio-political mobilisation over moderation. It is associated with a succession of leftist movements including: radical social democracy, syndicalism, and communism. The primary mission of trade unionism here relates to the advancement of class interests. Of the cases considered here, the best example of this orientation is Greece.

Secondly, unions can prioritise social integration above the advancement of class interests. Here unions seek to raise the status of workers in society by advancing issues of social justice and equality. This is the one closest to the Webb’s own Fabian vision, which sought to humanise capital and to gradually democratise industry through evolutionary change. This model evolved partly as a rival to the first, and partly as a mutation from it. It was first articulated in the late nineteenth century through a form of social Catholicism, which promoted a functionalist and organicist vision of society, in opposition to the socialist conception of class antagonism (Hyman 2001, p3). The centrist pragmatism of ETUC, and its commitment to a partnership approach, is a reflection of this orientation.
Throughout the 20th century some countries, including Belgium and the Netherlands, witnessed a division between socialist-oriented unions and anti-socialist confessional alternatives. Notably, as social democracy shifted from prioritising revolutionary transformation to evolutionary reform, social-democratic and socialist unions tended to assume the orientations of their confessional rivals (Hyman 2001, p1-2). Of the cases considered here, the clearest example of the social cohesion orientation is Belgium.

A third model, not always clearly demarcated from the second, is business unionism. Here unions are seen primarily as interest organisations with predominantly labour market functions. Unions prioritise collective bargaining and the representation of occupational interests. This may be viewed as the pursuit of ‘economism’ – the belief in the primacy of economic, as opposed to political, priorities. This model is most energetically articulated in the USA and throughout the Anglosphere. Unions typically eschew political entanglements which are seen as a distraction from their core work as labour market actors, bringing it close to the Catholic view of trade unionism. The Polish-American academic Selig Perlman (1928) contended that the political programmes of unions were often brought under the malign influence of (mainly socialist) intellectuals and politicians. Of the cases studied here, the clearest example of this orientation is Ireland.

The distinctions between these orientations boils down to the inclination towards moderation or militancy. ‘Moderation’ is the accommodation between employees and managers based on understandings that interests are best fulfilled through cooperation, which is reflected in Fox’s unitarist and pluralist frames of references. In contrast, ‘militancy’ eschews accommodation and views worker interests as irreconcilable with those of management, which is reflected in Fox’s radical frame (Fox 1974; Dundon & Dobbins 2015, p913). Huzzard et al. (2004) describe how unions ‘dance or box’, referring to the inclination towards cooperative or adversarial strategies. In reality, union organisations typically lie somewhere between these extremes.

Since the 1970s, the distinctions between these blocs have blurred. An ITUC figure notes that ‘throughout the globe, these ideological cleavages have withered’ and ‘now unions have an identify problem with the collapse of class politics’ (interview 5: 02.12.14). This has precipitated a shift from predominantly radical oppositional orientations towards ones reflecting the social integrative and business unionism perspectives. Some argue that this undermines union power by degutting unions of militancy (Allen 2000). However, it is wrong
to equate militancy with power, and unions mobilise influence in other ways to replace what has been lost, as we shall see.

As organisations which seek to represent the collective interest of workers, unions necessarily divide workers from employers and cannot escape a role as agents of class, whether or not they attach themselves to an ideology of class antagonism (Grint 2005). Throughout the early to mid-twentieth century assertions of union independence and opposition were met with brutal resistance. This fuelled oppositional, sometimes explicitly anti-capitalist trade unionism (O’Connor 2015). With time, unions became accommodated within social dialogue and partnership arrangements, typically in exchange for industrial peace. Many such arrangements emerged following World War II.

Despite declining religious observance and political party membership and what a senior ETUC figure calls the ‘convergence of mainstream political parties of the left and right towards the ‘political centre-ground’ (interview 8: 01.12.14), ideological and religious cleavages remain important. This reflects a degree of path-dependence and pragmatism among union members, as in Belgium, where the largest confederation remains the Christian ACV-CSC despite a marked decline in religious observance in that country (Eurobarometer 2006, p60).

As well as these dominant philosophical legacies and ideological orientations, Europe’s employment relationship regimes and industrial relations traditions reside within different forms of market capitalism, as part III explores.

Part III: European market capitalism

The institutional arrangements which regulate employment relationships in Europe vary considerably (Hogan & Nolan. 2007). Crouch (1993) identifies the 'persistent variety' of labour market institutions, and their underlying dynamics and susceptibility to reform (Brown 1995, p1019). While national differences persist, it is possible to identify different forms of market capitalism and industrial relations traditions which coexist.

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76 This is partly explained by the strong social supports available to employees through membership of that organisation (discussed in Chapter 9).
Labour market institutions, and the socio-political context in which trade unions reside, are shaped by a range of factors, including the production (Hall & Soskice 2001), welfare state (Esping-Andersen 1990), employment (Gallie 2007) and industrial relations (Visser & Dolvik 2008) regimes which prevail. EU legislation has had an important impact on these factors, albeit to different degrees in different countries, but national industrial relations systems, traditions and practices remain central to labour regulation and social policy (Marginson & Sisson 2004).

Regarding industrial relations traditions, while important differences persist between and within countries, it is possible to identify clusters of countries. This is shaped by factors including the levels of union representation, the nature and predominant level of collective bargaining, workplace representation, macro-level policy concertation, social protection, and the nature of union involvement within these practices (Visser & Dolvik 2008).

Gumbrell McCormick and Hyman (2013, p6) note how Charles Darwin distinguished between ‘lumpers’, who worked with broad encompassing categories, and ‘splitters’, who emphasised the differences between cases. The approach undertaken here necessarily ‘lumps’ countries together which might not be a complete fit. The analysis in Section III involves ‘splitting’, as the differences between the three cases are explored.

Varieties of capitalism, welfare state and employment regimes

It has become common to distinguish between different types of capitalism according to how far, and through which mechanisms, markets, including labour markets, are socially and politically regulated. In the varieties of capitalism conceptual framework, Hall and Soskice (2001) advance a dichotomy between Coordinated Market Economies (CMEs) and Liberal Market Economies (LMEs). This framework, has become influential in comparative research, and is useful for the analysis of employment and industrial relations systems (Hancké et al. 2007).

Regarding industrial relations, CMEs see more non-market forms of interaction between social partners, while in LMEs, social partner activities are primarily coordinated through hierarchies and market mechanisms. These are partly distinguished by the ways the social partners interact
and coordinate their behaviour\textsuperscript{77}. CMEs typically have higher levels of membership in social partner organisations, and wage-bargaining tends to happen at the industrial, sectoral or national levels. In LMEs, unions and employer organisations tend to be less well-organised, and wage negotiations are decentralised. In CMEs, management and workers tend to collaborate on key decisions (a ‘pluralist’ frame of reference in Fox’s classification) while in LMEs, more adversarial relations tend to prevail, where managers are the prime decision-makers (a more ‘unitarist frame’).

Clear-cut classifications are hard to make, and Hall and Soskice (2001, p21) acknowledge that at least six European countries—France, Italy, Spain, Portugal, Greece and Turkey—are difficult to accommodate in either group. To address this, the authors propose a Mediterranean variety of capitalism, which remains under-developed.

This dichotomy has been extended to include a mixed-market economy group (MMEs) where unions and employers have traditionally used access to the state to maintain their position in society – what could also be called, a ‘state-centred’ group (Hancké et al. 2007; Molina & Rhodes 2007; Hassel 2014). This is characterised by a central role for the state in facilitating coordination between the social partners, which compensates for the lack of autonomous social partnership organisation.

Hancké (2013, p91) argues that ‘the missing link’ in applying the varieties of capitalism to any understanding of the European crisis, would be provided by the inclusion of labour unions, central banks, and monetary integration more centrally in any analysis. In CMEs, strong unions encounter strong employers’ associations, especially in export sectors. The social partners often negotiate wages between a floor set by inflation and a ceiling set by productivity, which simultaneously safeguards wages and profitability. In MMEs, the state compensates for the lack of autonomous social partner bargaining by intervening directly in wage-setting. This was seen where autonomous bipartite negotiations endured in Belgium, (a CME), while in Greece (an MME), the state takes a direct role in wage-setting and social policy formation.

\textsuperscript{77} CMEs roughly coincide with North-western continental Europe and the Nordic countries, while the LMEs with the Anglo-Saxon countries.
Using similar language and ideas, Esping-Andersen (1990) developed a theory of welfare capitalism, identifying three ‘worlds’: a privatised (liberal model), an egalitarian (social democratic model) and a state-led (inegalitarian social insurance) model. In the liberal model, the state has a limited role in providing modest means-tested social transfers while emphasising that being in work should provide a benefit over social welfare payments. The conservative model seeks to provide a more comprehensive unemployment insurance with transfers to the sick and unemployed based on contributions into the system. A social democratic approach is universal in outlook and seeks to provide cradle to grave care notwithstanding an individual’s contributions, which is achieved through high levels of taxation.

Employment regimes differ in the power relations between the social partners, in how unions and employers are organised, in the levels and styles of bargaining, in whether social partners are involved in policy-making, and in the degree of government intervention in industrial relations. Gallie (2007), connecting with Esping-Andersen (1992) draws a distinction between three employment regimes, namely inclusive, dualist, and market-focused types.

In inclusive regimes, employment rights are extended widely, unions tend to be strongly institutionalised within politics and decision-making processes, and there are strong welfare safety nets. In dualist regimes, unions are afforded a consultative role, and union involvement in politics tends to be contingent on what regime holds power. Unions tend to focus on members, being less concerned with the wider workforce, and emphasise the distinctions between insiders and outsiders. In market regimes, unions are traditionally seen as unwelcome rigidities to efficiency, unions are typically excluded from decision-making, and there is minimal employment regulation. Relatedly, Schmidt (2002) advances the idea of a ‘state-centred’ regime where polices are made without systemic input from the social partners, flexible implementation processes, and derogations are often provided through legislation. While the EU has been an important leveller with respect to employment regulation, important differences persist.

Essentially, several models of capitalism coexist in Europe: a state-led capitalism model, as seen in Greece, a liberal-pluralist Anglo-American model, as seen in Ireland, and a negotiated model of capitalism, as seen in Belgium. The negotiated group encompasses both the Nordic Corporatism and the continental Western European social partnership traditions. Taken
together, these theories can be used to identify discrete, overlapping groups of European industrial relations regimes.

A portrait of European industrial relations regimes

Post-war European industrial relations have been shaped by five core pillars: the existence of legally-supported trade unions and union rights, some form of wage-setting based on the sectoral level or above, workplace information and consultation rights, social partners’ access to bipartite or tripartite policy-making arrangements, and high levels of social protection (Visser & Dolvik 2008). Huge variety exists in the extent of these variables, and in the instruments and methods used to manage and implement these pillars, and as discussed in Section I, the turn to austerity since the 2000s, and to neoliberalism since the 1980s, have eroded these supports everywhere.

In Europe, minimum wage-setting happens in different ways in different countries, including by law (as in the UK), by collective bargaining (as in France), or by some hybrid involving both (as in Belgium). Social partner organisation and bargaining at sectoral-level is highly developed in the CMEs (as in Sweden), and is almost absent in the LMEs (as in Ireland). Where unions are weak, statutory minimum wages are traditionally important (as in Greece). The role of the state is traditionally strong in the state-centred and southern traditions, but as above, there is a shift almost everywhere towards greater state involvement in industrial relations, as we shall see.

Visser (2008, pp49-51; 2012) was among the first to provide a comprehensive qualitative portrait of different national industrial relations systems for all EU countries, which provides a simplified theoretical model based on the categorisation of national industrial relations traditions into groups based on similarities and differences. This typology reflects the distinctions advanced in the varieties of capitalism, employment, and welfare regimes, discussed above. This model has been developed by others (see Bechter & Brandl 2013, p46; Gumbrell-McCormick & Hyman 2013 pp8-28; Meardi 2012b). The groupings can be defined by factors including institutional and legislative frameworks, historical traditions, accumulated vested interests and learned patterns of behaviour (Hyman 1994, p1). Other factors include union density, the volume, coverage and location of collective bargaining, the existence of
extension clauses, statutory wage-setting mechanisms and minimum-wage legislation, the
existence and prominence of works councils, and the presence or absence of social dialogue
arrangements (see Eurofound 2013; Geary 2016).

Five national industrial relations regimes are typically identified. These are the Nordic, liberal-
pluralist (Anglo-Saxon), social partnership (continental), state-centred (Southern) and Mixed
These groups broadly cohere with geographical regions, with some clear outliers.

As with any classification, the real world is ‘messier’ than these typologies imply. In
comparative analysis, there is always, a danger of exaggerating cross-national similarities and
neglecting differences, for example, failing to address the substantial differences between
Ireland and the UK (both LMEs), and the way that ‘Danes do not like being regarded as
‘surrogate Swedes’ (Gumbrell-McCormick & Hyman 2013, p50). Clear distinctions can also
be made between economic sectors and regions within especially federal European states,
including Austria, Belgium and Germany, where powers are devolved to sub-state regions and
authorities. Thus, providing clear-cut classifications between groups of countries can be
problematic (Larsson 2015, p109) and the application of this typology to single countries
should be seen as ‘an approximation at best’ (Visser 2008, p50).

The state-centred group includes Greece, as well as Spain, France, Italy and Portugal.
Engagement between the social partners and the state is traditionally relatively low, and
collective bargaining tends towards being decentralised. Industrial policy is typically designed
without the systematic input of the social partners, and actors are subsequently accommodated
flexibly, often through derogations from the law. If flexibility is not offered, actors often seek
confrontation (Visser & Dolvik 2008).

The liberal-pluralist group includes Ireland, The UK, Cyprus, and Malta. With some important
differences, this group displays an average organisational density, high collective bargaining
coverage at a highly-decentralised level, low fragmentation of social partner organisations, and
there is typically limited interaction between social partners and the state. Unions in the liberal-
pluralist tradition typically display relatively high degrees of cooperation with EU-level actors,
including with members of the European Parliament (MEPs) (Larsson 2015). The participation
of Irish unions in social partnership arrangements since the 1980s is the clearest departure from the expected forms of interaction in this group.

The social partnership group includes Belgium, Austria, Germany, Luxembourg, Netherlands and Slovenia, and brings together countries with traditionally medium organisational membership density, and high rates of collective bargaining coverage at a highly-centralised level. The social partners are relatively highly-fragmented, and there is typically a high degree of formal interaction between social partners and the state.

The three cases considered in Section III are drawn from these three groups. Greece sits especially uneasily in any grouping, given the country’s unique political and social backdrop, including its inclusion within the Ottoman Empire for nearly three centuries, and the institutional legacies this leaves behind (discussed in Chapter 7). Ireland is in the liberal-pluralist group, with elements of the social partnership or Nordic tradition through the formation of social pacts (discussed in Chapter 8). Belgium straddles the Nordic and Social Partnership traditions, especially given union involvement in the administration of the welfare state, which is most associated with the Nordic tradition (discussed in Chapter 9). One reason that the selection of these cases is so interesting, is that they don’t fit easily into any classification.78

While there are many exceptions to this classification, and even within their national contexts, unions are not homogeneous, this classification provides a useful framework for comparative analysis. It allows for the identification of areas of convergence and divergence, without ignoring national particularities. However, while research should aim to draw attention to the specificities of national experiences, nothing is served by focusing on minute differences when

78 As well as these groups, the other most frequently identified groupings are: the organised corporatism group, which includes Denmark, Finland, Sweden, and is characterised by a high degree of organisational density, high collective bargaining coverage, high levels of interaction between the social partners and the state, and relatively high fragmentation among the social partner organisations. Visser also articulates a ‘mixed or transitional’ group, which includes Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia (this group notably excludes Slovenia, which has a corporatist social partnership tradition). Here, industrial relations is characterised by low organisational density, few actors (as employers’ organisation often do not exist), low collective bargaining coverage at a decentralised level (where it exists), with little or no interaction between social partners and the state. Industrial relations can see a high degree of direct state involvement in industrial relations, including in internal union politics. In reality, no Central and Eastern European industrial relations system can be unambiguously divined, nor can the members of this group be assigned to one of the existing groups (Lecher and Platzer 1998, Bernaciak et al, 2014). The countries in this group merely share the feature of not easily fitting inside any of the traditional groupings (Visser, 2008, p50).
these conceal underlying similarities (Crouch 1993, p4). Suffice it to say, that this framework, alongside available data\textsuperscript{79}, reveal a range of cross-national variations. Table 2 provides a summary of the different varieties of capitalism, welfare, employment and industrial relations in the three cases considered here.

\textsuperscript{79} From the likes of ETUI, Eurofound, Eurostat, ILO, OECD, from social partner and government agencies, and from the respected ICTWSS Database (on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts), in 34 countries compiled by Jelle Visser, at the Amsterdam Institute for Advanced Labour Studies AIAS, University of Amsterdam, see http://www.uva-aias.net/207)
Table 2: Varieties of capitalism, welfare, employment and industrial relations regimes

<table>
<thead>
<tr>
<th></th>
<th>South/State-centred</th>
<th>West/Anglo-Saxon</th>
<th>Centre-West/Social Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Regime</td>
<td>MME/State-centred</td>
<td>LME</td>
<td>CME</td>
</tr>
<tr>
<td>Welfare Regime</td>
<td>Segmented, inegalitarian</td>
<td>Liberal, residual</td>
<td>Segmented/ universalist</td>
</tr>
<tr>
<td>Employment Regime</td>
<td>Dualist</td>
<td>Liberal</td>
<td>Dualist</td>
</tr>
<tr>
<td>Industrial Relations Regime</td>
<td>State-centred</td>
<td>Liberal-pluralist</td>
<td>Social partnership</td>
</tr>
<tr>
<td>Power-balance</td>
<td>Alternating</td>
<td>Employer-oriented</td>
<td>Balanced</td>
</tr>
<tr>
<td>Principle-level of bargaining</td>
<td>Variable (increasingly decentralised)</td>
<td>Enterprise</td>
<td>Sector</td>
</tr>
<tr>
<td>Bargaining style</td>
<td>Adversarial</td>
<td>Adversarial</td>
<td>Integrative</td>
</tr>
<tr>
<td>Role of social partners in public policy</td>
<td>Irregular/politicised.</td>
<td>Rare/event driven</td>
<td>Institutiona-lised</td>
</tr>
<tr>
<td>Role of State in labour relations</td>
<td>Frequent intervention</td>
<td>Non-interventionist</td>
<td>‘Shadow of hierarchy’</td>
</tr>
<tr>
<td>Countries</td>
<td>Greece, Italy, France, Spain, Portugal</td>
<td>Ireland, UK, Malta, Cyprus</td>
<td>Belgium, Germany, Austria, Luxembourg Netherlands, Slovenia, (Sometimes Ireland)</td>
</tr>
</tbody>
</table>

Sources: (Dølvik & Martin 2015; Ebbinghaus & Visser 1999; Crouch 1993; Esping-Andersen 1990; Schmidt 2002; Lecher & Platzer 1998).
Importantly, this categorisation does not adequately account for the persistent differences between the public and private sectors, and the importance this holds for union organisation. What is often spoken about in the literature is private sector traditions of trade unionism, which have largely collapsed. A more complete comparative analysis of union traditions might focus on different sectors, including the public sector.

Notably, some scholars, particularly from the Marxist tradition, question whether nation states remain the most appropriate unit of analysis when examining industrial relations processes (Erne 2008). While the approach adopted here is left open to criticism of ‘methodological nationalism’, the most important level of articulation for unions in the EU remains the national one, and the nation state endures (Milward 1992).

The convergence in industrial relations systems which has taken place can be attributed to factors including the limited exercise of EU regulatory power in this field, the existence of consensus around a set of common values and standards (e.g. ESM, EMU, and the Charter of Fundamental Rights) and particularly from the existence of an EU-wide set of concrete legal objectives to which all stakeholders sign-up, including new economic governance. While the EU has created some convergence, by no means has it created uniformity, and national classifications are far from redundant. As will be outlined in Chapters 5-6, a striking feature of the cross-country evidence is the explanatory power of trust between the social partners in explaining the nature of industrial relations and trade union strategies (Blanchard et al. 2013).

The different activities unions undertake, and the emphasis put on them, are a consequence of, among other things, a union’s ideological heritage, its workplace- and ideological orientation, and the extent to which unions engage in militant or moderate action. As discussed, while unions are primarily labour market actors, many seek to bring about changes which impact society generally. For example, unions historically have been concerned with the provision of education, health, social protection and other public services referred to collectively as the ‘social wage’ - the term used to capture all of the amenities provided in society by public funds, although the emphasis put on this differs significantly from country to country (Marginson 2015). Different philosophical traditions, and varieties of capitalism and industrial relations help shape union identities and strategies in this regard.
The possibility of one EU-level industrial relations system or social model emerging, that could become superimposed on the diverse national systems, has been widely debated. One view sees the EU as a vehicle of social integration of the internationalising labour market; the emergence of ETUC and the EU-level social partners, and the agreements they reach through social dialogue are evidence of this (Hyman 2001). Another sees integration driven by purely competitive and liberalising forces, which erode national systems, and sees EU-level dialogue as irrelevant (Streeck 1998; Traxler & Schmitter 1995). A third approach sees the EU as both of these things – while integration creates obstacles for social cohesion, it simultaneously provides ways to manage its negative effects (Visser & Dolvik 2008). It is this third approach which most closely reflects the view advanced here.

Conclusion

Trade unions have been central to the European story, but exist in different national industrial relations contexts. The political structure and autonomy of unions varies widely. The purpose of trade unions, their degrees of autonomy, and the understanding of what membership is, can only be understood in their specific national contexts (Eurofound 2009). The politics and economics of fiscal adjustment has traditionally been mediated through historically-embedded, country-specific industrial relations and social policy regimes (see Visser 2008), but this is now changing, as important elements of policy-making shift from the national to the transnational level.

Despite their many differences, European trade unions cohere with the ideas and philosophy underpinning the European social model, which implies freedom of association and fundamental union rights (Bercusson 2009). The quote at the start of this chapter captures several of these unifying factors. One important reason that ETUC was granted a central political and regulatory role within the European treaties was its ideological outlook, which tended away from a radical orientation, and towards social integration. Indeed, the radical unions were explicitly excluded from ETUC upon its foundation in 1973. Since the turn to austerity this special role has become threatened, which undermines the prospects for effective trade union power.
This project is concerned with union power and influence and this chapter has provided the basis for the project’s research design which is set-out in chapter 6. Before that, it is important to remember that union actions are influenced by available resources and the ability to mobilise them, as well as by opportunity structures and human agency (Tarrow 1998). In order to achieve their goals, unions must wield power. Chapter 5 considers the nature of power and reviews the forms that trade union power and influence can take.
This chapter considers power as a sociological and political phenomenon. It reviews the sources trade union power can take, and how unions cultivate and deploy power and influence in 21st century Europe. This discussion informs the modes which provide the analytical framework which is presented in Chapter 6 and is used in Section III (Chapters 7-9). The study of power has a rich history, with seminal contributions from the likes of Bachrach, Dahl, Foucault, Gramsci, Lukes, Marx, Nye, Russell, and Weber, which are considered below.

Politics nearly always concerns the cultivation, distribution and consumption of resources. The essential ingredient here is scarcity. While human needs (and desires) are infinite, resources are almost always limited (Lasswell 1936). Politics therefore concerns the struggle over scarce resources, and power determines how resources are distributed (Heywood 2013, p10). Particularly in the austerity-era, the struggle for limited resources has been central to what unions do.

Through striking, bargaining and campaigning, unions seek to defend the interests of their members, and of society at large. To do this, unions cultivate and deploy power resources. But how does union power manifest, and how can it be observed and measured? Can unions develop innovative sources of power as traditional sources wane, and as tools become blunted in the face of the myriad challenges previously identified? This chapter seeks to shed light on these questions.

Pochet (2015) identifies three pillars of union power. The first is membership size, or what he calls the unions’ ‘artillery power’. Secondly, are the institutions that enable collectively agreed gains to be extended to as much of the workforce as possible. Thirdly, the linkages between unions and political parties (Pochet, 2015). Pochet might have included the linkages between unions and other groups and coalitions in civil society in this final pillar.

An important but incomplete way of measuring union power focuses on membership density. This is reasonable, as membership numbers affect a union’s financial situation, its potential negotiating power, and the likelihood that other actors will take them seriously (Larsson 2015,

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80 This also creates problems of ‘free-riding which can erode union power, and which is discussed in chapter 2.
p110). Other traditional indices include collective bargaining coverage, and the number of days lost to strike. While these measurements remain useful for understanding union vitality, they do not provide a complete picture of union power, and fail to account for other, often more subtle, forms of influence. Given the transformation of the notion of state sovereignty, the dawn of the information age (Castells 2011), and the hypermobility of multinational capital, the political context for unions has changed dramatically. To draw effective conclusions about union power, it is necessary to undertake empirical and qualitative research in the field (Durkheim 1895/1982). The consideration of a group of overlapping and complementary sources of union power resources provide a more holistic understanding, which follows below (Brookes 2013; Gumbrell-McCormick & Hyman 2013b; Knight 1992; Wright 2000; Silver 2003).

In this research, unions are understood as primarily social organisations, enmeshed in relationships which influence the ways they act. The main relationships unions maintain are with: members, employers, governments, and social movement actors and organisations in civil society, including political parties. This increasingly includes supranational-level actors including ‘Europarties’, coalitions of national- or regional-level groups (e.g. consumer campaigns) and pan-European NGOs at EU-level. Unions are fundamentally concerned with the management and cultivation of these complex webs of human relations. This is reflected in the important role ‘trust’ plays in the articulation of union power, as trust can engender predictability in social partner relations, which has important consequences for industrial relations.

Part I of this chapter reviews some relevant contributions and theories of power, and the traditional ways of gauging union strength. Part II considers the broader sources of union power, the different approaches unions can take to negotiations and bargaining, and the role that ‘trust’ plays in social partner interactions. The final part concludes.

Part I: Power as a sociological and political phenomenon

Power is one of the most enduring, widely-studied, and highly-contested concepts in the social sciences. Power and politics are intrinsically linked. Whatever way it is understood, power is necessarily political and is central to all forms of social conflict (Brookes 2013, p196). Rather
than confining politics to a particular sphere (e.g. the government, the state or the ‘public’ realm), this research sees politics at work in all collective social activity, both formal and informal, public and private, and in all human groups, institutions, and societies. This includes the institutions, practices and customs of industrial relations (Leftwich 1984, p64).

Political power enables a social group to seek to obtain its preferences. This is done by establishing priorities, making choices, and taking action (Acemoglu & Robinson 2006). Power is therefore often behaviourist in nature – that is, a result of a reflex or a response to stimuli (Baum 2017). There is however often an incorrect assumption that human behaviour is rational, which is reflected in our stated desires. This is not always the case, particularly when it comes to conflict, politics and power, as is considered here.

Bachrach & Baratz (1962, p947) argue that sociologically-oriented researchers have consistently found power to be highly centralised, while political scientists conclude that power is widely-diffused. The social partners are a clear example of how power can be diffused, through joint regulation, collective bargaining, social pacts, and the formation of informal and formal political alliances (Panagiotarea 2013).

Max Weber identifies a central distinction in any consideration of power between its possession and its exercise. Possession implies the ability to control ‘social resources’ (e.g. land, capital, or knowledge), while exercise implies the ability of a group or individual to get what they want (Weber 1922/2010). Power is thus understood as the ‘power to’ do something and is outcomes-focused. This includes the power to prevail in negotiations, the power of government to promote economic growth, and the power to inspire hope, devotion and loyalty.

In one of its simplest formulations, power is seen as the ability of A to make B do something B would not otherwise do, by affecting the alternatives available to B (Arendt 1958; Knight 1992, p41). In this ‘pluralist’ school, ‘power’ is equated with actor(s) who prevail in decision-making. This involves having ‘power over’ people. Power is seen as having, at least potentially, a coercive dimension. The pluralists owe much to Weber for whom power was the probability of individuals realising their will despite the resistance of others (Coser 1977, pp228-230). However, considering power merely in terms of ‘outcomes’ provides an incomplete account of its scope as a social and political phenomenon. The significance of, for example, the ability to frame the terms of a discussion (Bachrach & Baratz 1962; 1970) or to influence how others
view the world (Gramsci 1971; Lukes 2005), are not fully accounted for in this view. The pluralist approach also fails to account for the softer face of power, which includes the power of attractiveness, inspiration, and rational persuasiveness (Nye 2004). The role played by unions in setting agendas, in influencing public discourse, and in promoting particular views of the world are central to what they do, particularly as the traditional tools of union influence wane.

Importantly for unions, power is often latent, or a ‘capacity’ - indeed a capacity which may never be utilised (Lukes 2005, p69). A trade unionist with experience of the national and European levels emphasised how central this capacity is for union power saying ‘the threat of a strike is often more powerful than the strike itself...once you’ve gone out on strike, you’ve exhausted your options, and either you win, and you go back to work, or you lose, and you go back to work anyway. The best way to win is to win the argument, while keeping your powder dry’ (interview 9: 21.10.13).

This research presents a broad conceptualisation of power. As with Lukes, power is seen in three dimensions rather than one or two, and this research attempts to think about power theoretically but to study it empirically (Lukes 2005). The study of political phenomena such as power can only be done effectively by applying theories to empirical evidence (Durkheim 1982, pp34-47; Morrison 2006; Curd & Psillos 2010, pp129-138). This research seeks to capture the more subtle, less perceptible forms of union power, which lie beyond an ‘outcomes-centred’ approach, and it seeks ‘to attend to those aspects of power that are least accessible to observation’ as ‘power is at its most effective when least observable’ (Lukes 2005, p1). Nye (2004, p1) notes that, like love, power is easier to experience than to define or measure (but no less real for that).

Literature review on power

Modern theories of power owe much to Max Weber (Gerth & Mills 1946; Grint 2005). As above, for Weber, power is the ability of a person or group to achieve their aims despite opposition from others. Weber presents three ideal-types of ‘social stratification’, namely: class, status and power, which concern the interaction between wealth, prestige (the respect with which a person’s status is regarded) and power (the ability to achieve goals) (Weber
If an actor can influence the creation of policies or laws, or can influence decision-making even indirectly, they possess power.

The study of power achieved much attention from especially American political scientists in the 1950-1960s. In this ‘pluralist’ school, Robert Dahl (1961) equates ‘power’ with actor(s) who prevail in decision-making and with the conscious actions that influence the content of decisions. Here, power can be associated with the ability to punish or reward, and is identified closely with manipulation, domination, coercion and force (Foucault 2002).

For Anthony Giddens, ‘power’ means ‘transformative capacity’ – that is, the ability to make a difference in the world. When an individual carries out any intentional social action, they make a difference, and have power. As everyone carries out social actions, it follows that everyone has power, albeit to varying degrees (Giddens 1985). The amount of power an individual has is related to ‘resources’. Echoing with Weber, Giddens identifies two types of resources: allocative resources – control over physical things through, for example ownership of something, and authoritative resources – control over people and their activities, for example through holding a position of seniority in an organisation (Giddens 1985, p9).

For Karl Marx the key to understanding power relations lies in wealth, capital and the ownership of the means of production, and political power is rooted in the class system (Rummell 1977). Marxists believe that ‘class politics’ will bring about a classless communist society which will lead to the ‘withering away’ of the state, bringing conventional politics as it has been known to an end.

While Marx wrote prolifically about politics and power, he regarded politics as encompassing ‘the apparatus of the state’, which represents ‘merely the organised power of one class for oppressing another’. Notoriously Marx sees capital as dead labour, which ‘vampire-like, only lives by sucking living labour, and lives the more, the more labour it sucks’ (Marx 1867). Thus, capitalism simultaneously produces mass misery and growing proletarian power, as it needs labour to survive (Silver 2003, p18). Capitalist development thus ironically leads in the long-term to the structural strengthening of the possessors of labour power (i.e. workers) (Marx & Engels 1959, p763). Notably, Marx never articulated a full theoretical analysis of trade union power, believing capitalist forces to be too strong for unions to prevail in any event (Gumbrell-McCormick & Hyman, 2013 p17).
Like Marx, Bourdieu argues that capital forms the foundation of social life and dictates one’s position within the social order. For Bourdieu, the more capital one has, the more powerful a position one occupies in social life. Bourdieu extended Marx’s notion of capital beyond the economic and into the more symbolic realm of culture (Bourdieu 1990).

Marx’s formulation has sustained criticism for its generalised linear ‘master narrative’ in which proletarianisation is to inevitably lead to class consciousness and revolution (Silver 2003, p19). While Marx suggests a succession of stages through which the organisation of production and the working class is continually and fundamentally transformed, Karl Polanyi (1944) suggests that such a transformation takes place via a pendular repetition, which he terms ‘the double movement’. For Polanyi, power is captured by citizens, especially within the working class, through resistance to the spread of self-regulating markets. The expansion of unregulated labour and commodity markets provokes a counter-movement from workers for the protection of society (1944, p130). This is achieved through the introduction of social legislation and regulations, and the provision of social welfare and trade union recognition (1944, p176-177).

Like Weber, philosopher and social reformer Bertrand Russell saw power as simply one's ability to achieve one’s goals, seeing power as relational – that is, involving power ‘over people’ (Russell 1938, p328). Michel Foucault’s writings on power were influenced by Russell, and have been interpreted to mean that there is no escaping power or domination – that it is 'everywhere'. Foucault (1976; 1977) focuses on the techniques of domination that work through social relations to form subjects, acknowledging that in emphasising techniques of domination, he opens himself up to accusations that he proposes a subject without agency (Laidlaw 2002, p321). Laidlaw sees Foucault’s presentation of power as presenting a ‘bleakly totalising vision of society as systems of power/knowledge’ (2002, p321).

In his later work (2002), Foucault argues that freedom is the ability to participate in power relations so as to not simply be the instrument of somebody else. Foucault here distinguishes ‘power’ from ‘domination’ arguing that ‘one sometimes encounters what may be called situations or states of domination in which the power relations, instead of being mobile, allowing the various participants to adopt strategies modifying them, remain blocked, frozen’ (Foucault 2002, p285). Foucault came to acknowledge that a wider understanding of power exists, without dismissing the significance of domination.
Coming from the anarchist tradition, Noam Chomsky argues ‘that power is always illegitimate, unless it proves itself to be legitimate…the burden of proof is always on those who claim that some authoritarian, hierarchic relation is legitimate. If they can’t prove it, then it should be dismantled’ (Chomsky 2014, p110). This coheres with the radical orientation of trade unionism, and echoes with the principle of subsidiarity, outlined in Chapter 1.

The problem with these views is that they largely consider one dimension of power – the ability to prevail in decision-making or conflict. For unions, power relations are much more complex and varied than that. This brings me to the discussion of soft power. While power may be seen as the ability to achieve the outcomes one wants, there are several ways to affect the behaviour of others. Joseph Nye (2004) describes ‘soft power’ as the ability to persuade, and to get what one wants through attraction and co-option, rather than through coercion or payments. This typically comes from the attractiveness of a group’s culture, political ideals or policies. Nye (2004, p1) notes that Machiavelli advised princes in Italy that ‘it is more important to be feared than to be loved’, but that ‘in today’s world it is best to be both’. Nye specifically writes about countries in world politics, but the same logic applies to social groups including unions. The EU exerts soft power via the promotion of democracy and development through trade and aid relations (Zielonka 2006). The results of this have been particularly impressive in Central and Eastern Europe (Nye 2004, p81).

Behavioural economists Richard Thaler and Cass Sunstein (2012) reach for a similar conceptualisation of power, arguing that positive reinforcement, indirect suggestions and encouragement can influence the motives and decision-making of groups and individuals, and can achieve compliance at least as effectively – if not more effectively – than direct instruction, legislation, or coercion.

Soft-power resources are often ‘slower, more diffuse, and more cumbersome to wield than hard-power resources’ and its effects depends on acceptance by receiving audiences. (Nye 2004, p90-100). Trade union newspapers, personal services offerings, and support for development projects can be seen as examples of soft power, as we shall see.

One of the most enduring debates in the literature on power, and one which influences this work, is Stephen Lukes’ conceptualisation of the ‘faces’ of power (2005). The first face sees
power as manifest in the conscious actions that influence decisions – the pluralist school discussed above. The second concerns how power relates to agenda-setting. The third concerns power as thought-control.

Dahl (1961)’s account made judgements based on the known preferences of actors, and sees the world through a utilitarian, realist lens. For the pluralists, power involves participation in decision-making, and power can only be analysed following the examination of concrete decisions – like for Weber and Russell. This ‘one dimensional’ view focuses on observable behaviour, and issues over which there is discernible conflict. Dahl’s analysis falls-down on the assumption that humans are rational, and have access to perfect information, and typically know what they want (Lukes 2005, p19), which is reflected in express policy preferences, articulated through political participation (Robinson 2006).

The ‘one dimensional view’ reflects the primitive notion of power involving A in some way affecting B (Lukes 2005, p30). The tactics, strategies and activities of unions can certainly seek to alter the behaviour of others (an employer or government, for example), but such a view is incomplete. This view was criticised as superficial and restrictive, notably by Bachrach & Baratz (1962), who argued that power has a ‘second face’, unperceived by the pluralists, and undetectable by their methods of inquiry. Recalling Weber’s distinction between the ‘possession’ of power, and its ‘exercise’, Bachrach and Baratz (1962, p948) argue that the pluralists place too much emphasis on the exercise of power, rather than the possession of it.

Bacharach and Baratz (1962) posit that power is also exercised when A creates or reinforces institutional practices, procedures, rituals and values which limit the scope of the political process. This is the bureaucratic or technocratic face of power. Power can be exercised by confining the scope of decision-making, to relatively ‘safe’ or ‘innocuous’ issues. This ‘second dimension’ can prevent decisions being made, or issues and proposals being aired, in what Bachrach and Baratz call, the power of ‘non decision-making’. This implies the ability to manipulate political choices, by preventing actors from articulating their preferences (Nye 2005, p7). Essentially, as well as controlling or influencing the scope of political choice, this face includes actors campaigning or lobbying for particular policies to not be discussed. This boils down to power over ‘the agenda’, and over which issues are kept inside the political process. Crucially, this view is still committed to behaviourism – that is, to the analysis of observable behaviour.
Power’s third face concerns the ability to influence others by shaping what they think, want or need – that is, ‘power by ideological indoctrination’. Lukes asks ‘is it not the supreme exercise of power to get another or others to have the desires you want them to have - that is, to secure their compliance by controlling their thoughts and desires?’ (2005, p27). This is the hardest face to define and observe. This ‘third face’ is influenced by the Italian Marxist politician and theorist Antonio Gramsci.

Imprisoned by Mussolini in Fascist Italy (1926-1937)81 amid the failure of revolution in the West, Gramsci grappled with how consent to capitalist exploitation is secured under contemporary political and economic conditions. Gramsci, advanced the notion of ‘hegemony’ to describe how one social class comes to dominate others by projecting its world-view, so that subordinated classes see it as ‘natural’. For Gramsci (1971), this involves willing and active consent, which is achieved through the bourgeoisie’s control of the ‘ideological apparatuses’, which is shaped by ‘culture’ and ‘ideology’ (Anderson 1976, p42; Althuser 1971).

Similarly, Pierre Bourdieu (1977) uses the term ‘habitus’82 – one of his most influential yet ambiguous concepts – to describe how subordinates come to see their conditions as ‘natural’, or even to be valued. For Bourdieu, power relations are socially-created, and ‘habitus’ prevents those subject to power from recognising the sources of their desires and beliefs. Schattschneider (1960, p71) believes this ‘bias’ in the system suppresses conflict.

Power’s third face ultimately involves the suppression of grievances by shaping and influencing people’s perceptions, cognitions and preferences so that people accept their role in the existing order. Through mystification, repression, misrepresentation, or the unavailability of alternative ideological visions, subordinates remain unaware of their true interests (Tilly 1990). Here, power works against people's interests by misleading them, and distorting their judgement (Lukes 2005, p13).

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81 An international campaign, was organised by Cambridge University economist Pierl Sraffa to seek Gramsci's release during his years of imprisonment.
82 For Bourdieu, power relations are socially-created, and ‘habitus’ leads those subject to power to fail to recognise the sources of their desires and beliefs. Schattschneider (1960, p71) contends that this ‘bias’ in the system suppresses latent conflict.
In sum, power manifests in many forms. It is wrong to see power as simply ‘A exercising power over B, and it is inadequate to confine the discussion to binary relations between actors that are assumed to have unitary interests. This fails to account for the fact that people’s interests are multiple, conflicting and sometimes contradictory (Lukes 2005, p12-13). Power as domination or coercion is only one species, and the view of power as purely ‘oppressive and subjugating’ is incomplete. Power is often a capacity, which is not necessarily exercised. At different times power can be about force, manipulation, coercion, co-option, agenda-setting, and thought-control. Soft power - getting others to want the outcomes that you want - co-opts people rather than coerces them. Soft power rests on the ability to shape the preferences of others, echoing with the second and third faces of power. Unions work across these three faces.

For unions, power is broader than making people do things. This is especially the case as unions are enmeshed in webs of relationships, with waning power resources, and existing as they do in a world that is often hostile, given the onset of factors including automation, precarious employment, and austerity. Unions have lost the ability to exert influence and to injure employers and governments in the traditional, direct ways (Culpepper & Regan 2014). To succeed, unions must wield power in ways that reflect their complex socio-political environments. Here, soft power resources become especially important.

Before turning to the different sources of union power, a brief review of the traditional (yet incomplete) ways of measuring union vitality follows.

**Traditional ways of measuring union power**

The traditional way of gauging union power focuses on indices including trade union density, the rate of collective bargaining coverage, and the number of days’ work lost to strike. Trade union density is the total number of workers in an economy that belong to a union (Hayter & Stoevska 2011, p2). This remains a key measurement of union strength, but statistics should be approached with caution as they are often produced by the unions themselves. Union members can include non-workers including pensioners, unemployed people, and students, which is due to the fact that figures for trade union density are often prepared by the unions themselves, who arguably have an interest in over-stating the extent of their membership. However, databases maintained by the likes of the OECD, ETUI, and the ILO, are widely regarded as providing as fair and accurate an estimation of the extent of union density as is available.

83 In Italy, up to 30 percent of union membership is made up of pensioners.
and it is important to note that density tells us nothing about the quality of ties between the organisation and its members (Müller-Jentsch 1985, p22). Density affects the likelihood that actors will take unions seriously, insofar as density is a reflection of a unions’ ability to mobilise (Larsson 2015, p110). Union density among younger workers is universally lower than for older workers, and density is higher in the public sector than in the private sector. Nonetheless, density figures shed light on the perceived benefits that can be gained by belonging to a union, such as access to unemployment insurance programmes, as in the Ghent system countries, including Belgium and Denmark (Böckerman & Uusitalo 2006).

Collective bargaining - the process of negotiation between employers and employees aimed at reaching agreements which regulate working conditions and pay - is a core union activity. The collective bargaining coverage rate measures the number of workers in an economy or sector whose pay and conditions of employment are determined by collective agreement. This rate is an indication of the degree to which unions contribute to the regulation of wages and working conditions, arguably making this a more useful and revealing measurement of union influence (Hayter & Stoevska, 2011, p2).

Collective bargaining and wage determination practices are ‘anchored in national customs and practices’ (Visser 2008, p10), and coverage rates should be analysed within their national contexts and should be interpreted according to the legal and institutional frameworks which prevail. Today, rights and privileges are increasingly extended to all workers via legislation and not just to union members. In some countries, collective agreements are subject to ‘erga-omnes’ clauses, which extend the terms to all workers in an economy or sector, regardless of whether workers are union members.86

Density statistics reflect differences in the meaning of union ‘membership’. In France, obtaining membership implies active participation in the life and administration of the union (Upchurch et al. 2009). French union administrations are composed of a limited cadre of activists, and a larger body of workers who are not necessarily members, but who can vote for candidates in workplace elections and who follow calls to mobilise. Here, a relatively small and divided union movement has sustained a militant core membership, capable of mobilising

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85 As rights and privileges obtained by unions for workers are increasingly extended to all workers and not just members, this has the potential to undermine union power.
86 In some countries including Greece, extension clauses have been removed during the crisis, as we shall see
beyond its immediate ranks (Hogan & Nolan. 2007, p2). Here, financial resources derive largely from indirect state subsidies, rather than membership subscriptions (Gumbrell McCormick & Hyman, 2013, p63). Elsewhere in Europe, membership is seen as something more passive, even pragmatic, particularly in the countries where the Ghent system prevails.

Across the EU, 23 percent of workers are union members, and 62 percent are covered by collective agreements, with notable variations between countries (see table 3). Union membership has declined almost universally over the past 30 years87, but the relative position of countries has persisted, while the gaps increase. While density has declined universally, coverage has proven more resilient, and has declined less dramatically, especially in countries where membership was relatively high to begin with.

**Table 3, Trade union density (TUD) and collective bargaining coverage (CBC) in Western Europe, 1990-2016**

<table>
<thead>
<tr>
<th></th>
<th>TUD 1990</th>
<th>TUD 201688</th>
<th>CBC 199089</th>
<th>CBC 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>54</td>
<td>54</td>
<td>-</td>
<td>96</td>
</tr>
<tr>
<td>Greece</td>
<td>34</td>
<td>22</td>
<td>-</td>
<td>65</td>
</tr>
<tr>
<td>Ireland</td>
<td>51</td>
<td>33</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Finland</td>
<td>73</td>
<td>65</td>
<td>95</td>
<td>91</td>
</tr>
<tr>
<td>Sweden</td>
<td>82</td>
<td>67</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td>Denmark</td>
<td>75</td>
<td>65</td>
<td>-</td>
<td>80</td>
</tr>
<tr>
<td>France</td>
<td>10</td>
<td>8</td>
<td>-</td>
<td>98</td>
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<tr>
<td>Germany</td>
<td>31</td>
<td>17</td>
<td>90</td>
<td>59</td>
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<tr>
<td>Italy</td>
<td>39</td>
<td>36</td>
<td>-</td>
<td>80</td>
</tr>
<tr>
<td>Spain</td>
<td>13</td>
<td>14</td>
<td>68</td>
<td>70</td>
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<tr>
<td>Netherlands</td>
<td>25</td>
<td>17</td>
<td>71</td>
<td>81</td>
</tr>
<tr>
<td>UK</td>
<td>40</td>
<td>25</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td>EU Average</td>
<td>37</td>
<td>23</td>
<td>-</td>
<td>62</td>
</tr>
</tbody>
</table>

**Sources:** (OECD.Stat 2017; Worker-participation.eu 2017a; Worker-participation.eu 2017b; OECD 1994).

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87 The exception being Belgium, where membership has held at around 52 percent since 1980
88 For Belgium, Denmark, Italy Spain, Sweden density data is from 2015 for Poland and France from 2014, and for the UK, Ireland and Greece, 2013
89 Data for collective bargaining coverage for this period is contested and often difficult or impossible to source.
Finland and Sweden in the Nordic group of countries, as well as Belgium and France enjoy coverage rates of over 88 percent, and with the exception of France (which is an outlier), density of between 50-65 percent. This is typical of countries where the social insurance and protection system afford unions a role in the administration and dissemination of social security payments, training, and recruitment. While statistics are subject to question given their origins, and while there is a lag-time between when data become available, with the most recent years of the crisis typically not yet included, it is clear that over the past thirty years, while density has almost universally declined, the coverage rate has at least not declined at the same pace, and in some places, has increased (e.g. the Netherlands and Spain).

