

Ursula Birsl, Stephen French, Carlota Solé\* (1996)

## Unions in Europe between Tradition and Transformation

### 1. To the Changing Conditions of Unionist Politics

A German expert on unions, Walther Müller-Jentsch, considers the challenges facing the unions at the end of the 20th century comparable "to those of the earlier industrial revolution"<sup>1</sup>. It is however difficult to designate the specific challenges. One observes a "contemporary uncertainty - not only in Germany - on future developments". Baethge attributes this uncertainty, to the

"start of a progressive disintegration of the pattern of social development which we call the Fordist model of production. During the 80's, as global competition intensified, the Fordist production model, the basis of social development in the post-war period, began to break down and the outlines of a promising new model did not develop. Fordism is not only the duplex of mass-production and mass-consumption it is rather a comprehensive model of social organization and regulation based on this duplex. Its essential elements were a Taylorist division of labour, the centralization of decisions in the (dominant) large enterprises and a correspondingly polarized social structure"<sup>2</sup>.

In countries such as Sweden, Denmark, Belgium, the Netherlands or Germany this includes strong mass unions, extensive rights of co-determination and state social programs, in other countries such as Great Britain, Italy and France a strong "militant unionism".

Currently the unions in most western countries are experiencing a decline in membership. It is conspicuous that this phenomenon influences large industrial trade unions as well as politically oriented unions and plays a role in militant unionism as well as in