Density and coverage rates do not necessarily correlate, and often do not. France records one of the lowest density rates in the industrialised world (around 8 percent) but has one of the highest rates of collective bargaining coverage (well over 90 percent). Density is 65 percent in Finland, but the rate of coverage in Finland and France is comparable. The influence of French unions exceeds the reach that a consideration based primarily on density would reveal.

There is stark and increasing divergence between public and private sector trade unionism, with the public sector making up more than half of union membership - and up to 83 percent in Poland - despite being much smaller than the private sector (Glassner & Keune 2010). Unions in the public and private sectors exist in fundamentally different environments. In the public sector, employers use tax-payers’ money, while in the private sector, employers deal with markets. This creates very different dynamics. In the public sector, unions lobby politicians to change their views, while in the private sector, unions seek to convince employers to moderate their behaviour. The politics of the split between these sectors is crucial. Public sector unions are typically anti-austerity, but are often not overly concerned with the integrity of collective agreements, as they are supported regardless.

In some countries, (including France), private sector union membership is almost negligible. In Ireland, the dominance of especially American MNCs that are often inimical to organised labour has contributed to the decline in private sector union density to below 20 percent, while rates in the public sector remains above 60 percent (discussed below in chapter 8) (Walsh 2015).
In summary, any examination of density and coverage rates points towards three important realities. Firstly, union density has almost universally declined over the past 30 years. Secondly, the rate of coverage does not map on top of density, and union influence exceeds the boundaries of membership. Thirdly, union membership is increasingly focused in the public sector. It is in the public sector that unions maintain significant structural power, and it is teachers, nurses and key public service-providers who are among the last parts of the economy where unions maintain the ability to effectively disrupt employers through strikes and industrial action.

Another traditional measurement of union strength is the frequency and size of strike action. A strike is a work-stoppage caused by the mass refusal of employees to work, typically in response to a workplace grievance. A lockout is the denial of employment initiated by management during a dispute. Total working days lost due to industrial action including strikes or lockouts is computed by multiplying the number of days lost with the number of affected employees. Industrial action falling short of striking (e.g. go-slows, working to rule, or over-time bans) are not included in strike-action, but remain important sources of worker militancy. Systems for collecting data on industrial action differ in rigour, and can change over time, making historical comparisons difficult.

Since the 1970s the tendency to strike has declined everywhere in Europe. Between 2009-2013, Cyprus experienced the highest rate of strikes with 514 days per 1000 workers, France is second with 171 days, while Germany is the lowest with 12 (Osborne 2016). Strikes are used to pressure governments to change policies, and occasionally, strikes can destabilise a government, often as part of a broader campaign of civil resistance. A famous example of this is the strikes originating in the Gdansk shipyards in the 1980s which precipitated regime change in Poland, and ultimately throughout the Soviet world (Szporer 2014). Strikes can be coordinated by ETUC, as happened last in 2014, although such actions remain difficult to execute and sustain (Dufresne 2015). While the right to strike is protected under EU law (as was confirmed by the Viking and Laval cases), laws governing strikes differ throughout Europe, as is discussed in Section III.

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90 Although lockouts should in principle be separated from strike action from a power-relations perspective, most data on industrial action do not make a distinction between the two.
Strikes in Europe were historically concentrated in a small number of industries including docks, mining, transportation and metalworking. Workers in such industries possessed considerable workplace bargaining-power and could impose costs on employers through disruptive action. As many of these industries decline, the ability of unions to cause disruptive action declines. Importantly, the decline in paying members brings about a circular-cumulative decline in financial resources, making strikes harder to sustain. This loss of power has spurred some unions to search for alternatives to traditional strikes. The next section looks at the different sources of trade union power.

**Part II: Sources of trade union power**

From a review of the extensive literature, it is possible to identify six widely-recognised, overlapping forms of trade union power, namely: associational, organisational, structural, institutional, coalitional and logistical forms (Brookes 2013; Gumbrell McCormick & Hyman 2013). A useful starting point for differentiating types of workers’ bargaining power is Erik Olin-Wright’s (2000, p962) distinction between structural and associational power.

Structural power consists of the power workers have due to their location in the economic system, and their ability to disrupt an employer’s operations. This is the form of power associated with striking and direct action, and is among the most obvious manifestations of union influence. Olin-Wright divides ‘structural’ power into two subtypes. The first is marketplace bargaining power, or the power that results from tight labour markets. Here workers with scarce skills or competences are difficult to replace. Examples in history include skilled type-setters or machine operators. The second subtype is workplace bargaining power and covers the power that results from the strategic location of a group of workers within a sector or production process, such that disruptive action can impose serious costs on the employer (Silver 2003, p13). While globalisation weakens marketplace bargaining power, it tends to increase workplace bargaining power.

Associational power consists of the various forms of power resulting from the formation of collective organisations. In the context of this research, it is understood as the capacity of workers to act collectively through unions and political parties (Brookes 2013, p10). Simply having members provides a union with resources, not least financial resources, but just
being in a union is not in itself empowering. Lévesque & Murray (2010, p341) posit that unions ‘can have power resources but may not necessarily be skilled at using them. It may therefore be helpful to consider associational power, as associational capacity’. This evokes the notion of power as a capacity which may never be utilised, discussed above (Lukes 2005).

Related to associational power (perhaps best understood as a sub-species of it), Gumbrell-McCormick and Hyman (2013) distinguish a third category: organisational power. This relates to different union organising strategies – namely, the servicing and organising models (discussed below in Chapter 6). Membership does not equate with organisation, but is an essential precondition of it. Thus, organising power is seen as the pursuit of processes designed to cultivate the social capital of members (Bourdieu 1986), and involves the promotion of internal democracy.

If resources are scarce, union may still prevail over seemingly stronger adversaries, if they can make more effective use of limited resources. This fourth category, also related to associational power, is ‘logistical’ power, which essentially relates to unions creating efficiencies (Waddington & Hoffmann 2000). The possible efficiency gains from strategic trade union mergers are examples of this (Waddington 2006).

The fifth category, institutional power sees unions exerting influence through collective bargaining procedures, courts and regulatory bodies, and via legal and regulatory frameworks. Brookes (2013, p8) defines institutional power as ‘the capacity of workers to influence the behaviour of an employer by invoking the formal and informal rules that structure their relationships and interactions, including attempts to hold employers accountable through legal or regulatory institutions’. This plays out at the local, national, supranational and international levels. Institutional power has become increasingly important given the role of domestic courts, the ECJ, the European Court of Human Rights (ECHR), and ILO Conventions during the crisis.

A sixth and final category is coalitional power. This is the ability of unions to influence employer behaviour by expanding the scope of conflict through the formation of cooperative relationships with other groups, organisations and stakeholders (Gajewska 2008; 2009). This includes community, religious and environmental groups, politicians,
students, and NGOs (Taylor 2004). Throughout the crisis, unions became involved in several high-profile coalitions, as we shall see.

While the development of an exhaustive list of union power resources would be an impossible task, given the diversity of union traditions and industrial relations systems, this list provides a useful framework for the analysis of union power. These resources are hard to measure objectively, and qualitative research and triangulation with available data is called for.

The power resources unions have is exhibited in the ways they approach negotiations and bargaining, which is discussed below.

**Negotiations and bargaining**

Industrial and social policy is formed through negotiations and interactions between stakeholders, particularly where social dialogue exists. Hicks (1932/1963) notes that there would be no strikes if both sides in a labour dispute had perfect information regarding their opponent’s strengths and weaknesses. The propensity for unions to engage in collaborative or adversarial negotiations is related to how the social partners communicate, and in their inclination towards militancy or moderation (discussed in Chapter 4).

Walton and McKersie (1965) identify four processes of negotiation, namely: integrative, distributive intra-organisation and attitudinal-structuring bargaining. Integrative (or ‘interest-based) bargaining emphasises a problem-solving approach, based on mutual gains (Katz et al. 2007). This approach is flexible and facilitates concession-bargaining. The approach is consultative and collaborative, and seeks to ‘grow the (theoretical) pie’ which is being divided, and looks for win-win situations. This focuses on developing mutually beneficial agreements based on the interests of those involved. This is typical of a partnership-oriented approach and evokes the style of negotiations most closely associated with European integration.

An integrative approach only works when there are multiple interests involved in negotiations, as sides will be expected to make trade-offs en route to a mutually satisfactory outcome (Fisher et al. 2011). This involves the need to identify at least some of the needs, concerns and fears
of each side, as these reflect the underlying reasons – or interests – of the actors involved. The goal is a win-win outcome, where each side gets as much of their interests as possible, and at a minimum that they see the negotiated outcome as a win, rather than a loss (Spangler 2003a).

Conversely, distributive (or zero-sum) bargaining emphasises confrontation and is associated with hard collective bargaining. Negotiations are seen as a process of distributing a fixed amount, and parties assume there is not ‘enough to go around’, and any gains are seen to be at the expense of the other side (Brazeal 2009). Thus, distributive negotiation is sometimes called ‘win-lose’ given the assumption that one side’s gain results in another’s loss. (Spangler 2003a). This ultimately leads to a compromise, as the sides ‘split the difference’, or else negotiations fail, with no agreement. Typically, sides adopt extreme positions, and cede as little as possible during negotiations. Distributive bargaining emphasises the differences between actors and is more likely to lead to destructive actions. The higher the stakes, the harder it is to reach a negotiated agreement, as became clear during the negotiations for the third Greek Troika bailout in 2015 (discussed in Chapter 7).

For unions, an integrative approach to bargaining emphasizes moderation, while distributive approach emphasises militancy. Fisher et al (2011) argue that there is no need for actors to resort to hard, distributive bargaining, as actors can almost always work together to create mutually beneficial outcomes. While integrative and distributive approaches to bargaining can be seen as opposites, the two can be used concurrently, as ultimately the ‘pie’, which can be achieved through integrative negotiations, must be divided, which can lead to distributive exchanges (Spangler 2003b).

In intra-organisational bargaining, negotiators seek to influence their representatives and to shape what they think, similar to Lukes’ (2005) third face of power, or power as ideological indoctrination. Attitudinal structuring seeks to frame wider attitudes, and is closely related to unions’ research and media activities (discussed in Chapter 6) (Brown 2014, p142).

Unions are often complex, heterogeneous, uneasy coalitions of interests and attitudes. Forming a coherent ‘united front’ from among competing voices can be difficult. Thus, unions adopt one or more different negotiating postures in different circumstances. An integrative approach to bargaining can build up over time between actors who encounter each other repeatedly, for example through social dialogue arrangements. Distributive exchanges often involve people
who do not encounter one another frequently and are unaware (or uninterested) of the other side’s interests. Repeated interactions, and interest-based bargaining can facilitate constructive relationships between adversaries, and can promote an integrative approach, and a strong bargaining relationship. An integrative approach can engender trust between actors, which creates predictability, and which can have a material impact on the outcome of negotiations (Brown 2014, p145). Regarding effective social dialogue, an EESC representative stresses that ‘what it is really about is compromise. By discussing and negotiating behind the scenes, social partners are committed to the common good’ (interview 10: 30.09.17).

Trust and why it matters

The significant impact that trust (its presence, absence, or degradation) between actors has on policy-formation and on social partner bargaining strategies became clear during interviews and fieldwork. At its simplest, in political science and international relations at least, trust is the belief that actors will be willing to reciprocate (and repeat) co-operation (Bacharach & Gambetta 2001; Kydd 2005). Trust is linked to risk - for Rousseau et al. (1998) ‘trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another’. In practice, trust implies confidence, and relates to individual and collective character.

Trust is important for managing the conflict that is inherent in social interactions. Trust lowers transaction costs (Chow 2008; Hill 1995) facilitates co-operation (Fukuyama 1995; Hardin 2002) and reduces the likelihood of disputes occurring in the first place (Fisher et al. 2011). Single or irregular meetings can have significant political and economic ramifications (Hoffman 2002; Keating & Ruzicka 2014; Möllering 2008). Essentially repeated interactions can (but do not always) engender trust.

Trust is not necessarily anything to do with liking each other – it’s more about being predictable (Powell 2008). Particularly in the highly volatile and unpredictable early stages of the crises, the organisational and inter-institutional trust between social partners and governments facilitated effective interactions in some quarters (i.e. in Belgium and Ireland, but not in Greece, as is discussed below). The lends weight to Roche (1991)’s argument (initially in critique of Fox’s micro-pluralist sociology of trust dynamics) that workplace, or close-quarters
‘social’ assimilation can be more important than organisation or sector-wide factors in shaping orientations (Dundon & Dobbins 2015, p927).

Conclusion

This chapter has sought to explain that power comes in many forms. What is notable about power in social and political life is the variety of its manifestations, and to look at power as merely succeeding in decision-making in insufficiently subtle. To understand power, one must look at its many faces – including non-decision making, ideological indoctrination, and soft power. Trade union power comes in many forms – including structural, associational, organisational institutional, logistical, and coalitional power. These can partly be measured by statistics, including the density of union membership, and the coverage of collective bargaining. It’s clear that unions adopt different bargaining strategies which determine their inclination towards militancy or moderation. Trust relations have been identified as playing a central role in the strategies adopted in negotiation and bargaining events, as shall be discussed in Section III. A more nuanced approach, involving qualitative analysis of behaviours and preferences, is required to capture the nature of union power, particularly in the context of the crises outlined in Section I.

Over the past century, all forms of union mobilisation have been fuelled by the belief that workers have potentially transformative power. Globalisation has punctured this ‘century-old belief’ and has created a discursive environment that undermines political morale, and the willingness to ‘struggle for change’ (Piven & Cloward 2000, p413-414).

In Chapter 6, four ‘modes of trade union influence’ are presented which frame the analysis undertaken in Section III. This represents the conceptual framework which is used to address the research questions outlined in the introduction, and the concepts and trends outlined in chapter four. The different modes enjoy different degrees of emphasis across these cases, as we shall see.
Chapter 6: Four modes of trade union influence

Chapter 4 introduced different trade union orientations and Chapter 5 outlined the forms that union power can take. Unions face in multiple directions, and maintain key relationships, namely with: members, employers, governments, political parties, civil society groups, and with EU-level actors. Bringing these together, Chapter 6 sets out four over-lapping modes of influence arranged around groups of observable activities that unions undertake, through which they seek to wield influence. This is based on a thematic analysis of core factors which arose repeatedly during fieldwork and research, which provides the analytical framework used to structure the rest of this study and to organise the case studies analysed in Section III. The first group concerns mobilisation and recruitment, the second, institutional, social dialogue and lobbying activities, the third, relations with political parties and coalition formation, and the fourth, European-level action.

What is presented here, is a set of Weberian ideal-types, rather than any exposition of the world as it definitively is. Together, these modes present a non-exhaustive list of union responses to the crises they face in Europe today, which provides a good picture of how unions now mobilise influence, and how their role has changed. These modes show how influence can ebb away in one group of activities, to be recovered in another. The important question is how effectively unions mobilise influence on behalf of their members. This framework paints unions as flexible, creative, and responsive, and not only reactive, as they are often depicted.

Friedrich Engels infamously described unions as ‘schools of war’. Their task was to challenge capitalism, and not merely to seek modest reforms to it. However, from the discussion in Chapter 4, it follows that unions mobilise both radical and more prosaic forms of power and influence (Hoxie 1923/2015). The more radical activities include strikes, work-stoppages, and mobilisations, and reflect Lukes’ first face of power discussed above – that is, when power resides with those who prevail in decision-making. The more prosaic forms include lobbying, training, research and development and technocratic activities, sometimes deep inside domestic and EU policy-making machinery, and reflect Lukes’ second and third faces, namely power as non-decision-making, and power as ideological indoctrination. As we shall see, these activities are complementary, and are both important to any understanding of European trade unionism.

One of the problems with the comparative analysis of power relationships is that one cannot
talk about them as being equivalent. Relations between actors, say between private sector unions and employers, or between a union confederation and a government, are essentially different. All power is relationship specific, and requires qualitative analysis.

Austerity and the European crises have forced unions to reconsider what to concentrate their resources on. Some unions do this better than others. In some countries, relations with employers are the most important, while in others, relations with government takes priority. This is also changing, as, for example, governments act increasingly unilaterally, without consulting the social partners. Some movements get better outcomes than others based on how they handle this situation.

Given the challenges which have been outlined, there seems to be less and less that union confederations can do for their member organisations and for workers. Can confederations command the loyalty of members, given their dwindling power resources, and given the exhaustion of the traditional ideological traditions upon which solidarity was built? These modes of engagement and influence provide a way to explore how union confederations activate power relations, and structure the sanctions, campaigns and coalitions they use to pursue their objectives.

As above, it will emerge from the following analysis that these modes are influenced by the presence of absence of trust between the social partners. Trust, along with the ability for actors to relate to one another, has a profound effect on how union leaders act, and on which modes of influence are emphasised.

Mode I: ‘recruitment, organisation and mobilisation; the unions’ artillery power’

The most widely recognised form of union power involves the mobilisation of members. The first mode covers ‘recruitment, mobilisation and organisation; the unions’ artillery power’. This considers unions’ relations with members, and how structural and associational power can be wielded via union membership – what Pochet (2015) calls the unions’ artillery. This includes striking and direct action that disrupt the activities of employers, including working-to-rule, go-slows, protests, rallies, boycotts, shareholder or consumer activism, e-mail blitzes, and the deployment of political pressure (Brookes 2013, p182). While such activities are often
seen as typical for unions, strikes are rare, and getting rarer. Public opinion has on the whole been unfavourable towards strike action since this can be portrayed as openly fighting for privileges - as insiders fighting for insiders (Musafer 2011).

Ultimately, this mode considers how ‘people resources’ – including membership, leadership, expertise, and access to networks (Geary 2016; Goldstone & Tilly 2001) - can be transformed into power and influence. The confederations’ role here is usually indirect. One cannot join the confederations directly, but only their affiliates. However, the confederations play an important role in coordinating the efforts of affiliates, in shaping the industrial relations environment, and in communicating the unions’ messages.

To be able to mobilise, unions must cultivate and maintain a membership. This mode therefore includes recruitment and organisational activities, which are aimed at building an active and informed membership. Effective recruitment strategies can develop associational power. Lukes (2005) tells us that power can be best understood as a capacity which may never be utilised. In the same way, associational power may be understood as the potential for structural power.

There are two main approaches to recruitment: the organising model and the servicing model. These approaches are not mutually exclusive and tend to be pursued at the same time as different parts of a recruitment strategy (Waddington & Hoffmann 2000). The organising model seeks to build-up union representation and organisation at the workplace. This rests on the assumption that declining membership can be reversed if more participation in union affairs is fostered (Gumbrell-McCormick & Hyman, 2013, p55; Waddington 2005, p529). It emphasises the shared material interests of individuals to help generate collective efforts (de Turberville 2004). Integral to the organising model is the participation in union affairs of workers from under-represented groups, including women and minorities. This has been influenced by developments in the USA (Carter 2000). Strike activity is the most high-profile union action, and is itself an effective organising method - one trade unionist notes that ‘strikes and public campaigns are by far the best way to recruit that we have’ (interview 9: 21.10.13). Through the organising model, the intention in the long-term, is for workplace organisation to become self-sufficient, reducing the role of often over-stretched, under-resourced union headquarters and staff (Waddington & Hoffmann 2000, pp65-69).
Meanwhile, the answer to declining membership is sometimes seen in the servicing model. Here union officials, rather than local representatives, provide support to members. Some features of a servicing approach do not require the presence of the union in the workplace at all, such as where unions are involved in the administration of social welfare payments (discussed below). In addition, many unions emphasise the provision of a range of personal services to attract new members. The servicing model places significant burdens on union headquarters and staff. The decentralisation of bargaining, the proliferation of small sites of employment, and the absence of union representation in many workplaces has led many unions to accept that the servicing model in its ‘ideal’ form is no longer viable, which has increased interest in the organising model (Heery 2002).

Recruitment and organisation strategies seek to cultivate unions’ human and social capital. As discussed in Chapter 2, human capital is the stock of a person’s knowledge, habits, social and personality attributes and creativity (Becker 1994), while social capital is the sum of the actual or virtual resources that accrue by virtue of having a network of relationships of mutual acquaintance and recognition (Bourdieu 1986; Bourdieu & Wacquant 1992, p119). Human and social capital can at least potentially, create associational, organisational, and structural power.

Recruitment necessarily develops associational power, and effective recruitment strategies can turn associational power into organisational power. Associational power can become organisational power only when unions acquire members who act collectively. Collective mobilisation requires a conception of common identity, a shared antagonism to an external threat, some form of collective organisation, and a perception of opportunities for successful outcomes (Tarrow 1998). This emphasises a sense of shared injustice and collective grievances, the attribution of responsibility for the injustice, and a leadership which frames workers’ discontents and coordinates collective action (Kelly 1998, pp77-78; Touraine 1966). This can involve a shift towards (or a reemphasis of) the organising over the servicing model.

Different times call for different recruitment methods. In the 1970s in the UK, unions were powerful, and striking was an accepted part of political life. Logistically, organising large industrial workplaces was manageable, compared to the diffuse, decentralised workplaces which dominate today. In the 21st century, mobilising worker support is more complicated, and militancy can alienate some workers when it is seen as excessive or unnecessary. The role of communications, and the use of social media strategies in establishing members’ wishes are of
increasing importance. Unions can seek to make joining less expensive, and easier to do through the use of information technology.

Unions provide a range of services for their members other than support in the event of a workplace grievance. This includes professional development, education and training, as well as opportunities to avail of discounts and holidays. This tradition is particularly pronounced in the Nordic countries, but even here it is receding. Nonetheless, the provision of services is a way of promoting and maintaining members.

An important role for union confederations in the day-to-day activities of its affiliates comes through research activities. This has become increasingly important during the Eurozone and financial crises, as unions require expertise and knowledge to represent their members’ interests through lobbying, and via courts. An important source of union research activity is the German Friedrich-Ebert-Stiftung (FES) foundation, linked to the German centre-left Sozialdemokratische Partei Deutschlands (Social Democratic Party/SPD). Research activities help unions to develop effective media strategies, to identify best practices, to potentially reach new members, and to be taken seriously in public discourse. The European Trade Union Institute (ETUI), the in-house think-tank of ETUC, also plays an important role in this respect.

The analysis of this mode involves the consideration of both moderate and militant forms of activity, the cultivation of associational, structural and potentially organisational power, and - recalling the Webbs’ principal trade union activities - elements of mutual assurance.

Mode II: ‘institutions and social partnership; the unions, the state and the law’

Mode II looks at ‘institutions and collective bargaining; the unions, the state and the law’. This considers how unions wield influence through involvement in state-supported industrial relations machinery, and covers different forms of legal enactment, social dialogue, collective bargaining exchanges, recourse to dispute settlement arrangements, action via courts, and lobbying activities. Pochet (2015) sees the institutions that enable collectively agreed gains to be extended to as much of the workforce as possible as a core pillar of union power. Activities within this mode have been central to post-war industrial relations. Recourse to these more
moderate forms of power can be effective, and can cause the ‘violence of the market to be tamed’ (Schonfield 1965, p66-67).

An important source of power for unions over the past century, especially as traditional sources have waned, has been through governments (Brown 2017). Governments regulate the labour market, and set the rules which govern collective bargaining, union recognition, statutory wage-setting, and the unions’ right to exist. Thus, unions seek to secure legislation that is favourable to their members, and pursue the ‘political transformation of society’ (Clegg 1976, p4) – what the Webbs termed the unions’ ‘legal enactment’ function. This mode relates to union relations with employers and governments, and reflects a socially cohesive and business unionism orientation. Returning to Huzzard et al. (2004)’s metaphor, it is decidedly dancing over boxing, although negotiations can be adversarial. Key elements which shape industrial bargaining relationships include their continuity and sustainability, the number of distinct issues at play, and the existence of trust between parties (Brown 1995, p1020). These factors are shaped by each union’s socio-political context.

Essentially all trade unions – regardless of orientation - have a collective bargaining role (Schulten & Van Gyes 2015), but the extent and nature of engagement varies. In some cases, collective bargaining has always been the unions’ primary function, while elsewhere a serious orientation to bargaining is a more recent phenomenon. Where collective bargaining happens, it is provided for in different ways, and to different degrees, in law and custom.

In several countries, the confederations are directly involved in wage determination. A feature of post-1945 social policy in Europe is the formation of social pacts in certain countries\(^9\). Social pacts are a form of peak- or sectoral-level social dialogue that involves a process of tripartite or bipartite negotiations between major interest groups, including unions, employer organisations, and sometimes governments. Social pacts usually deal with both pay, and non-pay issues. The inclination of actors to form social pacts is rooted in the same corporatist tradition of political exchange as that which underpins a tendency towards collective bargaining. They are institutions of socio-economic governance which establish the rules designed to shape economic policy, and guide interactions between the social partners.

\(^9\) As this research concerns the peak-level confederations, the consideration of collective bargaining is largely limited to the formation of national, and in some instances, sectoral-, level social pacts, and to the ways that confederations influence domestic bargaining practices.
As discussed, at EU-level a limited form of social dialogue exists through the auspices of the European social dialogue, which has yielded regulations in areas including working time, part-time and agency work, and information and consultation rights.

While enterprise-level agreements adjust wages to the conditions faced by firms, national agreements adjust wages and prices in response to macroeconomic conditions (Blanchard et al., p20). This was the idea underpinning the Rehn-Meidner model adopted by the Swedish social partners in the 1950s (Erixon 2010). In Austria, the Netherlands and Belgium, institutions of peak-level tripartite concertation date back to post-war reconstruction. Italy and Ireland, despite their traditionally adversarial traditions, saw social pacts agreed in more recent decades ((Baccaro & Lim 2007). Greece and the UK failed to ever complete social pacts, (despite efforts in Greece throughout the 1990s) (Ioannou 2010). The crisis has seen the collapse of these arrangements in some quarters, as we shall see.

In the immediate post-war era, dialogue between the social partners can be regarded as positive-sum, where powerful unions agreed wage-restraint in return for improved social welfare provision, and a share in future growth (Crouch & Pizzorno 1978). The social pacts of the 1980s and 1990s, by contrast, were linked to efforts to reduce public deficits in line with the Maastricht convergence criteria (Regini 2000; Hancké et al. 2007; Fajertag & Pochet 2000). These pacts were agreed between relatively weak unions, and governments and employers, all suffering from the erosion of national competitiveness (Avdagic et al. 2011; Crouch 2000a). The emphasis had shifted from ‘gain-sharing’ to ‘pain-sharing’ (Gumbrell McCormick & Hyman 2013, p117). The exchange increasingly became one of ‘competitive corporatism’ (Molina & Rhodes 2002) with unions seeking ‘least-worst’ outcomes rather than positive gains.

Social pacts may engender trust and predictability (Crouch 2000b, p79). A common theme across comparative accounts of social pacts, remains the need for a shared understanding of the situation, so as to facilitate cooperation (Ioannou 2010; Fajertag & Pochet 2000). Trust among social partners appears to be just as important in bringing about macro-flexibility as the structure of collective bargaining. Actors with little to offer, such as unions and governments in infant democracies or in countries with weak institutions, or social partners within the Eurozone - given the macroeconomic limitations inherent in EMU - can offer each other
stability. However, the adversarial nature of politics in especially southern Europe militates against such arrangements, as we shall see.

The turn to concession bargaining, has, at least to some extent, exposed the limits of trade unionism based primarily on ‘free collective bargaining’. In the absence of social partnership, or where it has been displaced or undermined, unions have been impelled to seek-out broader social and political interventions. This includes through state-supported courts, agencies and dispute settlement bodies which largely concerns the national and sub-national levels. However, transnational bodies, such as the ILO, ECJ and ECHR, are becoming increasingly important (discussed in Mode IV, below). Unions have had varying amounts of success via these avenues, which is considered in Section III.

The crisis has seen the centre-ground of mainstream parties collapse, with social democratic parties in a particularly acute state of crisis (Gruber & Bale 2014), and the imposition of austerity and cuts to the social wage. The opportunities for unions to assert themselves through institutions and courts will become increasingly important, as unilateral action by governments side-lines the social partners, and as the vagaries of globalisation undermine the capacity of unions to mobilise.

Mode III: politics and coalition formation; the unions and alternative sources of legitimacy

Too much is made of the zero-sum nature of industrial relations. Unions often compromise and share to pursue their interests. Infamously, Gramsci (1971, p77) tells us ‘the trade-union movement is nothing but a political movement’. Mode III considers ‘politics and coalition formation; the unions and alternative sources of legitimacy’. Unions can seek to arrest their decline and exert influence by mobilising ‘borrowed resources’, through the formation or strengthening of coalitions and alliances with political parties and civil society actors. Coalitions may be short-term or long-term and can involve permanent alliances or temporary campaigns. Relations between unions and political parties and civil society actors are nothing new, but these have been changed, and often strained, during the crisis. Here unions mobilise coalitional power (Brookes 2013) which can lead to moral power, as unions acquire increased legitimacy, and possibly logistical power, as unions ‘borrow’ resources, acquiring efficiency gains. This mode represents more indirect forms of influence and reflects elements of both the
radical and social cohesion orientations. It involves both moderate and militant activities, and among other things, relates to legal enactment, as the aim of such coalitions and alliances is often to affect a change in legislation.

Relations between confederations and parties vary in intensity and formality. For unions, these relations involve a trade-off between political power and autonomy. Unions from across the political spectrum engage with political parties, although the radical revolutionary fringes, including the syndicalist movements and some Leninist-influenced tendencies, regard involvement in parliamentary politics as indulgent and counter-revolutionary. These radical elements were at their zenith in southern Europe in the first half of the twentieth century, and today their presence is residual. Some organisations of the business unionism orientation also eschew involvement in politics, focusing purely on workplace matters (Perlman 1928).

As discussed, unions have espoused different ideological orientations throughout history. These orientations are defined by the cleavages between capital and labour, between secular (socialist) and religious (Christian) ideologies, and between reformist and revolutionary political outlooks (Ebbinghaus 1995). The dominant nexus is between unions and social democratic or leftist political parties, but in some countries – including Belgium, the Netherlands and Austria – durable alliances exist between unions and parties from the Christian democratic and (in the Belgian case) liberal traditions.

Hayward (1980, p5-6) identifies different types of union-party relationship: unions can seek to control a political party, which he terms the Leninist model; a party can be created by the union, with the task of advancing the union’s interests; and Unions and parties can be interdependent, in a social democratic model of intimate mutual dependence. Unions can also mobilise their members within the democratic structures of allied parties.

In the decades before the crisis, established linkages between unions and political parties almost universally weakened, giving-way to looser attachments and in some instances, divorce (e.g. between the Swedish Social Democratic Party\(^{92}\) and the blue-collar LO confederation\(^{93}\)). Mainstream parties - that is, the traditionally electorally dominant parties of the left and right

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\(^{92}\) *Sveriges socialdemokratiska arbetareparti/SAP*

\(^{93}\) *Landsorganisationen i Sverige/Swedish Trade Union Confederation*
- are in rapid decline. Social democratic parties have implemented employer-friendly austerity legislation, which further strains relations with unions (Keating & McCrone 2013). In a post-Keynesian world, it is increasingly unclear what social democracy stands for.

As discussed, relations between unions and mainstream parties have been further complicated as voters turn to populist and challenger alternatives, many of which advance similar economic and social programmes to traditional social democratic parties, including interventionist economic policies and strong social protection (Kriesi et al. 2008).

European integration has not marked the end of the nation state, but rather a consolidation of its powers, as governments and parliaments agreed the terms of bailouts, public sector reforms, and assaults on the welfare state, albeit under intense political pressure. The need for unions to influence governments and political parties is clear. As unions seek to broaden their appeal beyond the shrinking minority of the manual working-class and public sector, involvement in social movement unionism, and the formation of coalitions with civil society actors, may help unions acquire influence.

Social movement unionism is a trend in contemporary trade unionism that calls for unions to form coalitions with civil society actors to campaign collectively on issues of social and economic justice (Upchurch et al. 2009, p16; Gajewska 2008, p106). Prompted in no small part by defensive responses to their circumstances, unions display increased willingness to form such alliances (Bieler 2006, p211). As discussed, unions can act as both a ‘shield’ to protect the interests of workers, and as a ‘sword of justice’ to address matters beyond pure labour market issues, including the environment, equality, and issues of tax justice (Flanders 1979). Sometimes these overlap, particularly during the crisis, when cuts to public spending and assaults on the welfare state can be construed as attacks against the conditions of workers, and against the human rights and dignity of citizens (Gajewska & Niesyto 2009).

Union decline can be partly traced to the emergence of ‘post-materialist’ issues including gender and environmental issues, which aren’t easily accommodated within traditional union frameworks and value systems (Taylor 1993). Alliances can involve unions in campaigns that are of interest to their members, but which unions find difficult to sustain by themselves. Alliances allow unions to access knowledge, expertise, financial and physical resources they lack (Frege & Kelly 2004, p139-141). Alliances can provide a source of logistical power, and
can cultivate moral power, by advancing a social vision. In keeping with activities in Mode I, alliances can provide opportunities for unions to reach out to new, often hard-to-reach constituencies, including ethnic minorities, young people, and precarious workers. Unions can learn from the ‘imagination and spontaneity of NGOs’ (Hyman 2001, p24), and alliances may encourage political revitalisation (Waddington 2005, p534; Gumbrell McCormick & Hyman 2010).

Alliances can expose the inherent tension between unions acting as representatives of vested interests, and in the interests of society at large. Potential civil society partners may see unions as ‘part of the establishment’, particularly if they have been formally involved with the state apparatus (Doyle 2016). Unions, usually see themselves as democratic, and must contend with NGOs and organisations which often lack democratic structures. These factors make it difficult for alliances to form in the first place, and to be sustained in the longer-term.

The main ideological orientations in which unions were founded have been exhausted. The need for new alliances becomes pressing, particularly as unions strive to be seen as part of an alternative to market liberalism and austerity. As old ideologies collapse, can ‘Europe’ provide a new moral inspiration? Specifically, can traditionally nationally-elaborated modes of influence be transposed to the transnational level (Bieler 2006; Erne 2008)?

Mode IV: ‘trade unions and the European-level; beyond the national shell’

Researchers increasingly place national industrial relations in a broader context which accounts for trade unionism’s transnational character (van der Linden 2003, p3). There is a long history of European trade unions being active beyond their national boundaries, by cooperating transnationally and engaging with European issues (Furâker & Bengtsson 2013), both directly and indirectly. For many unions, ‘international’ is understood primarily to mean ‘European’, given the sophistication of EU-level industrial relations.

Given the pace of European integration, many of the greatest challenges facing unions now emanate from EU-level. Mode IV, ‘trade unions and the European-level; beyond the national shell’, includes the multifaceted nature of the EU dimension of trade union influence. This

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94 Seen in the recent union victory in the Uber case in the UK (see GMB, 2016)
includes union confederations’ engagement with EU-level actors and institutions, with other confederations, and with ETUC.

The notion of ‘scale’ refers to the geographical and socially-constructed understanding of the local, national, international, and global spaces of human interaction (Brookes 2013, p186; Lier 2007, p823). The exercise of power can be multi-scalar (Ellem 2006, p374) as actors shift their locus of engagement, and conflict can play-out on multiple levels simultaneously (Cox 1998, p2; Herod 2001, p43). European trade unions move between several levels of contestation including the domestic, supranational, and international levels. This mode overlaps with the previous three, but sees actions play-out at EU-level, and can include the full range of aforementioned forms of power (i.e. structural, associational, organisational, institutional, coalitional and moral).

Some confederations have a tradition of being active independently at EU-level, through both ad-hoc, and structured lobbying, while others work through and with established organisations. Larsson (2015) identifies seven channels of EU influence for unions, namely: ETUC and their affiliated European Trade Union Federations (ETUFs, e.g. EPSU, EMF, EUROCOP), permanent offices in Brussels, national political parties, MEPs, regional union networks, and NGOs. Larsson might have added the European Economic and Social Council (EESC) and European Works Councils (EWCs) to this list. An important distinction relates to the degree to which unions emphasise the ‘national route’ or the ‘Brussels route’, when seeking to influence EU-policy (Greenwood 2007).

Some confederations and unions maintain offices in Brussels specifically tasked with lobbying EU and international institutions. The most committed confederations in this regard are the Nordic, Belgian and Dutch ones, and the British Trades Union Congress (TUC) and German Deutscher Gewerkschaftsbund (DGB). Some big sectoral unions including the German Ver.di and IG Metall, and the British GMB also maintain a permanent presence in Brussels (Gumbrell-McCormick & Hyman 2013, p163).

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95 EPSU – the European Public Services Union.
96 EMF – the European Metalworkers Federation.
97 EUROCOP – the European-level federation for police unions and staff organisations.
98 German Trade Union Confederation.
99 Vereinte Dienstleistungsgewerkschaft - United Services Trade Union, Germany
100 Industriegewerkschaft Metall - Industrial Union of Metalworkers.
Kovacs (2008) contends that the European Parliament provides unions with the most important arena in which to influence the EU legislative process. This is partly due to the relative ease of access Parliament affords compared to the Commission or Council. Equally, the shadowy Parliamentary inter-groups, described merely as ‘the parliament’s forum for discussing important issues’ provide a fruitful, off-the-record avenue for union influence (interview 13: 25.11.13). Intergroups are not official parliamentary bodies, nor do they represent its official view, but ‘bring together MEPs from different political groups to discuss subjects ranging from human rights to economic and social issues’ in an informal and ad-hoc way’ (interview 13: 25.11.13). For the 2014–2019 legislature, 28 intergroups have been approved, including a trade union intergroup. This provides a forum for unions representatives (particularly ETUC) to interact with EU-level politicians and bureaucrats, often before draft legislation is produced. Such activity often has little strategic orientation, and is typically driven by individual policy-entrepreneurs.

Unions can interact with European-level political parties (informally, the Europarties). Regulated and funded by the EU, Europarties are transnational organisations which bring together national parties and individuals from across Europe (Hix 1997). The Europarties seek to influence the EU legislative processes, through their representatives in the Council, Parliament and Commission, and by coordinating the activities of member organisations.

EESC is a ‘consultative body’, established by the Treaty of Rome (1957), populated by representatives from the social partners. The current President, Georges Dassis, is drawn from the ranks of the Greek GSEE. While much work is put into creating reports and opinions on proposed legislation, there is little evidence that much heed is paid to it by the European institutions, by the academy, the media, the public, or indeed, the unions. A former senior EESC figure laments how ‘EESC lost out from the 1980s, when [European level] Social Dialogue was taken away and given to the European social partners’ (interview 14: 05.12.13). Nonetheless, EESC can play a role in bringing issues into public discourse.

EWCs are information and consultation bodies representing workers in MNCs with at least

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101 The European Parliament is the second-most lobbied institution in the world, after the US Congress (Rasmussen 2011, p5)
102 This includes the centre-right European People’s Party (EPP), the centre-left Party of European Socialists (PES), the liberal/centrist Alliance of Liberals and Democrats for Europe (ALDE) and the leftist Party of the European Left (PEL).
1,000 employees, and at least 150 in at least two Member States. This is a form of decentralised social dialogue that reflects the economic expression of the subsidiarity principle (Upchurch 2009, p145). Unions seek to influence the workings of EWCs, although members need not be union members. EWCs can provide opportunities for workers to coordinate their activities and to share best practices, but an ETUC representative dismisses EWCs as merely ‘organs for handling restructuring’ (interview 15: 13.09.16).

Unions can also cooperate independently through the coordination of bargaining policies, as happens in Belgium (Faniel 2012), and can form regional alliances which seek to coordinate strike and other activities (Vogiatzoglou 2015).

Unions can also act through the auspices of global and regional union federations, including ETUC. International trade union federations have existed since the 19th century, when Karl Marx and Mikhail Bakunin founded the International Workingmen’s Association in 1864. Following many iterations and schisms, often over questions of ideology, religion and strategy, the most recent international federation was established in 2006 in the form of the ITUC, with affiliates in 156 countries, covering 166 million workers. ITUC brings together unions from across these divides, and aims to ‘unite trade unions at the global level’ and to represent workers to international organisations including the ILO, United Nations (UN), and World Trade Organisation (WTO). European trade union leaders have been central to the foundation and sustenance of these international organisations. Particularly Dutch and Belgian union figures have frequently held positions at international level, providing four of seven International Confederation of Free Trade Unions (ICFTU) general secretaries and dominating the key positions in the World Confederation of Labour (WCL), two of the forerunners to ITUC. The links between European confederations and ITUC are constructive but limited, and ITUC mainly offers information and advice to its members, without coordinating or organising collective action (Cotton & Gumbrell-McCormick 2012).

ETUC was formed in 1973 to represent workers and unions at European level. ETUC is the world’s most sophisticated regional trade union organisation (Ladmiral 2003, p26). At its founding congress in Brussels, ETUC comprised seventeen national confederations and six sectoral industry committees (the forerunner to the ETUFs), from sixteen European countries,

103 EWC Directive, Article 2(1)(a).
representing 36 million members. By 2017, ETUC membership has swelled to eighty-nine national confederations from thirty-nine countries, and ten sectoral union federations. This includes every major trade union confederation in Europe, including those with Christian and Communist legacies (which were initially excluded), from both inside, and outside the EU, covering forty-five million members. Membership has grown in absolute terms in this era of rapid membership decline (Tilly & Degryse, 2013).

As discussed in the introduction, since the earliest phases of European integration, unions have been directly involved in the European-level legislative processes (Haas 1958). The EU-level social partners, including ETUC, remain the only civil society actor to be enshrined in the EU treaties given the institutionalisation of European Social Dialogue. ETUC and its constituent ETUFs have developed a ‘social partnership’ orientation which is advanced mainly though multi-sectoral social dialogue. The prominence of EU-level social dialogue has been undermined in recent years, with the Commission, once the champion of trade union involvement in European affairs, showing less and less favour towards it.

ETUC has shown itself capable of combining its role as a social partner with the more campaigning approach associated with social movement unionism. ETUC cannot call strikes itself. This remains a matter for national organisations, undertaken in line with national procedures and laws, but ETUC can play an important coordinating role. ETUC coordinates both centralised events (known as ‘Euro-demonstrations’ and decentralised events (known as ‘action days’) – 28 in total since 1993, and notably, none since 2013 (etuc.com 2017[2]). These events require significant resources, and participation is far from uniform (Dufresne 2015). A further important dimension of ETUC’s activities comes through its independent training-centre and in-house think tank ETUI, which helps to disseminate information to ETUC members, and promotes and supports the work of EWCs.

ITUC and ETUC are independent, but campaign closely on issues including trade union rights, equality, and the environment. The two organisations are headquartered in the same building, International Trade Union House, in Brussels. ITUC suffers acute versions of two of the major challenges facing national and regional federations: meagre financial resources, and members unwilling to cede hard-won powers to the international level.

Institutional power resources are typically more limited at international-level, seen for example
in the relative weakness of the ILO compared with many domestic tripartite structures. As the most highly-evolved regional industrial relations system in the world, EU-level structures are different. Despite the turn to austerity, and the withdrawal of the Commission from social dialogue, the EU-level still provides unions with important opportunities for influence.

Writing four decades ago, in the years following the establishment of ETUC, Clegg (1976) described how the nature of union involvement at European level, and the priority afforded to it, differs markedly throughout Europe. Differences reflect factors including available resources, geography, ideology, opportunity structures and human agency. Most if not all unions are at least rhetorically internationalist in outlook (remembering Marx’s celebrated dictum – ‘all workers of the world unite’). Nonetheless, EU-action is usually seen as of second-order importance, and EU-level activity frequently remains the purview of individual policy-entrepreneurs and pioneers – as is the case with respect to union involvement with EU-level political parties (see discussion of Mode III on p119).

Conclusion

Increasingly, there seems less and less that unions can do for their members. It may be that confederations can step in to fill the gap, as unions lose out at the sectoral, national and local levels. Strong, well-organised confederations can achieve a lot. Can confederations take measures to prevent unions from wasting away? Do confederations and unions still command the loyalty of their members? Do traditional union power resources remain relevant? The following chapters seek to explore these questions.

This research is concerned with the ways unions exert influence. Having considered the theoretical nature of power in the last chapter, this chapter paints a picture of what union power now looks like, and considers how unions mobilise influence. These challenging times present unions with threats which may be existential for some organisations, but which also provide opportunities for union revitalisation, which challenge old modes of thinking and operating. The next section reviews how these modes have manifested during the crisis. The evidence presented shows unions as complex, responsive organisations, populated by leaders and members who have (in some instances) responded creatively to the challenges posed by austerity.
Section III Empirical context - European trade union influence under austerity (2008-2016).

The final three chapters (Chapters 7-9) review the political and industrial relations contexts in Greece, Ireland and Belgium respectively. Each of these countries joined the European Communities at different times, use the euro, and fit into a different industrial relations grouping, as outlined in Chapter 4. Each chapter is broken into two parts. The first part reviews the history, political context, and most important actors, institutions and practices of each national industrial relations system, with a focus on the national trade union confederations. This part also considers the impact the crises, outlined in Chapter 2-3, have had on industrial relations practices. The second part of these chapters reviews the activities of the union confederations since 2008. The analysis is based on the four modes of influence outlined in Chapter 6. As discussed, these modes are overlapping and do not provide an exhaustive account of what unions do, but rather provide a review of some of the unions’ main activities and priorities. At this important juncture for the European project, a comparative analysis of this sample is timely and relevant.

Table 4 provides details of union density across these cases, table 5, details of collective bargaining coverage, and table 6, details of the number of days lost to strikes. Table 7 provides some relevant comparative political, economic, and social data\textsuperscript{105}.  

\textbf{Table 4: Trade Union Density (TUD), Greece, Ireland and Belgium 1960-2013}

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</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>42</td>
<td>42</td>
<td>54</td>
<td>54</td>
<td>56</td>
<td>54</td>
<td>55</td>
</tr>
<tr>
<td>Greece</td>
<td>28</td>
<td>33</td>
<td>39</td>
<td>34</td>
<td>25</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>Ireland</td>
<td>45</td>
<td>53</td>
<td>57</td>
<td>51</td>
<td>36</td>
<td>35</td>
<td>33</td>
</tr>
</tbody>
</table>

\textbf{Table 5: Collective Bargaining Coverage (CBC), Greece, Ireland and Belgium 1960-2013}

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</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>80</td>
<td>85</td>
<td>96</td>
<td>96</td>
<td>96</td>
<td>96</td>
<td>96</td>
</tr>
<tr>
<td>Greece</td>
<td>80</td>
<td>82</td>
<td>84</td>
<td>85</td>
<td>82</td>
<td>64</td>
<td>40</td>
</tr>
<tr>
<td>Ireland</td>
<td>41</td>
<td>42</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>41</td>
<td>34</td>
</tr>
</tbody>
</table>

\textsuperscript{105} These tables are presented to provide the reader with access to data which can allow some understanding of the socioeconomic conditions in each country, and the relative differences between them. They do not contribute substantively to the thesis, but gives the reader some overview of the socio-political context in each country. For graphical representations of this data see Appendix II.
Table 6: Number of days lost to strike, Greece, Ireland and Belgium 2000-2015

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>51-100 days</td>
<td>51-100 days</td>
</tr>
<tr>
<td>Greece</td>
<td>Insufficient data exists.</td>
<td>Insufficient data exists.</td>
</tr>
<tr>
<td>Ireland</td>
<td>20-50 days</td>
<td>&lt;20 days</td>
</tr>
<tr>
<td>EU Average</td>
<td>53 days</td>
<td>38 days</td>
</tr>
</tbody>
</table>

Table 7: Political, economic and social context, Greece, Ireland and Belgium

<table>
<thead>
<tr>
<th></th>
<th>Belgium</th>
<th>Greece</th>
<th>Ireland</th>
<th>EU Average</th>
<th>Eurozone Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>11.2 million</td>
<td>10.8 million</td>
<td>4.5 million</td>
<td>508 million</td>
<td>336 million</td>
</tr>
<tr>
<td>GDP 2000</td>
<td>€29700</td>
<td>€18100</td>
<td>€40900</td>
<td>€23400</td>
<td>€25800</td>
</tr>
<tr>
<td>GDP 2008</td>
<td>€33100</td>
<td>€21800</td>
<td>€41800</td>
<td>€26100</td>
<td>€28900</td>
</tr>
<tr>
<td>GDP 2016</td>
<td>€37500</td>
<td>€16200</td>
<td>€58800</td>
<td>€29100</td>
<td>€31700</td>
</tr>
<tr>
<td>Unemployment 2000</td>
<td>7.2 percent</td>
<td>11.22 percent</td>
<td>4.43 percent</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Unemployment 2008</td>
<td>6.97 percent</td>
<td>7.76 percent</td>
<td>6.4 percent</td>
<td>6.96 percent</td>
<td>7.44 percent</td>
</tr>
<tr>
<td>Unemployment 2016</td>
<td>7.8 percent</td>
<td>23.6 percent</td>
<td>7.9 percent</td>
<td>10 percent</td>
<td>8.5 percent</td>
</tr>
<tr>
<td>Youth unemployment 2000</td>
<td>17.43 percent</td>
<td>29.2 percent</td>
<td>6.9 percent</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Youth unemployment 2008</td>
<td>17.82 percent</td>
<td>21.88 percent</td>
<td>13.3 percent</td>
<td>15.63 percent</td>
<td>-</td>
</tr>
<tr>
<td>Youth unemployment 2016</td>
<td>20.1 percent</td>
<td>47.3 percent</td>
<td>17.2 percent</td>
<td>20.9 percent</td>
<td>18.7 percent</td>
</tr>
<tr>
<td>10 year bond yields 2000</td>
<td>5.59 percent</td>
<td>6.11 percent</td>
<td>5.48 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 year bond yields 2008</td>
<td>4.42 percent</td>
<td>4.8 percent</td>
<td>4.55 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 year bond yields 2012</td>
<td>3.0 percent</td>
<td>22.5 percent</td>
<td>5.99 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 year bond yields 2016</td>
<td>0.48 percent</td>
<td>8.36 percent</td>
<td>0.69 percent</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 7: Trade unions in the Greek crisis (2008-2016).

‘Always strive for excellence and prevail over others, but do not bring shame upon the race of your fathers’.

-Homer’s Iliad, book 6, 208-209.

Part I: Industrial relations in Greece

The above Homeric precept, inscribed on a plaque at the entrance to the 1896 Olympic stadium in Pangrati, central Athens, captures the nature of Greek politics and industrial relations, which is often adversarial, uncompromising, and polarised. Conflict is commonplace, and political rhetoric is often turbo-charged, with a frequently ‘winner-takes all’ mentality displayed by actors. Great emphasis is placed on the desire to win at all costs. A TUC delegation invited to Greece in 1945 to aid with the reconstruction of the Greek labour movement following World War II reported that ‘it was impossible to segregate the trade union position from the atmosphere of tension, suspicion, recrimination and fear of reprisals which was prevalent’ (Jecchinis 1967).

Greece has a population of 10.8 million and is the 16th largest economy in the EU. Approximately 83 percent of employment is in services, with shipping and tourism of particular importance - in 2016, Greece was the 5th most visited country in the EU (Eurostat 2017b), and the Greek merchant navy is the largest in the world, accounting for 15 percent of global deadweight tonnage (IBP 2015, p37). Like Ireland, Greece never really experienced an industrial revolution and the industrial base remains under-developed by European standards. The heavy industry that existed was largely destroyed during the Nazi occupation of 1941-1944, which visited enormous hardship on the Greek people, causing widespread starvation, disease, and social discord (Papandreou 1970). That said, the Greek industrial base which survived was always more developed than its immediate neighbours in south-eastern Europe but even this could not withstand the pressures of Eurozone membership. The economy contracted by 25 percent between 2008-2013, and industrial production averaged -0.95 percent from 2000-2017 (Ioannou & Ioannou 2017).
In the varieties of capitalism, Greece stands out as an exception to the dominant typologies or is simply left out altogether. Regarding industrial relations, Greece is in the MME/State-centred group, alongside Spain, France, Italy and Portugal. As outlined in Chapter 4, industrial relations in this group is characterised by variable levels of bargaining, conflict-orientated bargaining-style and relatively frequent intervention by the state – factors which are all observed in Greece.

The Greek labour market is distinctive for its low proportion of employees, and high proportion of self-employed people. Small and medium-sized enterprises (SMEs) dominate, with 97 percent of enterprises in the private sector having fewer than 20 employees. SMEs account for 86 percent of employment, compared to an EU average of 66 percent (Eurostat 2017a). This makes union organisation and recruitment extremely difficult.

**Modern Greek history**

As throughout the Mediterranean periphery, the post-war alliance between capitalists and the state marginalised organised labour, and saw the adoption of an autocratic and authoritarian management style, which has persisted (Kritsantonis 1998, pp512-520). Legislation (Act 3239/1955) provided for state intervention through compulsory arbitration and allowed for collective bargaining only at multi-employer level, and employers largely refused to recognise unions. The restoration of democracy in 1974, (following the dictatorship of the colonels from 1967, discussed below) saw the introduction of more sophisticated labour relations practices. Act 1264/1982 expanded trade union rights, particularly at enterprise-level. However, the legacy of political repression and autocratic employers prevented truly free collective bargaining from ever emerging. Traditionally, there is strong employment protection, but a weak, highly fragmented welfare system that is subject to politicisation – like much of the Greek public sphere (Kritsantonis 1998, p512).

Greek industrial relations developed in a turbulent political atmosphere marked by a perceived struggle for freedom against a variety of foreign and domestic foes. Jecchinis (1967) argues that there can be no intelligent understanding of the character and organisation of Greek trade unions, or any proper assessment of the problems confronting the movement, without an examination of the socio-economic, political and historical context which conditioned its development.
Unfortunately, there is a paucity of historical literature and data on Greek unions. Most early records were destroyed (either accidentally or deliberately) during the tumultuous years of the Metaxas dictatorship (1936-1940), the Nazi occupation (1941-1944), and the Civil War (1946-1949). This has allowed competing interests to write their own version of union history, which adds to the divisions and tensions between competing factions, and which makes the task of constructing a united movement extremely difficult.

Sweepingly, some key reference points in modern Greek history include the War of Independence (1821-1830) which ended Ottoman occupation which had run from the mid-15th century (known as ‘Tourkokratia/Turkocracy’, Τουρκοκρατία in Greek), the Balkan wars (1912-1913) which saw the Ottoman Empire lose the bulk of its European territory and saw Greece expand into Macedonia and Thrace, World War I, which Greece entered on the side of the Entente in 1917, the Italian invasion of 1940 and subsequent Italian-German occupation (1941-1944), the Civil War (1946-1949), the military dictatorship from 1967, the restoration of democracy in 1974, and Greece’s accession to the EEC in 1981.

During World War II, the Greek government-in-exile under Emmanouil Tsouderos (1941-1944), briefly Sofoklis Venizelos (April 1944) and Georgios Papandreou (April 1944-January 1945) was based in Cairo, and briefly, Naples. The resistance movements which emerged during the occupation – regarded as among the most effective in Europe – were split along ideological lines and set the scene for the subsequent Civil War which was fought between the forces of left and right.

In cooperation with the British liberating forces, under General Scobie, the National Coalition government called for the disbanding of resistance forces of both the left and right. The Communist Party (Κομμουνιστικό Κόμμα Ελλάδας/KKE), mounted a demonstration on Syntagma square in central Athens on December 3rd in opposition to this. The police opened fire on protesters, killing several. While the conflict was brewing for decades, this episode, and the 37 days of violence which followed, known as the ‘December events’ (Δεκεμβριανά/Dekemvrianá), is regarded as the fuse which set the Civil War alight (Jecchinis 1967, pp69-70).

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106 A fate shared by scholars of modern Ireland, as many records were destroyed during the Irish Civil War of 1921-1923 following the burning of the Customs House.
Figures like Aris Velouchiotis, the most prominent leader of the Greek People’s Liberation Army/Ελληνικός Λαϊκός Απελευθερωτικός Στρατός (ELAS/ΕΛΑΣ), the most important armed resistance group and military arm of the left-wing National Liberation Front/Εθνικό Απελευθερωτικό Μέτωπο (EAM/EM), remains an icon of the Greek left, and the Hellenic equivalent of Che Guevara. The Civil War also gave many Nazi collaborators the opportunity not only to evade punishment following liberation through their ardent anti-communism, but to eventually emerge as the post-war ruling class. The memory of the Civil War remains prominent in Greek political discourse, and part of the folk beliefs and cleavages of the labour movement.

During the Civil War the forces of the Greek government - crudely the right-wing - were supported by Britain and the United States, while the Democratic Army of Greece – crudely the armed-wing of the Communist Party, were backed by Yugoslavia, Albania and Bulgaria (Marantzidis & Antoniou 2004), but as is typical with such conflicts, the reality was more complex than simple explanations allow. The Civil War is regarded as an early flashpoint of the Cold War, and represents an early example of great power involvement in the internal politics of a foreign country in the post-war era (Chomsky 1994).

Modern Greek history has been marred by the activities of (largely left-wing) paramilitary urban guerrilla groups including the Revolution Organisation November 17 (Επαναστατική Οργάνωση 17 Νοέμβρη, often ‘17N’) and Revolutionary Popular Struggle (Επαναστατικός Αγώνας’, or ELA/EA). These groups are anti-capitalist and anti-NATO, and have targeted mainly American, British and Greek military interests. They have been responsible for more than twenty deaths and 100 attacks since the 1970s (Kassimeris 2001; Smith 2014).

In 1967, weeks before general elections when centrist and leftist forces were expected to perform well, a cadre of military officers, under Brigadier General Stylianos Pattakos, and Colonels Georges Papadopoulos and Nikolaos Makarezos, staged a successful coup d’état (Kornetis 2013, pp37-83). This can be understood as an extension of the tensions between left and right which characterised Greek politics since the Nazi occupation. The 1973 Athens Polytechnic Uprising, involving students, leftists\textsuperscript{107} and citizens, represented a massive demonstration of popular rejection of the junta. This was followed by an ill-fated coup d’état

\textsuperscript{107} including Maoists and Trotskyists
in Cyprus sponsored by the colonels, which resulted in the collapse of the junta, the Turkish invasion of Cyprus, and the establishment of the disputed Turkish Republic of Northern Cyprus. This episode is still widely regarded as a national humiliation (Aydin & Infantis, 2004).

The Metapolitesfi (Μεταπολίτευση, usually translated as ‘regime change’) is the term used to describe the transitional period following the fall of the junta which put Greece on the path to democracy. The 1974 legislative elections saw the coming to power of the recently formed centre-right New Democracy/Νέα Δημοκρατία party and the return to power of the erstwhile exiled Konstantinos Karamanlis108. Laws liberalising union membership and bargaining were introduced in the following years.

It is difficult to over-state the extent to which Greece’s relations with its neighbours have shaped domestic political discourse. The aforementioned Turkocracy, and the occupation of parts of North-Eastern Greece during the 1941-1944 occupation by Bulgaria frames Greece’s relations with its immediate neighbourhood. Notable also is the drive to secure the country’s claims in the Republic of Macedonia to its north, described as ‘the country’s most cherished national goal’ (Koliopoulos & Veremis 2009, p50). Relations between Greece and its European neighbours again came centre-stage during the economic and social crisis since 2008.

Politics of Greece

Greece is distinctive in Europe in the extent to which class, and the left-right cleavage still applies to its politics. Greece is often referred to as a ‘party-o-cracy’ (in Greek κομματικοκρατία/kommatikokratia, literally ‘domination of parties’), as it is impossible to disentangle political parties and the state from one another (Negrine et al. 2007 p129; Economides & Monastiriotis 2009 p129). It is also impossible to disentangle unions from political parties, as we shall see (Kousis & Karakioulafi 2013; Mavrogordatos 2009). Political allegiances are strong, tribal and fiercely contested, and ‘transcend questions of policy and even ideology’ (interview 16: 15.07.14). Prosperity is often linked to how close one is to the state. A European-level political advisor, remarks that ‘to understand Greece and Greek

108 Konstantinos Karamanlis had previously served as Prime Minister in 1956, 1958 and 1961, with the now defunct Εθνική Ριζοσπαστική (National Radical Union).
politics, you must understand that everything relates to patronage’ (interview 17: 22.11.13). The provision of employment by the state to curry political favour is a theme which emerges frequently. Standing (2010, p89) gives the example of how 75,000 civil servants were added to the already large public sector between 2004-2009 by the New Democracy government (see Ioannou 2016).

Institutional weakness, low-level corruption, and clientelism are features of modern Greek politics. An Athens-based Western diplomat describes Greece as ‘essentially governed by clientelist relationships, old allegiances and party divisions’ (interview 16: 15.07.14). The nexus between politicians and owners of big businesses remains strong, and Simitis (1989, p13) sees politics as ‘primarily an arena for the mobilisation of sectoral economic interests’. An ILO official confirms, regarding the economic crisis, ‘in Greece, wages have never been the problem. Greece’s is an administration and a governance problem, and unfortunately a problem of corruption….Greek politics, at all levels, suffers from clientelism’ (interview 11: 06.05.14); a former minister describes Greece as ‘a para-state’ and ‘not a real democracy’, given its institutional shortcomings (interview 18: 03.07.15)

Greek politics and the role of ‘the other’

Direct foreign (particularly American and British) involvement in Greek internal affairs was common throughout the last century, and suspicion of foreign intrusion remains widespread. The Truman doctrine – the American foreign policy designed to oppose Soviet expansion following World War II – was initiated in 1947 specifically with Greece and Turkey in mind (McGhee 2016, pp35-51). More recently, this ‘intrusiveness’ manifests in the conditionality attached to Greece’s financial bailouts, and the installation of the non-elected technocratic prime minister Lucas Papademos in 2011 (Theodoropoulou & Watt 2011). Papademos enjoyed a majority of support in parliament, as his installation allowed politicians to escape responsibility for the forthcoming second bailout. A centrist academic, close to senior politicians, identifies a ‘blame game’ in Greek political discourse, with the losers of any era ascribing their problems to the fault of ‘others’, which, during the crisis, have often been ‘Germany, the IMF, the EU, or migrants’ (Vettas 2016).
In Greek mythology, Cerberus is the three-headed dog that guards the gates to the underworld. In 2014, *The Economist* described the Troika as ‘the three-headed monster that now traps the country in an economic underworld’ *(Economist 2014)*. According to a Western diplomat this ‘amounts to external political interference to a degree as yet unseen’ *(interview 16: 15.07.14)*. Interviewees express resentment towards the Troika to a much greater extent than, for example, in Ireland, which also sustained a bailout.

**Greece and Europe**

Greece entered the European Communities relatively early, in 1981, in what was the second enlargement round\(^{109}\). In keeping with Greece’s post-war experience, Greek accession was partly to fulfil an early driving force of the European powers’ geopolitical strategy – the provision of a bulwark against the threat of a communist-oriented revolution in especially Greece, Spain, Portugal and Italy, where Communist parties and Communist-oriented unions were strong.

Since 2010, Greece has struggled with institutional weaknesses that were widely acknowledged at the time of accession, but were essentially glossed-over *(Karamouzi 2014)*. The neofunctionalist outlook which dominated European politics at the time, believed that Greece and the other member states would converge through processes of political spillover *(Haas 1958)*. But in the words of a former Greek government minister ‘in 1981, Greece was a developing country, with hand-to-mouth existence for its citizens, and dysfunctional state institutions’ *(interview 18: 03.07.15)*. These shortcomings would come back to haunt Greece – and the European project – during the crisis years.

In March 2000, Greece submitted its application to adopt the euro, and in January 2001 joined the third and final stage of EMU. The government’s position, articulated by prime minister Simitis was that ‘the efforts and sacrifices of the Greek people have borne fruit’ and Greece would join ‘by virtue of its achievements’ *(Panagiotarea 2013, p88)*. However, by 1998, Greece had not met any of the EMU convergence criteria\(^{\text{110}}\) *(Panagiotarea 2013, p85)*. Greece obtained a derogation under Article 109(k), and adopted the euro in 2002 after a transitional period of

\(^{109}\) The first round saw Denmark, Ireland and the UK in 1973. Greece’s entry is also one of only two rounds to involve only one country – the other being the latest, with Croatia in 2013.

\(^{110}\) These are outlined in Article 109(I) TFEU.
one year when the euro was the official currency but existing only as 'book money' (Commission 2017c).

To keep within EMU guidelines, and with the help of Goldman Sachs and other investment banks, the Greek government systematically misreported economic statistics to obscure the true precarious state of public finances. This allowed the government to overspend, while ostensibly meeting EU deficit targets. In reality, many European countries behaved similarly, but Greece’s case was particularly acute (Ovenden 2015). According to a researcher and businessman, familiar with the Greek bailout programmes, EU negotiators dispatched to Greece in 2010 were aghast to learn that there was 'no official reliable record of how many public servants or pensioners there were, and how much these both cost' (interview 27: 08.10.16). It is arguably from here that the symptoms of the Greek economic and social crises originate. The roots however can be traced to the fundamental asymmetry that lies at the heart of the Greek economy, that is, the build-up of a large structural imbalance in favour of tradable goods, as opposed to non-tradables (see Ioannou 2013).

Trade union confederations and employer organisations

There are three levels of trade union organisation in Greece. First-level’ unions are at the enterprise or local level. This level is highly fragmented, with more than 2400 organisations. The Greek union structure is said to reflect the physical geography of the country, defined as it is by mountains, valleys, villages, towns and islands that are physically and socially isolated from one another (Jecchinis 1967). The ‘second-level’ is composed of sectoral, occupational and regional federations, known as ‘work-centres’, of which there are 147. This second level was particularly important during the crisis in the context of calling strikes (discussed below). The third-level structures are the national confederations, of which there are two, and which are themselves composed of the second-level organisations (Panagopoulos 2008).

Founded in 1918, GSEE/ΓΣΕΕ (General Confederation of Greek Workers/Γενική Συνομοσπονδία Εργατών Ελλάδας) operates in the private sector and in undertakings under public control, including banks, public transport, the post office, and electricity and water suppliers. Of the 147 second-level organisations, eighty-three are sectoral/professional federations and seventy-four are regional work-centres, covering about 450,000 members.
Founded in 1920, ADEDY/ΑΔΕΔΥ (Civil Servants’ Confederation/Ανώτατη Διοίκηση Ενώσεων Δημοσίων Υπαλλήλων) operates in the public sector, and is organised according to ministry (e.g. education, local authorities, health). ADEDY is composed of 31 federations, spread across 1300 work-centres, with about 280,000 members (ETUI 2017b).

The confederations are not officially allied to any political party. Rather, members and officers that form trade union factions associate with political tendencies, which themselves associate with different political parties (Ioannou 2000a). This is important when it comes to union elections, as candidates typically identify with competing factions, often making internal politics extremely adversarial (Kanellopoulos & Kostopoulos 2014).

Since the restoration of democracy in 1974, PASKE/ΠΑΣΚΕ (PanHellenic Agonistic Workers Trade Union Movement/Πανελλήνιο Αγωνιστική εργαζόμενοι Συνδικαλιστικό Κίνημα), the tendency aligned with the centre-left PASOK/ΠΑΣΟΚ (Panhellic Socialist Alliance/Πανελλήνιο Σοσιαλιστικό Κίνημα) has been the dominant thread. Support has fragmented during the crisis, but PASKE remains the largest tendency. Notable is the communist KKE affiliated PAME/ΠΑΜΕ (the All-Workers Militant Front/Πανεργατικό Αγωνιστικό Μέτωπο) which is not officially a member of GSEE and often mobilises separately (Kanellopoulos and Kostopoulos 2014). According to an industrial relations expert ‘for PAME their opinion is clear – ‘no’ to everything. They don’t give proposals, they oppose everything, that’s the structure of their minds. They are very old-fashioned’ (interview 19: 10.07.14). A senior government advisor insists that ‘KKE are still a big influence in the labour movement, especially in the private sector and in public utilities’ (interview 20: 29.06.15), although this is disputed by more moderate voices. The viability and effectiveness of GSEE and ADEDY are threatened by a rise in support for PAME and alternative movements.

The confederations maintain a small workforce, and according to a centre-left MEP and industrial relations expert ‘have a culture of seconded representation…with people moving from the shop-floor straight to trade union leadership’ (interview 21: 16.01.15). While this helps keep the union leadership close to the ‘rank-and-file’, officers are typically paid by their employers, and not by members. Thus, unions lack economic independence, and much of the power that unions wield comes from their relations with the state apparatus. Union power remains tightly linked to government support, which as the crisis has shown, can be easily
withdrawn. The unions and the state enjoy an almost symbiotic relationship, but peak-level social dialogue remains extremely limited (discussed below).

While the confederations are known for coordinating direct action and strikes they also direct a range of institutions which provide support to their affiliates. This includes the nominally apolitical Institute of Labor - Vocational Training Center/Ινστιτούτο Εργασίας-Κέντρο Επαγγελματικής Κατάρτισης (INE/GSEE-ADEDY/INE/ΓΣΕΕ-ΑΔΕΔΥ), which serves as a union think-tank. The Centre of Planning and Economic Research/Κέντρο Σχεδιασμού και Οικονομικής Έρευνας (ΚΕΡΕΑ/ΚΕΠΕΑ) provides information and legal advice to workers and the unemployed, and the Centre of Educational Policy Development/Κέντρο Ανάπτυξης Εκπαιδευτικής Πολιτικής (ΚΑΝΕΠ/ΚΑΕΠ) supports (especially GSEE) in education, policy-design, and research and development activities. Finally, the National Institute of Labor and Human Resources/Εθνικό Ινστιτούτο Εργασίας και Ανθρώπινου Δυναμικού (ΕΙΕΑΔ) founded in 1993 as a joint venture between the social partners and the Ministry of Labour, contributes to policy-making in the areas of employment, labour relations and training.

The interests of the confederations do not always overlap, and they can operate separately. A GSEE official contends that ‘GSEE bargains collectively with employers, while ADEDY talks directly to ministers’ who maintain a high degree of political and financial autonomy (interview 22: 02.07.15). In keeping with the adversarial rhetoric, GSEE Secretary General Giannis Panagopoulos describes Greek austerity as ‘socially unjust’ and the international creditors as ‘the sharks of international markets and Brussels’ (Telegraph 2010). An expert in Greek industrial relations notes, somewhat cynically, that ‘the confederations don’t do much else, and to be honest, they don’t have the respect of the people’ (interview 23: 07.07.15).

There are four main employer organisations. The Hellenic Federation of Enterprises/Συνδέσμου Επιχειρήσεων και Βιομηχανιών (SEV/ΣΕΒ) represents large employers and is a member of BusinessEurope. The Hellenic Confederation of Professionals, Craftsmen and Merchants/Ελληνική Συνομοσπονδία Επαγγελματιών, Εμπόρων και Εμπόρων (GSEVΕΕ/ΣΕΒΕΕ) represents SMEs and is a member of UEAPME. The Hellenic Confederation of Commerce and Entrepreneurship/Ελληνική Συνομοσπονδία Εμπορίου & Επιχειρηματικότητας (ΕΣΕΕ/ΕΣΕΕ) represents SMEs, particularly in export sectors, and is a member of both UEAPME and EuroCommerce. Finally,
the Association of Greek Tourism Enterprise/Σύνδεσμος Ελληνικών Τουριστικών Επιχειρήσεων (SETE/ ΣΕΤΕ) represents employers in the tourist industry (ETUI 2017b).

Greek industrial relations landscape

Unions in Greece have the right to undertake collective bargaining, to sign collective agreements, and to call strikes, but there has been limited institutionalisation of free collective bargaining. Industrial relations are governed by a legal framework, which, since 1909, has defined the relationships between employers, unions, and the state in detail (Ioannou 2000b). However, engagement between the social partners and the state remains relatively underdeveloped and ad-hoc by European standards. Industrial policy is typically formed without the systematic input of the social partners, with actors accommodated flexibly and often informally through legal derogations (Koukiadaki & Kokkinou 2016, p2). Collective bargaining tends towards being decentralised, particularly since 2010, and in the event of industrial conflict, actors often seek confrontation.

The lack of reliable data is a consistent problem when undertaking research on the Greek economy and labour market. Between 2004-2010 Eurostat sent ten delegations to Athens to investigate the data provided by government, and to work with Elstat (ΕΛ.ΣΤΑΤ - Ελληνική Στατιστική Αρχή, the national Hellenic Statistical Authority), to seek to improve the reliability of the statistics they produced. A 2010 Commission report accused the Greek government of falsifying data, and of engaging in political interference (Commission 2010b). In response, the Finance ministry made Elstat an independent legal entity, beyond the reach of political influence, but data from Greece must still be handled with a degree of scepticism (GMF 2010; Panagiototarea 2013).

Between a fifth and a quarter of Greek employees are union members. Collective bargaining coverage is low, at around 10 percent, having fallen sharply from between 60-80 percent pre-2010. Union membership in the public sector is higher (around 70 percent) than the private sector (below 20 percent) (Fulton 2013)\textsuperscript{111}. Trade unionism is largely the concern of the state’s

\textsuperscript{111} Figures from the unions claim density of around 22 percent. The ICTWSS (2013) database puts density in 2011 at 25.4 percent and bargaining coverage at 65 percent. The ICTWSS Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, in 34 countries between 1960 and 2012, compiled by Jelle Visser, at the Amsterdam Institute for Advanced Labour Studies AIAS, University of Amsterdam, Version 4, April 2013 (see http://www.uva-aias.net/207)
own employees, including employees in undertakings under public control, including public utilities and transport.

The right to strike is protected under Article 23 of the 1974 constitution, and in law 1264/1982. Only unions can call strikes, and lockouts are illegal. Courts can determine if a strike is lawful and proportionate - that is, whether the anticipated benefit from striking exceeds the economic damage that the employer might incur (ETUI 2017b). Reliable data on the number of days lost to strikes is lacking (ETUI 2016), but striking remains central to Greek political culture, and Greece experiences some of the highest rates of strike-action in Europe (Osborne 2016).

Much social unrest has been recorded since 2010 in both the public and private sectors. GSEE report having organised 28 general strikes between 2010-2015, with 20 lasting 24 hours and 4 lasting 48 hours. GSEE also coordinated hundreds of strikes and work-stoppages in different sectors, although the numbers have fallen consistently since 2013 (ETUI 2016).

In law, first-level unions can only call strikes following an official ballot of members. Minor stoppages of a few hours can be called by the union’s executive committee. Second-level work-centres and confederations may call a strike following a decision of their executive committees. Strikes are not typically sustained for long periods, as unions lack the resources for drawn-out entanglements. Strike action is contingent as much on political factors, as on industrial relations considerations, and may be used to express solidarity (Koukiadaki & Kokkinou 2016).

In practice, the leaders of especially second-level unions can have major influence over their organisations. When asked about the process for calling strikes, a leader of an Athens-based private-sector second-level federation asserts ‘we go on strike when I say we go on strike’ (interview 24: 24.09.15). While doubtless partly bravado, individual trade unionists do wield considerable influence over when strikes and stoppages occur. Actions that are coordinated by the confederations, in practice, often require the support and goodwill of key figures, particularly at this second-level.
Collective bargaining pre-2010

Before 2010, collective bargaining in the private sector was based on Law 1876/1990. This established a multi-level system that provided for agreements at the national-, sectoral-, occupational- and company-levels. There was traditionally limited bargaining in undertakings under public control. Public service wage-formation is defined by law, without recourse to collective bargaining. Between 1990-2008 around 100 sectoral, 90 occupational and 150 enterprise-level agreements were completed, and between 2008-2014 bargaining coverage falling from 65 percent to 10 percent (ETUI 2017b).

Since the 1980s, labour market regulation has been influenced by EC membership. While Greece lacks a tradition of social dialogue, a limited form was introduced in the context of preparing for entry into EMU. The tripartite Economic and Social Committee/Οικονομικό και κοινωνικό συμβούλιο της Ελλάδας (OKE) was created in 1994 to articulate opinions on issues of social and economic policy prior to the incorporation of EU legislation into law, and to provide increased scope for the development of social dialogue and a ‘partnership approach’ to industrial relations. A leftist industrial relations expert contends ‘OKE has made 250 opinions in 20 years, but the government doesn’t put too much importance on what they say...OKE is used to force the unions – the weakest party – to accept the political solutions of employers and government’ (interview 25: 06.07.15).

Still, between 1994-2010, OKE facilitated the biennial General National Collective Agreement/Γενική εθνική συλλογική σύμβαση (EGSSE/ΓΕΔΔ) which provided for a limited form of collective bargaining and social partnership between the peak-level social partner organisations. The EGSSE set the national minimum wage and stipulated minimum terms of employment for all employees regardless of union membership, as well as non-wage issues including health and safety (Aranitou & Yannakourou, 2012). This provided the base-level, and improvements could be negotiated at sectoral, occupational or enterprise levels. The State traditionally stayed out of negotiations and gave effect to agreements through legislation. Attempts to conclude more comprehensive social pacts failed throughout the 1990s and 2000s, particularly regarding working-time legislation,
and attempts to reform the social security system (Zambarloukou 2006), notably by the second PASOK-led Andreas Papandreou government (1993-1996\textsuperscript{112}) (Ioannou, 2010).

Before 2010, if negotiations at any level failed to yield an agreement, parties could appeal unilaterally to the Organisation for Mediation and Arbitration/Οργανισµού Μεσολάβησης και Διαιτησίας (OMED/OMED) which was designed to support the development of free collective bargaining, although these efforts were ‘somewhat piecemeal’ and ultimately failed (Koukiadaki & Kokkinou 2016, p136-138). Unilateral recourse to OMED by either party was abolished during the crisis, reflecting longstanding demands by SEV, the main employers' association, but was reinstated in 2014 (ETUI, 2017b).

The Greek crisis 2010-2016

While the crisis has ushered in nearly a decade of austerity and swingeing structural reforms throughout Europe, it is in Greece where the effects of austerity have been felt most acutely. Since 2010, Greece has endured the deepest social and economic crisis experienced anywhere in the developed world since the Great Depression (Cutcher-Gershenfeld et al. 2015; Tsakalotos 2011; Achtsioglou & Doherty 2014). Despite the major economic divergences which emerged in the Eurozone (see Chapters 1-2), Greece has been ‘in a league of its own’ with its combination of persistent fiscal imbalances and protracted losses of competitiveness (Panagiotarea 2013, p121). The Troika’s reform agenda in Greece is consistent with the view that the Greek economy’s lack of competitiveness had been caused by labour market rigidities and strong employment protection legislation (Koukiadaki & Kokkinou 2016).

From 2010, the Greek economy experienced a series of distinct interrelated shocks, which combined to send the economy into a downward spiral, effectively inducing its collapse (Kalyvas 2015, p173). Between 2009-2013, demand fell by 31.3 percent and GDP by 25 percent, unemployment rose to 27 percent with youth unemployment rising to 56 percent, and undeclared work came to exceed 36 percent (INE/GSEE, 2013; Commission, 2013). Large parts of the state atrophied, seen in the closure of the Hellenic Broadcasting Corporation/Ελληνική Ραδιοφωνία Τηλεόραση (ERT) (Iosifidis 2016), and with accounts of hospitals running out of essential equipment, and rubbish remaining uncollected by local

\textsuperscript{112} The first Andreas Papandreou government served from 1981-1989.
authorities for months (Voussoura 2013). An ILO official noted that during the crisis ‘pretty much everything has gone down, except the debt pile, unemployment and undeclared work’ (interview 11: 06.05.14).

Greece fell into recession in 2007, but continued to auction debt until May 2010, when government bonds were downgraded to junk-status, and the country became unable to borrow on capital markets. The government has (to date) agreed three bailout agreements with the Troika totalling more than €300 billion. The first in 2010 for €110 billion, was due to expire in 2013. The second in 2012 for a further €130 billion, superseded the first, and was due to expire in 2014. This included €48 billion for bank recapitalisation, and debt write-downs of up to 53.5 percent. The third bailout worth a further €85 billion was agreed in 2015, superseded the previous agreements and is due to expire in 2018. The third agreement in particular was introduced amid deep political rancour which brought Greece to the brink of default, and almost precipitated the country’s exit from the Eurozone. This funding is contingent on a package of structural reforms set out in the now infamous ‘Memorandum of Economic and Financial Policies’ (MOU) agreed between successive Greek governments and the Troika (Kalvyas 2015, p171). The bailouts induced enormous hardship and political unrest and precipitated three changes of government between 2011-2016.

An Athens-based ILO official contends that ‘the only rationale from the EU and IMF during the negotiations had been an agenda of competitiveness’ (interview 11: 06.05.14). This view was reiterated frequently during fieldwork. A government official, close to the negotiations in 2015 remarked that the Commission were ‘not the easiest customers’, and, as was reported in Ireland, were more demanding than the IMF. Nonetheless, the IMF ‘only put water in the wine - it was still the same poison’ and the same mantra of competitiveness was forcibly and consistently asserted (interview 20: 29.06.15).

The PASOK government, elected in 2009 with more than 45 percent of the vote, collapsed in June 2011, as the full extent of Greece’s rapidly deteriorating public finances became known. In November 2011, amid intense pressure from elements within the EU113, and with the consent of the major parties, the US-educated former IMF economist Lucas Papademos was appointed leader of a provisional technocratic government (Skelton 2011). Papademos’ primary

113 notably the French and German governments,
responsibility was to deal with the country’s mounting debts, and to agree the terms of the second bailout programme. Runciman (2014, p90) describes high finance as ‘an arcane business’, and it is ‘important that the people who know its secrets can talk to each other’ - ‘Technocracy’ has come to mean rule by ‘those who understand the power of money’. The installation of Papademos is a clear example of this. Relations between Papademos\textsuperscript{114} and ECB chairman Mario Draghi and other figures in the world of finance were key to his suitability for government.

In 2012, at the height of the early phase of the crisis, two rounds of elections were needed to form a government. PASOK suffered losses of 32 percent since the 2009 elections. The leftist SYRIZA (Coalition of the radical left/Συνασπισμός Ριζοσπαστικής Αριστεράς) took 27 percent, up from 5 percent in 2009, and a new national-coalition, led by the centre-right New Democracy (which had polled 30 percent of the vote) was formed under Antonis Samaras.

Greek politics has been transformed by its economic problems. The traditional two-party system, where New Democracy and PASOK had traded places in government since 1974, has ruptured. Support for New Democracy has held up, but PASOK has been almost totally eclipsed, in keeping with the demise of many European centre-left parties (Keating & McCrone 2013).

SYRIZA, the party leading the current government, and the party of prime minister Alexis Tsipras, was swept to power in 2015 on a platform of resistance to the bailout terms. The party (whose name is a pun on a Greek adverb ‘σύρριζα’ meaning ‘from the roots’), resulted from a split within the KKE in 2004, by members who saw the Communist party as too doctrinal. However, many SYRIZA supporters, members, and ministers supported PASOK before the crisis (Ovendon, 2015), and SYRIZA are quickly occupying the centre-left space previously occupied by PASOK. A former PASOK advisor describe the founder of that party, Andreas Papandreou (1919-1996), as ‘a centrist figure who formed a radical party, while Tsipras is a radical figure, trying to create a centrist party’ (interview 26: 09.05.14). An industrial relations expert describes how ‘PASOK has basically changed into SYRIZA, and like them, SYRIZA will veer towards the centre-ground’ (interview 25: 06.07.15). SYRIZA govern with the right-wing

\textsuperscript{114} and later Mario Monti in Italy.
ANEL (Ανεξάρτητοι Έλληνες/Independent Greeks), which broke from New Democracy in 2012.

Following Tsipras’ election as prime minister, tensions between Greece and its creditors increased, particularly at the Eurogroup – the meeting of the Eurozone finance ministers, which became the de-facto steering committee of the Greek bailouts. In June 2015, with Greece teetering on the brink of default, capital controls were implemented in a bid to prevent capital flight. A daily withdrawal limit of €60 from banks and ATMs was implemented. Negotiations at the Eurogroup broke down in June 2015 as Tsipras unilaterally called a referendum on the terms of the proposed third bailout, the offer of which was immediately withdrawn following this move. Nonetheless, the referendum was held on July 5th, and the electorate rejected the proposal by 63-37 percent. Despite this rejection, on July 13th, after 17 hours of deliberations, Eurozone leaders and the Greek government agreed a third bailout, with almost the same terms as the original June proposal.

As above, Greek politics is unique by European standards in the extent to which class politics persists. The success of elements on the hard-left, which are at best fringe movements elsewhere, including KKE, is evidence of this. Coming from the Marxist-Leninist tradition, KKE traditionally polls between 5-10 percent, and are the only party whose support has remained largely unchanged throughout the crisis.

The crisis has also seen the emergence (or in Greece’s case, a resurgence) of ultranationalist far-right politics, with increased support for the neo-nazi ‘Golden Dawn’ party (Λαϊκός Σύνδεσμος – Χρυσή Αυγή/Laïkós Sýndesmos – Chrysí Avgí) (Vasilopoulou & Halikiopoulou 2013). Golden Dawn came third in the 2015 general election with 6.9 percent. Comparing this to the rise of extremist politics in France, an ILO official remarks, ‘the Front Nationale is not anti-systemic, they are extreme but they are not anti-systemic. Golden Dawn are anti-systemic. They pose a real danger’ (interview 11: 06.05.14).

Each bailout was implemented by successive governments, which, taken together, include each of the main political parties (with the exception of KKE and Golden Dawn). The aim of the bailouts was to restore balanced budgets and fiscal competitiveness, while protecting the financial sector. This involved fiscal consolidation, internal devaluation, structural reforms, the selling-off of state assets, cuts to public services and welfare payments, particularly pension
payments, the cutting of ‘red-tape’, the opening-up of closed professions, including pharmacists and lawyers, and tax reforms.

Greek industrial relations in the crisis

The Greek industrial relations landscape has been entirely transformed by the crisis, with far-reaching changes to employment law and labour relations, which were seen as impediments to competitiveness in both the private and public sectors. Collective bargaining has been decentralised and there has been a dramatic decline in the volume and coverage of agreements. An ILO official contends that ‘the industrial relations framework has been gutted’ (interview 11: 06.05.14). A GSEE official laments that ‘before 2012 Greece had a system of industrial relations. It wasn’t perfect, the labour market was fragmented, with lots of undeclared work and various problems – but it was working. Some time in the 1990s, flexibilisation became the central mantra and objective of the EU – through the memorandum, they left nothing standing as far as industrial relations is concerned’ (interview 22: 02.07.15).

Reforms have included reductions in wages, redundancy compensation, and pension and unemployment entitlements; 2012 saw a 22 percent reduction in the minimum wage, and a 32 percent reduction for those aged under 25. Since 2012, the EGSEE no longer determines the minimum wage, which is now set unilaterally by government. Guidelines for determining the minimum wage now include broad, subjective criteria relating to the prospects for the economy, the state of the labour market (including unemployment rates), but also the outcome of consultations between the social partners. While fewer than 20 percent of workers have access to unemployment benefits, reforms have enforced a ceiling on the period of unemployment entitlement, of not more than 400 days over four years (Palaiologos 2013). Starkly, 73 percent of unemployed persons in 2016 are long-term unemployed (ETUI, 2017). The EGSEE now regulates non-wage issues which remain directly applicable to all workers. However, if the agreement provides details of wage-levels, now they only apply when employers sign-up to the agreement, and there is no obligation for them to do so. Act of Cabinet (6/28.2.2012) makes these terms applicable until the ‘expiration of the period of economic adjustment that is prescribed by the MOU signed between Greece and the Troika, annexed to Law 4046/2012 and their subsequent amendments’. As it currently stands, that means until August 2018.
Measures to promote flexible labour practices have been introduced. This includes extending the maximum acceptable period for fixed-term contracts from two years to three, of temporary employment from one year to three, of probationary periods from two months to twelve, and the period of unilaterally enforced part-time work, with pro-rata wage reduction from nine months to twelve (ETUI 2017).

Greek pension politics is central to public discourse, and all unions see pensions as a priority. Greece’s is likely to be the most expensive pension system in the world, approaching 17 percent of GDP in 2016 (interview 27: 08.10.16). Pensions have been cut seven times between 2010-2017, by 27 percent on average and by 50 percent for the highest earners. The pension age is being incrementally increased, as is the case throughout Europe (Radl 2013). The government has agreed further cuts for 2018, under the ongoing bailout programme (Papadim 2017). This is complicated by the fact that pensions are the only declared income in 30 percent of households, and pensioners are increasingly supporting out of work children and grandchildren (Nardelli 2015).

Collective bargaining in the crisis

Reforms to collective bargaining and wage-formation practices are part of the devaluation strategy that is seeking to reduce labour costs in Greece. While the 1990 Collective Agreements Act has not been abolished, under the first two bailouts the collective bargaining system was essentially destroyed, partly because it relied on arbitration and unreliable extension mechanisms. Before 2010, the collective bargaining system was characterised by high coverage and implementation rates, but the system was not fully compliant with European and international legal standards and norms, as extension mechanisms were abused, and compulsory arbitration is also not compatible with the ILO’s vision of free collective bargaining (Ioannou 2012). The favourability principle prevailed, where priority was given to whichever agreement had more favourable conditions, in the event of one of more (i.e. local, sectoral, or national agreement) coming into conflict. Collective agreements were typically extended to entire sectors and were renewed following expiration until a new one was concluded. OMED mediators, and to a certain extent arbitrators, played an important role in resolving breakdowns in collective negotiations.

Nonetheless, pensions have been relatively protected compared to other payments (see Giannitsis & Zografakis 2015).
Extension clauses and the favourability principle have been suspended for the duration of the adjustment programme, allowing enterprise-level agreements to undercut higher-level ones. Collective bargaining has been decentralised to company-level, with no sectoral or national level bargaining taking place. ‘Associations of persons’ (a form of ‘yellow union’\textsuperscript{116}) can now sign agreements with employers at enterprise-level, which was traditionally the exclusive purview of union representatives. These agreements generally stipulate worse terms than those traditionally negotiated at higher levels (Koukiadaki & Kretsos 2012).

Arbitration, once a lynchpin of labour relations, has been ‘neutralised’, as both parties must now consent to arbitration (ETUI, 2017). Unlike the pattern in most capitalist countries, previously there could be unilateral appeal to arbitration by either party without need for mutual consent, although sanctions for employers who refuse to engage were removed in 2012-2014. As above, in 2014, the rules regarding recourse to OMED were reinstated, allowing for unilateral recourse.

Austerity measures have been felt acutely in the public sector, with reductions in salaries of between 7 and 55 percent, the abolition of allowances, increases in working time (from 37.5 hours to 40) without compensation, the suspension of collective bargaining in public undertakings, and dramatic reductions in personnel – over 200,000 departures in total - with a rule of ‘one recruit for every five departures’ being applied. However, job cuts mainly affected those on fixed term contracts, and the majority of job losses occurred through retirements. This has lowered morale and degrades existing expertise in the public sector (Kalyvas 2015, p174).

Legislative initiatives must be approved by the creditors, and, as stipulated in the third MOU, any new labour market policies must align with ‘best European and international practices’. Changes in labour market policies must not involve a return to ‘past policies, deemed incompatible with the goals of sustainable and inclusive growth’ (Commission 2015a). At the Euro Summit in July 2015, when the third MOU was agreed, the government agreed to ‘undertake rigorous reviews and modernisation of collective bargaining, industrial action and, in line with the relevant EU directives and best practice, collective dismissals ’ (van Ours 2016,

\textsuperscript{116} However ‘associations of persons’ had signed collective agreements through OMED previously, because they were unable to form a union to sign a collective agreement, given the requirement to have a minimum 21 members. This ‘associations of persons’ can also act when there is no union presence in the workplace.
These terms are subjective, lack clarity, and expose the subjugation of the Greek government to its creditors.

The third MOU provides for a review of existing collective bargaining and industrial relations arrangements by a group of independent experts. The group was chaired by Dutch academic Jan van Ours and was composed of eight academics and policy-experts. The group made twelve recommendations, which included the reestablishment of centralised pay determination through EGSSE, which should still have regard for ‘the situation of the Greek economy and the prospects for productivity, prices, competitiveness, employment and unemployment, income and wages’¹¹⁷. The group differed regarding the extension of collective agreements, but promoted recourse to arbitration, holding that this should be done under mutual consent, as ‘unilateral arbitration should be the last resort as it is an indication of lack of trust’¹¹⁸. The group set out a wish-list regarding the modernisation of the economy and vocational training systems and recommended ‘the strengthening of a genuine and sincere tripartite social dialogue’¹¹⁹ (van Ours 2016). To date, these recommendations, have not amounted to any major restoration of collective labour rights following the legislative assault of the crisis years.

Providing perhaps the understatement of the economic and social crisis, Koliopoulos and Veremis (2009, p14) asserted that ‘The international financial crisis which is now in full swing may ultimately have a sobering effect on the Greeks’. The crisis has had a devastating impact on the Greek economy, has ushered in years of austerity, and has stoked inter-generational conflict. By the EU’s own poverty standards, Greece is facing not just an economic and social crisis but a humanitarian one, and there is a clear lack of effective and responsive social policy (Politaki 2013; Markantonatou 2013; Kentikelenis et al. 2011). Many reforms are employer-friendly, and it is claimed that employer groups had direct access to Troika representatives (Koukiadaki & Kokkinou, 2016, p6). This all has fundamentally undermined the protective role of labour law in Greece.

The crisis-induced changes have had an enormous impact on union bargaining power, and on the ability of the Greek confederations to mobilise influence. The next section reviews what the confederations have done during the crisis.

¹¹⁷ recommendation 5
¹¹⁸ recommendation 10, p7).
¹¹⁹ recommendation 11, p7
Part II: Greek trade union modes of influence in the crisis.

The 2008-crisis has seriously undermined the autonomy of the social partners in Greece. The limited social dialogue that existed has disappeared. The three main outlets the unions used to mobilise influence were: frequent strike activity, recourse to domestic courts, and some international activity, including a case before the ILO.

Mode I: ‘recruitment, organisation and mobilisation; the unions’ artillery power’

Greek confederations maintain the ability to mobilise, and protests by unions, pensioners, and students have been frequent. These have often turned violent, and some have been marred by rioting, looting, the burning of banks, and even deaths. The violent protests during the ‘December 2008 uprising’ in Athens, which saw 15-year old Alexis Grigoropoulos shot dead by police, and the burning to death of three bank workers in 2010 (Vradis & Dalakoglou 2011), set the tone for a series of violent events, including the 2012 burning of the iconic Neo-Classical Attikon cinema in central Athens – which was said to have ‘survived the Nazis, but not Greek anarchists’ (Dabilis 2012). Protests have typically focused on the state and state personnel, and an atmosphere of civil disobedience prevails. The union confederations were involved in protests, but did not always lead.

Opinions regarding the efficacy of these mobilisations among trade unionists and industrial relations experts is divided. A senior ADEDY official identifies how the confederation ‘took a two-pronged approach to the crisis; firstly, we denied we had to apply the memorandum, and secondly we organised demonstrations, and tried to form coalitions with other European trade unions...At the beginning, things went well, our demonstrations were a big success. We had strikes involving almost 80 percent of workers in the public sector’ (interview 28: 23.09.15)\textsuperscript{120}. While these events were well-supported in the first two years of the crisis, by 2012, following successive reforms and losses endured by unions, they became harder to sustain. The interviewee continued that ‘after a while, the demonstrations and strikes were no longer big and strong, given the increases in unemployment and the austerity reforms which we couldn’t stop...This made many workers feel unprotected, and they no longer turned out’.

\textsuperscript{120} These figures are contested.
An OMED arbitrator declares, regarding union action, ‘Their strikes are not effective – changes happen anyway, and they are ignored’ (interview 29: 06.05.14). Similarly, a senior INE-GSEE researcher contends ‘the strikes have not been effective. I don’t say don’t strike – it’s one of the last things the unions can do, but it’s clear they don’t make a difference’ (interview 12: 22.09.15). A cynical view of the quotidian nature of strikes in Greece is expressed by an employer in the tourism sector, who insists that ‘Strikes usually take place on Monday or Friday, to allow strikers to have a long-weekend’ (interview 30: 17.07.14).

The same interviewee noted that ‘PAME – the KKE trade union – planned an excursion to Corfu to drum up support for strikes. We said ‘before you come, kiss your mother’’, implying that something different is happening in Athens compared to elsewhere in Greece. The largest mobilisations have indeed been in the large cities in mainland Greece, and not in the islands, which have fared relatively better economically given the strength of the tourism sector there.

Greek unions lack economic and political independence. GSEE has been historically close to the state, and especially PASOK, as the PASOK-affiliated faction has dominated its leadership121. A researcher at a pro-European private sector think-tank122 argues that ‘union management has usually been controlled by government’ (interview 31: 24.09.15). These factors have a crippling effect on union autonomy, as unions have not needed to fight for their living, nor have they needed to persuade members to join and pay. This has resulted in recruitment and organisation – at least as it is understood in Western Europe – not being a priority. Identifying the free-rider problem, a government adviser and industrial relations expert notes that ‘In the private sector, you can get all the benefits without being a member’ (interview 20: 29.06.15). This has not changed during the crisis. However, as in France, many non-members participate in, and identify (often strongly) with union activities. Anecdotally, members are often recruited on the day of union elections, with full voting privileges.

However, the INE-GSEE think-tank continues to produce research during the crisis, often directly opposing government and EU-backed policy, but by their own accounts their output ‘has little traction with decision-makers’ (interview 12: 22.09.15). The provision of personal

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121 This was particularly important during the PASOK-led 1981-1989, 1993-2004, 2009-2011 governments.

122 the Hellenic Foundation for European and Foreign Policy/Ελληνικό Ίδρυμα Ευρωπαϊκής και Εξωτερικής Πολιτικής (ELIAMEP/ ΕΛΙΑΜΕΠ)
services is not an important feature of trade union activities in Greece, and there is no emphasis placed on recruitment.

Notably, while both Greek confederations remained involved in mobilisations throughout the period under examination, the mobilisation of workers was not always coordinated by them. The two main confederations are undermined by the steady rise in support for radical, often KKE-backed alternative organisations, which are more militant, and see the established confederations as part of the discredited political class (Vogiatzoglou 2015). This has created challenges for both ADEDY and GSEE, and it has proven difficult for the confederations to maintain a role as any kind of social partner, while at the same time actively mobilising workers. This is unlike, for example in Belgium, where the confederations remain active in both of these theatres of action (discussed in chapter 9, below). There were some mobilisations that directly related to the role of the EU and its institutions in the playing-out of the crisis in Greece (discussed below in the consideration of Mode IV in this chapter, pp157-160), but it is clear that the national level of mobilisation continues to supersede the transnational level in the country.

Mode II: ‘institutions and social partnership; the unions, the state and the law’

Greece lacks a tradition of social dialogue, and what was introduced as part of preparation for entry into EMU in the 1990s, was stripped away during the crisis. Between 1994-2010, at the inter-professional level, the social partners agreed a minimum wage. The minimum wage is now determined unilaterally by government. In the 1990s and 2000s there were missed opportunities for social pacts which ‘were caused by a lack of understanding between the parties’ (interview 32: 22.09.15; Colfer & Ioannou 2017).

During the crisis, the unions did not attempt to lobby the Troika, and refused to acknowledge their legitimacy. This amounts to the unions’ ‘biggest mistake in the crisis’ according to a senior arbitrator (interview 32: 22.09.15). An ADEDY legal adviser describes the unions as being ‘shell-shocked’ as ‘we tried to face the crisis with the usual means...We were invited to talk but we declined. The Troika does not derive from the treaty and we don’t accept it as legitimate’ (interview 33: 02.07.15).
This is a major difference between the approach of unions in Greece and Ireland. A senior arbitrator, notes how in Greece ‘the unions refused to meet with the Troika - but the Troika has an agenda, and you need to try to influence it. The unions said ‘we don’t bargain with the Troika, they are illegitimate’. Even at the height of the bailout talks…there is no deliberation or negotiation. It is madness’. Continuing, this interviewee believes ‘In terms of policy-making there were options; if the social partners could be prepared to bargain, there were opportunities for compromise’. This interviewee, who is close to many union leaders, describes how ‘We tried to get the social partners to see sense, informally, and to accept small freezes and reductions in pay. The unions were not prepared to accept the need for changes and were not willing to bargain…they missed opportunities through a lack of debate. This is a sad story, this is the Greek tragedy’ (interview 29: 06.05.14).

The GSEE and ADEDY leadership were reluctant to publicly meet even the employer representatives. An Athens-based ILO representative describes how he managed to ‘get the social partners to sit down…but they wouldn’t declare publicly that they had even met’ (interview 11: 06.05.14). From attending at GSEE and ADEDY headquarters, the leadership and bureaucracy work under tight security, and are deeply suspicious of outsiders. There is a distinct sense of the organisations feeling under siege, not from employers or international creditors necessarily, but from workers and their own members, and especially from the radical tendencies and challenger unions. GSEE’s Secretary General Giannis Panagopoulos has been attacked in the street, and travels under armed guard (Telegraph 2010).

An EU-level PASOK representative argues that ‘GSEE want to reject things just to show they’re revolutionary, without considering the consequences. To date, in the crisis, the unions have not proposed anything. They really need to change their mentality. They have not yet learned to play the game of constructive industrial relations’. Continuing, this interviewee insists ‘you can always negotiate...even with the Troika, you can always get something, but the trade unions were not mature enough, and since the crisis have not contributed anything to the dialogue’ (interview 39: 21.11.13). There are however some exceptions, for example in the tourism sector, which is ‘pragmatic and show[s] that it can be done – they pay bonuses, and the sectoral agreement has survived’ (interview 29: 06.05.14).

One bastion of primitive social dialogue, came through mediation via OMED. Once a mainstay of Greek industrial relations, mediation has almost totally dried-up. Now, ‘bargaining is
minimal, mediation is minimal, and arbitration is minimal’ following the memorandum reforms. Notwithstanding this, this interviewee, who remains optimistic about the future for Greece, believes that ‘mediation is under-utilised’, and could provide the foundations for more assertive social dialogue (interview 29: 06.05.14).

A senior ETUC figure, sympathising with the Greek unions, believes that, given the depth of the crisis, ‘I don’t see any way they could have negotiated with the Troika and government. I admire the president of GSEE, I think you have to be very tough to continue in such a difficult situation’. The interviewee believes ‘there is [still] a role for GSEE – but only if the Troika and government understand that negotiating isn’t always about forcing others to agree with everything you say. Only if everyone can come back with something positive is it really negotiating’ (interview 8: 01.12.14).

The confederations found themselves dislocated and confused throughout the crisis years. A high point of this was the summer of 2015 amid the negotiations for the third bailout agreement. Debate between the union confederations and the other social partners, government and the Troika was disabled due to a combination of factors including: the lack of a partnership tradition, internal divisions and tensions within the confederations, and the shear depth and extent of the reforms set out in the bailout agreements, and the rapid nature of their being adopted which afforded limited scope for parliamentary, social partner or public input.

Recourse to courts has featured in the confederations’ activities during the crisis. A former ADEDY representative outlined how ‘through legal action we tried to build opposition to the MOU. We did this in coalition with the organisation of pensioners, the Athens bar association, and other groups. We brought cases before the Supreme Court, the ECJ and the ILO’ (interview 28: 23.09.15). The Supreme Court deemed elements of the MOU to be unconstitutional, but this had limited effect on the bailout arrangements (Tsakiri 2014). Act of Cabinet (6/28.2.2012) made these terms applicable until the ‘expiration of the period of economic adjustment that is prescribed by the MOU signed between Greece and the Troika, annexed to Law 4046/2012’. The case before the ILO ultimately resulted in a practical outcome, with the installation of a permanent ILO mission to Greece in 2013 to monitor the impact of the crisis on industrial relations, and to provide support to the social partners (ILO

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123 However, since 2004, the ILO had also called on Greece to revise rules regarding compulsory arbitration.
2012). However, while the unions effectively used institutional routes to mobilise influence, the lack of social dialogue leaves unions vulnerable, and the pronouncements of even the Supreme Court fall largely on deaf-ears.

The negotiations for the bailouts in 2010, 2012 and 2015 were pivotal events in the crisis, for both Greece and Europe. Views are polarised as to how negotiations were handled by the Greek and Troika representatives. The confederations had minimal input into the deliberations, and as above, declined to meet with the Troika. Most notably the Greek government’s approach to the 2015 negotiations under Finance Minister Yanis Varoufakis was highly adversarial, and negotiations turned acrimonious and ultimately collapsed. A Greek negotiations expert argues that ‘these negotiations were not handled rationally. They were simply bad negotiations. Varoufakis was rude. We know-well in negotiations that when someone is rude, it decreases trust. No trust means no negotiations’. The interviewee argues that ‘they did not try to understand ‘the other side’. To ‘put themselves in the other person’s shoes’ does not exist in Greek’ (interview 34: 01.07.15). Succinctly, a labour lawyer, sympathetic to the unions, notes that ‘In Greece we don’t recognise compromise as a solution, we recognise it as losing’ (interview 35: 02.07.15).

While the confederations were not directly involved in these negotiations, the nature of the exchanges are indicative of the prevailing political context. As discussed, it is impossible to disentangle the unions from the political parties. An advisor to the 2012-2015 New Democracy government argues that ‘SYRIZA’s politics is to divide people. They say, ‘if you’re not with us you’re against us’’. This interviewee describes the 2015 referendum process as ‘a fraud’, noting that Minister Varoufakis ‘didn’t want to find a solution. He was playing games with people’s lives’ (interview 36: 29.06.14). A leftist academic believes that ‘Varoufakis loves game theory – he was making a virtual reality of the Greek crisis. But it was, of course, actual reality’ (interview 23: 07.07.15). However, a government representative with intimate experience of the third bailout negotiations defended the government’s approach, asserting that there ‘is no room for negotiations with the Europeans – like the Ford model T – you can have any car so long as it’s black, and you can have any agreement, so long as it’s the MOU’ (interview 18: 03.07.15).
Mode III: ‘Trade unions political politics and coalition formation; the unions and alternative sources of legitimacy

The impact of the crisis on Greek politics has been enormous. Regarding the negotiations for the third bailout, speaking before the referendum, a senior government advisor and negotiator contends that ‘the member states and creditors wanted to humiliate SYRIZA, and wanted to give an unequivocal sign that anti-austerity governments have no chance. Despite this pressure, SYRIZA will hold it together - The Troika actually made SYRIZA united again’ (interview 20: 29.06.15). Notably, this interviewee left SYRIZA shortly after this interview in opposition to what they saw as the government’s capitulation in agreeing the terms of the third bailout following the rejection of the referendum by the Greek people. Criticising what they saw as the consolidation of power around the party leader, a view shared by several interviewees, the advisor bleakly notes how ‘the sheep who strays far from the pen will be eaten by wolves’ (interview 37: 08.07.15). Here, the interviewee refers to the lack of tolerance for differing opinions on doctrine or strategy within SYRIZA. In Greece, the leaders of political parties are extremely powerful, and have major influence over the political future of elected representatives. An academic and former ally of the prime minister notes how ‘it’s the party of Tsipras now. Whether it remains a party of the left, we’ll see’ (interview 25: 06.07.15).

As above, the Greek confederations are not affiliated to any political party, rather the confederations are composed of competing political tendencies. Nonetheless, as discussed, during the third republic,124 the unions and parties of government have been intimately linked. ADEDY and especially GSEE majorities (based on the trade union factions) have been historically close to PASOK and New Democracy, with the secretary general of the confederations typically coming from the governing party and the president coming from the main opposition party125..

An employer representative notes how the old parties were ‘parties of the state, and their priorities were the priorities of the state – like the cartel parties of Peter Mair’ with reference to Mair’s cartelisation thesis, which sees mainstream parties using the resources of government to maintain their position within the political system (interview 38: 23.09.15; Mair, 2013; Katz

124 That is, since the restoration of democracy in 1974
125 This is a custom, and not a rule.
Historically, parties and unions have been indistinguishable. An expert describes the ‘really strong personal links between the big characters in the parties and the unions’ (interview 25: 06.07.15) and there is widespread belief that ‘unions are heavily controlled by the state’ (interview 20: 29.06.15). A centre-left EU-level political adviser explains that ‘Greek unions are very difficult to figure out – you need to try to understand what faction someone is coming from, and especially how this relates to the party of government at the time. Typically, especially PASOK were ‘built-in’ with them [the unions]. As PASOK has gone into decline, the unions are becoming disenfranchised’ (interview 17: 22.11.13).

A GSEE representative notes how ‘in 2010 relations between GSEE and PASOK took a step apart and we ended close relations’ (interview 22: 02.07.15). While this may be read as GSEE asserting its independence, in reality, the rise of SYRIZA has undermined the unions’ access to the levers of power, which is made worse by the rise of radical union tendencies. Given that Congress events take place every three years, and union elections in the years in between, there are still a majority of PASKE representatives, and the most radical tendencies are currently underrepresented in the confederations126.

Speaking before the 2015 election, a senior union figure stresses how ‘In the past, ADEDY had real influence on politics. After the MOU, the door was closed on us. We are now isolated from government, from both PASOK and New Democracy’. The crisis causes internal difficulties for ADEDY especially. The interviewee continues ‘Members of the [ADEDY] administration could cooperate with PASOK and New Democracy, but the new parties’ success has made this very difficult. The extreme parties and tendencies don’t prepare solutions, they just want to create turmoil’ (interview 28: 23.09.15). Since 2013, ADEDY has not been able to elect a general secretary or president due to internal divisions127.

According to an academic with close links to SYRIZA, ‘there have been lots of strikes during the crisis, but for the most part there has not been much participation. The leaders of GSEE do not have links with the base. The massive manifestations that there were, were more a reaction of the people, not something done by GSEE’ (interview 25: 06.07.15). Indeed, while mass mobilisations and strikes have been a visible feature of the crisis, it has not always been

126 I do not see big chance for radical changes. These are the 2016 results...
127 In December 2016, ADEDY elected a new officer board, but still operate with a provisional president and vice-presidents.
the unions who organise or lead them. For many on the radical-left in particular, the unions are seen as ‘part of the problem’. An ADEDY representative notes that ‘we didn’t manage to form stable coalitions with NGOs…the public and opposition groups believe that unions are liable for this situation…and for the crisis’ (interview 28: 23.09.15).

Nonetheless, the confederations have formed some, short-lived, coalitions with employers, civil society groups, and unions in other countries (Vogiatzoglou, 2015). A notable example is the European citizens’ initiative (ECI) ‘water is a human right’ campaign, which has precipitated a referendum in Thessaloniki to confirm the public ownership of water (Bieler 2016). A similar campaign has occurred in Ireland (discussed in Chapter 8).

A series of coalitions saw unions coordinating activities with employers. An ADEDY representative outlines how the confederation ‘tried to coordinate actions with the private sector and business people who eventually realised that the memorandum was bad for them too. We coordinated with GSEVEE and ESEE, but SEV did not participate’ (interview 28: 23.09.15). An ILO official confirmed that even ‘employers and employees were in coalition, due to the decline in purchasing power brought about by the crisis’ (interview 11: 06.05.14).

There is widespread belief among unions and employers that the crisis reforms were largely in the interests of big business, and not of SMEs. This might explain SEV’s reluctance to be involved in coordinated opposition. An employer representative believes that ‘now the social partners are split. Before the crisis, it was ‘business against unions’, now its big business on one side, against SMEs and unions on the other’ (interview 38: 23.09.15)128.

A GSEE representative emphasises how the confederations traditionally ‘do not pronounce political declarations and positions before elections’ (interview 22: 02.07.15) given GSEE’s desire to be seen as independent from party politics. It is notable then that GSEE took the unprecedented move of endorsing a ‘yes’ vote in the 2015 referendum, adding ballast to arguments of the confederations being part of the political establishment.

128 However, the biggest disagreements regarding bargaining issues and matters of pay continue to be between private sector unions and SME employers.
ADEDY maintains links with charitable causes, and ‘take part in many donations, give food to schools, and recently, took part in missions to bring food to refugees in Kobani’ (interview 33: 02.07.15). However GSEE is beset by enormous challenges and has scant capacity, and has not been involved in any major new civil society campaigns during the crisis.

Mode IV: ‘trade unions and the European-level; beyond the national shell’

The perception of Greece’s EU membership often relates to the large budget transfers enjoyed by Athens from Brussels, the effectiveness of their deployment, and the corruption and clientelism which has sometimes been associated with them. While the development of EU-funded infrastructure has indeed been transformative for Greece (Ioannou 2012; Featherstone 2005), EMU exposed and exacerbated the weaknesses in the Greek economy. For the social partners too, the EU has been seen as an opportunity to extract benefits, which attracts allegations of corruption. An employer representative, notes how, with respect to EU monies, ‘there are lots of clever ways to eat. GSEE and ADEDY, but especially GSEE, participate in all sorts of EU training; workers would sign up for forty hours of paid training and only go to ten. If all the training had actually been done, all Greeks would be experts in IT’ (interview 38: 23.09.15).

The confederations participate at EU-level through the auspices of ETUC, although GSEE are more committed than ADEDY, which remains relatively more critical and aloof from EU-level activities. A leading ETUC figure notes how ‘GSEE remain active and come to meetings, ADEDY are still members, but are no longer coming [to ETUC meetings and events]. Our relations with them are loose but not bad’ (interview 8: 01.12.14). This is hardly surprising, as ADEDY are based in the public sector, and their main interlocutor has been the Greek state. While significant parts of GSEE’s membership is in public utilities, they also represent private sector unions, and have been more engaged with ETUC.

An ADEDY legal advisor notes how ‘a problem with ETUC is that everything to do with the EU is now seen as bad; a lot of people reject it and see it as a dead-end. ETUC will need to present itself as separate to, and critical of, the EU, rather than as part of it’ (interview 33: 02.07.15). Nonetheless, a GSEE functionary, responsible for international relations, insists that

129 A refugee camp in northern Greece.
‘ETUC is an integral part of making our positions heard by the wider public. The importance is reinforced by friendships and solidarity with other [trade] unionists’ (interview 22: 02.07.15). This analysis felt somewhat banal, and other actors, including an Athens-based researcher and Europe expert, feel ‘there has been no systematic attempt by unions to reach out to the European-level during the crisis’. They explain that ‘there are many reasons for this. The unions are very fragmented and busy with the ‘war at home’, and ‘unions in the public sector are still quite strong, but they reach out to government, not to Europe’ (interview 31: 24.09.15).

Nonetheless, an ADEDY representative notes how ‘in 2010-11, we tried to coordinate our actions with Italian, Spanish, French, German and Polish unions. We managed to organise a great demonstration in Brussels, with more than a million participants. There were demonstrations in Budapest, in Warsaw, and we were pretty much full-time with demonstrations in Athens. We continued this cooperation till 2014, when it became much more difficult to keep the other unions interested’ (interview 28: 23.09.15). There were limited attempts to coordinate actions between confederations in the peripheral countries, including the Greek, Irish and Portuguese unions, leading to a meeting in Athens in 2015. An arbitrator and expert contends that ‘There is room for more coordination. The European dimension is there, but it isn’t systematic’ (interview 29: 06.05.14). However, solidarity with unions in Ireland was thwarted by the Irish unions wanting to distinguish themselves from their Greek peers, given the depth of the Greek crisis (discussed below).

Due to factors including language, geography, and politics, the Greek union movement ‘has never internationalised. There are strong connections with Cypriot unions, but even here there are constraints. There have been attempts to coordinate interventions among the southern unions...but GSEE and ADEDY and ETUC do not have common strategies. There are big organisational differences too...across the different confederations. It’s hard to find common-ground politically with the rest of Europe’ (interview 25: 06.07.15). There is however some evidence of Greek unions coordinating activities with unions on a regional basis, particularly in Italy, but these initiatives have proven difficult to sustain (Vogiatzoglou 2015).
An INE-GSEE official says that he and his organisation have ‘lots of interaction with ETUI and Philippe Pochet\textsuperscript{130} directly’ and that ‘Together, we suggested measures to exit the crisis, but GSEE and ADEDY did not take up our suggestions’ (interview 12: 22.09.15). Notably, the leader of a second-level federation explains how his organisation ‘interacts a lot more frequently with IndustriALL’ over the crisis (interview 24: 24.09.15). There may be scope for greater cooperation on a sectoral basis.

Regarding other institutions and agencies at EU-level, a centre-left political adviser stated (in 2013) that ‘since 2010 the unions have stopped coming to meetings in parliament when invited. They do have an excellent legal advisor, who is more interested in Europe, and this may change\textsuperscript{131}’ (interview 39: 21.11.13). The worker group at EESC is led by the GSEE’s Georges Dassis and there is a good degree of familiarity of EESC’s work in Greece compared with elsewhere in Europe because of this, but still ‘there is no diffusion of what they do to the lower levels’ (interview 29: 06.05.14). An EESC employer representative describes the agency as ‘good in theory, but terrible in practice. It has a more or less ‘decorative role’’. This interviewee goes on to say that ‘it does open a big network to work with’ but a network which remains relatively underutilised (interview 30: 17.07.14).

The EU-level is present in the daily lives of the union confederations, but it is not a priority. An ILO official notes how ‘because of the Troika and the memorandums, industrial relations has been moved to the European-level, whether anyone wants this or not. The Commission in Greece is a paradox - on the one hand promoting Social Europe, and on the other, imposing austerity…The European social model is ‘not permitted’ in Greece’ (interview 11: 06.05.14). A GSEE official adds that ‘the hypocrisy in Europe is more and more evident, with bailouts for the periphery, and another story for the European core, which is a clear double-standard. The European social model is now only rhetoric’ (interview 22: 02.07.15).

The national-level continues to prevail over the transnational for Greek unions. A clear example was the last coordinated day of action organised by ETUC in November 2012. The Greek confederations had agreed to coordinate decentralised strike activities, alongside unions in Belgium, France, Portugal and Sweden. However, the action was postponed at short notice.

\textsuperscript{130} the director of ETUI
\textsuperscript{131} who the author made contact with.
to coincide with a vote in the Greek parliament, which was seen as more important than the pursuit of European solidarity (Vogiatzoglou 2015; Dufresne 2015).

Discussion

Greece is an anomaly. Between 1910-1974, Greek politics was not ‘normal’ by European standards. Historically the state is authoritarian and interventionist, employers are adversarial, and union rights have been limited. An academic goes so far as to describe ‘a tradition of violence by the state and employers vis-a-vis workers’ (interview 25: 06.07.15). Rudimentary social dialogue was introduced in 1994, but this proved weak and ineffective, and industrial relations remains fraught and often militant. The industrial relations system which did exist has been eviscerated by the crisis, which has challenged the role of unions and how they exert influence.

Crisis-induced reforms have redrawn the political, social and industrial relations landscape, and have induced the dismantling of trade union rights, which amounts to ‘the deconstruction of collective labour law’ (Papadimitriou 2014, p1). Reforms were introduced largely without input from the social partners and have drastically altered the balance of power between workers and employers. An unpopular perspective, but one expressed in discussions with employer representatives especially, is that ‘the changes from the Troika have been below what is needed. The mentality holding Greece back’ an employer representative contends ‘will take generations to change’ (interview 30: 17.07.14).

An Athens-based expert in Greek and European politics notes, regarding industrial relations, that ‘it’s a jungle out there. People pay what they want, workers have no protection; the grey economy, atypical work, tax evasion are all booming. But this isn’t even the biggest problem. Fiscal and economic policy…the lack of competitiveness, cartels, corruption…drag Greece down’ (interview 31: 24.09.15). Meanwhile, when asked what the biggest issue facing Greece was, a GSEE official contends that it is ‘tax evasion’ (interview 22: 02.07.15). While this is indeed a challenge for the fragile and indebted Greek state, it is telling that this is what a senior union official points to, rather than the lack of social dialogue or any systematic input from unions into government policy-making. Despite these challenges, there is scant evidence of the unions seeking to develop any new methods of exerting influence.
The responses of the Greek confederations tend towards a revolutionary orientation, with strikes and mobilisations being frequent and often large, although these proved difficult to sustain as the crisis developed (Vogiatzoglou 2017). The leader of an Athens-based private sector union federation insisted that ‘we haven’t really developed any new methods – as the old methods still work’ (interview 24: 24.09.15). The confederations engage with institutions including courts and the ILO, with some success, but without any major challenge brought to the Troika’s reform agenda. A distinctive feature of the Greek confederations’ crisis response, however, is their refusal to engage with the country’s creditors, adopting a position of implacable opposition to the MOUs’ legitimacy. Reviews of the Greek programmes point to the lack of ownership by elites and citizens – including unions - and of the low reform capacity of Greece’s administrative machinery (Kalyvas 2015; Featherstone & Papadimitriou 2008).

Large portions of the bailout terms have not been implemented - 41 percent in Greece, while only 11 percent in Ireland (Lyberaki 2016). The lack of implementation, and the adversarial nature of Greek politics, have contributed to a lack of trust between successive Greek governments and the country’s creditors. The Greek union confederations remain intimately entangled with Greece’s political parties. The political establishment, which includes the unions, have been discredited over the crisis, as is seen in the steady decline in turnout at Greece’s frequent elections. ADEDY remains relatively privileged, and it is ‘the private sector who [sic] is really without voice and agency’, a think tank representative remarks (interview 31: 24.09.15). There are also new leftist union tendencies and challenger confederations for precarious workers, that are not affiliated to the confederations, breathing down the necks of the union establishment. The confederations did not manage or seek to form sustainable coalitions with NGOs, partly as some lobby groups view unions as being liable for the crisis and part of the old, discredited political system, given their historically close ties to government.

During the crisis, domestic labour relations have ‘seen a decline in trust, which was already quite poor’ (interview 11: 06.05.14). For an ADEDY representative ‘in the public sector, people still seem to trust the unions...for GSEE, it is much more difficult. It’s harder to develop trust when people are losing so much’ (interview 28: 23.09.15). The inherent political instability that prevails in Greece contributes to this lack of trust. An example of this is the high

132 It should be reiterated, that Greece’s reforms were far more extensive than Ireland’s.
turnover in public office; ‘between 1992-2014, there were 54 people in 4 main capacities at the labour ministry, but somehow the country still runs’ (interview 30: 17.07.14). Another problem is the high degree of ministerial autonomy, which leaves the ‘government…unable to develop grand strategies’ (interview 31: 24.09.15). Parliament is also ‘an enormous source of instability’ given the ‘smorgasbord of political parties’ and frequent elections (interview 16: 15.07.14).

According to an ETUC figure ‘what has happened in Greece has nearly completely destroyed the trade union movement – unions are one of the social organisations that link people..., the government, and the external world. This has disappeared and [this] has destroyed the possibility of the unions building bridges’ (interview 16: 15.07.14). Ultimately, ‘the Social partners are not able to influence anything...political rhetoric and rituals happen, but without this putting meaningful pressure on anyone. At the macro-level, unions have no influence’ (interview 29: 06.05.14). According to a leftist, pro-European academic, the Greek union confederations were ‘destroyed’ long before the crisis ‘by patronage and corruption’ (interview 23: 07.07.15).

Looking at the unions, a leading industrial relations expert sums up the situation as follows: ‘At this moment, trade unions don’t have the power to put serious pressure to put an end to the crisis. The unions need to entirely rebuild themselves, as there is currently a complete rebuilding of the political world in Greece’ (interview 25: 06.07.15). A former minister argues that ‘the erosion of Greek sovereignty is such that trade unions and government alike have little influence and are all clients of the Troika’ (interview 18: 03.07.15).

Given low membership density, high unemployment, low levels of workplace organisation, and the under-representation of precarious and younger workers, the Greek confederations are politically marginalised, and run the risk of being overtaken by alternative forces. What is clear also is that what happens next for Greece will ‘mostly take place at EU-level’ (interview 16: 15.07.14), given the continuing bailout programme and to influence Greece’s economic, social and political future, the confederations must direct greater focus towards EU-level.

The Greek confederations have been active across the four modes discussed here, but it is clear that GSEE and ADEDY actions in mode I remain arguably the most prominent – even though they do not always take the lead in mobilisations. What is also clear is that the fraught, often
toxic, and factional nature of trade union politics exerts enormous influence over what unions do and how their leaders act. The internal division and politics within the union movement, and the essential absence of a negotiation culture, makes it extremely difficult for the organisations to present a united front. A notable exception to this was the decision in 2015 to support a ‘yes’ vote in the referendum on the third bailout agreement, an episode which ironically saw the confederations on the wrong side of public opinion.

Lamenting the decision of previous Greek governments to agree the bailout agreements, against the wishes of the public, a former SYRIZA adviser evokes Greek mythology, and the greatest Greek hero Heracles who, when fighting the giant Antaeus, discovered that ‘the giant lost its strength once it took its feet off the ground’ (interview 20: 29.06.15). Following the third bailout agreement, the interviewee felt that SYRIZA is similarly doomed, as the party is no longer connected to its grassroots. The bailouts have also failed to address the problems that triggered the crisis in the first place - Greece’s debt. This can be seen as a failure both of politics and of negotiations. The former government adviser states that ‘Greece is walking into battle with guns without bullets. How will it all end? ’; answering their own question, the interviewee believes ‘badly, and after a lot of missed opportunities’ (interview 37: 08.07.15).

‘The employers cannot carry on industry nor accumulate profits if they have not got the good will of the workers or their acquiescence in carrying on such industry’.

-Jim Larkin, Dublin, 1913

Part I: Industrial relations in Ireland

Despite being written more than a century ago, the above quote, attributed to British-born Irish trade union leader Jim Larkin captures the partnership approach which was a key feature of modern Irish industrial relations, especially between the late 1980s and the mid 2000s.

Throughout the 20th and 21st centuries the predominant face of Irish trade unionism has been business unionism. In the event of disputes, unions have tended to seek compromises through dialogue rather than conflict, and unions have tended to work constructively with employers and dispute resolution agencies. This is despite successive governments resisting the enactment of any legal provision for mandatory union recognition for collective bargaining purposes (Geary 2016). This can partly be explained by scale – given Ireland’s small population of 4.5 million, it is inescapable that key actors become personally known to one another. This helps to develop feelings of trust, which might explain the persistence of a partnership culture.

Ireland is the 13th largest economy in the EU. Approximately 70 percent of employment is in services, particularly in the ‘knowledge economy’, including in pharmaceuticals, high-tech and financial services. Services account for more than 46 percent of GDP and about 80 percent of exports (Commission 2017a) and Ireland is one of the most open, export-focused economies in the world. A mainstay of the economic model is the relatively low 12.5 percent corporate tax rate, first introduced in 1981. Successive governments have courted MNCs, with O’Hearn (2001) describing Ireland as the key intermediate zone between the US and the EU. A commentator from southern Europe refers to Ireland, somewhat covetously, as being ‘an aircraft carrier for US multinationals’ (Vettas 2016). Around 10 percent of private sector employment is in foreign (particularly US)-owned MNCs, which in 2014 accounted for 48 percent of manufacturing employment, the highest proportion of any EU economy (CSO 2015; Eurofound, 2014).
The focus on attracting foreign investment has been to the detriment of the domestic industrial base, which remains underdeveloped by Western European standards. MNC management is often ambivalent or inimical towards organised labour, and accusations abound that industrial policy includes ‘sweetheart deals’ that MNCs would not need to engage with unions (Doherty 2011), although (Baccaro & Simoni 2007) note that social partnership (discussed below) ‘morally legitimated’ MNCs to ‘shadow’ agreements and to pay similar wage increases as domestic employers.

Alongside the UK, Ireland is an outlier in Europe, given its minimal legislative framework for statutory employment protection. Like the UK, the Irish industrial relations system is ‘voluntarist’ in nature. This implies the abstention of the state from direct intervention in industrial relations. Voluntarism traditionally involves actors obtaining immunities for actions that would otherwise be unlawful, as opposed to any system based on rights (Eurofound 2013). Voluntarism is influenced by Otto Kahn Freund and Allan Flanders, whose views dominated the 1968 Report of the Donovan Commission, which described how ‘the State remained aloof from the process of collective bargaining in private industry’ (Donovan 1968, p10). This approach found support in Ireland, particularly among unions, many of whom regarded ‘free collective bargaining’ as the core of their regulatory activity. It was only with the sustained anti-union assaults under UK prime minister Margaret Thatcher in the 1980s that the majority of Irish unions shifted to support stronger statutory legal protections for workers.

Ireland is the only liberal market economy in the Eurozone (Hall and Soskice 2001). In terms of industrial relations, Visser (2008) puts Ireland in the liberal-pluralist group. As outlined in Chapter 3, in these countries, bargaining principally occurs at company-level, the state typically takes a non-interventionist role in industrial relations, and social partners exert influence through lobbying, with the power balance firmly oriented towards employers. Ireland conforms to parts of this description, and not to others, as we shall see.

Uniquely for a liberal market economy, between 1987-2009, the hallmark of Irish industrial relations was peak-level social partnership – what Munchau (2008) dubs ‘roundtable corporatism’. This is more typically a feature of the continental social partnership or Nordic traditions. This makes classifying Ireland’s industrial relations tradition difficult. The country is described as being ‘neither Boston nor Berlin’, having features of both the European and
American economic and industrial traditions (Jacobson 2015). Social partnership failed to withstand the pressures of Ireland’s economic collapse, and in 2009, became ‘the first casualty of the economic crisis’ (Regan 2009, p3). It is unclear if partnership will return as a feature of industrial relations in the future (O’Toole 2016).

Ireland has proven highly vulnerable to shocks in the world economy. Following the unprecedented economic growth of the ‘Celtic tiger’ period (1995-2007), when Ireland’s was the fastest growing economy to enter EMU, in 2008, Ireland became the first EU economy after Greece to enter recession. Along with other peripheral members, Ireland has struggled with the monetary policy limitations inherent in EMU, in what one centre-left opposition TD (Teachta Dála/member of parliament) describes as being ‘straitjacketed by the fiscal compact’ (interview 40: 09.01.15). Writing in 1994 as something of a harbinger, Von Prondzynski (1994, p5) notes that ‘it remains to be seen what impact economic convergence and the tying of economic policy to that of Germany will have on Ireland’s small economy’.

After the UK, Ireland is the country most directly affected by the UK’s withdrawal from the EU, given the political, social and economic closeness of the islands, and the 300-mile land border between the two countries (Dunt 2017; Colfer 2017).

Politics of Ireland

Like in Greece, the industrial revolution never really came to Ireland. Throughout the 18th and 19th centuries, Ireland was largely agrarian, with pockets of textiles, food production and industry. Ireland provided the more industrialised British economy with cheap labour and raw materials including timber, meat, vegetables and marble. The Great Famine of the mid-19th century saw Ireland’s population fall by half through starvation and migration. Ireland remains the only Western country whose population in 2017 is lower than it was in 1841 (Carney 1975).

Irish unions trace their origins to the friendly societies and guilds of the early 18th century (Boyd 1972). The roots of the industrial relations system are in the British tradition, given

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133 In what has been acknowledged as a simplification, then Minister for Health and Deputy Prime Minister Mary Harney described Ireland as being somewhere between ‘Boston/USA’, with its emphasis on ‘individual effort’ and minimal government involvement, and ‘Berlin/Europe’ with its greater ‘concern for social harmony and social inclusion, with governments more willing to intervene through the tax and regulatory systems’ (Jacobsen, 2015).
Ireland’s incorporation inside the United Kingdom (of Britain and Ireland) between 1801-1921. The majority of unions operating in Ireland in the 19th and early 20th centuries were British-based (Von Prondzynski 1998). The seminal moment in Irish labour history is its comprehensive and violent defeat in a standoff with employers and police during the Dublin Lockout of 1913-1914. The dispute centred on workers’ right to unionise and the alleviation of urban poverty (Collins 2012). The emigration of James Larkin in 1914, and the execution of union leader, revolutionary, and Irish Labour Party founder, James Connolly following the 1916 Rising, weakened the already marginalised unions (Granville 2013; Yeates 2000). Arguments surrounding whether workers should remain within British unions or form indigenous organisations shaped the development of the union movement until the formation of the Irish Congress of Trade Unions (ICTU), the single Irish union confederation, in 1959 (O’Connor 2015). While the Irish and British traditions remain similar, there is notably no UK equivalent of social partnership.

The modern Irish state traces its origins to ‘the revolutionary decade’ of 1913-1923, which began with the aforementioned Lockout. A largely unsuccessful uprising in 1916 was followed by a war of independence (1919-1921), and a civil war (1921-1922). The Irish state gained independence from the UK following the signing of the Anglo-Irish Treaty in 1921. These events paved the way for a new constitution in 1937 and the declaration of the Irish Republic in 1949 (Ferriter 2015). This period left an indelible mark on the country’s politics, including its party system, which, like Greece, remains split between the old foes of the Civil War, with the pro-treaty centre-right Fine Gael on one side, and the catch-all centre-to-centre-right, anti-treaty Fianna Fáil on the other. Between 1927 and 2016 these parties together attracted at least 50 percent of total votes, and between them, have led every government.

Today, the party system has fragmented and includes a variety of parties and independents, including a resurgent populist-leftist Sinn Féin134. The centre-left Irish Labour Party, historically the third party, has never led a government, but has served in several coalitions as a minority partner. The Labour Party emerged in 1912 as the political wing of the Irish Trade Union Congress, one of the two organisations which merged to form ICTU. Labour’s most recent term in government with Fine Gael (2011-2016) oversaw the implementation of the

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country’s bailout programme. The 2016 general election resulted in a near-death experience for Labour, with the party falling from 40 seats in 2011 to 7 in the 158-member lower house.

Ireland and Europe

John Coakley identifies two major landmarks in Ireland’s constitutional development: firstly, its ‘incorporation in a union with Great Britain in 1800’ and secondly, ‘its membership of the European Union in the late twentieth century’ (Girvin 2002, p3). Both of these factors have had a profound impact on modern Irish industrial relations.

Ireland joined the EEC in 1973. The Irish remain consistently among the populations most positively disposed towards the EU, and most optimistic about its future (Eurobarometer 2017). Despite the defeat of two EU treaties in popular referenda (Nice in 2001, and Lisbon in 2008), which were largely tangled up with domestic political issues, EU membership is viewed positively, and as an outlet for Irish identity and independence. In 1989, historian Joe Lee noted that, other than Ireland, ‘no...European country, east or west, north or south, for which remotely reliable evidence exists, had recorded so slow a rate of growth of national income in the twentieth century’ (O’Toole 2009, p16). EU membership has had a transformative impact on Irish economic development, and Irish infrastructure in particular has benefited from EU funds. During the 1990s, structural funds accounted for 2.6 percent of GDP, and Ireland has spent most of its membership as a net-recipient of EU monies.

Ireland has a mixture of general and occupational unions. There is often more than one union in any workplace, dealing with different grades or occupations. Union density has fallen from above 45 percent in 1994 to under 28 percent in 2014, with a rate of just above 62 percent in the public sector in 2014, and around 16.4 percent in the larger private sector (Walsh 2015). As in Greece, public sector unions dominate, making up 80 percent of membership. Despite briefly rising at the start of the crisis in 2008135, density has fallen steadily from 46 percent in 1994 (ETUI, 2017). Non-unionism is particularly prevalent in MNCs (McDonough & Dundon 2010 p551).

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135 This was partly explained by the majority of job losses coming in the private sector, making the more unionised public sector a relatively larger portion of the workforce.
In 2009, 47.3 percent of workers were in workplaces with a union or staff association presence, with 36.3 percent in the private sector and 87.2 percent in the public sector (O’Donnell 2000). Collective bargaining coverage stands at around 44 percent with very high coverage in the public sector of about 90 percent (worker-participation.eu 2017). However, in the Eurozone, only Ireland, Estonia and Slovakia have overall bargaining coverage of below 45 percent.

Using the OECD ‘strictness of employment protection’ index, only one EU country- the UK - has a more flexible labour market regime than Ireland (Regan 2013, p4-13). There is no legal right to strike. In the event of industrial action, unions are protected from prosecution if the action taken is lawful. Article 40 of the 1937 constitution provides for ‘the freedom of association and the right to work or earn a livelihood’ which has been interpreted to confirm a right to form unions, but not for unions to be recognised for collective bargaining purposes. This has been revised, to some degree, during the crisis years, and is discussed below. In 2015, there were 9 strikes, and 32,964 days lost, down from 11, and 44,015 days in 2014.

Historically, the Irish state has not been heavily involved in industrial relations. Instead it has provided a supportive framework for collective bargaining. Since 1987, social partnership represents a deviation from this tradition. The crisis has seen a reassertion of unilateral government involvement in industrial relations, as we shall see.

Trade union confederation - ICTU

Ireland has one peak-level union organisation, the Irish Congress of Trade Unions (ICTU)136. ICTU was founded in 1959, following a merger between the Irish Trade Union Congress (founded in 1894) and the Congress of Irish Unions (founded in 1945). ICTU has 44 affiliates, and uniquely for Europe, includes affiliates in two jurisdictions; with 725,000 members in total, approximately 530,000 are in the Republic of Ireland, and 195,000 in Northern Ireland (ICTU 2017). ICTU’s Northern Ireland Committee (NIC) is the representative body for 34 unions, including the Northern Ireland Public Services Alliance (NIPSA), Northern Ireland’s biggest union, with 46,000 members. By some distance, ICTU is the biggest civil society organisation in Ireland by membership.

136 commonly referred to as ‘Congress’
Much of the work of Congress happens through sub-committees, including the powerful general purposes committee, made up of three ICTU representatives, and nine members elected from among the affiliates. This is described as ‘the inner-executive of Congress, where a lot of its important business is hammered out’ (interview 41: 30.09.15). ICTU’s Public Services Committee, consisting of twenty-four representatives from affiliates, with members spanning the civil service, the health and education sectors, and local government, also wields considerable influence.

Affiliates exert enormous influence on the direction of policy, leaving ICTU itself relatively weak. In the words of an ETUC confederal secretary ‘ICTU is not a traditional confederation’ (interview 42: 18.08.15), such as those in Greece and Belgium, but rather a coalition of independent and autonomous unions. Congress acts to coordinate, rather than direct its members (Doherty 2011, p373). ICTU plays an important role in mediating inter-union disputes, for example regarding alleged membership poaching, but has little meaningful powers to discipline or sanction members, nor is Congress where finance is concentrated. In this respect, ICTU resembles the British TUC. However, ICTU plays an important role in representing the interests of unions to government.

A small number of ICTU’s largest affiliates wield considerable influence within the organisation, particularly Ireland’s largest union, SIPTU (Services, Industrial, Professional and Technical Union), with approximately 35 percent of members. Other important affiliates include the public services IMPACT union (65,000 members/8 percent), the retail workers’ union MANDATE (40,000 members/5 percent), the Irish Nurses and Midwives’ Organisation (INMO) (40,000 members/5 percent), and the Technical Engineering and Electrical Union TEEU (40,000 members/5 percent). A handful of smaller unions are outside ICTU, the largest and most consequential of which is the National Bus and Rail Union (NBRU) (4,000 members).

Congress has discussed the possibility of facilitating a major restructuring. In 2011 ICTU initiated a report calling for closer cooperation between unions along sectoral lines, stopping short of calling for outright mergers (ICTU 2011). This report receives support from

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The most recent significant merger was in 2007 between Amicus and the Amalgamated Transport and General Workers’ Union, which both organised in the UK and Ireland to form UNITE, which has 40,000 members in Ireland, north and south.
especially smaller unions. A representative from a small public sector union describes the current arrangement as ‘crazy’, given the relatively large number of often competing unions in a small country, and the wasted ‘energy that goes into turf-wars, and in trying to be heard’ (interview 43: 18.03.14). However, the idea has been met with opposition, especially from larger unions, and is unlikely to happen soon, if at all\textsuperscript{138}.

Congress is not affiliated to any political party. SIPTU is affiliated to the Labour Party, as are a handful of smaller unions. Unlike the case historically in the UK, the unions’ influence within the Labour Party has been limited, accounting for less than 10 percent of voting conference delegates (Orridge 1974). Moreover, as above, the Labour Party has traditionally been the third party in Irish politics, and their electoral support has declined.

ICTU has cooperated with various political parties, and social partnership has actually been primarily associated with Fianna Fáil, particularly individual Fianna Fáil Taoisigh (prime ministers), notably Charles Haughey (1979-81, 1982, 1987-1992) and Bertie Ahern (1997-2008) (Allen 2000). One trade unionist, with first-hand experience of partnership proceedings remarks that ‘Bertie [Ahern] ‘was’ partnership. He was a consensus operator, and he was good at it’ (interview 43: 18.03.14). Any process that depends too much on individual personalities is vulnerable when key actors depart (Doherty 2011, p375)\textsuperscript{139}. Unilateral withdrawal by any party was always possible, with no sanctions being incurred.

Social partnership in Ireland lasted more than twenty years and was the focus of considerable international scholarship (see Baccaro & Simoni 2004; Ebbinghaus 2003; Roche 2007; Teague & Donaghey 2009). The set of practices that underpinned partnership was reviewed by governments both inside and outside the EU as a potential model for managing industrial policy. However, when lacking institutional or statutory underpinning, such practices are often doomed to failure, as we shall see (Brown 2001).

\textsuperscript{138} An industrial relations expert pointed out in passing that they had remarked to ICTU general secretary David Begg, that his proposals for sectoral union structures reflected proposals made by Seán Lemass, a reforming Taoiseach (1959-1966), tried to introduce via the Trade Union Act (1941), which was found to be unconstitutional by the Supreme Court.

\textsuperscript{139} Among industrial relations insiders, this is said to have been also been the case when Peter Cassells (ICTU general secretary 1989-2001) and Turlough O’Sullivan (director general of IBEC 2000-2009) retired, and when Danny McCoy became IBEC director general (2009). Each departure and arrival seems to change the dynamics in the social partner relationship markedly.
Irish employers are well-organised, but like the unions, are fragmented. The major players are the Irish Business and Employers Confederation (IBEC), the Construction Industry Federation (CIF), the Small Firms Association (SFA), the Irish Hotels Federation (IHF), and the Restaurant Association of Ireland (RAI). In the crisis, the Troika’s competitiveness agenda resonated with IBEC. An IBEC representative, working on European affairs, contends that ‘austerity works...your job – the thing you work at – is now only a metric in NYC [New York City]; it all comes down to if you’re competitive’. Echoing the view of Greek employers (see p27), the interviewee continues that ‘competitiveness is not just for Christmas – the MOU, and all the hard graft and sacrifice is wasted if it is not sustained’ (interview 44: 25.11.13).

The Irish crisis 2010-2016

Following the outbreak of the global financial crisis in 2008, the first major sign of trouble in the Eurozone was in Ireland (Brunnermeier et al. 2016, p20). The country experienced a rapid deterioration in public finances, a collapse in the housing market and construction sector, and a liquidity crisis in the banking system. In Autumn 2008, Ireland became the first Eurozone country after Greece to enter recession. Between 2007-2010, the economy contracted with a peak-to-trough decline of 12.4 percent of GDP, and a 33 percent collapse in tax receipts (Dukelow & Considine 2014, p421).

In November 2008, the Fianna Fáil-Green party coalition government unilaterally guaranteed the liabilities of six financial institutions¹⁴⁰ which were deemed to be systemically important for the economy (Lee & McConnell 2016). O’Toole (2009, p233) deems these banks to have been ‘systemically important...in the way that the Huns were systemically important to the Roman Empire’, given the enormous cost this incurred for the taxpayer. The guarantee cost in the region of €64 billion - nearly €14,000 for every citizen, or 37.3 percent of Ireland’s GDP, making this the most expensive bank bailout as a proportion of GDP in history, ahead of Greece’s 24.8 percent and Slovenia’s 14.2 percent (Milliken 2015). It is widely reported that the government came under sustained pressure from the ECB to undertake this drastic action (Colfer 2016, p111).

With bond yields soaring, and public finances straining under the pressure of the bank guarantee, in November 2010 the government sought financial rescue from the Troika. While less stringent than in Greece, the structural reforms laid out in the Irish MOU have had far-reaching implications for the labour market and industrial relations, and ushered in years of rising unemployment, emigration and deprivation (Rigney 2012). The more limited structural reforms reflect Ireland’s more limited starting-point in terms of statutory employment protection (Doherty 2014). Compared with Greece, reform came largely through cuts to spending, rather than through changes to existing law; a senior union figure describes these years as ‘not quite Thatcherite, but well on the way’ (interview 41: 30.09.15).

The bailout precipitated a series of contractionary budgets, which included tax increases, reductions in public sector pay, increases in the state pension age, and cutbacks to welfare and public services. Charges for water services, private homes and septic tanks, greater contributions for third-level education, and a widening of the tax-base would follow (Colfer 2016). In 2010, these adjustments amounted to 13 percent of GDP, or €4,600 per person, one of the largest budgetary realignments in any advanced economy ever (Geary 2016 p2). The high levels of emigration among particularly young people helped reduce unemployment (Garnero 2015). Along with targeted cost-saving measures, the MOU included vague commitments to remove ‘remaining structural impediments to competitiveness and employment creation’ through reform of the social welfare system, with specific changes to incentivise the taking-up of employment141 (Commission 2010a; Dukelow & Considine 2014).

The government’s crisis response was complicated by the existence of centralised pay-bargaining and a relatively generous welfare state. As in Greece, most reforms were introduced without the involvement of the social partners. Ireland exited its bailout programme in 2013 and returned to financial markets and growth. Compared to Greece, the bailout period was shorter (at the time of writing, Greece has entered the eighth year of its programmes), but the effects are still felt, including in industrial relations.

141 MOU point 27.
Irish industrial relations landscape pre-crisis

The signature feature of Irish industrial relations since the 1980s has been peak social partnership. This era has also seen increasing individualisation of the employment relationship, and the proliferation of individual rights-based employment protection derived from both domestic and European legislation. The 1946 Industrial Relations Act is the seminal piece of industrial relations legislation. Through this Act, the state has supported statutory bodies which regulate wage-setting and the terms of employment, particularly in low-wage sectors. In 2000, the state introduced a minimum wage, which remains one of the highest in Europe (Garnero 2015; Karel 2016).

Given the culture of voluntarism, the non-binding nature of partnership agreements, and the lack of an automatic right to union recognition, an elaborate system of dispute settlement bodies has emerged. This provides avenues for arbitration, adjudication, conciliation and mediation for workplace disputes. This includes the Labour Court (an industrial relations tribunal, not a court of law) and the Labour Relations Commission (LRC)\textsuperscript{142}. The Labour Court provides a forum in which employers and employees engage in a form of collective bargaining, which underscores the legalistic nature of Irish industrial relations. The LRC was introduced in 1990 as a court of first instance for industrial disputes. Both the LRC and the Labour Court were designed to improve industrial relations, and to minimise their disruption (WRC 2017b).

A central wage agreement was first reached in 1966\textsuperscript{143}. This represented a watershed in industrial relations. The agreement was re-introduced in 1970 and was followed by two ‘National Understanding’ agreements in 1979 and 1980. From the 1980s, unions laid aside their traditional preference for free collective bargaining and committed to a partnership approach (Geary 2016). This shift occurred in the context of a deepening economic crisis, unemployment of over 17 percent, high inflation, weak growth, employer hostility, and desire among unions to avoid the type of confrontation endured by unions in Thatcher’s Britain (Roche 2007).

Centralised bargaining occurred through tripartite, triennial national social partnership pay

\textsuperscript{142} In 2015, new legislation created the tripartite Workplace Relations Commission (WRC), which consolidates the functions of five separate industrial relations bodies, including the LRC, discussed below p178-179.
\textsuperscript{143} In fact, the first national wage agreement was in 1966 and then was re-introduced in 1970. These were followed by two ‘National Understandings’ on wages in 1979 and 1980.
agreements - what (O’Donnell 2000) calls ‘deliberative governance’, and Roche (2007) ‘competitive corporatism’. Six agreements were reached between 1987-2009, which determined pay levels for unionised workers, with many non-union employers ‘shadowing’ agreements. Between 2000-2009, social partnership exchanges were supported by a National Implementation Body (NIB) that was established by employers, unions and the state. The NIB exerted informal pressure on senior union and employer representatives who were party to a dispute to reach a settlement either within the NIB structures, or through the national dispute settlement machinery. The NIB is regarded as having played a key role in resolving several major disputes Roche & Higgins 2016).

Initially, agreements concerned core labour market matters of pay, tax-policy, active labour market policies and social welfare and public sector reform. Unions exchanged wage restraint and industrial peace for policy and institutional influence, effectively obtaining a veto over labour market and social policy. From 1997, negotiations were expanded to include non-core labour market issues, including poverty alleviation, social exclusion, drug-misuse, and housing policy. From this point, a range of other stakeholders were included in deliberations, including farming representatives, voluntary organisations and civil liberties groups, collectively termed the ‘Community and Voluntary Pillar’. In the EU, Ireland displayed ‘the strongest and most continuous use of national social pacts in recent times’ (O’Donnell et al. 2010, p191). Any disputes relating to the implementation of agreements at industry or local level could be referred to the LRC and, ultimately the Labour Court.

In September 2008, two months before the bank guarantee, a new national agreement was reached. This included pay increases in the public and private sectors of around 6 percent over twenty-one months (Kerr 2014, p42). In March 2009, as the recession took hold, the government introduced a mini-budget involving unilateral pay-cuts for public servants. Partnership collapsed in December 2009 when the government withdrew from talks with public sector unions aimed at securing further pay reductions (Erne 2013a). ICTU’s public service committee proposed unprecedented offers of efficiencies and flexibility, including 12-days unpaid leave for all public servants, but the Fianna Fáil-Green coalition announced that the proposals did not provide an acceptable alternative to pay-cuts. In June 2010 the government concluded a new four-year Public Service pay-deal through the ‘Croke Park Agreement’, followed in 2013 by the ‘Haddington Road Agreement’ which replaced the 2008 deal. The HRA aimed to reduce the public sector pay bill by a further €1billion by 2015, through
redeployment, work-sharing and restructuring (Reilly 2013). This was followed in 2015 by the Lansdowne Road Agreement, which began reversing some cuts to pay and pensions introduced in the public service since 2008 (Wall & Martin 2015).

Thus, the government’s approach to public sector reform in the crisis took two conflicting forms. Firstly, the government and employers sought to renegotiate the 2008 national wage agreement. Simultaneously, government unilaterally cut public spending and public sector pay.

At the same time, many private sector employers had already begun to not implement the terms of the 2008 agreement. In November 2009, IBEC formally withdrew from the private sector pay agreement, and from further talks. Within days, the government introduced the Financial Emergency Measures in the Public Interest (FEMPI) Act 2009. This imposed further cuts to public spending, unilaterally introduced a pension levy across the public sector, and further reduced public service salaries by between 5-15 percent (Kerr 2014, p43). In early 2010, IBEC dramatically stated that they were ‘entering a period of enterprise-level bargaining in unionised employments’ (IRN 2010). For the first time in the partnership era, negotiations included concession bargaining (Doherty 2011, p374). Thus since 2009, while social partnership has survived in the public sector, for the first time since 1987 collective bargaining in the private sector occurs only at enterprise-level (Teague & Donaghey, 2015; Roche, 2009).

One reason for the demise of partnership, according to one senior civil servant, was that ‘it had become too unwieldy’ - ‘[partnership] used to be just about pay, then all of a sudden, everyone was invited: farmers, green groups, the Church’. A further problem was that ‘Everything became totally centralised and went straight to the Taoiseach…there was no Oireachtas [houses of parliament] oversight, and no recommendations or soundings from government. This created…problems for democratic accountability’ (interview 45: 08.01.14). A centre-left Irish MEP agrees, contending that ‘The problem with social partnership is that it didn’t leave much space for democratic accountability. Government representatives and the Oireachtas weren’t represented. TDs and senators were locked-out, while the ‘other pillar’ was accounted for. The Dáil144 was side-stepped’ (interview 46: 11.12.13).

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144 Dáil Éireann is the lower house of the Irish parliament.
Also changed, is the role played by the Taoiseach’s office in industrial relations. Given Ireland’s small size, it was conceivable, and politically acceptable, that the Taoiseach would be directly involved in partnership exchanges. Since 2008, the Taoiseach’s office has been aloof from the process, and from the social partners. A union figure remarks that ‘the Taoiseach’s door used to always be open to us, we didn’t always agree, but the lines of communication were open. This has all changed ...the Taoiseach isn’t interested in partnership, at least not now’ (interview 47: 18.03.14). This is partly explained by the ideological outlook of the centre-right Fine Gael Taoisigh in office between 2011-2017, who might eschew such involvement. A civil-servant noted that ‘there is an element in Fine Gael for whom partnership would be antithetical’ (interview 45: 08.01.14), and for a union leader representing mid-ranking civil servants ‘part of Fine Gael sees everything from the crisis as traceable back to social partnership’ (interview 48: 19.03.14).

Since the collapse of partnership, exchanges between government and unions where they happen, are pursued unilaterally via government departments, cabinet subcommittees, or bilateral relationships. This represents a shift away from inclusive concertation, towards pluralist lobbying (Regan 2013, p14). This casts further light on the fragility of a process which built-up over time, and was never legislated for, which is in keeping with Ireland’s voluntarist heritage. While social partnership became institutionalised, with elaborate infrastructure and practices to support its activities, without statutory support it crumbled once the crisis hit and exchanges became more fraught and complex.

For some, partnership, became ‘the only game in town’ (Donaghey & Teague 2007, p39), while others see it as an erosion of union power, and a capitulation to government authority (Allen 2000). Culpepper and Regan (2014) believe that partnership ended because unions had nothing to offer policy-makers, being no longer capable of inflicting harm against employers and government. A representative, from a public sector union with a relatively radical ethos, feels the social partners ‘were always too close’ under partnership and sees the crisis-era agreements as a ‘total surrender by the unions’ (interview 49: 20.03.14).

The centralised nature of partnership, and the no-strike clauses built into the agreements, leaves a generation of union representatives and activists with scant experience of direct action

145 Enda Kenny (2011-2017), Leo Varadkar (2017-).
(Doherty 2011, p379). Duggan (1999) sees partnership as having ‘degutted the unions of any militancy’. Overall, partnership is seen by many as doing little to build-up union capabilities and resilience (Dundon & Dobbins 2015, p915; Danford et al. 2014). Crucially, for union capabilities at least, centralised partnership was never complemented by any guarantee of bargaining at enterprise-level, and unions failed to extend their influence beyond the cross-sectoral level (O’Hagan 2002, p152). This lack of articulation ultimately created a membership which was removed from the partnership process.

A trade unionist representing low-paid public sector employees also regrets the limited input from smaller unions, describing social partnership as ‘highly choreographed’, with agreements being ‘made in the inner-sanctums of Congress involving a few big people, from a few big unions’ (interview 43: 18.03.14). Lamenting the lack of workplace-level partnership, this trade unionist – with a background in journalism and a way with words - describes how ‘unions fell into the trap of our own rhetoric’. This is taken to mean that partnership was good at the time – but in the long term, set the movement back by excluding members from the most important parts of union business.

Despite these shortcomings, many argue that unions fared well under partnership, especially compared with their counterparts in other Anglophone countries (Donaghey & Teague 2007; Geary 2008). Pursuing a partnership strategy has brought clear benefits. Unions enjoy a privileged position in national policy-making frameworks, extensive access to government, and a capacity to influence, and even veto, macro-economic and social policy (Baccaro & Simoni 2004; Gumbrell-McCormick & Hyman 2013, pp121-122).

The period of social partnership can be seen as having engendered both successes and failures from the perspective of Irish trade unions, and the reasons for social partnership coming into being and for its ultimate demise remain hotly contested. Ultimately however, while it is easy to look at the partnership era as an experiment which failed, the process contributed to a period of redistribution, which saw sustained economic growth, and a decline in inequality, and advocates point to partnership as contributing to the economic gains of the Celtic Tiger years.
Statutory wage setting mechanisms

In 2011, the Fianna Fáil-Green coalition unilaterally cut the minimum wage by almost 12 percent. This was reversed later that year following the election of the Fine Gael-Labour coalition. In 2016, following a recommendation by the Low Pay Commission, the statutory minimum wage was increased by €0.50 to €9.15 per-hour, the first rise since 2007.

While social partnership agreements did not have erga-omnes effect, binding minimum wages and conditions have been extended to all employees in specific sectors which exceed the national minimum wage regardless of whether employers or employees belong to any organisations through Joint Labour Councils (JLCs). Following the decline of social partnership, the other big story of the crisis was the collapse, and subsequent recasting, of these statutory wage-setting mechanisms. Introduced under the 1946 Industrial Relations Act, JLCs are tripartite bodies which seek to maintain reasonable employment standards in particularly poorly organised, low-paid sectors, including catering, hotels, cleaning and retail. JLCs historically made proposals regarding pay and conditions of employment known as Employment Regulation Orders (EROs). If an ERO became registered with the Labour Court, it became a registered employment agreement (REA).

In the SME sector especially, employers grew increasingly hostile to the legally-binding nature of EROs and REAs. In 2011, a government-commissioned expert group was tasked with establishing if these mechanisms fuelled labour market rigidities by preventing wage levels from adjusting naturally (Duffy & Walsh 2011). The report stated that continued maintenance of the JLC system was justified, recommending reform rather than abolition.

The report’s findings were overtaken by events when in July 2011, the High Court declared the legislation underpinning EROs and REAs unconstitutional, as it impinged on employers’ rights to set wages (Achtsioglou & Doherty, 2014 p229). In a separate case in May 2013, the Supreme Court declared the legislation underpinning the Electrical Contracting Industry REA to be unconstitutional on similar grounds, and all REAs ceased to have statutory effect.

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Following these developments, the terms of employment for workers previously covered by EROs or REAs remained unchanged but pay and conditions for new hires would be governed by standard employment, including minimum wage, legislation (Citizens’-Information 2015a). A two-tier system of wage-setting and terms of employment in low-wage sectors prevails. Dualisation has been a feature of Ireland’s crisis experience, with new-hires throughout the public sector, including teachers, nurses and Gardai (police officers) receiving reduced terms and conditions of employment than their predecessors.

Despite this episode playing out in the domestic courts, it is notable that the Troika had separately called for a review of the REA and ERO framework that called for the removal of the ‘remaining structural impediments to competitiveness and employment creation’. A civil servant remembers ‘having to explain the JLC system again and again to the Troika representatives’ and that ‘while they were free-marketeers, we were concerned with how institutions can be built to protect workers’ rights’ (interview 45: 08.01.14).

The Industrial Relations (Amendment) Act 2015 introduced a new system of REAs and introduced a new category of Sectoral Employment Orders (SEOs). Agreements regarding minimum rates of pay and conditions in a given sector can now be registered with the Labour Court as an REA, but will not apply automatically across the relevant sector. The Labour Court can now merely recommend that the Minister for Jobs, Enterprise and Innovation establish an SEO which gives sector-wide effect to an REA (Compton & Clayton 2015). This enhances the role of the minister, and takes power away from the tripartite Labour Court and, indirectly, from the social partners. This is an example of increasingly unilateral government involvement in industrial relations. The new legislation provides for greater flexibility in response to changing economic circumstances, by allowing employers for the first time to avoid obligations when facing economic difficulties – similar to the Troika-backed reforms in Greece.

Dispute settlement and arbitration – the Workplace Relations Commission

The crisis has seen the workplace arbitration, adjudication, conciliation and mediation bodies reformed. This has streamlined industrial relations processes and has increased the power of
employers. In 2015, new legislation\(^{148}\) created the tripartite Workplace Relations Commission (WRC), which consolidates the functions of five separate bodies which had regulated industrial relations for seventy years, namely: the Employment Appeals Tribunal, the Equality Tribunal, the Rights Commissioner Service, the LRC and the National Employment Rights Authority. The WRC is to act as ‘an honest-broker’ between parties in dispute, and the government has no direct role in its work (WRC 2017b)\(^{149}\).

The WRC is responsible for promoting the improvement and maintenance of good workplace relations, for encouraging compliance with employment legislation and codes of practice, for monitoring developments in workplace relations, for undertaking research into workplace relations, for advising government on the application and development of employment regulation, and for providing information about employment rights and obligations (ETUI 2017c; WRC 2017b). The ethos of tripartite social partnership is set deep inside the WRC’s design. The WRC’s primary mission is to clarify the available options in the event of workplace disputes, and, through the recast Labour Court (a distinct, but related body), ‘to find a basis for real and substantial agreement through the provision of fast, fair, informal and inexpensive arrangements for the adjudication and resolution of trade disputes’ (WRC 2017a).

The 2015 WRC Act provides for workers to be represented by a union where it can be demonstrated that bargaining does not occur at workplace-level. In such cases the Labour Court has the authority to issue a binding recommendation that can be enforced at the Circuit Court (Wall & Martin 2015). Having long fought for the right to be recognised by employers, unions have broadly welcomed this development (Rogers 2015), while some trade unionists claim this may force workers into joining ‘company unions’ (Hade 2015). A centre-right MEP believes that ‘The role of the WRC is going to be vital in the recovery. It’s a great link between the state, the unions and the employers’ (interview 50: 12.12.13).

Towards a right to Collective bargaining?

As discussed, there is a right to form and join unions, but no right to union recognition for collective bargaining purposes. This was confirmed in Ryanair v The Labour Court, where the

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\(^{148}\) The Workplace Relations Commission Act 2015.

\(^{149}\) The Labour Court is not part of the WRC, and remained independent under the 2015 Act.
Supreme Court ruled employers were free to determine the form of any internal ‘collective bargaining’, which need not involve a union (Doherty 2013).

The Labour Party, in government in 2011-2016, sought to introduce legislation to provide for a right to collective bargaining within the meaning of the EU Charter of Fundamental Rights (Article 28), and ILO Convention 49, which was partly successful. The 2015 Industrial Relations Act introduced a revised framework for workers seeking to engage in collective bargaining, and a definition of collective bargaining which reads: ‘voluntary engagements or negotiations between any employer or employers’ organisation on the one hand and a trade union of workers or excepted body to which this Act applies on the other, with the object of reaching agreement regarding working conditions or terms of employment, or non-employment, of workers’\textsuperscript{150}. This strengthens the role of unions, whose role can become institutionalised within governance processes.

While the new legislation gives employees the right to bargain collectively, under the Ryanair judgement, employers are free to not recognise unions, regardless of the level of workplace unionisation. Employers freely determine what an ‘expected body’ means\textsuperscript{151}, how representatives are chosen for bargaining exchanges, and what the terms of ‘voluntary engagement’ shall be, provided arrangements are not ad-hoc. This is similar to the introduction of the ‘associations of persons’ for collective bargaining purposes in Greece, discussed in the previous chapter.

The Irish industrial relations landscape has been dramatically altered by the crisis, seen with the end of social partnership, and the decentralisation of collective bargaining in the private sector, but reforms have been less far-reaching than, for example, in Greece. Despite the aforementioned changes, the level of the national minimum wage was maintained, two deals on public sector pay were successfully brokered, and the infrastructure (and spirit) supporting REAs and EROs were ultimately kept in place. Thus, there is much continuity in Irish industrial relations from the years before the crisis struck. According to Doherty, ‘while neo-liberal Ireland’ must be ‘closely monitored’, ‘heavily regulated’ Greece must ‘dismantle’ worker protections and trade union rights (Achtsioglou & Doherty 2014, pp225-237). This is primarily

\textsuperscript{150} see section 27.1a, 2015 Industrial Relations Act.
\textsuperscript{151} see section 27.1b, 2015 Industrial Relations Act.
a reflection of the limited nature of Irish employment protection pre-2008. The extent to which this is a symptom of Ireland’s crisis experience, of ideological fervour on the part of government, employers, and the EU, or of what Mcdonough and Dundon (2010) call ‘the crisis in Global neoliberalism’ is unclear. It is probably partly all of these. Irish unions have responded to these circumstances in different ways. The next section reviews some of these actions.

Part II: Irish trade union modes of influence in the crisis

Geary (2016, p9) identifies four factors which determine Irish unions’ crisis responses: contextual challenges, ideological inheritance, organisational capacity, and opportunity structures. Taken together, these provide an understanding of what ICTU and its affiliates have done during the crisis. There is evidence of both radical responses and a reinforcement of the traditional partnership orientation, often pursued simultaneously (Lima & Artiles 2011). Union leaders tried to establish if strategies were best forged within the existing socio-economic order, or if an alternative model was needed. For the most part, ICTU and its members adopted defensive postures in the face of retrenchment (Geary 2016 p8). The unions never took a pro- or anti-MOU stance, focusing instead on maintaining social cohesion, attempting to preserve social partnership as far as possible, and limiting the impact of reforms, rather than stopping them.

Mode I: ‘recruitment, organisation and mobilisation; the unions’ artillery power’

Throughout the crisis, Irish unions have been less involved in direct action than in other crisis-stricken countries, including Greece (Pappas & O ’Malley 2014). ICTU and its affiliates were still involved in several episodes of direct action, culminating in a one-day public sector strike in 2014, and some well-attended public demonstrations which attracted tens of thousands of people, particularly at weekends during 2008-2012 (Mercille 2013). Isolated acts of industrial action also occurred in the public sector, notably in the passport office in 2011-2012.

Private sector strikes were rare, with the 2009 TEEU (Technical, Engineering and Electrical Union) national strike in pursuit of a wage claim in the electrical-contracting industry an exception. There were well-organised, but isolated local strikes and direct action in some parts
of the private sector, including with sit-ins at the likes of Vita Cortex, La Senza, Lagan Brick, and Waterford Crystal to resist job losses. These were of course coordinated locally, with limited input from ICTU.

The period 2016-2017 however has been one of relative discontent, with unions growing increasingly assertive. Public sector unions including nurses and teachers have threatened or engaged in industrial action in pursuit of pay restoration. There was a successful campaign for wage increases by Luas (Dublin tram) drivers and An Garda Síochána152, and strikes at Bus Éireann153 and Irish Rail in pursuit of same. However, throughout the crisis, unions generally adopted a defensive posture and engaged in concession bargaining.

A general secretary of a large public sector union explains that ‘Once the crisis hit, we had to get into concession bargaining. We had a wave of effective industrial action in 2008, 2009 and 2010, but we knew it wasn’t sustainable. The purpose of this...was to create a negotiation, not to beat the cuts, which we knew was impossible’. Continuing, this interviewee explains how ‘Early-on, our assessment was that we couldn’t win the war against the Troika. Street protests wouldn’t do it on its own...we needed to manage change, so it would be less awful for workers and poor people’ (interview 41: 30.09.15). An ICTU official adds that ‘reactions are cultural. Mobilisation is very effective in the South [of Europe]. Here [in Ireland], we go-in for large peaceful demonstrations. The [union] leadership don’t even see demonstrations as effective or useful and have done for years’ (interview 9: 21.10.13). The evidence suggests however that there remains a greater inclination to engage in direct action in the smaller public sector, which represents less than 20 percent of employment, than in the private sector.

There were voices in the union movement calling for greater emphasis to be placed on direct action. A union negotiator during the Croke Park and Haddington Road Agreements notes how ‘there was a far-left element in the union that said ‘we should be out burning cars’’. This contributor insists that ‘Our bottom-line was – you’re not going to sack people. We felt sitting down and engaging was the best way to protect jobs’ (interview 6: 20.03.14). Displaying the

152 The police force of the Republic of Ireland, commonly referred to as ‘the Gardaí’. Until 2014, the Gardaí were prohibited from going on strike. Following a 2014 Council of Europe ruling the Garda Representative Associations (GRA) and the Association of Garda Sergeants and Inspectors (AGSI) secured the right to strike, to negotiate pay and conditions, and to affiliate to ICTU (Eurofound 2014c). In autumn 2016, an unprecedented strike by Gardaí was averted when a new pay deal was agreed with government (Kelly et al. 2016).

153 The Irish national bus and coach operator.
pragmatic side of Irish trade unionism, an ICTU official notes how the *crisis resulted in huge unemployment, and a major weakening of union bargaining power*; the unions sought to *keep our powder dry* during the crisis and sought to prevent job losses in the public sector (interview 9: 21.10.13). This differs from the Greek union leaders, who did not engage with the Troika, and opposed the MOU’s legitimacy from the off.

As above, some concerted direct action did occur in the public sector. For a public sector unionist, the purpose of industrial action when it occurred, was *to create a negotiation where you manage retreat in a better way than if there were no negotiations*. This interviewee reiterated *what is not appreciated enough is the fact that there were no compulsory redundancies in the public sector, which is an enormous achievement. This was down to the agreements we made...given the enormous amount of money that was taken out of the economy* (interview 41: 30.09.15). No major degradation of terms and conditions in the private sector occurred, especially compared with Greece. Given the recast statutory wage-setting mechanisms outlined above, a civil servant believes the Irish system still has *lots of protection for vulnerable workers* (interview 45: 08.01.14).

In coordinating the mobilisation of members through strikes and demonstrations, *member apathy* was identified as *a big issue* (interview 43: 18.03.14). Members were clearly reluctant to engage in sustained strike or direct action, and aside from a few peaceful demonstrations, mass mobilisation was not a major part of what unions did. This may be changing, given the 2013-2017 successful campaign against the introduction of charges for water services which involved many trade unionists and included direct action and mass-mobilisations (discussed below), and given the election of a cadre of high-profile radical leftist members of parliament in 2016 (Colfer 2016).

Meanwhile, it is important to note that Irish unions lack most of the institutional mechanisms that can support union membership that are common in continental Europe, including in the likes of Belgium and in the Nordic countries (discussed in chapter 9). Members are the main source of financial resources, as opposed to subsidies from governments or employers, and unions recruit and negotiate workplace by workplace. However, Ireland is an outlier among liberal-pluralist countries in that organising has only recently emerged as a priority (Donaghey & Teague 2007, p25), and some unions have been particularly receptive to US conceptions of the ‘organising model’ (Geary 2018).
Indeed, a union leader refers to ‘ongoing conversations’ (interview 41: 30.09.15) among unions regarding the pressing need to attract more members; an ETUC official stresses that ‘companies are getting bigger – this isn’t the moment to get smaller’ (interview 42: 18.08.15). While ‘the biggest recruitment tool is a dispute’ (interview 49: 20.03.14), membership figures have not increased markedly in recent years, despite disputes and assaults on the pay and conditions of workers.

SIPTU, TEEU, Mandate, IMPACT, Unite and the Communication Workers Union (CWU) have established organising departments. SIPTU has gone furthest in this regard, and in 2010 its members approved the move from a regional to a sectoral structure, a tripling of resources for organising activities, and the appointment of specialised staff to manage individual grievances (Gumbrell-McCormick & Hyman 2013, p65).

The Financial Services Union (FSU)\(^\text{154}\) has also placed renewed emphasis on recruitment, hiring two ‘recruiters’ to ‘sell’ membership, making heavy use of social media ‘to show people what they can get out of joining. The use of the term ‘recruiter’ instead of ‘organiser’ was emphasised to distinguish the FSU from ‘regular unions’ (interview 51: 21.03.14).

Recruitment remains primarily the responsibility of affiliates, although ICTU is actively involved in promoting greater membership uptake. In acknowledgement of declining youth membership (Walsh 2009), as around 17 percent of members aged 24 or under – although data is sparse (Eurofound 2010), ICTU coordinated the launch of the ‘Youth Connect’ programme in 2007. Funded by SIPTU, Mandate and three other large unions, and acting in partnership with the Second-Level Students’ Union, Youth Connect aims to inform second-level students regarding their rights at work (Youth-connect 2017). The programme is aimed at workers in the ‘new economy’, and coordinates school and youth club visits, and cultivates online campaigns and social media content, including interactive polls and video content. A union leader remarks they were ‘amazed that there was no module at secondary school on industrial relations’ (interview 43: 18.03.14), and Youth Connect aims to address this gap in public education, and an MEP views these developments as examples of ‘the unions broadening their

\(^{154}\) FSU is commonly referred to by its original name, the Irish Bank Officials Association (IBOA), which was founded in 1917. Reflecting the rapidly changing nature of the financial sector, IBOA was renamed IBOA-The Finance Union in 2007, before becoming the Financial Services Union in 2016, see Paul Rouse & Mark Duncan (2012) ‘Handling Change: The Irish Bank Officials’ Association - A History’, Dublin ; The Collins Press.
Many unions offer training, education and financial services opportunities. While falling short of the supports offered by, for example, Belgian unions (discussed in Chapter 9), such activities were an important part of what unions did during the crisis. A nursing union official remarks that ‘we don’t need to worry about membership. Pretty much all students join anyway, but since 2010 we’ve enhanced our continual professional development offering and are in the process of establishing our own college for training’ (interview 49: 20.03.14). The FSU has attempted to ‘grow a sense of community in the union [since the crisis] we organise sports and social events…and put a lot more energy into trying to appease members. We also focus heavily on exam preparation and tuition’ (interview 51: 21.03.14). A centre-left MEP notes that ‘over the past 100 years, [Irish] unions have played an important role in professional development…in providing help to upskill workers. When getting out of the crisis, unions could play a bigger role in this regard to attract members’ (interview 46: 11.12.13).

Regarding the public discourse, and media coverage of how the unions sought to respond to the crisis, a national-level union figure laments how ‘we are the only ones who let the enemy convey our message’, believing the unions were ‘squeezed out of the public debate’ (interview 41: 30.09.15). Since 2008 the unions became engaged in a ‘battle of ideas’ over how a new social order might be envisaged (Geary 2016). To develop resources to assist unions in this ‘battle’, the Nevin Economic Research Institute (NERI) was established in 2012 by a number of ICTU’s largest affiliates155. NERI aims to ‘contribute towards the construction of alternative perspectives and possibilities that will lead to the creation of an economy that works for society’ (NERI 2017).

ICTU also provides training courses to members, and ‘aspire to creating a Ruskin College in Dublin’ (interview 41: 30.09.15), with reference to the educational institute in Oxford, UK with strong links with the labour movement, which provides educational opportunities to especially older people. As of October 2017, Congress has agreed legal instruments for a ‘union college’. Alongside the establishment of NERI, ICTU is trying to create opportunities for

155 NERI was the initiative of Jack O’Connor SIPTU general president since 2003, and ICTU general secretary David Begg (2001-2015) and is named after the late former ICTU general secretary Donal Nevin (1924-2012), who was responsible for developing the social partnership model during his tenure (1982-1989).
Some ICTU members sought to overhaul the ways they communicate with members and the wider public. A SIPTU official explains how ‘we had to deal with a lot of really bad public anger...the right-wing press presented an image of a ‘greedy set of union barons with no relationship with the working classes’ (interview 6: 20.03.14) and a Public Service Executive Union (PSEU) official describes ‘residual bitterness within the membership’ due to the cuts members had endured (interview 48: 19.03.14). The Mandate union also sought to find new ways of communicating with members by establishing a new magazine ‘The Shopfloor’, which deals with some radical themes including options for direct action and the prospects of a general strike (interview 47: 18.03.14).

Following the nationalisation of several financial institutions, uniquely, the union’s members ‘went from the private sector to the public sector’ and were thus ‘the only public sector people to lose their jobs. The FSU suffered from the consolidation of several banks, the net effect of which was mass redundancies, and the union lost 6,000 members between 2008-2012. In response, FSU claim to have ‘refined [their] internal communications, and now have a mobile number for nearly every member’. Notably, the FSU representative claims they now ‘use the media a lot better. It was difficult to be associated with ‘banking’ for a number of years...we’re reinventing ourselves as a campaigning union’ (interview 51: 21.03.14).

Nonetheless, a centre-left TD claims ‘some unions have a serious credibility problem following the partnership era’ (interview 40: 09.01.15), and the measures taken by ICTU and its affiliates in this mode can be seen as attempting to regain credibility.

Mode II: ‘institutions and social partnership; the unions, the state and the law’

An albeit limited form of social partnership survived the crisis in the public sector, but ended in the private sector in 2009. Both private and public sector unions point to the equality gains that partnership yielded. A public sector unionist notes that partnership put ‘huge emphasis on equality and equal treatment, and challenges the gender pay-gap’ (interview 43: 18.03.14),

156 However, trade union insiders advise that, once David Begg retired in 2015, work towards the establishment of the Trade Union college has ‘slowed’.
and a private sector unionist notes that ‘our equality ethos fed into our pragmatic view of national agreements’ (interview 51: 21.03.14). Under the Croke Park and Haddington Road agreements, newer (almost always younger) workers, including teachers and nurses, received reduced terms and conditions. Several unionists ‘didn’t like the lack of fairness’ this involved (interview 43: 18.03.14), which created internal tensions between some union leaders.

This equality agenda was stressed by some senior union figures. For example, a SIPTU official contends the union leadership ‘curtailed the damage as much as possible’ (interview 6: 20.03.14). The unions turned to dialogue and negotiated agreements and the mantra of ‘limiting damage’ was widespread. An ETUC figure notes ‘the crisis was understood by ICTU...the leadership understood that they had to make best with the situation [sic]...and needed to figure out how to limit the damage’ (interview 8: 01.12.14).

With the demise of partnership, unions engaged in concession bargaining for the first time since 1987 and sought to influence the retrenchment. In one way, this sees unions behaving like their continental counterparts, for example in Germany, where concession bargaining is the norm. One trade unionist states that they did not regret being involved in these processes, saying ‘it was better to be in the room, fighting for your members. We could have stayed outside and thrown snowballs at the window as some unions wanted to, but what would that have achieved? My duty is to my members. Myself and the leaders of the main unions followed this strategy, and that’s what it was, a strategy, to try to make the best of a really awful and difficult situation... I feel that when you’re met with huge force, you should retreat to a safe position. And this is what we tried to do’ (interview 41: 30.09.15). Another trade unionist described the Croke Park and Haddington Road deals as ‘defensive agreements’ (interview 48: 19.03.14). These leaders left the impression of having confidence in negotiating, but not in mobilising sustained action. There is also no evidence of distributive or ‘ultra-concession’ bargaining during the crisis, and manufacturing wage-levels remain above EU average and, compared to Greece, there has been limited recession-induced changes to work regimes overall (Roche 2015). Arguably the experiences of partnership and of dialogue provided the skills and predispositions necessary to engage in such integrative exchanges.

157 Both of these unions have historically had a large female membership.
Regarding the end of partnership, a senior civil servant with direct experience of the bailout negotiations believes that it was convenient for the unions, and ‘the collapse of social partnership was as much about the unions being able to distance themselves from difficult but inevitable decisions, as it was about anything’ (interview 45: 08.01.14). Many interviewees would welcome the return of ‘a partnership type arrangement, but [one that is] closer to what it was like in 1987, with limited scope to manage pay increases in return for tax…reform’ (interview 45: 08.01.14). In 2017, after a number of high-profile episodes of industrial action across the public sector, public sector unions are engaged with government surrounding a new pay deal, with talk of reversing some crisis-induced reductions in pay and conditions. It will be interesting to see how private sector employers respond should these talks prove successful.

There were also some legislative changes during the crisis that amount to gains from the perspective of ICTU and the union movement. A civil-servant remembers, regarding the introduction of legislation which provides a definition of collective bargaining, ‘there was war in government buildings’ when then Labour Party leader Eamon Gilmore, after consultation with leading ICTU figures, announced his intentions to legislate for collective bargaining. ‘The US Chamber of Commerce contacted the minister saying that this was a really serious issue… and they wanted to know what was happening’. The interviewee explained that the Department was ‘preparing to reform the [Industrial Relations] Act in order to provide a clear definition of collective bargaining ’ but that ‘the Minister is in no rush to do anything about it’ (interview 45: 08.01.14).

Thus, while formal partnership ceased to continue in the private sector in 2009, and was almost strained to breaking point in the public sector, it is clear that the unions maintained a posture that was open to discussion and dialogue. Back-channels between ICTU and key union figures and government also remained open throughout the crisis, although this is partly a reflection of the Labour party’s role as the minority partner in the coalition government (2011-2016).

Mode III: ‘Trade unions political politics and coalition formation; the unions and alternative sources of legitimacy

ICTU maintains no official links with any political party which has arguably been to the organisation’s advantage in terms of political autonomy. Social partnership required the unions
to deal with Ministers with responsibility for Labour relations, jobs and related portfolios from different political parties, and dealings were not complicated by party allegiances. Similarly, a senior figure in the Mandate union stresses that the union ‘is not with a party, which provides an element of freedom’ (interview 47: 18.03.14).

As discussed above, during the crisis, SIPTU tried to exert influence through its links and back-channels with the Labour Party (interview 9: 21.10.13). This is reflected in the likes of the aforementioned collective bargaining legislation, the reversal of the cut in the minimum wage, and the retention of numbers in the public sector. However, legislation which proved deeply unpopular with unions was also introduced, such as the 2009 and 2015 FEMPI legislation158, and the introduction of charges for water services (Colfer 2016). The crisis hurt relations between the Labour Party and the unions with the introduction of what was seen as ‘extraordinary legislation from a Labour government’ (interview 43: 18.03.14). In 2015, there was an unsuccessful attempt to sever links between SIPTU and Labour led by members who were unhappy with Labour’s performance in government (Riegel 2015). Two SIPTU officers were elected TDs in 2016 not for Labour, but for Sinn Féin, who tacked to the left of Labour in opposing austerity.

Irish civil society is active and highly politicised with a wide range of actors. Throughout the crisis, unions formed coalitions with different groups. There were several large-scale mobilisations which were led by other actors, some of which ICTU participated in (Geary 2016). Regarding demonstrations and direct action, ICTU has often been outflanked by some of its more radical affiliates, including Unite, as well as ultra-left political parties (interview 9: 21.10.13). Frustrated by what they saw as a lack of action by ICTU, a loose alliance of unions representing ‘frontline public servants’, including nurses, police, fire-fighters and prison officers, was formed to oppose cutbacks and to defend jobs and public services under the ‘24/7 Alliance’ (Doherty 2011, p382). This alliance was short-lived but enjoyed popular support.

The other most important development in the relationship between unions and politics, is the emergence of the ‘Right2Water’ movement, which emerged as the most enduring new political campaign to manifest during the crisis. Until 2015 domestic and wastewater services were

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158 The 2009 FEMPI legislation, discussed above, which had underpinned the various public service pay and pensions reductions since 2009, was amended by the Financial Emergency Measures in the Public Interest Act 2015 (FEMPI). The 2015 Act give effect to the provisions of the Lansdowne Road Agreement.
funded for the most part by central taxation and were free at the point of use (Citizensinformation 2017). In 2015 a central national utility ‘Irish Water’ was set-up to implement the proposed new system. The transition to a billed model has caused controversy among many groups and individuals, including some trade unions, who oppose the introduction of such charges (Right2water 2017b).

The ‘right2water campaign’ describes itself as a ‘public campaign by activists, citizens, community groups, political parties/individuals and trade unionists’ (Right2water 2017a). Right2water asked candidates in the 2016 general election to support their pledge for water to be ‘available to all regardless of wealth or income’. The potential ‘radicalisation’ of at least some unions in opposition to such crisis-induced measures, particularly when coupled with the collapse of social partnership, represents a reorientation in union politics. Other coalitions with significant trade union input include the ‘home sweet home’ campaign, which highlighted the plight of homeless people in 2016, and a coalition between Age Action and the Impact trade union which sought to highlight challenges faced by pensioners and older people (Impact 2017).

Throughout Europe, young people remain under-represented in trade union memberships (Gumbrell-McCormick 2011; Dietrich 2012). ICTU supported the establishment of a ‘Young Workers’ Network’, a largely online initiative of under 35-year-olds which ‘aims to build a society that works’ (YWN 2017), and the ‘We’re not leaving’ campaign, a network of trade unionists and allies, describing themselves as ‘precarious workers, the young unemployed and combinations of all three. We’re angry and we’re not leaving’, with reference to economic migration. The campaign is the result of ‘common negative experiences, foisted on us but not caused by us’ (Gavin 2013). The Young Workers’ Network remains active online, but ‘We’re not leaving’ ceased to be active in January 2017. Both were prominent in the 2015 marriage equality campaign.

Regarding the unions interacting with government and with employers, the context was fraught but it was not as constrained as it was in other crisis-stricken countries including Greece. Once the bailout agreement was signed with the Troika, the new government’s number one priority

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160 Households that are not connected to a public water supply are served by group water schemes. Since the 1970s, participants in group schemes pay for water, although local authorities provide subsidies for each house in a group scheme.
was to exit the bailout as quickly as possible. While the channels of communication between unions and government remained open, the government’s single-mindedness meant that union priorities were often disregarded.

While relations between employer groups and unions also remained cordial, there were no sustained alliances between employers and unions during the crisis, and employer representatives were clear that the crisis afforded opportunities to gain efficiencies in the longer term (discussed above p173). Compared with Greece for example, where the depth of the crisis was greater than in Ireland, the Irish public did not face the same collapse in economic activity, which induced collaboration between employers and unions in that country.

ICTU and its affiliates coalesced with, and borrowed resources from, other civil society actors, mainly through short-lived initiatives. Regarding the established ‘fourth pillar’ organisations, such as Social Justice Ireland, according to ICTU (interview 9: 21.10.13) ‘they did their own thing, their main role was to get more money put into their sector’. As in Greece, unions, in some instances at least, are seen as part of a discredited elite, partly through their involvement in social partnership.

Mode IV: ‘trade unions and the European-level; beyond the national shell’,

The most conspicuous manifestation of ‘Europe’ in Ireland during the crisis was the arrival of the Troika. A civil servant with experience of the bailout negotiations remembers how ‘getting used to them [the Troika] was a new experience. Some meetings were more tense than others, and lots of things were lost in translation... I found myself re-explaining the same things, for example, what JLCs and REAs were over and over again, which was difficult when dealing with such detailed and sensitive stuff... The meetings were very structured, with hot-and-heavy questions, answers and clarifications, and with a bit of text reflecting how the meeting went [at the end]. The process was new, and at times, interesting. Also, it was good to be able to ‘blame the Troika - we don’t have that lifeline anymore’. He remembers that ‘if the Troika weren’t happy, we didn’t get paid, so things used to happen quickly, as if by magic. Troika business was the priority-our attitude was: what gets measured, gets done’ (interview 45: 08.01.14).
Unlike in Greece, the unions, through ICTU, accepted the invitation to meet with the Troika. ‘We were welcomed as a ‘stakeholder’’ remembers a union leader, ‘and no longer as a social partner’. This representative remembers how ‘The IMF representatives were ok, but the Commission…representative was rude, and saw no sense of irony in being photographed with IBEC. Being honest, they were very annoying people’ (interview 6: 20.03.14). Another trade unionist agreed, recounting how the ‘IMF were more favourable; they sought changes with as little social impact as possible. They were pragmatic and were always more open’ (interview 41: 30.09.15). The IMF, long seen as ardently free-market and pro-business, were seen as more fair and sensitive to national specificities than the Commission, despite nominally remaining the defenders of the European Treaties and of the European social model.

Aside from Troika-relations, the unions engaged in a public relations offensive, which involved Jack O’Connor, as ICTU president ‘travelling around Europe to explain the Irish story’ (interview 6: 20.03.14). This was anti-solidaristic. The unions attempted to ‘show that we’re not as bad as the Greeks…and our relations with other confederations has involved ‘going to explain ourselves’ (interview 52: 21.03.14). Another unionist remembered that ‘ICFTU tried to organise a meeting with the Troika countries, but it didn’t fit our strategy’ (interview 41: 30.09.15). Congress went it alone and eschewed trying to build alliances with unions in other crisis-stricken countries.

Mandate has become increasingly active within EPSU161, and in 2015 sent delegates to ETUC Congress for the first time. However, ‘the allocation of resources comes down to priorities’ and Mandate ‘just don’t send people to ETUC demonstrations. In Belgium…it is more in their blood to manifest, and they’re closer to the action…it’s far harder for us to get there’ (interview 47: 18.03.14). An industrial relations expert pointedly states that ‘Congress doesn’t engage with Europe’ but this is because ‘they don’t have the funds’ (interview 53: 09.01.14). Tellingly though, even at the last major decentralised day of action in 2012 when ETUC affiliates were encouraged to coordinate local activities, there is no evidence of ICTU involvement (Dufresne 2015).

161 The EU-level sectoral public services union.
An ICTU official believes ETUC ‘has no traction’ at Congress, but ‘maybe some of the ETUFs\textsuperscript{162} do’ (interview 52: 21.03.14). A nursing union leader says ‘EPSU are good, but they’re being ignored, but we recognise that Europe is more important now than ever, for example for the recognition of qualifications’ (interview 49: 20.03.14). In 2015, the first ETUC confederal secretary from ICTU was elected\textsuperscript{163}, which is a statement of ICTU’s political support for ETUC, and a Mandate official felt ‘any sustained work at EU-level, should be done by Congress’ (interview 47: 18.03.14).

The crisis years still saw a strengthening of the linkages between ICTU and ETUC, at least in one way. An ICTU official points to the role of ETUC and especially ETUI in the context of the financial crisis to help ‘understand the terms and conditions of the bailout, and to help us develop our negotiating position…economists at ETUC keep us informed’ the interviewee said, and ‘are very good at giving us bad news’ (interview 9: 21.10.13). An ETUC official agrees, stating ‘as far as Ireland is concerned, relations with ETUC was always extremely constructive, and relations since the crisis have become stronger’ (interview 8: 01.12.14).

Regarding relations between ICTU and the European Parliament, a centre-left MEP claims ‘the channels of communication are always open if you’re an active MEP’ and that they frequently meet the unions alongside other ‘rights organisations’ (interview 46: 11.12.13). A centrist MEP explains how they meet ICTU to discuss ‘the social dimension of EMU’ (interview 54: 12.12.13). There is no evidence of ICTU contributing to macroeconomic policy-formation, or anything that goes beyond social issues, via these relations. A centre-right MEP explains that ‘IBEC have been active throughout the crisis, holding meetings, and telling us what they think. They are good at networking, and they see how decisions at EU-level impact on Irish jobs – the unions, don’t get this as much. They are not as effective or as organised as other lobby groups’ (interview 50: 12.12.13).

Constitutionally, Ireland is required to hold referenda on treaties which affect national sovereignty. Eight have been held on EU-related questions since 1972. While the unions opposed EU accession, the electorate endorsed membership by a large majority (83-17 per cent). Unlike their British counterparts, Irish unions have since then engaged fully with the EU.

\textsuperscript{162} The European Trade Union Federations, like EPSU, EuroCop and IndustriAll.
\textsuperscript{163} with the support of the British TUC.
Three EU referenda were held between 2008-2016. In the first Lisbon Treaty referendum in 2008, the unions were divided following a dispute at Irish Ferries, and SIPTU made no recommendation (Donaghey & Teague 2006). This was seen as a tacit call for rejection, and the referendum was defeated. This decision was overturned by a second referendum in 2009. As the scale of Ireland’s economic crisis was becoming clearer, the government obtained a protocol to the treaty that was designed to address the concerns of the ‘no’ campaign, and at a second attempt, the referendum was carried in 2009. SIPTU backed the second referendum, but was ‘particularly dissatisfied’ that ETUC’s proposal for the inclusion of a social progress protocol had not been agreed (Wall 2009).

ICTU were at odds with ETUC in supporting the EU’s Fiscal Compact treaty in 2012, a mainstay of the EU’s new economic governance regime that was designed to reassert the 1997 stability and growth pact. ICTU supported the treaty, which came in the midst of the country’s financial bailout, while ETUC opposed it – the first time ETUC opposed an EU treaty. A number of ICTU affiliates also opposed. According to ICTU, despite the treaty being ‘wrong from our economic and social perspective it becomes hard to oppose it unless a satisfactory alternative...can be advanced’ (ICTU-2012). This caused some tension between ICTU and ETUC, and displays ICTU’s view of being separate from, but not at all hostile to, ETUC.

Over time, a shift in union attitudes towards European integration from suspicion or antagonism towards acceptance and enthusiasm is detectable, even during the crisis. Several union leaders have become professional Europeans and seek to moderate the neoliberal priorities which now dominate the project (Gumbrell-McCormick & Hyman, 2013). An employer describes how, after exiting the bailout programme in 2013, Ireland has ‘reclaimed [its] reputation...now we need to get deeper into Europe’ (interview 44: 25.11.13). It would be unlikely for ICTU or senior unionists to be publicly as clear-cut in their support for EU membership but compared with union leaders elsewhere – including Greece – there is a clear, pragmatic acceptance of the need to orient resources towards EU-level. There is an awareness among unionists that Ireland’s economic future will be shaped by developments at EU-level, particularly following the UK’s vote to withdraw from the bloc.

The Irish public are positively-disposed towards Europe despite enduring years of austerity and a Troika bailout. Unions elsewhere in Europe represent constituencies which are increasingly supportive of populist, sometimes Eurosceptic, political forces. It is not known if Ireland will
remain immune from this trend. A centre-left TD sees the potential for conflict between the union membership and leadership on the question of ‘Europe’ as the ‘conflict lying at the heart of the Irish labour movement’ (interview 40: 09.01.15).

Discussion

Since 2008 Ireland has endured an economic crisis originating in its disproportionately large banking sector, and in the collapse in its construction sector. Unlike Greece’s sovereign-debt problems, ultra-low interest rates facilitated the selling of cheap mortgages, which inflated a housing bubble\textsuperscript{164}. This fostered an over-reliance on property-related taxes, which was worsened by lax financial regulation, and a closeness between senior bankers and government figures. This encouraged risky banking practices in the implicit knowledge that a bailout would be forthcoming in the event of things going wrong.

Like in Greece, the crisis has dramatically reshaped the industrial relations landscape. A senior trade unionist, with thirty years’ experience of industrial relations, describes 2009-2012 as ‘the most intense years in my time’ (interview 6: 20.03.14). A dominant narrative is one of unprecedented change and disorder, with remarks such as: ‘almost everything has changed’ (interview 9: 21.10.13), ‘things are radically different’, with ‘the speed of the collapse’ catching ‘everyone off-guard’ (interview 48: 19.03.14) commonplace. Seeing beyond the hyperbole, one gets the impression that between 2008-2013 especially, union representatives were overwhelmed and ill-equipped to respond to the political, economic and social context in which they found themselves. It is also clear that, while mobilisation and striking occurred, they were not central to ICTU strategy.

Nolan notes, the overall reaction of Irish society to the crisis ‘has been less of a bang than a whimper (albeit an audible and protracted one)’ (Nolan 2014, p30). The union and civil society response has been relatively muted, with only isolated episodes of strike action and mass demonstrations, especially when compared with Greece. The campaign against the introduction of a billed model for water is a notable exception.

\textsuperscript{164} Between 1991-2007 house prices in Dublin increased by 490 percent (see Regan, 2013, p5-7).
There has been a clear de-prioritising of the social partners during the crisis, particularly in wage-setting. There has been a reassertion of government authority, with ministers taking an increasingly unilateral interventionist role in industrial relations, including processes that were once covered by social partnership. Government and the Troika have treated the unions as ‘any other lobby organisation’ (interview 6: 20.03.14).

There were some episodes of large-scale mobilisations involving unions, and some cases of coalition formation, but these were often led by, or involved a major role for, other social movement organisations. This has provided media exposure for ICTU, and has resulted in some important political victories, including the Right2water campaign. Since 2008, particularly in the private sector, where it takes place, collective bargaining has become increasingly decentralised, and as above, unions engaged in concession bargaining in the public sector. In terms of their bargaining position, unions can be seen as being at a disadvantage for want of local structures, prompting some unions to focus on recruitment and to adopt some version of an organising model (Geary 2018).

An important development with respect to union influence on politics, is ICTU’s renewed interest in research. NERI is highly respected and provides ICTU and its affiliates with important opportunities to influence politics and public discourse.

Despite social partnership collapsing in 2009, ICTU maintained a partnership orientation throughout the crisis. Irish unions display an orientation closest to business unionism and they remain focused on collective bargaining and negotiation. This was always complicated by Ireland’s voluntarist heritage, and the lack of statutory underpinning for collective bargaining and social partnership. The pragmatism that is sometimes associated with ICTU as an organisation is captured by a senior union figure, who says that ‘doing nothing will get you nothing’ (interview 41: 30.09.15), and the theme of ‘curtailing the damage as much as possible’ (interview 6: 20.03.14) was conveyed frequently during interviews with senior ICTU figures and union figures generally. A public sector trade unionist also remarked that ‘our tool kit didn’t include the things we needed, so we needed to invent them’ (interview 41: 30.09.15), and there are some examples of unions undertaking new activities, and placing renewed emphasis on old ones.
A distinctive feature of the Irish unions’ crisis response is how they sought to engage with the country’s creditors. Compared to Greece, the Irish MOU was relatively silent on industrial relations, and focused on cuts to public spending and internal devaluation. This is in part a reflection of the relatively limited collective labour rights which exist in Irish law.

What is missing in Ireland – as opposed to, for example, Belgium – is the institutionalisation of social partnership. An industrial relations expert laments the ‘loss of the [tripartite] NIB [National Implementation Body], which was the closest thing to a permanent secretariat for social partnership’ (interview 53: 09.01.14), which ceased to function in 2009. The NIB was more than a quango that distanced government from tough decisions but rather it provided a space for negotiations to happen. Leading figures recall the shared experiences of partnership, and the sense of trust this engenders. This casts light on the vulnerability of a process which was never legislated for, and which relies on the goodwill of those involved for it to work, with no sanctions for non-participation. As Ireland exits the crisis, it is likely the social partners and government will seek each other out to manage the return to growth through some recast form of social partnership.

ICTU and Irish unions maintain looser, more limited relations with political parties than elsewhere. ICTU and its members have no formal relations with either of the parties which have led every government since independence. This affords unions a degree of autonomy, but also limits ICTU’s political influence.

Regarding coalition-formation, the crisis did not promote solidarity between the crisis-stricken Irish and Greek unions. An Athens-based Irish diplomat contends that ‘Even when we were both in bailout programmes, there were just as little bilateral relations as there were before….to be honest, Ireland didn’t want to be associated with a basket-case like Greece and didn’t want to spook the markets’ (interview 16: 15.07.14). This sentiment was echoed by union figures, and points towards the under-developed nature of a European trade union identity.

At European-level, Irish unions and ICTU are seen as solution finders, and have tried to ‘repair the reputational damage done during the crisis’ (interview 44: 25.11.13). There are a few highly-Europeanised figures, including the first Irish ETUC confederal secretary who was elected in 2015, but ETUC and the EU-level, remains a largely elite pursuit. ICTU remains
remote from, but supportive of, ETUC, and ICTU does not have the resources to participate actively in European mobilisations but remain active within ETUC’s representative structures. Whether the challenge of the UK’s proposed withdrawal from the EU will alter these links remains to be seen, given that ICTU affiliates organise workers in both the Republic, and Northern Ireland.

A damaging legacy of the crisis has been the exacerbation of a perceived divide between the private and public sector workforces. The majority of job losses during the crisis were in the private sector while public sector workers endured a series of cuts to their take-home pay and entitlements. This created tensions between public and private sector workers, with accusations of the ‘bloated’ and ‘cosseted’ public servants with expensive pensions being to blame for the crisis (Taylor 2017), alongside claims that public sector workers are better remunerated on average for equal work despite these cuts (Mills 2017). Typically, public sector unions lobby politicians to change their views, while private sector unions seek to convince employers to moderate their behaviour. Public sector organisations meanwhile are typically anti-austerity but are not too concerned with the integrity of collective agreements as they are supported regardless, while private sector unions typically seek to extract a greater share of profits from employers. ICTU may need to play a more proactive role in addressing these differences and tensions arising from these differences.

Increased inter-generational tensions have also emerged, with many younger workers employed with reduced terms and conditions. A centre-left politician believes ‘the unions failed younger workers’, and the Association of Secondary Teachers in Ireland (ASTI) in particular ‘hung younger teachers out to dry and looked after older members’ (interview 46: 11.12.13). The unions have responded to this by introducing and supporting programmes aimed at promoting membership among younger workers, but it may be too late to reverse the damage.

A TD on the Republican left deems ICTU and the unions’ response to the crisis to have been ‘broadly muted’ (interview 40: 09.01.15). It is possible to say otherwise, depending on the definition of ‘muted’. There is often an over-emphasis on the importance of militancy when considering union influence, and through their partnership orientation, ICTU managed to limit the worst effects of crisis-induced reforms.

‘There exists but one country in the civilised world where every strike is eagerly and joyously turned into a pretext for the official massacre of the working class. That country of single blessedness is Belgium’.

Karl Marx (1869) ‘The Belgian massacres’, address to the International Workman’s association.

Part I: Industrial relations in Belgium

The above quote, attributed to Karl Marx, points to the long tradition of trade unionism and industrial relations in Belgium, more than it does to any pronounced anti-worker tradition or sentiment in that country today. Indeed, Belgium has one of the most sophisticated industrial relations frameworks in the world, and one of the strongest union movements in Europe. Unions have a central role in industrial and social policy-making, but still maintain the ability to mobilise and strike on a large scale, and often do.

With a population of 11.2 million, and the 10th largest economy in the EU, Belgium is a small, export-oriented country, with about 80 percent of employment in services, and a highly-productive, highly-skilled workforce (Faniel 2012, p20; Economie 2017). Belgium has relatively equal income distribution, and is a typical case of a ‘small state’ (Katzenstein 2003), as it manages to stay economically competitive while preserving its political institutions partly by focusing on external trade relations. This is achieved through the country’s consensus-driven tradition of democratic corporatism – a mixture of ideological consensus, centralised and decentralised political institutions, and sophisticated bargaining among interest groups. These practices evolved following World War II, when the country was in the midst of an economic and social crisis, but the philosophies underpinning them reach further back into history (Deschouwer 2009).

Belgium was founded in 1830 following secession from the short-lived expanded Kingdom of the Netherlands which existed for fifteen years following the 1815 Congress of Vienna. In the eighteenth century, modern Belgium was the first European region to industrialise after the UK, fuelled by large coal stocks in the southern French-speaking Wallonia region, while the
northern Flemish-speaking Flanders region became a centre for textiles, banking and commerce through the ports of Antwerp, Ghent, Ostend and Zeebrugge (Mertens 1925, p4; Chen 2013). Organised labour emerged as a social movement, and later as a political movement, in the late nineteenth century, with the formation of a Flemish workers’ party in 1872 (Humes 2014, p147). The nineteenth century ushered in prosperity, but also a political cleavage between liberal businessmen and socialist workers which would endure (Haas, 1958). This, along with the country’s socio-political and linguistic divisions (discussed below), renders Belgium a country with much experience of managing difference and resolving conflict.

In 1865 King Leopold II, ascended to the throne as the second King of the Belgians. In 1885, Leopold fulfilled his personal ambition of acquiring a personal colony, the Congo Free State, which would remain his private patrimony until 1908. The regime is infamous for its brutality and cruelty, spelled out in the 1904 Casement Report by then British diplomat, and latterly Irish revolutionary, Roger Casement (Casement 1904; Mitchell 2013, pp91-100). Under international pressure, Leopold offered to reform the regime, but in 1908 the Belgian parliament annexed the Congo Free State, taking over its administration. Congo ultimately became independent in 1960 (Hochschild 1999). The hideous treatment of the Congolese at Belgian hands is seen as one of the worst examples of extractive politics in history, despite Belgium being an inclusive state with a constitutional monarchy (Runciman 2014, p123). The Congolese experience continues to play a role in the Belgian consciousness. Belgian unions today, especially from the Christian tradition, remain involved in development activities in the former Belgian colony, and in Burundi and Rwanda, which were Belgian mandates following World War I.

In August 1914, neutral Belgium was invaded by Germany as part of the Schlieffen Plan in a bid to capture Paris quickly (Hobsbawm 1994). This precipitated Britain’s declaration of war on Germany, given the 1839 Treaty of London, which required Belgium to remain neutral, and committed Britain to come to her assistance in the event of invasion. In 1940, Belgium was invaded by Germany again. Many Belgian politicians, soldiers and citizens sought safety in the UK, and between 1940-1944 the government went into exile, firstly in Bordeaux and then in London. The government was tripartite, with ministers from each of the Catholic, liberal and labour parties, under prime minister Hubert Pierlot of the Catholic party. The government included Paul-Henri Spaak, the labour politician who would become an architect of the
European project (Huzinga 1961). Belgium remained under Nazi occupation until 1945, although most of the country was liberated in 1944. Against the express wishes of the Pierlot government, King Leopold III surrendered to the Nazis in 1940 and remained in Belgium throughout the war. Leopold was accused of collaborating, and in 1945, amid a constitutional crisis, he abdicated, and was succeeded by his son, Baudouin (1930-1993).  

While in exile, the leaders of the socialist and Christian unions, employers and the Pierlot government established the basis for the post-war consensus, which led to the implementation of a social security pact after liberation. For an EU-level trade unionist, the system was ‘a compromise between the bourgeois establishment and the trade unions’ (interview 55: 30.09.15). This provided the basis for the modern tradition of social dialogue, to the establishment of an integrated social security system, and ultimately to the creation of Belgium’s industrial relations system, based as it is on consensus, dialogue and cooperation (Milward 1992, p55; Luyten & Vanthemsche 1995; Alaluf 1999).

Due to its geographical and historical location at the heart of Europe, and the many European armies that have fought on its soil, since as far back the Thirty Years' War (1618-1648) and the Napoleonic Wars (1803-1815), Belgium has been called the ‘battlefield’ or ‘cockpit of Europe’ (Simms 2014). Belgium is unwavering in its support for European integration and is among the most vocal and committed supporters of the Common Market. Support for Europe remains central to Belgian foreign policy, and Brussels, the Belgian capital, hosts the headquarters of both the EU institutions and NATO. Notwithstanding an increase in support for Flemish nationalism in the 2014 federal elections, Belgium has not contributed significantly to the tide of Euroscepticism seen elsewhere throughout Europe (Deloy 2014).

In the varieties of capitalism, Hall and Soskice (2001, pp19-21) put Belgium in the coordinated market economy group, alongside Austria, Germany, and Sweden. In terms of industrial relations, Visser (2012) puts Belgium in the social partnership group, which also includes Austria, Belgium, Germany, Luxembourg, the Netherlands and Slovenia. As discussed in Chapter 4, this group brings together countries with a medium organisational membership density, high rates of collective bargaining coverage, and a high level of centralisation. Actors

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165 The war experience differed from that of its nearest neighbour, the Netherlands, where several prominent union leaders and employers collaborated with the occupying forces, and where the monarchy was oppressed.  
166 Referred to as ‘the Draft Agreement on Social Solidarity’
are typically relatively highly fragmented, and high degrees of interaction between social partners and the state are typically observed. As with Ireland and Greece, Belgium defies easy classification, and also has features more commonly associated with the Nordic group of countries, including a strong tradition of social dialogue, centralised wage-agreements, and the Ghent system of unemployment insurance.

The ‘Ghent system’ sees unemployment benefits paid to affiliated workers when they are made jobless, through systems managed by unions and local councils (Faniel 2012, p17). The implicit deal sees the state providing legal support for the unions in exchange for industrial peace, the provision of a trained workforce, and internationally competitive wages and productivity (Brown 2017). Given this system, and as retired workers can maintain membership, many union members are not in work - as many as 31.1 percent of the three main confederations between 2001-2010 (Faniel & Vandaele 2012). The existence of the Ghent system remains a strong explanatory factor for Belgium’s relatively high rates of union density (Van Rie et al. 2011). The idiosyncrasies of the system makes Belgium ‘almost anomalous in a comparative sense’ (Shalev 2007, pp272-273), and it is fair to say that the country straddles the social partnership and Nordic groups.

Belgium is one of the countries in the world where the social partners exert the most direct influence on politics. This occurs via a range of sophisticated corporatist arrangements which determine wage, social and industrial policy. Unions provide representation, legal support, and financial assistance in the event of strikes to members, and also take strong political positions on matters including education, public expenditure, defence, social issues and the environment – wielding both the sword and the shield (Flanders 1970).

Pillarisation

Belgium is a culturally and linguistically divided society. A distinctive feature is the sociopolitical divisions which reflect the different sociological ‘worlds’ which coexist, referred to as society’s ‘pillars’ (‘verzulig’ in Flemish, ‘pillarisation’ in French). Pillarisation represents the essence of Belgium’s ‘consociational democracy’ and sees the segregation of society according to religion and ideology (Deschouwer 2012). Each pillar is made up of a dense

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167 This was established in the Belgian city of Ghent in 1900 (but finds its roots in some Swiss cantons, see Deschouwer, 2009).
network of social institutions including: political parties, trade unions, cooperatives, mutual benefit societies, youth movements, farming organisations, banks, schools, hospitals, universities, sports clubs, broadcasters and newspapers, which organise people from cradle to grave (Faniel 2012, p16). ‘Until World War II’ an EU-level trade unionist explains ‘people used to basically ‘live’ within their pillar’ (interview 55: 30.09.15). The dominant pillars are the Christian, socialist and liberal traditions, which is reflected in the make-up of the trade union landscape (discussed below).

Belgium, and to a lesser extent, Austria, the Netherlands and Switzerland, remain the clearest, and last, examples of pillarised societies, although similar elements exist historically in the segregation of especially working class communities in Northern Ireland (O’Hara 2004), and in religious segregation in publicly-funded schools in Scotland and Ireland (Mann 2006; O’Brien 2017). Belgium was once highly polarised around these pillars, primarily on matters of religion and education, most conspicuously between Catholics against a coalition of liberals and socialists over the provision of publicly-funded education in the ‘school wars’ of the 19th century (Humes 2014). Today, associations are more path-dependent than ideological, with membership more likely to be determined by family, community, and workplace contexts. A socialist trade unionist argues that ‘historically the unions have...been an important part of the social pillar. We represent the people who create economic growth – we own the economy’ (interview 56: 26.01.15). While this comes from the unions themselves, unions in Belgium are more likely to be viewed positively than in Ireland or Greece, where they are often seen as representatives of protected employees in protected parts of the economy (Swyngedouw et al. 2016).

As in Greece, throughout history, Belgium’s fate has been intertwined with that of its closest neighbours. Wages are indexed to the price of a basket of goods and services, increases in the cost of living, and growth in wages and welfare payments, in Belgium’s immediate neighbours\(^\text{168}\) (Vilrockx & Van Leemput 1998). Indexation is described as the ‘nucleus of the [Belgian] industrial relations system’ (interview 57: 24.11.14)\(^\text{169}\). In recent years, pressure has

\(^{168}\) France, Germany, Luxembourgh and the Netherlands
\(^{169}\) There is an important analytical difference between the wage indexation mechanism and wage-setting which takes place at the national, inter-professional level, which is centred around a ‘wage-norm’, which wage-indexation helps to promulgate, which is discussed below.
been exerted on this practice, notably from the Commission through the European Semester process and from business groups, but the practice has endured.

The mechanics of indexation vary between industries in line with the relevant collective agreement. Since 1989, government can intervene if wage increases are deemed to adversely affect competitiveness (Gumbrell-McCormick & Hyman 2013, p119). In 1993, the government intervened to remove certain items from the index, including, tobacco, alcohol, petrol, and taxes on energy.

These factors make Belgian trade unions distinctive, with a remarkable degree of security in both law and custom which, even in the crisis years, has not been fully stripped away. This is partly explained by the nature of Belgian democracy, which relies on coalitions, consensus, and a complex web of interrelationships and compromises to function.

Regional and language politics

Belgium is characterised by linguistic and regional divisions that are reflected in the country’s trade union structures (Faniel 2012, p22; Pasture 2000). The foremost divide is between the predominantly French-speaking Wallonia region in the south, and the predominantly Flemish-speaking Flanders in the north. The Brussels capital-region is predominately French-speaking but is entirely within Flanders. The status of Brussels poses considerable challenges for the organisation of the state. There is also a small German-speaking region in the East of about 75,000 people. Along with these linguistic divisions, unions are divided along the aforementioned social pillars, and unions and parties within the same pillar are closely linked, although unions can support parties from outside of their pillar. A representative from ACV/CSC\textsuperscript{170} notes that ‘we do support some people in the Christian democrats, but this does not prevent us from dealing with other parties who are close to our views, such as socialists and greens. This is a pragmatic choice’ (interview 57: 24.11.14). As support for the Christian-oriented parties began to decline in the 1980s, ACV/CSC was able to fund political allies within the other pillars. While these pillars are well-established, the boundaries between them are porous.

\textsuperscript{170} Flemish: Algemeen Christelijk Vakverbond; French: Confédération des syndicats chrétiens
Antagonism between the language communities\textsuperscript{171} has resulted in six rounds of constitutional or ‘state’ reforms taking place since 1960, with the formerly unitary Belgium evolving into a federal state, with increasing powers granted to regions and communities (Flanders.be 2017). This has created a three-tiered state, with federal, regional, and community governments, designed to minimise linguistic, cultural, social, and economic tensions (Humes 2014, p3). Since the 1960s, Belgium has faced increased tensions over economic inequality, as industries in the once economically prosperous Wallonia have declined.

Belgium sustains six parliaments: a bicameral federal parliament, unicameral parliaments in Flanders, Wallonia, and the Brussels regions, and a parliament for each of the French and German-speaking communities (there is no separate parliament for the Flemish-speaking community). Brussels has nineteen municipalities and borough assemblies, each with its own mayor, and hosts the headquarters of two national intelligence services — one military, and one civilian. These complex governance structures precipitate internecine turf battles and fierce rivalries, and have lent itself to political paralysis, corruption, and a lack of information-sharing between some stakeholders\textsuperscript{172} (Higgins 2015). Politicians have recently been ensnared in corruption scandals, including the Socialist Mayor of the central Brussels municipality Yvan Mayeur, and the Flemish nationalist speaker of parliament Siegfried Bracke (Schreuer 2017). In late 2017, the Francophone Parti Socialiste (PS) is in disarray, having been forced from office in Brussels and Wallonia amidst financial scandals (Vermeersch 2017). This is further complicated by the Flemish nationalist, New Flemish Alliance/Nieuw-Vlaamse Alliantie (N-VA), which doubts whether Belgium should exist at all as a country, becoming the largest party in both the federal and Flemish parliaments.

Belgium has been ridiculed as the world’s most prosperous failed state – but the country still works remarkably well. Despite long periods without a government (discussed below), Belgium’s strong institutions, including its tradition of social dialogue, have survived. These factors shape the political environment in which unions reside. Belgian politics is tribal – as is the case in Greece and Ireland - but in Belgium, political differences are institutionalised and

\textsuperscript{171} It should be stressed, however, that these inter-community antagonisms exist mainly at the elite political level, and less so within the citizenry.

\textsuperscript{172} In recent years, Brussels has been seen as a hub for Islamic terrorism. Poor cooperation between federal agencies, local authorities, and the six police forces in the capital, have been blamed for what appears to be Belgium’s incapacity to handle this threat.
survive political crises and uncertainty. In this complex country that is prone to political instability, unions are seen as a pole of consistency and stability.

Belgian industrial relations

Belgian trade unions are strong. In 2015, density stood above 50 percent, and has remained stable (between 53 percent and 56 percent) for decades. Belgium has one of the highest rates of collective bargaining coverage in the world at 96 percent (Eurofound 2017b; Worker-participation.eu 2017a; Vandaele 2009), and stands out as the only Western country where union membership is growing in absolute terms – in total by 13 percent between 2001 - 2010 (Faniel & Vandaele 2012). In countries with high coverage rates, such as Spain, density tends to be lower, as workers benefit from representation without the need for membership. As well as providing unemployment benefits and legal representation, many unions offer annual union bonuses, which can cover more than half the unions’ annual subscription fees (ETUI 2017a). Given the unions’ strong organising tradition, and the benefits that accrue from membership, recruiting and maintaining members is less of a challenge for Belgian unions, compared to unions elsewhere in Europe.

The right to strike is not provided for in legislation or the constitution, but is confirmed in case-law, and is recognised as an individual right. There has long been pressure from employers and successive governments for the right to strike to be defined in law, which has been resisted by unions (ETUI 2017d). Unions do not have legal personality and thereby escape liability from industrial action. Legal strikes and industrial action require a series of steps including a notice period, and a letter to the relevant social partner representatives to report the intention to undertake action. There is constant dialogue throughout these exchanges.

Despite its social dialogue tradition, Belgium has one of the highest strike rates in Europe. In 1993, a record of 916,874 strike days-lost was recorded, which fell to 760 297 in 2014. The 2014 figures are mainly due to strikes in the public sector which involved the three main confederations, arising out of union opposition to proposed pension reforms (discussed below). However, for unions, given the culture of dialogue, industrial peace is valued, and takes

\[^{173}\text{There is an important analytical distinction between economic strikes, and political mass-strikes consisting of general strikes and public sector strikes see Vandaele (2016)}\]
precedence over the ability to strike. Recourse to industrial action occurs only once negotiations fail. When strikes occur, it is common for the confederations to coordinate their efforts, as we shall see (Abelshausen et al. 2008).

Trade union confederations

Belgium is characterised by union pluralism, with three national-level confederations, each with distinct political traditions. The structures of the confederations reflect the linguistic divisions and pillarisation outlined above. An EPSU official believes ‘The unions created modern Belgium – the country is itself a compromise between the different social groups that they represent’ (interview 55: 30.09.15). Belgium is unique, in that the largest confederation is the Christian one (Pasture 1994, pp38-39) and that there exists an independent liberal confederation (Vandaele 2012).

The largest confederation, the Confederation of Christian Trade Unions (Christian Algemeen Christelijk Vakverbond/Confédération des Syndicats chrétiens - ACV/CSC), was formed in 1904, and has 1.6 million members. According to an EPSU official, ‘ACV/CSC is...influenced by liberation theology, they are more pragmatic, and richer [than the other confederations]’ (interview 55: 30.09.15). ACV/CSC are actively involved in development projects in Africa and Asia.

This is followed by the socialist General Federation of Belgian Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond - ABVV/FGTB), which was founded in 1945174, and has 1.5 million members. Support for the two main confederations is uneven, with ACV/CSC traditionally stronger in Flanders, and ABVV/FGTB stronger in Wallonia and Brussels (Visser 2016)175.

These confederations are divided into two regional federations, one for French-speaking members, and one for Flemish speakers (with the smaller German unions affiliating to the...

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174 ABVV/FGTB’s predecessor organisation, the ‘syndikale Kommissie’ (the syndical commission) dates from 1898, where it was founded in the city of Verviers in the province of Liege in east of the country.
175 The ICTWSS (Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts) Database from 34 countries between 1960 and 2012, compiled by Jelle Visser, at the Amsterdam Institute for Advanced Labour Studies AIAS, University of Amsterdam (see http://www.uva-aias.net/207). Some of the data used is sourced from the unions themselves, and a degree of caution is advised as to their accuracy
Flemish federation). These federations each have union affiliates for public service workers, manual workers, non-manual workers and a general union for non-manual private sector workers (Visser 2012, p137). For manual private sector workers, divisions are primarily industrial, and recent years have seen mergers between industrial unions.

ABVV/FGTB unions have considerable autonomy, while ACV/CSC is more centralised. ACV/CSC has a single central strike fund, while each ABVV/FGTB affiliate organises its own (ETUI, 2017). Some ACV/CSC unions are limited to a single language group which maintain no formal links across the language divide. The ABVV/FGBT metal union has one union for each of the Flemish, Walloon and Brussels regions following a split in 2006. In the years following its foundation, ACV/CSC’s largest affiliate, the 315,000-strong LBC-NVK (Landelijke Bedienden Centrale/Nationaal Verbond van het Kaderpersoneel) separated from its sister organization, the 160,000-strong Francophone CNE (Centrale Nationale des Employés), which focuses on the same group in Wallonia and Brussels (LBC-NVK 2017). As education has become a community competence, the unions that organise in the education sector are also becoming functionally separate (see Vandaele 2013). Most other unions organise in both communities.

The smaller General Confederation of Liberal Trade Unions (Algemene Centrale der Liberale Vakbonden van België/Centrale Générale des Syndicats Libéraux de Belgique - ACLVB/CGSLB), founded in 1920, has almost 300,000 members\(^\text{176}\), spread around the country, with strongholds in academia and white collar public services. ACLVB/CGSLB does not have separate industrial unions.

Each of these confederations have ‘representative’ status, and can sign sectoral and national, agreements\(^\text{177}\) and are afforded the right to present candidates for works council elections\(^\text{178}\). This provides a source of legal authority and legitimacy.

\(^{176}\) ACLVB/CGSLB had 293,952 members in 2014, see ACLVB (2017)

\(^{177}\) legislation providing a definition of how the ‘most representative’ unions are to be identified came into effect in December 2009

\(^{178}\) In Belgium, CNC/NCK (Confédération Nationale des Cadres/Nationale Confederatie v/h Kaderpersoneel/Belgian National Staff Association) is an organisational for managers and supervisors with fewer than 20,000 members, which has limited rights to represent this group of workers in elections.
The three representative confederations affiliate to ETUC and are among its most enthusiastic members – the ABVV’s Rudy De Leeuw is current ETUC president (2015-), and the first ETUC secretary general Théo Rasschaert (1973-1975), came from ABVV/FGTB. The confederations participate enthusiastically in ETUC-coordinated activities, including the last ‘day of action’ in 2012 (Jouan & Tilly 2017; Degryse & Tilly 2013).

The confederal structures remain resilient, despite the rounds of state reforms. An EU-level unionist identifies three things that ‘keep Belgium together: the monarchy, the social security system and the unions’ (interview 55: 30.09.15). During times of political and social turbulence, the unions are seen to contribute to social cohesion. With increased competencies delegated to the regions and communities, the federal structures have inevitably acquired new responsibilities, and some internal reorganising has occurred (Arcq et al. 2010).

While the ACV/CSC was traditionally explicitly devoted to the tenets of Catholic social teaching, in practice their activities have never differed greatly from the other confederations (Haas 1958, p218). However, while ideological divisions may be less obvious today, there remains strong cultural differences between the confederations. A European-level trade unionist notes that in Belgium, ‘very major cultural and practical differences persist within the different confederations, even if these differences are less pronounced [than they once were]’ (interview 8: 01.12.14). The confederations have responded differently to the crisis, with ABVV/FGTB withdrawing from peak-level negotiations in 2012, and ACV/CSC remaining committed to a partnership approach. This has provided ACV/CSC with a degree of political cover, as they cooperate with employers, and at the same time, outsource responsibility for industrial action to their more radical socialist ally.

The confederations maintain close working relations, and often coordinate their activities. This is quite unique for countries with competing union confederations such as France, Italy and to a lesser extent, the Netherlands, where antagonism between confederations is common. This is assisted by clear demarcations in organisation practices, which limits competition and overlap, although it is common for more than one confederation to be represented in a workplace.

While each confederation maintains relationships with political parties, the links differ in nature and intensity. Since the first round of state reforms in 1970, political parties have been organised regionally, with French and Flemish organisations standing candidates for the
regional and federal elections. Every party in parliament represents one of the language or regional communities. There is even no single public broadcaster in Belgium, but one for each language community. Notwithstanding their federal structures, the union confederations are organised across the whole country, with a single president and secretary general for each confederation. ACV/CSC maintains close links with the Flemish Christian Democrats (*Christen-Democratisch en Vlaams* - CD&V) and the French language Humanist Democratic Centre (*Centre démocrate humaniste* - CDH). As above, in the face of declining support for the Christian-oriented parties179, ACV/CSC has reached-out to socialist and green politicians, especially on the French-speaking side.

Official links between ABVV/FGTB and the socialist parties were abandoned in 1945, with the merging of the socialist, communist and other unions to form the confederation. Nonetheless, ABVV/FGTB has remained aligned with the social democratic parties, namely the Francophone PS, who are strongest in the industrial cities of Wallonia and Brussels, and the Flemish Socialistische Partij Anders (SP.a). Of the three confederations ABVV/FGTB is closest to its allied parties. In practice, many ABVV/FGTB affiliate members and officers are members of their sister parties, and personal contacts between officers and politicians are, in the words of a federal-level official, ‘extremely strong, and central to our work’ (interview 56: 26.01.15).

The ACLVB/CGSLB aligns with the Flemish liberals and democrats (*Vlaamse LiberaLEN en Democraten* - VLD) and the Francophone Reformist Movement (*Mouvement Réformateur* - MR) – the party of prime minister at the time of writing, Charles Michel - although ACLVB/CGSLB ended its official links with the liberal parties when ministers approved laws which provoked the longest general strike in Belgium’s history in 1960-61. However, ACLVB/CGSLB maintains, a ‘philosophical and sociological proximity’ with the Liberal parties (Faniel et al. 2011).

Each confederation has close contacts with politicians at the local, national, and European levels. Paradoxically, the division into rival ‘pillars’ and language groups may actually enhance the unions’ channels of political influence, through their relations with mainstream parties

179 Thirty-six prime ministers, and over three-quarters of governments since 1830 have come from the Christian tradition.
(Hyman & McGumbrell-McCormick 2013, p26). Since Belgian governments are invariably coalitions, at least one of the major confederations traditionally has links with ministers. However, the current largest government party, the Flemish N-VA, has no such ties, and is closer to the employer organisations. Flemish nationalism has enduring links with the Catholic Church, which helps to explain the party’s conservative traditions. There is an affinity with the broad Christian-democratic political family, but not with ACV-CSC especially. A centre-right EU-level politician explains that ‘N-VA are closely aligned to employers, but lots of workers also vote for them. Their success is a symptom of people becoming more radical and alienated from mainstream parties’ (interview 58: 04.12.14).

Employers have one large national association, the Federation of Belgian Enterprises (Fédération des Entreprises de Belgique/Verbond van Belgische Ondernemingen - FEB/VBO), which is composed of more than fifty sectoral organisations, and represents businesses in the industrial and services sectors. In the SME, craft, tradeable and professional sectors, employers are represented by UNIZO (Unie van Zelfstandige Ondernemers) on the Flemish side, and UCM (Union des Classes Moyennes) on the French-speaking side. There are three other regional employer organisations: the Francophone Union Wallonne des Entreprises (UWE), the Flemish VOKA (Vlaams netwerk van ondernemingen/Flemish Chamber of Commerce) and the Brussels region (Union des Entreprises de Bruxelles/Vereniging van de Ondernemingen van Brussel, UEB/VOB), which are not represented on the national-level ‘Group of ten’ committee of social partners (discussed below, p215). Membership rates for employers’ organisation is high, at more than 80 per cent.

**Industrial relations landscape**

Belgium is one of the few countries that maintains ‘automatic’ index-linking in wage-setting (Eurofound 2015a). There is highly-evolved company-level representation for workers and unions are afforded a preeminent role in industrial relations and in the social security system (Vilrockx & Van Leemput 1998, pp318-319).

The most important bargaining level is the industry level, where negotiations take place usually without government intercession. Since 1986\(^\text{180}\), an inter-sectoral cross-industry agreement has

\(^{180}\) Cross-industry agreements started in the 1960s and continued until 1970, before being revived.
been negotiated between the social partners. These agreements cover a range of issues including wage-setting, health and safety, and funding for vocational training (Gumbrell-McCormick and Hyman 2013, p113). While social dialogue negotiations are elaborate and highly institutionalised, negotiators’ room for manoeuvre is limited by wage-setting at the national, inter-professional level.

The normal cycle of negotiations is two-yearly. National-level negotiations are followed by sectoral- and enterprise-level rounds. National-level agreements determine frameworks which apply throughout the economy, and lower-level agreements can only improve terms and conditions. Agreements are binding on employers, regardless of membership of employer organisations, unless they have negotiated individual employment contracts which specifically negate the collective agreements (Eurofound 2015b). Proposals are discussed with government, so laws can be changed where necessary. Negotiations in the public sector result in ‘protocols’ which are not legally binding, but have important moral and political force. At enterprise-level, union delegations can negotiate with individual employers, but negotiations on pay only occur in some companies (ETUI 2017a).

The primary social dialogue institutions are the National Labour Council (Conseil National du Travail/National Arbeidsraad, CNT/NAR), and the Central Council on the Economy (Conseil Central de l’Economie/Centrale Raad voor het Bedrijfsleven, CCE/CRB). These bipartite institutions are composed of an equal number of worker and employer representatives and are constituted at inter-professional level. Joint committees, similarly composed, meet at the sectoral and branch levels. The National Labour Council is responsible for facilitating the negotiations for economy-wide collective agreements. It also advises government on work-related social issues through opinions and reports. The National Labour Council has overseen more than 100 collective agreements, the majority of which are incorporated into law. Negotiations occur in the context of a technical report prepared by the Central Council on the Economy which sets the wage-norm – that is, the maximum margins for the development of nominal wage costs for the biennial national-level agreement. The government can intervene if the sides cannot agree terms within these limits. Negotiations occur through joint committees that cover the entire private sector, with sub-committees for smaller industrial groupings. These committees also have an arbitration function and seek to prevent and settle collective disputes.
National-level negotiations occur within the so-called ‘Group of ten’, which is composed of two representatives from ACV/CSC, two from ABVV/FGTB, and one from ACLVB/CGSLB on the union side, and two representatives from FEB/VBO, one from each of UCM and UNIZO to represent SMEs and craft workers, and one farming representative (representing Boerenbond on the Flemish side, and the Wallonia Farmers Board/WAFAB) on the employer side. The group is chaired by FEB/VBO, bringing the total number of participants to eleven. These talks are crucial for the smooth running of industrial relations and form the basis for cross-industry agreements. The Group’s members meet regularly outside the established structures, which engenders familiarity and trust. An ETUI expert describes the joint committees as ‘the heart of the Belgian system of collective bargaining’, although bargaining at this level ‘is constrained by the wage-norm’ which is developed at the national level (interview 59: 21.10.16).

Unions are represented at company-level through workplace elections in both the private and public sectors. This provides unions with an important source of power, close to grassroots members. The outcomes at these elections provides a measure of relative union vitality. Workplace representation takes two primary forms: works councils, and trade union delegations. Works councils (Conseil D’Entreprise/Ondernemingsraad – CE/OR), are composed of employees in workplaces of over 100 employees. Works councils have a legal right to be informed and consulted by management on social and economic issues, such as regarding the introduction of new technologies and workplace design (Vilrockx & Van Leemput 1998, pp319-327). The powers of works councils were first articulated in law in 1948. This has been subsequently amended, oftentimes to reflect changes in EU law.

Secondly, the trade union delegation (délégation syndicale/DS in French, vakbondsdelegatie or syndicale delegatie is the Dutch for délégation syndicale/SD in Flemish) is composed solely of trade union members. The number of members depends on the size of the workplace. The delegation takes part in collective bargaining at enterprise-level and oversees the enforcement of existing agreements. The delegation can intervene to resolve or prevent workplace disputes. There is often overlap between these bodies, but they are not necessarily composed of the same employees. There are important health and safety bodies (Comités pour la prévention et la protection au travail/CPPT in French/Comités voor preventie en bescherming op het werk/CPBW in Flemish) elected by the whole of the workforce, in undertakings of 50 employees and above. The powers of these bodies are articulated in legislation, and members have significant protection against dismissal.
Social elections are held every four years to elect representatives to works councils and health and safety committees. The last social elections in 2016 saw nominations to almost 3000 works councils and 6000 health and safety committees. Only the three representative confederations can nominate candidates, as well as the non-representative managers’ association CNC/NCK (Confédération Nationale des Cadres/Nationale Confederatie v/h Kaderpersoneel). In 2012 ACV/CSC won 56.1 percent of the seats (51.7 percent of votes), ABVV/FGTB 34.3 percent (35.6 percent of votes), and ACLVB/CGSLB 7.9 percent of seats (11.2 percent of the votes). CNC/NCK received 1.0 per cent of the seats and votes. ACV/CSC did slightly better in the health and safety committee elections and has the most seats overall in both bodies in each region (ETUI 2017a).

Belgium in the crisis

Belgium was less affected by the crisis than either Greece or Ireland but did not escape it entirely. While the previous three Belgian crises, in 1980, 1992 and 2000 saw a decline in GDP of between 1-3 percent, 2009 saw a year-on-year drop of 4 percent, and 2012 saw a decline of 0.3 percent. In 2010, unemployment rose to 8.3 percent, and peaked at 8.7 percent in 2015. During 2013, exports increased, and the economy grew in 2013-2014. In 2016 unemployment dropped slightly to 8.4 percent (Clauwaert et al. 2016).

The 2010 general election resulted in an ever more fragmented parliamentary landscape, with eleven parties elected to the Chamber of Representatives, and with no party winning more than 20 percent of seats. No party could form a government, and Belgium experienced a political crisis which lasted for 589 days. During the deadlock, the defeated Flemish CD&V Prime minister Yves Leterme remained in office at the request of King Albert II (1934-181). In October 2011, the deadlock was broken with the formation of a coalition of Social Democrats, Christian Democrats and Liberals, led by the French-speaking PS, under prime minister Elio Di Rupo.

This episode highlights the strength of the Belgian civil service, which frequently interacts with interest groups and can fully function without a government. A country such as Belgium may be more amenable to technocratic government, than for example Greece, where there is a less

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181 This period is an early (and often over-looked) example of technocratic government in Europe, in addition to the more widely known examples of Italy in 2011-2013 and Greece in 2011-2012.
dense structuring of institutions. The tightly inter-woven socio-political pillars may make it easier for periods of technocracy to be tolerated, given that governance is diffused throughout the economy between the social partners, regions, and communities.

Despite austerity budgets and constraints associated with EMU, Belgium remains stable and peaceful. Five months following the most recent general elections in 2014, a coalition involving four parties (CD&V, VLD, MR and N-VA) was formed, with francophone liberal Charles Michel emerging as prime minister. The Flemish nationalist N-VA are the largest party (with 17.4 percent of votes, and 27 seats). According to a Flemish politician from a rival party, the N-VA are said to be ‘Flanders-focused and are really neo-liberal in outlook’ (interview 58: 04.12.14). This government excludes socialists for the first time in 26 years. While the same combination of parties makes up the federal and Flemish governments, the since July 2017, the Walloon government is composed of a coalition of the CDH and MR\textsuperscript{182}.

Following the formation of the Michel government, the confederations coordinated a series of decentralised regional strikes that culminated in a national strike in December 2014 in response to the perceived hostility of the new government towards the unions and its proposed austerity policies and pension reforms, which is discussed below.

**Industrial relations in the crisis**

Belgium has avoided the dismantling of its employment protections since 2008, as happened for example in Greece. However, the economic crisis has had far-reaching consequences for industrial relations. Wage-setting has become more conflictual, with negotiations for the inter-professional agreement for 2011-2012 and 2013-2014 collapsing, and political frequent strikes against austerity measures, particularly in the public sector. Reforms to unemployment protection have occurred, including regarding payments for partial unemployment, for rules covering dismissals and redundancies, and regarding the organisation of working time, which has become more flexible\textsuperscript{183}.

\textsuperscript{182} In 2015, the government of Wallonia was formed between the PS and CDH. However, following the aforementioned scandals engulfing the PS, in July 2017, the CDH broke from the PS and formed a new coalition with MR, with the narrowest of majorities (38 out of 75 seats). This is the first Wallonian government since 1988 in which the PS are not involved.

\textsuperscript{183} Legislation in 2013 introduced a ‘single status’ for manual workers (ouvrier/arbeider) and non-manual workers (employé/werknemer). The previous distinction saw differentiation regarding notice periods, sick-leave entitlements, and dismissal and resignation arrangements. This followed a 2011 Constitutional Court ruling that
Government attempts to promote competitiveness have been extended to public enterprises, with compensation paid in the event of job loss reduced from 75 percent of an employee’s last wage, to 65 percent in 2014 (Clauwaert et al. 2016). The number of enterprise-level agreements has increased and now covers around a third of companies, although these sometimes deal with issues other than wages (ETUI 2017a). Sustained pressure has been exerted on wage-indexation, principally from employers and the European Commission.

*The inter-professional agreement*

A liberal trade unionist explains that *‘the inter-professional agreement has no legal form, it’s a gentleman’s agreement, that frames agreements for the next two years…but we often ask agreements to be enshrined in law’* (interview 60: 26.01.15). Before 2017, the most recent agreement to be fully concluded covered the period 2009-2010, negotiations for which, as with all inter-professional agreements, began the previous year. Negotiations only succeeded following government intervention (Perin 2009). Since this, negotiations for the biennial agreements have encountered obstacles which have proven insurmountable.

In March 2009, the government introduced legislation aimed at inducing economic recovery, which included some measures contained in the 2009–2010 inter-professional agreement. In May 2009, the government introduced labour market reforms affecting rules regarding dismissals and new active labour market policies without consulting the social partners. These measures were unilaterally extended in 2010 and 2011 (Clauweart et al., 2016, p2).

In 2010, negotiations for the 2011-2012 inter-professional agreement began, with unions seeking wage increases, improved welfare benefits, and the introduction of a single status for manual and non-manual workers (Clauwaert et al. 2016, p3). In January 2011, the Group of Ten reached a draft agreement which set the maximum margin for wage increases at 4.2 per cent. This was in line with the Central Economic Council estimates. Negotiations failed when

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184 In February 2017, social partners concluded an Interprofessional Agreement for 2017–2018, the first such agreement since 2010. This agreement covers the wage norm, improvements in welfare benefits, the extension of the agreements on early retirement, and crucially, an agenda for further consultation and negotiation (Eurofound 2017a).

185 The different statuses amounted to discrimination, which led to protracted negotiations between the social partners, and within government.
the proposed agreement was rejected by ABVV/FGTB and ACLVB/CBSLB. The caretaker Leterme government implemented the draft agreement through Royal decree, and unions coordinated a wave of strikes. Government now takes a more interventionist role, reducing the role of the social partners (Erkes 2010; Eurofound 2014a). The installation of the socialist-led DiRupo government later that year provoked further protest, and a general strike (Eurofound 2015b).

In July 2012, tripartite discussions aimed at arresting increasing unemployment and sluggish growth and productivity were launched. Wage-indexation remained under scrutiny, and was specifically targeted by the Commission, where it is viewed as a distortion to competition (Commission 2014a; Commission 2016). Unions remain opposed to any reform of the system.

In December 2012, the social partners held talks regarding an inter-professional agreement for 2013–2014. No agreement was reached, as the unions refused to negotiate within the framework set by government on the advice of the Central Economic Council (ETUI 2017a). The discussions were still useful, and resulted in a partial agreement endorsed by the Group of Ten, without the support of ABVV/FGTB (Clauwaert et al. 2016 p6; ETUI 2017a). As above, for the first time since 1996 the government unilaterally cancelled the automatic wage-indexation (Eurofound 2015a). Wage indexation was confirmed in principle, with this suspension seen as temporary. The Commission, IMF and OECD have recommended that wage-indexation be reformed, in consultation with the social partners, so that wage-growth better reflect developments in productivity and competitiveness.

The most recent round of state reforms in 2011-2014 affected labour market organisation by transferring powers from the federal to the community and regional levels in the fields of health and safety and employment policy, including in relation to employees’ social security contributions, unemployment benefits, training and education, educational leave, and the local employment agencies (Plaatselijke Werkgelegenheidsagentschappen/Agence locale pour l'emploi, PWA/ALE) which administer these programmes (belgium.be 2017). Responsibility for training and the organisation of educational leave became a regional competence. A socialist representative notes how ‘The regions have more and more competences, and social welfare is now different in Flanders and Wallonia, and even in Wallonia there is increasing sentiment to try to gain more autonomy’ (interview 56: 26.01.15). Labour law remains a federal
competence, including the rules governing holidays, leave and dismissal protection (ETUI 2017a; Clauwaert et al. 2016, p6).

How the right to strike is exercised has been under attack for the past decade, with pressure intensifying during the crisis (Abelshausen et al. 2008; Wahl 2014). In March 2016, tripartite negotiations seeking to revise the right collapsed when unions rejected employers’ demands that striking unions nominate a point of contact for employers who would be personally liable in the event of incidents resulting from any action. In practice, unions escape liability—lacking legal personality—and oppose the idea of members being held liable. The right remains ‘in the sights’ of several political parties, including within the governing coalition (Buelens & Lahssaini 2015, p2). The N-VA and the liberals, have tabled legislative amendments which aim to place the right to strike and the right to work on equal footing (ETUI 2017d).

In 2013, in response to rising unemployment, the DiRupo government introduced a ‘single status’ for manual workers (ouvrier/arbeider) and non-manual workers (employé/werknemer). This extends the partial unemployment system to all workers, which had previously applied only to manual workers. The previous distinction saw differentiation regarding notice periods, sick-leave entitlements, and dismissal and resignation arrangements185. This legislation also allows employers the right to reduce hours and to suspend employment contracts in the event of declining activity, due to ‘economic factors’. Clarification was given to what ‘economic factors’ mean in 2016, through legislation which sets out the conditions for when employers can be considered ‘a company in difficulty’. Specifically, a business must show its turnover or output has fallen by 10 percent since 2008 or over the two previous years (ETUI 2017a).

In 2016-2017, the government introduced legislation aimed at further increasing the flexibility of working time, including provisions which see weekly working-time calculated over a year rather than over a quarter. The reforms allow for unconditional night-work, without the need for a collective agreement. Notably, the legislation amends how the margins for wage-negotiations are calculated. This took place without social dialogue, and the unions mobilised strike action in opposition (ETUI, 2017).

185 This followed a 2011 Constitutional Court ruling that the different statuses amounted to discrimination, which led to protracted negotiations between the social partners, and within government.
The social partners in Belgium have a strong tradition of compromise and negotiation that reflects the country’s fragile federal arrangement, which is itself born out of a series of painful and ongoing compromises. The complexities of Belgian industrial relations, and the institutionalised patterns of relations has engendered relatively high trust between the social partners, borne out of repeated interactions, which has survived the crisis.

Reforms sometimes involved the social partners but did not always. The collapse of the inter-professional agreements saw government acting unilaterally, as occurred in both Ireland and Greece. However, even in times of economic crisis, unions retain an important role in political and social decision-making, and still have the ability to mobilise sustained mass-strikes.

The complexities of Belgium’s governance arrangements make stable political and social relations desirable. Unions have traditionally adopted a highly ‘responsible’ attitude to industrial relations including a commitment to social peace (Vilrockx and Van Leemput, 1998, p318-319). Social partners are more likely to seek compromises than impose their will through force and disruption. Deschouwer (2009, p 33) believes ‘the willingness to govern together is especially visible during periods of crisis, such as the 1920 and 1930s, and more recently, in the aftermath of inconclusive elections in 2011’. While Belgium’s governance model was ‘shaken to its foundations’ by the crisis years (interview 58: 04.12.14), and despite a relatively high strike-rate, Belgium, as a country, remains intact186. Unions have played an important role in this and remain one of the only country-wide political organisations of consequence.

Belgian industrial relations have been altered by the crisis, but to a far lesser extent than elsewhere in Europe. Coming from a position of relative strength when compared with their peers in Greece and Ireland, Belgian confederations and their affiliates have responded in different ways to the challenges this posed, which is addressed in the next section.

Part II: Belgian trade union modes of influence in the crisis

Belgian unions have avoided the sharp decline in membership that has affected trade union movements elsewhere in Europe since the 1970s. This is influenced by factors including the unions’ ability to successfully coordinate strikes and mobilisations, by the unions providing a

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186 As above, even in Flanders there is no political majority to split the country, and separatism remains the preoccupation of some political elites only.
wide range of services to members including social welfare services, and through being well-established at workplace level, seen most conspicuously through quadrennial social elections. This helps Belgian unions maintain strong ‘artillery power’, through strong union density, and well-organised memberships. At the same time, Belgian unions benefit from strong institutional supports and a highly sophisticated system of social dialogue, which puts unions at the centre of Belgian political life.

Mode I: ‘recruitment, organisation and mobilisation; the unions’ artillery power’

The crisis years have seen several episodes of concerted union action at the local-, sectoral-, national- and European-levels. As discussed, Belgium records one of the highest strike rates in Europe, and the confederations frequently (but not always) coordinate strike action, especially when oriented towards public authorities. ‘It was the biggest crisis since 1930’ remarked an CSC-ACV representative, ‘we stuck together – the worst thing we can do is to be divided. We develop ‘common responses’ [with the other unions] (interview 57: 24.11.14). This was echoed by an ACLVB/CGSLB representative, who remembers that ‘during the crisis, the social partners remained unanimous in a very difficult situation. It’s important to preserve maximum solidarity for the workers’ (interview 60: 26.01.15). The confederations’ united front was central to the unions’ crisis response. However, as discussed, the socialist ABVV/FGTB departed from the other confederations on some occasions, including during the 2010-2012 inter-professional negotiations. This is partly explained by the way ABVV/FGTB is structured, with affiliate unions and regular members playing a greater role than in the other confederations. An ABVV/FGTB officer explains that ‘ACV/CSC is a pyramid – we [ABVV/FGTB] are more regional and decentralised. Our philosophy is one of ‘centralised autonomy’. All leaders and officers meet once a month to determine our strategies and plans’ (interview 56: 26.01.15).

A liberal trade unionist remarks that ‘the [Michel] government is anti-worker and anti-civil servant. We reacted to their election with four days of coordinated strikes, manifestations in different regions, leading to the crescendo of a general strike’. This refers to a series of actions throughout Belgium on December 15th 2014187 which resulted in transport grinding to a halt, schools and universities remaining closed, and the centre of Brussels being largely shut-down.

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187 The author was present in Belgium during these events.
Alongside the general strike, the confederations coordinated a series of local, sectoral and regional strikes throughout the country in the days leading up to December 15th. While the political aim of the strikes were ultimately unsuccessful – they did not reverse the austerity measures of the Michel government – they were a rare show of force and unity for a European labour movement in the crisis (see Robinson 2014).

Following the strike action, the representative from the liberal confederation explains how ‘We then met with the prime minister and the minister for labour and started to negotiate’ (interview 60: 26.01.15). Given the unions’ ability to strike and mobilise and the well-established partnership orientation in the country, Belgian unions are able to be on ‘both sides of the street’ to a great extent (interview 61: 23.09.16). Belgian unions (like most unions) can use this to their advantage by striking with a view to being able to enter dialogue albeit on more favourable terms than they might otherwise have been able to.

The unions cooperate closely, despite their differences. A Christian trade unionist explains that Belgian unions are ‘grassroots organisations, with strong feelings of working together. The four-year social election cycle is key to this’, as this allows members to play an important role in the political life of the unions. However, this interviewee notes that ‘the French-speaking unions are increasingly more conflictual. This can create problems, but each confederation needs a clear mandate, and the ABVV/FGTB are more decentralised than us and each branch has its own autonomy. But, despite our differences, we still have a sense of belonging together to negotiate and to compromise’ (interview 57: 24.11.14). Some unions, especially the French-speaking socialists, are under ‘at least some pressure for action [from their members], meaning strikes’ (interview 59: 21.10.16). The bigger Christian confederation values ABVV/FGTB’s conflictual orientation however, as it allows ACV/CSC to distance themselves from their socialist ally’s activities, while leveraging the consequences of it during negotiations. A senior ETUC official affirms that ‘the differences between the confederations are still there, in fact they are still quite considerable…but together they are very strong and carry real weight in society’ (interview 8: 01.12.14). Thus, despite their differences, considerable inter-confederation cooperation remains a feature of the Belgian trade union landscape, and the varying approaches of the confederations complement one another.
Given the tradition of partnership and dialogue in Belgium, relations between unions and employer organisations are positive and often constructive\(^1\)\(^8\). ‘Employers don’t usually follow a strategy of divide and conquer’ remarks an ACV-CSC officer ‘If one doesn’t accept an agreement, there is usually no agreement’ (interview 57: 24.11.14). This is changing somewhat, given the right-wing N-VA’s hostility towards unions, and their seeking to advance the interests of employers, but the extent to which the confederations and employer organisations seek compromise is notable. A liberal unionist believes that ‘employers want social peace – it is in their interests to make it work’ (interview 60: 26.01.15).

Membership retention continues to be supported by the unions’ central role in the provision of welfare services. Workers are more likely to join unions, given these immediate benefits, making the urgency for organising less pressing than elsewhere. An ACV-CSC officer remarks that, despite their strong starting point in terms of members, ‘over the past ten years we invested in branch-level infrastructure’ (interview 57: 24.11.14). However, an ETUI expert explains that ‘in terms of membership initiatives during the crisis, they [the Belgian confederations] do recruitment like they have always done – through the institutional stability afforded by the Ghent system\(^1\)\(^9\)’ (interview 59: 21.10.16). This institutional stability, and the representativeness that it affords, is one of the most important factors in maintaining the strong bargaining positions of the Belgian confederations.

An ETUC figure notes that ‘certain other elements...make it easier to organise, compared to elsewhere in Europe...for example with company-level agreements, if you pay fees to the union, you can get refunded’ (interview 8: 01.12.14)\(^1\)\(^9\)\(^1\). An ETUI expert identifies growing awareness in Belgium of the importance of attracting younger workers also, with ‘different experiments’ taking place, particularly within the Christian confederation (interview 59: 21.10.16). Increasingly the youth-wing of ABVV/FGTB is active in attracting student members; ‘they help students consider what to do after school, and provide legal services’ remarks an FGBT functionary, ‘but the main reason for joining is still social welfare protection’ (interview 62:

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\(^1\)\(^8\) However, as above, VOKA, UWE and UEB/VOB are not recognised at the federal level exchanges. The involvement of these groups could have a further positive impact on exchanges (see Vandaele 2013).

\(^1\)\(^9\)\(^1\) The Local employment offices which pay out unemployment benefits are not part of any one union, but are managed by the unions within a region. This helps to further explain the propensity of the unions to cooperate.

\(^1\)\(^9\)\(^1\) As above, a feature of the Belgian trade union system sees an annual ‘dividend’ paid to certain categories of members, which can be as much as 50 percent of the values of membership dues. This is set out in individual bargaining agreements.
In a physical manifestation of their solidarity, the three union confederations shared a stand at the 2015 ETUC Congress in Paris. The stand was covered in bunting and colourful posters, with gifts and materials for visitors, not unlike at a society fair at a university freshers’ week.

The importance of the unions’ role in the social protection system is raised time and again in terms of the influence that the unions wield. A liberal trade unionist asserts that ‘This is important – but not the most important. We provide services, and can go to Court, we also defend the rights of members, and provide information about the workplace’ (interview 60: 26.01.15). The supports and benefits that the Belgian unions can offer are thus multifaceted, substantial and practical. However, an ETUI expert contends that the Ghent system ‘partly explains why union density is so high and stable. Indeed, for a long time, governments were not able to change things in collective bargaining and with the Ghent system, but this has changed a bit now. But the Ghent system is only part of the explanation…another thing is that unions are very active at the workplace-level’ (interview 60: 26.01.15). An ACV/CSC officer insists that one of the strengths of the Belgian system of is that ‘Our model is based at the branch–level’ which is still ‘the centre of negotiations’ (interview 57: 24.11.14).

Thus, the Belgian union confederations cooperate closely, maintain strong relations with employers, cultivate strong and active memberships, and are well-organised at the workplace level. This is all underpinned by strong institutional practices that have statutory support which has allowed the union confederations to obtain a strong bargaining position throughout the crisis, as the union leadership could exert influence through negotiating while also being able to rely on an active membership that are capable of mobilising effectively.

Mode II: ‘institutions and social partnership; the unions, the state and the law’

Belgium has one of the most highly-developed traditions of social dialogue in the world. The prevailing view among trade unionists and experts is that ‘it’s better to be sitting in the room, rather than trying to respond once the decisions that affect you have been made by somebody else’ (interview 58: 04.12.14). This echoes with the approach in Ireland, but the major difference is that Belgian unions can still disrupt the operations of employers and government through striking and mobilising to an extent that is no longer possible in Ireland.
In defence of social dialogue, a liberal trade unionist remarks that ‘as well as being good for our members, dialogue is important for social cohesion. 99 percent of our time is spent making agreements between people, not being on the street. The incorrect image...is often ‘you’re always on the street, stopping work’, but it’s just not the case’ (interview 60: 26.01.15). Unions are engaged in different relationships, and seek to represent their members, and to improve society generally. Rather than being seen as exclusively committed to extracting concessions, the social partners work ‘to stabilise the economy and to stabilise purchasing power’ (interview 57: 24.11.14). There is permanent social dialogue in Belgium, which is not merely about sharing profits. The negotiations are results-driven, and are less conflictual than elsewhere, including in Ireland (Fisher et al. 2011). A trade unionist remarks how ‘for an immediate response [to the crisis], our model worked, the employers and unions tried to find a win-win. It saved jobs, and social conflict remained low...Still, there are changes that had nothing to do with the crisis that have occurred, like with indexation’ (interview 57: 24.11.14). An ABVV/FGTB officer agrees that ‘the government used the crisis as an excuse to pursue an austerity agenda. Many more people are now excluded from unemployment benefit, for example, than before the crisis’ (interview 56: 26.01.15).

In 2014, there was an inter-professional agreement drawn-up, although the ABVV/FGTB did not sign-off on it. According to an ETUI expert it is ‘a matter of interpretation’ if there was an agreement or not, as the other confederations between them represent more than 50 percent of trade unionists. There is an increasing view that ‘the liberal and Christian confederations are more eager to talk and negotiate, whereas the socialists are more prone to leave the table and to take action’ (interview 59: 21.10.16)\(^{192}\).

In terms of peak social dialogue, involvement is limited to the main social partners – employers, unions, and when necessary, government. Negotiations cover a much wider range of topics than purely pay and employment conditions, including job creation, training and childcare provision, but negotiations involve fewer stakeholders. Pay rates, with the exception of the minimum wage, are normally dealt with at sectoral- and company-level, with the framework set at national-level.

\(^{192}\) However, as above, an interprofessional-level agreement for 2017-2019 was reached in January 2017 – weeks after this interview took place – which included the socialist-oriented confederation.
Government and employer organisations prioritise wage-discipline, seeking wage competitiveness with (especially) Germany. The 2014 interprofessional agreement between employers and two of the three confederations (that is, without ABVV/FGTB) sets a negotiating margin of 0.7 percent, and the government unilaterally ‘neutralised’ wage indexation by skipping the next 2 percent inflation compensation increase in wages, referred to in Belgium as a ‘saut d’index’ (index jump)\(^{193}\) (Janssen 2015). While partnership endured, albeit with some unions withdrawing support at different points, room for manoeuvre was more limited. However, according to an EU-level politician, there is a broad consensus among the social partners in Belgium on the importance of ‘good quality jobs and employment standards. There is a tacit understanding that the social partners will ‘work it out’. But tensions are increasing’ (interview 58: 04.12.14).

Despite the highly-evolved social dialogue tradition, the crisis did put sustained pressure on its institutions and practices. ‘Till the start of 2011’ an ACV/CSC officer remarks ‘our model functioned. But the lack of support from the socialist union led to a ‘break in trust’ between the unions and employers. The ABVV/FGTB are seen as ‘the big enemy’ by some. The employers have lost some trust and chose a more conflictual model. The employers have begun to prefer lobbying to dialogue…The danger now is that employers think ‘why give something to the unions, if we can get everything we want from government’ (interview 57: 24.11.14)\(^ {194}\). Despite these pressures, partnership endured, and remains more or less intact, albeit with some unions withdrawing support at different points. An ETUI expert determines that ‘the economic context determines the likelihood of there being an agreement. If everything is going well, if the business cycle is going well, there’s more chance that there will be an agreement’ (interview 59: 21.10.16). The economic crisis has had a direct impact on the Belgian economy. It is unsurprising that social dialogue came under increasing pressure as Belgium and Europe’s economic challenges became clearer. However, the fundamental arrangements which underpin social dialogue remain intact – like the country itself – and the statutory arrangements that support social dialogue ensured that the institutions survived the crisis.

\(^{193}\) When no wage increases are allowed due to an increase in the cost of living.

\(^{194}\) While this dynamic endangered the whole process of social dialogue, as mentioned previously, the conclusion of the 2017-2019 interprofessional agreement shows that the tension and animosity which existed could still be managed.
Mode III: ‘Trade unions political politics and coalition formation; the unions and alternative sources of legitimacy

The Belgian confederations are highly involved in politics. They form coalitions with parties, and with other civil society actors. The confederations are important political actors in their own right. This is of particular relevance in Belgium, which has been ungoverned for extended periods of time. Unlike the political parties, most of union confederations’ affiliates are active across the whole country.

Each confederation maintains political proximity to different parties. This has allowed at least one confederation (usually more) to have direct organic links with the government. There is evidence that this may be changing in the crisis. An ETUI expert notes how ‘When there were general strikes in the past, before [the] Michel [government], at least two political parties would have links to trade unions, then…the unions knew when there was room for negotiations, they were invited by government to negotiate, but it’s different now. If there is a big demonstration, the unions are not invited by the prime minister…Now when there are general strikes the members of government don’t even talk or comment about it, at least officially’. Given the pro-business orientation of the biggest party in government, the right-wing N-VA, the demands of the employer originations are…being implemented by government policy’. There is now ‘no real incentive [for employers] to sit at negotiations, because the government will take up their demands either way. In the past, this was the other way around’ (interview 59: 21.10.16).

How the crisis may reshape trade union politics is expressed by an ABVV/FGTB officer who believes that in the Michel government ‘the two extremes are moving farther away and are becoming increasingly polarised’. This is seen in the debate surrounding ‘the right to strike versus the right to work’ which has re-emerged during the crisis (interview 56: 26.01.15). This was repeated by a centre-right politician who believes that ‘ideologically, the groups are drifting away from each other. The workers are going left, the employers are going right, all parties are becoming more radicalised and extreme’ (interview 58: 04.12.14). An ACV/CSC representative, whose union has been historically close to the Flemish CD&V party who have been overtaken by the N-VA, believes that ‘This government has a tough right-wing programme, which is against the DNA of the Flemish Christian democrats. More and more people are beginning to query this’ (interview 57: 24.11.14).
In 2014, a coalition of civil society organisations that included the three confederations launched a campaign to promote the human right to social protection, under the banner of ‘Hart boven Hart’ in Flemish (‘heart over heart’) and ‘Tout Autre Chose’ in French (‘everything else’) (HBH/TAC 2017; Govaert 2015). Made up of unions and NGOs, the campaign sought to defend the social security system from attack. The confederations were able to reach parts of society beyond their traditional bases, and articulated a less traditional discourse across a broader agenda that included the rights of refugees, investment in education and culture, and work-life balance.

The movement started in the cultural sector in Flanders, and turned into a national movement, with different organisations working together. An ETUI expert notes that ‘The Walloon civil movement is more left-wing, while the Flemish side is more concerned with how to frame a positive message’, in keeping with the distinctions between the Flemish and French confederations. This interviewee explains that the movement ‘Supported the unions when the general strike was on, with some people…visiting the pickets by bicycle. This is real, and not something virtual. The campaign is made up of cultural people, who are good at messaging and at making the campaign attractive’. The movement held a demonstration in 2015 and called it ‘not a demonstration but a ‘parade’’ to distinguish it from mainstream traditional politics (interview 59: 21.10.16).

The confederations have each been involved in the movement, and benefit from the attractive campaigns and spontaneity of the cultural sector, from being able to reach different parts of society, and by borrowing resources from elsewhere in civil society. Crucially, despite their close proximity to the country’s political parties, the confederations were also able to use their involvement in this movement to set themselves apart from the political establishment.

The Belgian confederations form strong and enduring coalitions with the country’s political parties, and with civil society in the country. In so doing the Belgian confederations remain among the only organisations to be fully involved at the federal level, across each of the country’s regions – alongside the monarchy and the national football team. This was used to good effect to see off the major threats that were posed during the crisis.
Mode IV: Trade unions and the European-level; beyond the national shell

Belgium is highly economically and politically integrated within the EU and with its neighbours. Belgian unions take full part in pan-European manifestations organised by ETUC. While Belgian unions remain among the most positively-disposed towards the EU, some differences emerge between the confederations on the question of Europe.

A liberal trade unionist describes their confederation’s strong European-orientation: ‘Our workers are convinced of the European project, they are informed and feel a conviction for Europe’. However, this interviewee is cautious about this positivity being maintained in the age of austerity, asserting that ‘unfortunately, the intention of the commission is to remove social dialogue, and to end wage indexation’ (interview 60: 26.01.15), which could alienate members. An officer from the more radical ABVV/FGTB similarly believes that ‘Europe is starting to move away from the citizens – there is nothing that links people to the European elite now’ (interview 56: 26.01.15). An ACV/CSC officer remarks that ‘specific coordination is needed within ETUC for the Eurozone unions...my impression is that the Eurozone unions see the need to coordinate, but the non-Eurozone unions differ’ (interview 57: 24.11.14). The pressure put on wage-indexation, and the increasing fiscal discipline coming from EU-level further complicates the relationship between the confederations and the EU.

ACV/CSC ‘invest a lot of time and money [into relations with ETUC] but acknowledge ‘three main weaknesses’ within the organisation: its ‘strategic weaknesses, its lack of cohesion, and its limited capacity’. Flesching this out, the interviewee believes ‘there is not enough capacity to meet all [of ETUC’s] challenges. Divergence is a problem, as are the weaknesses of some...national unions’. Ultimately, similar to the limited purview afforded to ICTU by its affiliates, ‘the ETUC secretariat does not get the mandate from the membership that it wants’ (interview 57: 24.11.14). An ABVV/FGTB official notes that ‘it’s very hard for ETUC to coordinate all the disparate views of its membership, it’s a problem of identity and heterogeneity’ (interview 56: 26.01.15). ETUC’s coordinated ‘European day of action and solidarity’ in November 2012 saw more than 120,000 people march on Brussels, and ACV/CSC ‘weren’t sure we could have such mobilisations anymore’ (interview 57: 24.11.14)

195 This is taken to mean, trade union organisations in countries that use the euro single currency.
Thus, EU-level action has been viewed positively, at least in Belgium (where the majority of such actions take place). An ETUC official feels confident that the Belgian confederations ‘want more ETUC. Belgium is a small country, in the middle of Europe - they need Europe’ (interview 8: 01.12.14). However, an ETUI expert notes that ‘within the leadership there is an awareness of what is going on in Europe’ but this stays ‘more or less at that level’ (interview 59: 21.10.16). Even in Belgium, the EU-level remains primarily the concern of union elites.

Similar to the Irish case, Belgian employers are more active and organised vis-a-vis the European Parliament than the unions are (interview 56: 26.01.15). Some common ground has been found between employers and unions, for example with respect to social-dumping and TTIP (the Transatlantic Trade and Investment Partnership). The culmination of this was the Wallonian Parliament’s opposition to the CETA (Comprehensive Economic and Trade Agreement) between Canada and the EU, which was eventually dropped, and which saw the social partners and government take the same side on an important EU issue.

**Discussion**

Of the countries considered here, Belgium endured the least direct impact from the economic and social crises but did not avoid the crisis altogether. Despite the pressures of the crisis years, and the break-down of social dialogue negotiations, the political role of Belgian unions remains strong. Belgian unions probably face the fewest nationally specific threats of the countries considered here, and are among the national institutions which remain well-integrated and cohesive, amid the centrifugal pressures of the Belgian state becoming increasingly federalised, and Belgian unions transcend the linguistic boundaries which divide the country. However, in the volatile political context of the crisis years, the political role of unions may be changing, amid increasing tensions between the social partners, as especially ABVV/FGBT become increasingly combative.

The Belgian union confederations remain among the strongest in the world, and display a predominant social cohesion orientation. The union landscape is diverse, but highly coordinated, and unions engage effectively in both militant and moderate activities. Mobilisations are common, social dialogue is highly-developed, and unions are close to politics, but relations are loose enough not to compromise the unions’ autonomy.
The Belgian union confederations are important political actors, and benefit from institutional and statutory underpinnings which bolster their activities. As above, the unions are able to be on ‘both sides of the street’, and maintain the ability to strike and to mobilise, and to be heavily involved in the country’s a highly-developed partnership institutions. As well as this, Belgian unions are visible at workplace-level through regular elections that only the recognised confederations can present candidates for, which alongside the Ghent system of unemployment protection, provides an explanation for the country’s high union membership figures. Through all this, members remain more directly involved in Belgian union politics compared to other European confederations including in Greece and Ireland, which are often dominated by senior elected and appointed officials.

In recent decades, despite organisational changes induced by the reorganisation of the country, there have been no major new unions, no mergers, and no change to the balance of power between the social partners. Overall, the Belgian system has changed relatively little since 2008. The two most notable developments are the failure to reach a negotiated agreement at the inter-professional dialogue between 2008-2016, and the delegation of aspects of labour market policy to the regional level. Changes to the distinction between manual and non-manual workers, and new rules regarding working time and redundancies, have also been introduced, but are relatively limited in scope, especially when compared to the changes endured elsewhere in Europe. Changes to wage-setting were introduced gradually, and largely (but not exclusively) with input from the social partners. However, in recent years, the room for negotiation on pay at national level has become increasingly limited. However, none of these developments have undermined the ability of the unions to mobilise influence.

Even in Belgium, social dialogue came under threat during the crisis, but an ABVV/FGTB officer concludes that ‘unions are part of the system – in a good way’ (interview 62: 29.09.15). Belgian politics and industrial relations is in a state of perpetual dialogue: ‘it’s just in the culture, it’s tolerated by employers’ (interview 8: 01.12.14). However, ‘government [historically] took a back seat’ (interview 59: 21.10.16) but has become more involved in industrial relations during the crisis, with traditionally bipartite negotiations giving way to tripartite discussions. As in Greece, the explanatory factor is not ‘culture’, but strong institutional underpinnings.
Regarding the unions and politics, after language, the major cleavages in Belgium are between representatives of labour and capital, where relations are sophisticated and institutionalised, and between the different socio-political pillars. Unions and parties within the same pillar are closely, but organically, linked; relations are not cast in iron, and become stronger or looser depending on the political context. Here, Belgian unions betray a ruthless pragmatism which can only be displayed by firmly-established political actors.

Regardless of the confederations’ ideological and strategic differences, an ACV/CSC officer insists that Belgium ‘is a complex little country – the best thing we can do is to stick together to overcome the crisis’ (interview 57: 24.11.14). There is a division of labour in Belgian democracy between different political constituencies. Reflecting on the decline of the CD&V, long the natural party of government, an EU-level politician remarks how ‘Since 1950s our party has been in power for years, we’ve created strong links with unions’, but pragmatically ‘the workers’ parties represent workers better than we do’ (interview 58: 04.12.14).

Unions are among the only fully cross-community bodies in Belgium, a country riven by social and political conflict. Rather than being seen as extracting concessions for already protected workers, the social partners are seen ‘to stabilise the economy and to stabilise purchasing power’ and ‘Employers and unions coordinate...to safeguard the social climate to avoid conflict’ (interview 57: 24.11.14). Fundamentally, unions are seen in a more positive light than almost anywhere in Europe.

As a founding member of the EEC, and given its proximity to the EU institutions, Belgian confederations play an important role in, and have been historically committed to, EU-level trade unionism. Belgium hosts the ETUC headquarters and many EU-level manifestations and meetings. An ABVV/FGBT officer describes the European Commission as a ‘machine of war, that rules by fear. The Commission claims that ‘we only have a small boat to save a few people’, which pits people against one another’ (interview 57: 24.11.14). The increasing hostility expressed by unionists, vis-à-vis the European project is a notable development, given the unions’ historical Euro-enthusiasm.

As the federal government has sought to undermine some of the fundamental aspects of the national industrial relations system, including the wage indexation system, the government has ‘galvanised the unions, and brought them closer together’ (interview 62: 29.09.15). The
confederations continue to cooperate and coordinate, giving effect to the old union adage – that unity is strength.

While the Belgian unions must contend with the centrifugal forces that threaten to tear the country apart, the national confederations continue to exert considerable influence on national politics. Given the strong statutory underpinnings that support social dialogue, the organic links between the union confederations and political parties and civil society organisations, the active involvement of the confederations at the local, regional, federal and European levels of politics more generally, and perhaps most importantly, their active and well-organised memberships, the confederations were able to respond in a concerted and effective fashion to the challenges posed by the crisis.
Chapter 10 Conclusion: European trade union influence under austerity

This thesis has explored the ways that trade unions mobilise political influence in Europe under austerity, with a focus on the role played by leaders and officers in national trade union confederations in three small Eurozone countries, namely: Greece, Ireland and Belgium. It asks if unions are still relevant, and if they exert influence in new ways, as traditional resources wane and as weapons become blunted. It also seeks to establish if the European-level theatre of industrial relations has increased in importance for unions, given that many of the greatest challenges that unions now face originate from EU-level. This essentially concerns the dynamics and development of union power and influence, the importance of trust, and the future prospects for trade unionism in post-crisis Europe.

In a broader sense, this thesis reviews European political processes, and considers the extent to which the tensions arising from the Eurozone crisis, increasing economic inequality, migration, high rates of unemployment, and political instability, can be ameliorated by trade union involvement in politics and labour market policy-formation. Thus, tracking the fate of European trade unions in this way sheds light on political themes which go beyond the state of the unions themselves. This includes the state of political parties, industrial and social policy, the modern world of work, the state of modern capitalism, and the tensions in society between individualism and collectivism.

Part I of this chapter provides a summary of the main findings of the empirical part of this research by summarising what the union confederations in the countries under examination have done throughout the crisis. This seeks to shed light on the first research question outlined in the introduction to this thesis - *what have unions done in the crisis to influence labour market policy and to mobilise political influence?* Part I then seeks to account for the variations in union postures in Greece, Ireland and Belgium throughout the crisis years. Together, this points towards the theoretical contribution of this study.

Part II presents a discussion of trade unionism in Europe today, and what can or cannot be said about the circumstances of unions and industrial relations contexts in Europe based on this analysis. This seeks to answer the second research question, ‘*are trade unions still relevant?*’ and the third research question, which considers whether ‘*the European-level has become more important for trade union action?*’. The final part, part III, considers the prospects for union
Part I: Summary of findings

Chapters 1 and 2 of this thesis reviewed how European integration was initiated so that Europe might avoid the chaos of conflict to which it had grown accustomed. Within Europe and in keeping with the notion of ESM, the state has been committed to varying degrees to providing a floor beneath which no citizen should fall in terms of education, health and social protection. Unions have influenced the development of these standards over the past 70 years, and today, their role in shaping public policy has been dramatically undermined. As member states struggle with the Eurozone’s ‘fatal incompleteness’, governments are left with limited options to meet economic challenges, given the centralisation of monetary policy at EU-level and the lack of corresponding EU-level social protections. Embattled member states have charted a way from crisis through supply-side measures, internal devaluation, and cuts to public expenditure.

Chapter 3 explored how, since 2008, the European Commission has gained new wide-ranging surveillance powers over national economies, and how the nascent banking union has drawn Europe’s economies closer together. The agenda advanced by the Commission now promotes competition and fiscal discipline above social cohesion. The social and political damage this causes has exacerbated the decline of Europe’s mainstream parties, and adds ballast to populist rhetoric. This undermines popular support for the European project and is at odds with the spirit of ESM previously espoused by the Commission. The period since 2008 has also seen the degradation of traditionally democratic forms of social dialogue in many countries, which had included a central role for the unions and social partners. All in all, this heaps further pressure on the already embattled European trade union movement.

Meanwhile today, unions find themselves dislocated, moving upwards to ‘an inaccessible European union’, and downwards to the enterprise level that is ‘beyond political reach’ (Crouch 2000, p76). Seemingly, it is increasingly difficult for unions to mobilise influence in the ways they are most often associated – through mobilisations, strikes and direct action - particularly given the power of MNCs in the globalised world. However, this thesis has shown...
that unions do continue to mobilise influence, both in the traditional forms associated with
union action, and in new ways, as I will go on to summarise.

Analytical framework

The analysis of union action in this thesis is arranged around a framework that is presented in
Chapter 6 and that is made up of four modes of trade union influence which are over-lapping
and non-exhaustive, but which provide an account of what unions have been up to (in three
small European countries at least), and which provide scope for the exercise of different forms
of trade union power (discussed in Chapter 5).

Mode I concerns ‘mobilisation and organisation; the unions’ artillery power’, and considers
how unions’ cultivate, and exert influence through, their memberships – what Pochet (2015)
calls the unions’ artillery. This includes activities that see unions wield structural and
associational power.

Mode II looks at ‘institutions and collective bargaining; the unions, the state and the law’.
This considers how unions wield influence through state-supported industrial relations
machinery, and different forms of legal enactment, social dialogue, workplace partnership,
collective bargaining, and lobbying activities. This can allow unions to exercise institutional
power.

Mode III considers how unions exert influence by acquiring ‘borrowed resources’, through the
formation of coalitions and alliances with political parties and civil society actors. Here unions
mobilise coalitional power which can lead to moral power.

Mode IV, ‘trade unions and the European-level; beyond the national shell’, looks at the
multifaceted EU dimension of trade union influence and action. This includes the different
ways union confederations seek to bring pressure to bear directly on EU-level institutions and
political actors, and how confederations interact with other national-, and transnational-level
trade union organisations, including ETUC. This mode overlaps with the previous three and is
sometimes difficult to disentangle from the others, but sees activities playing-out
transnationally, and sees unions, at least potentially, deploying each of the aforementioned
forms of power at the transnational level. This mode has become increasingly important for
union vitality and effectiveness, given the increasing relevance of the EU-level crisis responses and strategic orientations. It is a question for further research as to how far this analytic framework can be applied to other union and social movement organisations in Europe and further afield, but it provides a starting point for capturing and analysing union power.

The next part of the discussion reviews what the union organisations under analysis here have been doing throughout the crisis across these four modes, and considers why union postures took the shape that they did in each case.

A portrait of trade union power

The union confederations considered in this study have conducted themselves differently throughout the crisis years of 2008-2016. Union postures can be explained by a combination of both proximate factors and legacy issues, including the different forms of crisis experienced in each country (outlined in Chapter 3), different historical strategic trade union orientations (outlined in Chapter 4) and power sources (outlined in Chapters 5), and how the four modes of influence (outlined in Chapter 6) manifested in each case (Chapters 7-9). These factors are framed by the different economic contexts in each country.

As was outlined in Chapter 1 (p17), the industrial relations systems and economies in each of these cases are markedly different with regard to factors including the rate of trade union density and collective bargaining coverage, the dominant levels of bargaining, the form and reach of social partnership (where it exists), and the varieties of capitalism that holds sway. A further important difference is seen in the countries’ growth regimes and economic trajectories. While Ireland’s economy is export-led, and is dominated by (especially US) FDI, Greece might be best classified as a domestic demand-led economy. Greek growth prior to the recession was driven by cheap credit, domestic consumption, and the growth of its public sector. Belgium’s economy is somewhere between the two, but is somewhat closer to Ireland, and experienced steady, gradual growth in the lead-up to the crisis years (Baccaro & Pontusson 2016; Hope & Soskice 2016). These differences have a major impact on trade union orientations and action.
**Mode I: ‘mobilisation and organisation; the unions’ artillery power’**.

In Belgium, throughout the crisis, the union confederations coordinated several highly visible and effective mobilisations, including strikes at the local, regional and national levels. These saw a high degree of cooperation between the main confederations. Strikes and mass-mobilisations also remain an important part of Greek politics, where crisis-reforms were met with mass-protests by workers, pensioners, and students. Unions and the confederations were often involved in such mobilisations, but did not always lead. These events frequently turned violent, and were marred by rioting, looting, the burning of banks, and even deaths (Papadimas & Maltezou 2010). This was not the case in Ireland where limited civil unrest was observed, with only occasional large mobilisations, typically at weekends, and particularly around the introduction of new taxes.

Activities within this mode also relate to organisation and recruitment strategies, and relate to how unions attract, retain and maintain members, and involve them in the unions’ democratic life and processes – to acquire Pochet’s ‘artillery power’. Union approaches to recruitment vary considerably, and are a function of how unions are organised and financed. Everywhere in Europe unions are losing members. While it is hard to transform the cycle of ‘membership loss, declining efficacy and demoralisation’ experienced by many unions into ‘a virtuous circle of recruitment, representation and empowerment’ (Gumbrell-McCormick & Hyman 2013, p30), many unions took steps to seriously tackle the issue of membership during the crisis.

Notably, unions today must contend with increasingly individualistic and consumerist orientations and some unions have sought to change what they can offer in order to attract and keep members. Unions now increasingly focus on offering career advice and professional development opportunities as well as representation and legal support in the event of workplace grievances. There is noticeable emphasis on this in Ireland, with concerted attempts by unions to attract especially younger members. In Belgium, as well as maintaining strong membership numbers through the highly evolved Ghent system of unemployment insurance, members are involved in frequent high-profile workplace elections which further heightens awareness of the union at workplace level. In Greece, unions are largely funded by employers and government, membership is more fluid, and there is little emphasis on recruitment.

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196 This does not preclude passive union membership in Belgium, but there are more opportunities for rank-and-file members to be directly involved in the unions’ affairs than in either Greece or Ireland.
Notably though, in terms of attracting new members, it is those most in need of assistance from unions who are often hardest to recruit. Recruitment and organisation of the increasing numbers of atypically and precariously employed workers has become a union priority, but to date little progress has been made (Gumbrell-McCormick 2011; Kretsos 2011; Vogiatzoglou 2017). How to deal with the growing ranks of atypically employed workers may be the greatest single challenge facing the European labour movement today.

The role of research activities and think-tanks has also become increasingly important, as unions pursue new ways of influencing politics directly. Research activity helps unions devise media strategies and to influence political discourse. Models of organisation where members are actively involved in union activities envisage an informed membership, and research can help develop ‘organic intellectuals’ (Gramsci, 1971). Conveying information, engaging in public diplomacy, and selling a positive image of what they do, is now part of the unions’ struggle to build-up long-term relationships with members and supporters. In Greece, Belgium and at EU-level, research bodies have informed the debate for years. In Ireland, this gap has been filled by a new think-tank, the Nevin Institute.

The reasons that union action in this mode took the forms that it did are manifold. We saw how, while strikes and mobilisations were an important part of the Belgian and Greek union crisis experiences, this was not the case in Ireland. However, to assume that Ireland has always lacked a protest culture would not withstand empirical validation. The boycott was invented in Ireland, guerrilla warfare has been central to politics throughout the 20th century, and industrial relations was historically especially violent197. It is not ‘culture’ that explains this variation, but institutions and traditions of trust-building and partnership that exist in some countries, including Ireland and Belgium, but are absent in others, including Greece.

The propensity of the social partners to trust one another – to dance rather than to box, in keeping with Huzzard et al (2004)’s metaphor - is also influenced by the ability of the state to function in a crisis (Pappas & O’Malley 2014; Ioannou 2010). While Greek unions sought to reverse the crisis-induced reforms by mobilising workers, Irish unions sought to exert influence

197 Rüdig & Karyotis (2014) note, that between 1990-1995, Ireland had 75.1 protest events per-million people, compared to Greece’s 21.3. This makes Ireland’s recent quiescence even more puzzling.
through dialogue and negotiations. Critics understand this in terms of the Irish unions’ inability to mobilise members after years of social partnership. In this reading, the relative reluctance of unions to resort to traditional forms of resistance exacerbated the underlying difficulties that unions face in mobilising their membership – which in Ireland now includes a generation unfamiliar with strikes and direct action (Doherty 2011, p382). However David Begg, then ICTU leader, insists ‘the time-honoured option of protest is not, of itself, a sufficient response because nowhere has it made a real difference’ (IRN 2013). In Belgium meanwhile, unions frequently mobilise, but this is adjunct, and often a prelude, to negotiations. Given strong union membership, and the idiosyncrasies of the Belgian system, mobilisations are a way for Belgian unions to flex their muscles, and to keep members involved.

Regarding recruitment, the majority of financial resources for Greek unions come in the form of subsidies from governments or employers, and thus recruitment is also not a priority for unions in Greece. Irish unions lack most of the institutional mechanisms that can support union membership that are common in continental Europe, including in Belgium, where recruitment is not a priority, as high membership is ensured given the nature of the Ghent system of unemployment insurance, and the very real, tangible incentives and benefits that come with membership. In Ireland, members are the main source of financial resources, and unions have to organise workplace by workplace to gain membership and the financial and moral resources that go with it. However, Ireland is an outlier among liberal-pluralist countries in that organising has only recently emerged as a priority (Donaghey & Teague 2007, p25), and some unions have only recently grown particularly receptive to US conceptions of the ‘organising model’ (Geary 2018). This can partly be explained by the success of social partnership in Ireland, which saw unions mobilise institutional and moral power without the need to mobilise their membership directly. However, strike activity is the most high-profile union action, and alongside involvement in campaigns, is a highly effective organising method. Time will tell if union involvement in the right2water campaign and in anti-austerity politics more broadly will be a boon to membership.

Mode II: ‘institutions and collective bargaining; the unions, the state and the law’

Since 2008, in many countries, industrial relations and social dialogue institutions, which had traditionally included a central role for the unions and the social partners, have been degraded or destroyed. The crisis has seen the introduction of a wider mix of institutional instruments to
pursue social and industrial policy objectives in many countries. Crucially for union power, there is an increased tendency for governments to act unilaterally, without recourse to the social partners. This includes the use of increasingly vague and broad factors for governments to justify austerity measures. This threatens the autonomy of the social partners and was the case to varying degrees in each of the cases considered here.

The clearest divergences in the approach of unions to dialogue, and the openness to negotiations more broadly, emerge again between Ireland and Greece. In Ireland, government and union interviewees emphasise how the Troika negotiations were seen as a necessary, but humiliating, evil. As outlined in Chapter 7, an Irish government official close to the negotiations summarised the attitude of the social partners and government as being ‘what gets measured, gets done’ (interview 45: 08.01.14). For officials, the ultimate priority was the country’s speedy exit from the bailout, and senior union figures lamented their relegation from being social partners to stakeholders in the eyes of the government and Troika figures throughout the crisis. Meanwhile, in Greece, an actor close to the 2012 (New Democracy-led) government with experience of government in both Germany and Greece, remarks that ‘the problem in Greece is that we do not have a culture of negotiation. People always have to win - and be seen to win’ (interview 45: 08.01.14). Perhaps the low-point of this vision was in the heady summer of 2015, which was the closest thing to an existential event the EU has yet experienced. The mercurial Greek finance minister Yanis Varoufakis is accused of arrogance and obstreperousness in the fraught negotiations for Greece’s third bailout, having eschewed the traditional integrative diplomacy associated with EU-level negotiations (Arends 2015; Parker 2015). This precipitated a political crisis, the introduction of capital controls, a hastily organised referendum, and mass protests.

In Belgium, social dialogue remains central to what the unions do, and despite the more radical socialist-oriented union confederation temporarily withdrawing support for the practice, and despite pressure from right-wing political figures, the institutions and practices surrounding social dialogue remain intact and enjoy the support of the social partners.

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198 Arguably, the ongoing negotiations regarding the UK’s withdrawal from the EU presents a similarly serious challenge to the bloc.
The confederations in each of these countries have also sought to enforce their privileges at domestic courts and dispute resolution agencies in different ways, and also through transnational-level institutions including the ECJ and ILO. The confederations, especially in Greece, have used legal avenues, but despite some limited victories, these have not been sufficient to reverse the MOU’s austerity measures. The recast WRC also plays an important role for unions in settling industrial disputes in Ireland.

Union action in this mode is shaped by a wide range of factors that relate both to the political environment in which the unions reside, and to their ideological orientations and legacies. Strong institutional supports mean collective bargaining in many countries, including in the likes of Belgium, Germany and the Nordics, remain institutionally robust, and the structure of collective agreements have remained more or less intact (Dufour & Hege 2010). Collective bargaining coverage in the EU – 62 percent – still far exceeds density – 23 percent, indicating that unions’ institutional influence, at least when it comes to wage bargaining, far exceeds the reach of their membership. The key element here is the extent to which these practices have statutory underpinning. The lack of institutional underpinnings for collective bargaining, and the emphasis on enterprise-level agreements in Ireland, and on sectoral-level agreements in Greece, undermines the prospects for collective bargaining in both countries. In Belgium, social dialogue remains robust and responsive given the strong statutory basis on which it is founded.

For unions, the two key factors that influence the success or failure of social dialogue and institutional arrangements of social dialogue is the propensity for the unions to negotiate, and the existence of institutions that support the arrangements. In Ireland, social partnership collapsed in the private sector in 2009, and hangs on by a thread in the public sector. In Greece, despite attempts to initiate social partnership-type exchanges in the 1990s, such practices never took off. In Belgium, the country’s highly evolved social dialogue practices remain strong in spite of political resistance from right-wing politicians and the strong institutional and legal basis underpinning their existence. The three Belgian union confederations also benefit from their different approaches to conflict – that is, the aforementioned more radical tradition of the socialist-oriented union, and the more accommodating stance of the liberal and Christian

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199 Although, this is notably not the case in the UK or Greece, but long has it been thus.
organisations, as this allows the unions to engage in both radical and more prosaic forms of action at the same time.

Fundamentally, the likelihood of negotiations and social dialogue taking place in these countries is based at least in part on the ability of actors to trust one another. We saw how, at its simplest, in political science and international relations at least, trust is the belief that actors will be willing to reciprocate (and repeat) co-operation (Bacharach & Gambetta 2001; Kydd 2005). Trust is important for managing the conflict that is inherent in social interactions, lowers transaction costs, facilitates co-operation, and reduces the likelihood of disputes occurring in the first place (see pp104-105).

A way of explaining how unions seek to influence politics is the propensity towards moderation or militancy, which is in part shaped by the existence or absence of trust relationships between actors. A fundamental tension exists between those unions that incline towards adversarialism, what Walton & McKersie (1965) termed ‘distributive bargaining’, and those that incline towards the pursuit of ‘mutual gains’, what they termed ‘integrative bargaining’. This reflects either a militant orientation, focused on mobilisation and struggle, or a moderate orientation, focused on partnership and dialogue\(^\text{200}\). The breakdown in trust between the Greek government and its creditors can at least partly be explained by the distributive negotiating style of Varoufakis and his team (Traynor et al. 2015), which reflects the adversarial nature of Greek politics, of which the unions are an integral part. In Greece, accommodation is equated with capitulation, and unions typically seek confrontation rather than negotiation.

Finally in this mode, in one reading, the tendency to seek recourse to juridical solutions such as through courts or dispute resolution mechanisms, is linked to the limited capacity to mobilise and exert influence in other ways, and this is arguably the case in Greece where recourse to courts by the unions was commonplace. However, given how hard it is for unions to mobilise traditional ‘people’ resources, and given the increasingly technocratic nature of EU policy in the fields of both economic and social policy, the importance of these institutional and legal avenues of influence will only increase.

\(^{200}\) Partnership here is used broadly to mean any form of exchange involving the social partners that is based on negotiations and dialogue, and includes workplace partnership, social pacts and formal social dialogue arrangements.
Involvement with political parties and other actors in civil society remains central to what unions do, but these relationships are changing, with old ones becoming strained and new ones coming into existence.

In Belgium, the political orientations of the confederations bring unions into contact with senior political figures in informal ways, to complement the formal channels provided by the country’s sophisticated partnership arrangements. In Greece, the political tendencies within the confederations make internal union politics ever-present and extremely adversarial. In Ireland, the only party with formal links to trade unions have played a marginal or supportive role in government, and ICTU has learned to relate to the different parties of government at different times.

The crises have drawn many unions into conflict with political parties. Across these cases, unions – or at least important elements within their ranks – have sought to distance themselves from allied parties. This is particularly the case when allied (often social democratic) parties have been responsible for implementing austerity, or where governments have introduced legislation and policies which inhibit the ability of unions to conclude collective agreements, to organise, and to strike.

To further complicate matters for unions, throughout Europe, social democratic parties, the traditional political voice of the labour movement, have been outflanked by leftist, often populist, alternative and challenger political voices. Many populists now espouse positions on social and economic policy that are similar to those traditionally advocated by unions and social democrats, including the promotion of interventionist industrial policy, varying degrees of economic protectionism, and opposition to unfettered globalised capitalism. Much populist messaging resonates with the unions’ traditional support-base, further damaging relations between unions and allied parties.

Given these challenges, many unions have sought to broaden their appeal beyond their shrinking traditional bases of support through involvement in social movement unionism. The formation of coalitions with civil society actors has helped some unions acquire influence, and to distance themselves from discredited political elites. In each of the cases reviewed here,
unions have been involved in different alliances of varying durability with civil society actors in opposition to austerity – in opposition to water charges and against public sector cuts in Ireland, with the *Hart boven Hart* in Flemish (‘heart over heart’) and *Tout Autre Chose* (‘everything else) alliance in opposition to austerity and pension reforms in Belgium, and with employers and pensioners in Greece.

Overlapping with the discussion in Mode IV and the discussion of union influence at EU level, alliances can evolve between unions and civil society actors in the transnational sphere, for example through the European Social Forum (ESF) (Bieler & Morton 2004). The campaigns in favour of the Charter of Fundamental Rights in 2000, and against the ‘Bolkestein’ Services Directive in 2006, showed a close alignment between unions and NGOs in an attempt to develop a common agenda (Upchurch et al. 2009, pp153-154). Here, unions and social movement actors agreed on a powerful, clear and unifying campaign maxim against social dumping, and for the equal treatment of workers. Opposition to abstract notions like ‘austerity’ are harder to coordinate and sustain, however. Notably, ETUC opposes the Trans-Atlantic Trade and Investment Partnership (TTIP), which sees ETUC involved in a broad alliance of civil society actors (Ghailani & Castillo 2015).

While the formation of coalitions remain important for union power in these countries, unions have proven largely incapable of forming new durable alliances with civil society actors during the crisis. This can be explained by factors including the sheer intensity of the crisis - as was the case in Greece - and given the abstract and technocratic nature of factors such as ‘austerity’, ‘the Troika’ and ‘new economic governance’. This is partly a failure in communication, and the inability of the unions and allies to convey their message effectively. The alliances which did occur have been short-lived, unstable, and typically focus on single issues which are easy to communicate, and the challenges of engaging in long-term political alliances remains to date, beyond the unions’ capabilities.

Building coalitions can allow unions to enthuse existing members, to reach new ones, to engage in post-materialist issues, and to access expertise and networks they might otherwise lack (Taylor 2004). Opposition to ‘austerity’ has provided a sometimes abstract but unifying notion.

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201 ETUC claims to have ‘worked closely’ with the Canadian Labor Congress (CLC) to demand changes to the EU’s Comprehensive Economic and Trade Agreement (CETA) with Canada, and ultimately did not oppose the agreement (ETUC 2017a).
for unions to campaign against through social movement unionism (Bieler et al> 2015). Crucially however, unions have often taken part, but have not always led such coalitions, and must also contend with groups and agents which lack democratic structures, which is at odds with the tenets of industrial democracy.

*Mode IV: Trade unions and the European-level; beyond the national shell*

Since the 1950s, a degree of convergence in industrial relations practices between European countries has occurred via the processes of European integration. We have seen how Europe has been an important source for decent labour standards, including individual rights relating to part-time work, agency work, and parental leave, and collective rights relating to information and consultation provision. Procedurally, unions have been strengthened through formal involvement in European politics and through bilateral relations between union leaders and EU-level bureaucrats and politicians. The activities of national union confederations at EU-level take two main forms: unions either act autonomously, or through the auspices of ETUC, ETUFs or through global union organisations, such as ITUC and IndustriALL.

Regarding autonomous activities, some confederations, and large affiliates, maintain offices in Brussels tasked with lobbying EU and international institutions. This includes the Belgian, British, Dutch German and Nordic confederations, and also some big sectoral unions including the German Ver.di and IG Metall, and the British GMB. None of the confederations considered here have increased their permanent EU presence during the crisis, but the Belgian and Irish confederations remain active at EU-level, while the Greek confederations are less and less involved.

Some confederations and unions have coordinated autonomously with organisations in other countries, typically in their geographical regions. There is some evidence of such transnational coordination strengthening during the crisis, particularly in southern Europe, for example between Greek and Italian unions, although these remain ad-hoc and difficult to sustain (Vogiatzoglou 2015; interview 28: 23.09.15).

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202 The Belgian union confederations are headquartered in Brussels, which overcomes the practical challenges many confederations face in engaging in EU-level activities. In practice the Belgian confederations' premises and resources are often used to facilitate ETUC demonstrations and events, which are frequently Brussels-based. Belgian union insiders believe their confederations have always had excellent access to EU-level via ETUC, but that this is even stronger today, with ABVV’S Rudy De Leeuw election as ETUC president in 2015.
Some confederations in the north, (including in Ireland), sought to distinguish themselves from the beleaguered southern (especially Greek) unions. This is the defining feature of ICTU’s approach to Europe during the crisis. ICTU is also in the unique position of having affiliates in two jurisdictions, making the organisation sensitive to developments in both Ireland and the UK – a reality thrown into sharp relief by the UK’s 2016 vote to withdraw from the EU. In Belgium, given its tradition of wage indexation, and it’s place as ‘the cockpit of Europe’ (discussed on p201) that country’s economic fate remains tied to that of its neighbours, making Belgian unions more transnational in outlook. Cooperation continues, for example, between Belgian and Dutch confederations in overseas development activities.

Union confederations have directly lobbied the European institutions, notably through the European Parliament trade union inter-group and through bilateral relations with bureaucrats and politicians. In keeping with their partnership orientation, the Irish confederations have been active in lobbying MEPs (although well-placed commentators contend that the employer organisations do so more effectively). While the Greek GSEE remains loosely involved in EU-level activities, ADEDY has essentially departed the EU-level, to focus on national-level action.

This mode also considers the success and failure of the unions’ own institutions and includes trade union action with and through international and transnational trade union organisations including ETUC and its affiliated ETUFs, and to a lesser extent, global union federations including ITUC. These organisations have produced powerful analyses and progressive demands throughout the crisis, but their day-to-day impact on union practices has been largely non-existent. An exception is ICTU, which until recently were under-resourced in terms of research support, and ETUC and its in-house think-tank ETUI, played an important role in explaining details of parts of the EU’s crisis response. Some second-level GSEE affiliates, and representatives from both GSEE and ADEDY maintain that messages of solidarity and support have been forthcoming from other Global unions including IndustriALL, with some joint statements resulting, but little else.
ETUC coordinated a European Day of Action and Solidarity in 2012 involving trade unionists in more than a dozen countries, which included coordinated strikes in four countries\textsuperscript{203}. Clearly, ETUC can coordinate large-scale mobilisations, but these are extremely difficult to organise and occur only in exceptional circumstances, and domestic factors and events continue to take precedence for the union confederations.

Union engagement at EU-level is shaped by a wide range of factors, and enthusiasm for European-level engagement is often a reflection of limited or diminishing power domestically. For example, Nordic union confederations oppose the development of EU-level collective wage-bargaining, as this could undermine their well-defined role in national-level bargaining traditions. In Southern Europe meanwhile, where the unions’ role in domestic wage bargaining is limited, unions support stronger wage-bargaining coordination. Ultimately, factors including financial resources, the nature and depth of the crisis, the ability to communicate EU-level factors, and ideology, all play a role in framing how union leaders relate to the EU-level.

Aside from these examples, transnational action and EU-level coordination of union action remains limited. Overall, having spent time at ETUC, the author was left with the sense that the EU-level and global union organisations are seen as something that unions rely upon for research and as forums to open up networks and connections, but not as actors with much agency.

Trade unions in Greece, Ireland and Belgium today

The Belgian union confederations benefit from an almost unique position in national political culture – that is, as (almost) fully national organisations, which transcend the fraught and bitter rivalries which threaten the country’s existence. Unions play an important role in social cohesion and are not seen as purely representing sectional interests. Crucially, Belgian unions benefit from strong institutions, which are notably absent in Greece and Ireland, and the important political role afforded to Belgian unions, and the regulatory power this embodies, keeps Belgian unions powerful and relevant.

\textsuperscript{203} Notably, in Greece, strike action was delayed by two days to coincide with a key vote in the Greek parliament. This exhibits the priority shown by unions to domestic, as opposed to EU-level politics.
The Greek confederations are conspicuous in public life, but lack the strategic orientation of their Irish and Belgian counterparts. The Irish confederation continues to play an important, albeit diminished role, in the formation of public policy, but lacks the institutional and statutory underpinnings of the Belgian confederations. Belgian unions are challenged by the divisions and centrifugal forces that threaten to tear the country apart, but benefit from strong organisational capacity, internal democracy, clear strategic orientations, and strong government-backed institutions.

This thesis has attempted to explore the factors that explain the different union postures across these countries. We have seen how the willingness to negotiate and the ability to form trust relations in part shapes union action. During the frenetic negotiations before Greece’s second bailout in 2012 a senior ILO figure managed to ‘get the social partners into the same room – that is to say, the employers and the unions – just to talk. It was in complete secret, not because they didn’t like each other…but because the unions feared a revolt from their members if they were seen to be sitting down with the employers’ (interview 11: 06.05.14). An Irish industrial relations figure remarks that ‘meetings build trust…the informal back-channels of communication, the familiarity between key people and the shared vocabulary was key to building trust, respect and understanding when things got really tough, even when [social] partnership collapsed’ (Mulvey 2014). In Belgium, the frequent meetings and dense institutional arrangements that support social dialogue and collective bargaining, from the shopfloor to the Group of 10 ensures the familiarity and routine interactions that can allow trust to develop. Greek industrial relations has always lacked these formal and informal channels, despite attempts to develop partnership arrangements in the 1990s (Ioannou 2010, interview 12: 22.09.15). This has a material impact on the inclination of the confederations and social partners in Greece to engage in dialogue.

We also saw how the decline of European social democracy especially as a political force, and separately, the weakening of linkages between unions and parties more generally, undermines a traditional route for unions to influence politics, at least directly. However, the demise of such linkages also presents opportunities for unions to assert their autonomy. Postmodern publics are more sceptical of authority and mistrustful of governments (Nye 2004, p113). Coalition-building, and the ‘soft power’ unions wield through them may be crucial to addressing the aversion inherent in this ‘liquid modernity’, with its no fixed social identities that can keep individuals together, as was once the case (Bauman 2000).
These alliances can also allow unions to reach untapped cohorts of sympathisers and potential members, which can lead unions to discover a new sense of purpose (Waddington 2005, p534). Given the often ad-hoc, febrile and unsustainable nature of many of these campaigns, and the decline of social democratic parties, unions may take a greater role in future coalitions, by presenting themselves as a sustainable source of political influence and legitimacy, given the permanent and (usually) democratic nature of union structures. Crucially, the most newly-energised part of the electorate are young people, who are also those most vulnerable to poor employment practices. Younger workers might not join unions (the statistics suggest that they don’t, see Karnite 2013), but they are likely to support political action to promote better labour standards.

The nature and intensity of trade union involvement at and through the EU-level is varied across these countries, and across Europe more generally. It is clear, however, that this level will only become more important as many of the challenges facing unions now emanate from EU-level, and as factors including new economic governance and the Commission’s growing surveillance responsibilities continue to shape the options that are available to unions, and the environments in which they reside.

It is clear that union power, and their relationships with the local, domestic and European levels, are shaped by a combination of proximate factors, including austerity, new economic governance and the economic and social crisis, as well as by legacy issues and inherited factors, including ideological orientations and traditional sources of power. Bearing this in mind, part II seeks to answer the second research question, ‘are trade unions still relevant?’ and the third research question, which considers whether ‘the European-level has become more important for trade union action?’ and presents a discussion of what can or cannot be said about the circumstances of unions and industrial relations contexts elsewhere in Europe based on this analysis.

Part II Trade unionism in Europe today

Are trade unions still relevant?

Clearly, the unions’ golden age of the 1970s, with high membership and the ability to mobilise large memberships, is behind us. However, based on the analysis presented here, unions remain
important political actors and continue to mobilise political influence, and crude measurements of density and strikes are insufficient when trying to understand the nature of union power today. Unions in many places continue to perform important labour market and political functions, but there are important differences in union vitality throughout Europe.

Today, unions today are structurally weaker and smaller, and are politically marginalised, especially in the private sector. Notably, the crisis has exposed important tensions within the movement, for example between public and private sector unions, which tests the internal coherence of many unions and confederations. While public sector unions lobby politicians to change their views, private sector unions seek to convince employers to moderate their behaviour. Public sector organisations are typically anti-austerity, and are often not too concerned with the integrity of collective agreements as they are supported regardless, while private sector unions typically seek to extract a greater share of profits from employers. Managing these tensions is central to what unions do today, and how they manage their resources. Nonetheless, unions in these cases, and across Europe, continue to mobilise political influence.

Decent employment standards are fundamental to economic and social justice and are central to ESM. These have never been achieved in any country through unfettered, unregulated market forces, or by the unrestricted exercise of employer power (Brown 2017). The state has always intervened to regulate labour markets, and to redistribute economic gains. Trade unions remain involved in this redistribution in different ways and to different extents. Historically, unions could negotiate a share of productivity gains for workers by mobilising, or threatening to mobilise, collective strength at the point of production. As the ability to do this continues to decline, the ways that unions exert influence has changed. Structural power and militancy remain important, but union action is increasingly multifaceted and varied. Unions are often now involved in concession bargaining, seeking to minimise the impact of change, and engage in a broader range of activities which bring them into contact with other civil society actors, across multiple different levels of action and contestation (Lier 2007).

Particularly as European employers grapple with the challenges posed by global competition, particularly from lower-cost economies, unions can ensure their relevance by presenting themselves as part of the solution to flagging productivity outcomes. It has long been argued that unions can be a force for greater production efficiency (Freeman & Medoff 1984). Through
a ‘voice’ mechanism, unions provide channels for workers to communicate with employers. Productivity can be enhanced through the combination of lower labour turnover, improved morale, and better vertical flow of information that voice mechanisms can engender. This is a classic feature of the pluralist frame of reference, discussed in Chapter 4, which sees unions as a transmission belt, conveying ideas and concerns back and forth between workers and management in a way that is cheap and cost effective (Fox 1967). Alongside this, through a ‘shock’ effect, unions can provide a stimulus to management for innovation and for the adoption of ‘best practices’ by closing-off certain options - such as low wages and labour-intensive production – through their ‘ability to resist’ (Freeman & Medoff 1985). This is in keeping with associational power, and Lukes’ (2004) view of power ‘as a capacity which may never be utilised’. Through the shock effect, in a crisis, employers can eschew low investment strategies by looking for alternative ways to boost productivity, typically based on greater levels of investment, and the adoption of training, new technologies, and the development of human capital.

Regarding union autonomy, as above, the crisis has seen an increase in the exercise of state intervention in the management of labour markets. Rather than mediating between employers and unions, states are now more likely to engage directly with employers to influence the distribution of pre-tax income. This may provide scope for increased political autonomy, as unions seek to distance themselves from discredited elites. However, this also hurts unions, as it deprives them of a traditional way to influence politics.

One avenue available for unions in this situation is to adopt a militant approach, by engaging in strikes and direct action. Another avenue emphasises moderation and accommodation and involves engaging in social dialogue and a partnership approach. The record of partnership has been intensely debated. Advocates believe that a shift from adversarialism to constructive engagement won the support of employers and workers alike by providing tangible gains, and through the formation of social pacts and partnership agreements, unions are afforded a protected role in policy-making. Critics argue partnership involves an essentially subaltern role for unions with their role relegated from one of negotiation to one of consultation, and for critics, the process ‘deguts unions of militancy’, rendering them unable to mobilise. The partnership approach to industrial relations is the one most in keeping with the consensual, granular nature of European integration and European-level negotiations, and it is argued here
that unions that engage meaningfully with their adversaries – that is, governments and employers – yield the most positive outcomes for their members and for workers.

However, it should be noted that today, social pacts are unlikely to develop as extensive social and redistributive agendas as was once possible, given the vagaries of globalisation. Contemporary economies are too internally diverse to allow for agreements of much precision, with what can be achieved revolving around ‘a very rough and ready set of social goals’ (Crouch 2000, p76). Even where pacts have remained part of the political landscape, monetary policy is now promulgated at EU-level for many countries. This limits the range of topics traditionally considered in such agreements, including unit labour costs, wages, and tax-reform. This makes EU-level activity all the more urgent and relevant for union vitality.

Based on the evidence presented here, it is clear that unions continue to exert political influence and remain relevant to the formation of public policy, but their role has changed dramatically over the past decades, and the different postures and approaches of union organisations differ markedly.

Has the European-level become more important for union action?

More than 70 years after EEC was initiated, the capacity and inclination to build an EU-level industrial relations framework appears limited. No European trade union identify has emerged beyond aspirational and rhetorical pronouncements, and the crisis has not yet provided a catalyst for sustained transnational action. This is partly because the EU localises crisis-responses through sovereign bailouts, and the European semester programme, which is focused full-square at the national level (Erne 2014, p349).

A paradox exists at the heart of European trade unionism. While many of the greatest challenges that unions face come from the EU-level, while supply chains have globalised, and while capital and production move seamlessly across borders, unions remain primarily, and stubbornly, focused on the national-level. The approach of most unions remains supportive of the EU as a body that promotes peace and social justice, but unions increasingly oppose the EU’s neoliberal orientation (Deakin & Koukiadaki 2013). Indeed, from empirical analysis, meaningful EU-level union action occurs only with great difficulty. Unions and confederations are reluctant to cede hard-won powers to EU-level actors (interview 63: 13.09.16), and
European issues such as economic governance and competitiveness remain abstract and difficult to package and convey in a way that is clear and accessible for members and workers.

Crucially, in the past, the EU’s acquis communautaire in the field of social policy was broadly perceived by unions as a shield against the damaging effects of an unfettered free-market (Smismans 2013, pp1-25). The EU was established to make Europe more competitive, and to simultaneously promote economic growth and social cohesion – the core of ESM. This is no longer the case, and while economic policy has become centralised at EU-level, social protection remains a national competence. The implementation of the Troika’s restructuring programmes and the EU’s tendency to centralise economic governance thus calls into question the popular legitimacy and viability of European integration itself. The success of the EU experiment may become increasingly unlikely the more EU institutions are perceived as damaging living and working conditions.

A further challenge to the formation of pan-European trade union action and identities is the expanded nature of the EU. Enlargement to Central and Eastern Europe has created huge variation in wages, with minimum wages ranging from €235.20 per month in Bulgaria, to €1998.59 in Luxembourg. This creates the potential for social dumping and a continent-wide ‘race to the bottom’ in labour standards. This has tested trade union solidarity, and the support of some trade unionists vis-à-vis the European project.

Amid these structures stands ETUC whose power and position is undermined by a range of challenges and shortcomings. The crisis has made relations between ETUC and its members more difficult. This is partly because the crisis has affected affiliates differently – ‘while the Nordics have been barely touched’ an ETUC figure remarks). Regarding ETUC’s attitude towards the European project, the same figure remarks that ‘ETUC has always supported integration, but since 2008 this is no longer true, and it becomes more difficult to defend Europe’. On a pessimistic but pragmatic note, the trade union leader believes that ‘you must protect yourself in a globalised world, and quite simply, without Europe things would be worse’ (interview 65: 21.11.14).

ETUC faces a number of structural limitations which undermines its ability to wield influence. Firstly, ETUC is positioned as a ‘social partner’ at EU-level, but has extremely limited influence over macroeconomic policy, or the intergovernmental forces which shape the
dynamics of the EU’s tendency towards liberalisation and flexibilisation. This renders ETUC incapable of having direct input into the legislation and policies that are of most relevance to workers.

A further limitation relates to ETUC’s ability to act independently. ETUC has had little strategic orientation and has been largely driven and defined by events and individuals. ETUC’s membership are reluctant to cede hard-won powers to EU-level, and the organisation is kept ‘on a short leash’, a fate shared by ICTU (and the UK’s TUC) in their domestic settings. There is no evidence of this situation changing.

The heterogeneous orientations and capabilities of ETUC’s membership also constrain its ability to form coherent agendas. A Commission representative, speaking in 2011 at the height of the crisis (and before enlargement to Croatia), argues that ‘ETUC has suffered the same problem as most other EU stakeholders, including national governments: with 27 members, in most policy areas it is difficult to say something that is at the same time acceptable to all and not a banality’ (interview 64: 07.06.11). This dilemma leaves ETUC falling short of influencing EU politics to the extent befitting its scale, size and ambition. Despite these challenges however, ETUC is still the most highly-developed regional trade union organisation in the world, and benefits from its unique status within the EU treaties.

Officers in national confederations are generally positively disposed to EU-level involvement, but for the most part feel remote and removed from it. Where it does occur, much EU-level confederal union activity remains the purview of individual policy-entrepreneurs and pioneers. EU-level trade unionism also remains, to a large extent, élite-driven, with some senior union figures becoming ‘professional Europeans’. Nonetheless, as policies emanating from EU-level become increasingly relevant, pioneers and EU-enthusiasts will be increasingly important, if for nothing else, to mediate between the national and transnational level organisations. As above, the crisis has resulted in a subtle shift ‘towards Europe’ in at least one instance, through the strengthening of links between ETUC and ICTU, while in Greece, the confederations are moving further away from Europe.

To date, while unions have sought to bring pressure to bear on European authorities, it is clear that the unions’ agenda does not prevail, given the major changes to industrial relations and social protection which have been implemented despite their opposition during this period. The
shortcomings of ETUC partly explain this. Trade unions first developed in Europe 150 years ago during the industrial revolution on a scale that was mostly local and regional. In the decades following World War II, unions became established as national-level actors. Given the pressures of globalisation, European integration, and the crisis years, the ‘future organisational frontiers of trade union action’ must be those of the EU (Hoffmann & Hoffmann 2009, p414).

Part III: The prospects for union power

It is argued here that a key variable in understanding union power and action in Europe today is the absence or presence of trust between the social partners. Blanchard et al (2013, p9), in their analysis of labour markets during the 2008- crisis, argue that ‘the common denominator between successful countries is trust, and that trusting partners can make widely differing combinations of institutions work well’. Dialogue and negotiation help to reach shared commitments - and commitments that are kept increase trust. Increases in trust can happen, but it is not clear how (or if) trust can be consciously cultivated. The cultivation and maintenance of trust is influenced by factors including institutions, repeated interactions, and the initiative and charisma of individual actors. The need for unions to win trust to legitimise their actions is particularly relevant in the context of the softer, less coercive forms of power which rely on cooperation and co-option that are inherent in social partnership arrangements.

An approach based on partnership and dialogue is more effective in the context of European policy-making, focused as it is on dialogue and compromise. Effective industrial relations in the EU increasingly reflects a more collaborative approach, and the consensual nature of European politics. Partnership provides channels through which discussion and consultation takes place, and can engender an intangible sense of trust and respect between social partners that results from working together, often under extreme pressure.

Ultimately the crisis has shown that there is nothing like a cushion of trust to manage a shock, and trade union responses are mostly influenced by the absence or presence of practices of institutional arrangements based in trust, typically formed through repeated interactions, and the resilience of organised labour depends on the existence of opportunities to build trust. This thesis is about the extent to which countries and labour movements were able to maintain or build the institutions which nurtured the trust which enabled them to ‘ride out the shock’ in class-divided, unequal societies. In Belgium, there were laws and path-dependent practices
rooted in trust, in Ireland there were path dependent practices, but no laws, and in Greece there was neither.

Further research could explore the changing relationships between unions and, especially, social democratic political parties. These relationships have been central to union power and identity, and have helped to shape European welfare states, employment conditions, and industrial relations landscapes since the Second World War. These links have been degrading over recent decades, and alongside the decline of the traditionally electorally dominant parties of the left and right, unions must establish how to influence politics in this new rapidly changing volatile environment.

Concluding remarks

This thesis raises questions as well as answers. For example, the question is not why Greek unions are so confrontational, it is why Greece never developed the conditions which induce collaboration. As above, it is not culture that is important for this, it is institutions and the possibilities to develop trust relations between the social partners that exist to varying degrees in Belgium and Ireland. It is clear that politics works when it is ‘inclusive’, that is, when people with power take account of what others want. Politics does not work when it is ‘extractive’, that is, when people with power take what they can get while they have the chance (Acemoglu & Robinson 2012). Democracy can allow people ‘let off steam which stops them boiling over’ (Runciman 2014, p127), and unions have, and still can, play a vital role in this process.

While suffering from membership decline and strained relations with social democratic parties, most unions in Europe are in better shape than their peers in the rest of the world, (especially the United States). Despite the enormous pressures they face, unions remain important pillars of European politics. Nonetheless, there are no major stories of union renewal, political victories, or inspiring leadership from the crisis years, and unions must not simply ‘shrug their shoulders’ and accept that they have lost capacity and must establish functional equivalents to replace lost powers (Crouch 2000). To remain relevant, unions must offer members reasons to join (and stay) and must acquire ways to inflict costs on management and governments.

The foregoing analysis has implications for trade union action, as it implies they face five major challenges. The first two are linked. Firstly, unions must reverse the decline in union
membership. Secondly, unions need to build membership among under-represented groups, including women, migrants and young people. Thirdly, unions must understand how to exert pressure on governments, who increasingly act unilaterally and avoid engaging with unions directly. Here unions can engage in ‘the battle of ideas’ (Geary 2016), through well-resourced research, and by engaging with the media and by seeking to influence public discourse. Fourthly, and crucially, unions must wield influence at EU and transnational levels, as many reforms with the greatest consequences for unions and workers now emanate from, or are shaped by, the EU-level. Finally, unions must reconcile the important disparities that exist between unions in the public and private sectors.

It is widely believed that unions are in terminal decline, but it is argued here that this view misunderstands the nature of union power. If unions are facing a time of retreat or reconfiguration, they are clearly not dead, and unions can (and do) wield power. This thesis has shown that unions still influence the processes that shape labour markets, by, among other things, organising and cultivating their memberships, by engaging in social dialogue, by working through institutions, by forming coalitions at the local, regional, national or transnational levels, and by seeking out other ways to influence EU-level and domestic policy-making and discourse.

One of the traditions which has kept Europe civilized, particularly since World War II, has been social partnership in its various forms, and the institutions and structures that exist to facilitate dialogue, build trust, and limit inequality. Europe should build on this tradition, as the continent emerges from crisis. While Europe’s social dimension is under pressure, the model survives, albeit in an embattled and fragile form. Given Europe’s turn to austerity, the mantle of ‘social Europe’ is now carried by Europe’s trade unions. No other organisations are built-into the EU project in the same way, and unions are presented with the opportunity to influence the next phase of European integration, and to gain political legitimacy in the eyes of Europe’s often disengaged and demoralised citizenry. Unions can provide a voice and a platform to dissenting, often alienated voices, particularly as mainstream parties struggle.

Fundamentally, the processes of globalisation, and the withering of barriers to the transnational movement of capital, can, for example, create vulnerabilities which unions can exploit. By identifying key nodes in multinational supply and value chains, unions can potentially exert influence over the activities of even highly globalised employers, but this requires levels of
transnational coordination that has so far proven rare. The increased focus on research activities may assist unions in this regard, and in preparing for such coordination.

The model of capitalism in Europe has itself become an object of struggle and contestation. The crisis calls for a more assertive and coordinated response from unions. The EU is not an end in itself and needs a vision of functional integration orchestrated and managed by states, major regions, cities, NGOs, firms and other stakeholders, including the social partners. Unions can play an important role in this – but they must break from the national shells in which they stubbornly reside.
Appendix I – Expert interviews used in this thesis

**Interview 1:** 13.09.16: Senior official, BusinessEurope’s Social Affairs department (2012-) (phone interview).

**Interview 2:** 26.01.15: Senior political figure, Directorate-General for Employment, Social Affairs and Inclusion in José Manuel Barroso’s second administration of the European Commission (2010-2014).

**Interview 3:** 27.10.16: Member of the House of Lords (2010- ), Senior political office-holder European Trade Union Confederation (2003-2011), Senior political office-holder at the UK Trades Union Congress (TUC) (1993-2003) (phone interview).

**Interview 4:** 21.11.13: Senior member of Cabinet, Directorate-General for Employment, Social Affairs and Inclusion in José Manuel Barroso’s second administration of the European Commission (2010-2014).

**Interview 5:** 02.12.14: Economic Advisor & Research Officer, Department of Economic and Social Policy (ESP), International Trade Union Confederation (ITUC).

**Interview 6:** 20.03.14: Senior political officer-holder at SIPTU (Services, Industrial, Professional and Technical Union) 2010-2015, and at Irish Congress of Trade Unions (ICTU) (2015-).

**Interview 7:** 18.07.11: Member of the House of Lords (2010- ), Senior political office-holder European Trade Union Confederation (2003-2011), Senior political office-holder at the UK Trades Union Congress (TUC) (1993-2003) (phone interview).

**Interview 8:** 01.12.14: Senior political officer-holder, European Trade Union Confederation (2011-2015), and UNI (the Global union representing services workers) Europa (2009-2011).

**Interview 9:** 21.10.13: Senior industrial officer with responsibility for European Community affairs, Irish Congress of Trade Unions (ICTU).

**Interview 10:** 30.09.17: Senior administrator, European Economic and Social Committee (EESC).

**Interview 11:** 06.05.14: Senior figure at International Labour Organization (ILO) Liaison Office for Cyprus and Greece Athens, Greece.

**Interview 12:** 22.09.15: Senior researcher at the Labour Institute of the Greek General Confederation of Labour (INE/GSEE), Emeritus Professor Panteion University.

**Interview 13:** 25.11.13: Senior policy officer with responsibility for Political, planning and strategic partners, including relations with trade unions, at the Group of the Progressive Alliance of Socialists and Democrats (S&D), European Parliament.

**Interview 14:** 05.12.13: Senior political office-holder, European Economic and Social Committee (2008-2013).
**Interview 15: 13.09.16:** Legal advisor, European Trade Union Confederation.

**Interview 16: 15.07.14:** Senior diplomat, Embassy of Ireland in Greece, responsible for economic and commercial interests.

**Interview 17: 22.11.13:** Communications Coordinator for the Party of European Socialists.

**Interview 18: 03.07.15:** Greek government Minister (Jan-July 2015).

**Interview 19: 10.07.14:** Mediator, Organisation for Mediation and Arbitration (OMED), Professor at The American College of Greece.

**Interview 20: 29.06.15:** Senior government advisor on fiscal policy and the technical negotiations of the Greek Ministry of Finance with the Eurogroup, and adviser to the Prime Minister and Minister of Finance (March-October 2015), Senior director and office-holder at KEPE (Centre of Planning and Economic Research) (October 2015-).

**Interview 21: 26.01.15:** UK Labour party Member of the European Parliament (MEP), Group of the Progressive Alliance of Socialists and Democrats (S&D); European Trade Union Confederation political office-holder (2011-2014).

**Interview 22: 30.06.15:** GSEE International Secretary, with responsibility for liaising with ETUC.

**Interview 23: 23.09.15:** Senior faculty member Kapodistrian University of Athens, Faculty of Political Science and Public Administration, and expert on new forms of trade unionism.

**Interview 24: 24.09.15:** General Secretary, second-level Πανελλήνια Ομοσπονδία Μεταλλευτικών Εργαζομένων/Panhellenic Metal Workers’ Federation (POEM), affiliated to GSEE.

**Interview 25: 06.07.15:** Professor, Department of Social Policy, Panteion University, Greece, and adviser to the SYRIZA leadership.

**Interview 26: 09.05.14:** Adviser to Prime Minister George Andreas Papandreou (2009-2011) and to the PASOK leadership 2011-2014.

**Interview 27: 08.10.16:** Greek published economist and venture capitalist.

**Interview 28: 23.09.15:** Senior political office-holder, ADEDY, 2011-2015.

**Interview 29: 06.05.14:** Senior officer Greek Ombudsman’s office, OMED mediator, economist, regular columnist, and Greek industrial relations expert.

**Interview 30: 17.07.14:** Senior political officer SETE, Greek Tourism Employers’ Association, EESC member 2010-2015.

**Interview 31: 24.09.15:** Research Fellow focusing on European, Hellenic Foundation for European and Foreign Policy (ELIAMEP).
Interview 32: 22.09.15: Senior officer Greek Ombudsman’s office, OMED mediator, economist, regular columnist, and Greek industrial relations expert.

Interview 33: 02.07.15: ADEDY legal advisor and member of the Athens bar council.

Interview 34: 01.07.15: Negotiations expert, Department of Business Administration, Athens University of Economics and Business.

Interview 35: 02.07.15: Labour law expert, member of the Athens Bar Council and the European Labour Law Expert (ELLN).


Interview 37: 08.07.15: Senior government advisor on fiscal policy and the technical negotiations of the Greek Ministry of Finance with the Eurogroup, and adviser to the Prime Minister and Minister of Finance (March-October 2015), Senior director and office-holder at KEPE (Centre of Planning and Economic Research) (October 2015-).

Interview 38: 23.09.15: Senior officer, the Institute of commerce and services, Greek Confederation of Trade and Entrepreneurship (GSEVEE), and Assistant professor at the Department of Political Science, University of Crete, Rethymnon.

Interview 39: 21.11.13: Senior adviser to Greek Member of the European Parliament (MEP) for PASOK, Group of the Progressive Alliance of Socialists and Democrats (S&D group).

Interview 40: 09.01.15: Teachta Dála (Member of Irish Parliament) for Sinn Féin (2016-), Spokesperson on Workers’ Rights and Political Reform.

Interview 41: 30.09.15: Senior political officer at IMPACT (Irish Municipal, Public and Civil Trade Union) (2010-).

Interview 42: 18.08.15: Legal and Social Affairs officer at Irish Congress Trade Unions, senior ETUC office-holder (2015-).

Interview 43: 18.03.14: Senior political officer, CPSU (Civil Public and Services Union), Ireland.

Interview 44: 25.11.13: Senior officer with responsibility for Digital Economy Policy, EU and International Affairs Department, Irish Business and Employers Confederation (IBEC).

Interview 45: 08.01.14: Assistant Principal Officer, Industrial Relations Section, Department of Jobs, Enterprise and Innovation, Irish government.


Interview 47: 18.03.14: Head of Communications at IMPACT (Irish Municipal, Public and Civil Trade Union).
Interview 48: 19.03.14: Senior political officer-holder PSEU (Public Service Executive Union), Ireland.

Interview 49: 20.03.14: Senior political officer-holder INMO (Irish Nurses and Midwives Association).

Interview 50: 12.12.13: Fine Gael Member of the European Parliament (MEP) for Ireland, European People's Party (EPP) group (2009-).

Interview 51: 21.03.14: Senior political officer-holder, Financial Services Union (FSU), Ireland.

Interview 52: 21.03.14: Industrial Officer, Irish Congress of Trade Unions (ICTU).

Interview 53: 09.01.14: ETUI Associate researcher, formerly Research Manager with the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) (1999-2002), and Ireland industrial relations expert.

Interview 54: 12.12.13: Independent Member of the European Parliament (MEP) for Ireland, Alliance of Liberals and Democrats for Europe (ALDE) group (2004-).


Interview 56: 26.01.15: Policy officer, International Department, ABVV/FGTB.

Interview 57: 24.11.14: Head of the ACV-CSC Study and Research Department.

Interview 58: 04.12.14: Christien-Democratisch en Vlaams (CD&V) Member of the European Parliament (MEP) for Belgium, European People's Party (EPP) group.

Interview 59: 21.10.16: ETUI senior researcher, Europeanisation of Industrial Relations unit, and Belgium industrial relations expert.

Interview 60: 26.01.15: Senior political officer, ACLVB/CGSLB.

Interview 61: 23.09.16: Irish Times correspondent in Athens.

Interview 62: 29.09.15: Intersectoral Administrative officer, ABVV/FGTB.

Interview 63: 13.09.16: ETUC Advisor on Youth, organising and atypical work.

Interview 64: 07.06.11: Senior bureaucrat, Directorate General for Education and Culture, European Commission.

Appendix II: Comparative political, economic, social and economic data

Figure 1: Trade Union Density in Greece, Belgium and Ireland (1960-2012), (source: OECD.Stat, 2017b)

Figure 2: Collective bargaining coverage in Greece, Belgium and Ireland (1960-2012), (source: OECD.Stat, 2017b)
Figure 3: Collective bargaining coverage in Europe (1997-1999) (source: Eurofound, 2015c)

Figure 4: Collective bargaining coverage in Europe (2011-2013) (source: Eurofound, 2015c)
Figure 5: Average days not worked due to industrial action in Europe (2000-2009), (source: ETUI, 2016)

Figure 6: Average days not worked due to industrial action in Europe, (2010-2015), (source: ETUI, 2016)
Figure 7: Unemployment rate in Greece, Ireland, Belgium, EU and Eurozone (2000-2016), (source OECD, 2017c)

Figure 8: Youth unemployment rate in Greece, Ireland, Belgium, EU and Eurozone (2000-2016), (source OECD, 2017d)
Figure 9: Average Greek sovereign 10-year bonds (1960-2016) (source FRED, 2017a)

Figure 10: Average Irish sovereign 10-year bonds (1960-2016) (source FRED, 2017b)

Figure 11: Average Belgian sovereign 10-year bonds (1960-2016) (source FRED, 2017c)
Figure 12: Gini index for Greece, Ireland and Belgium (2004-2014), (World Bank, 2017)
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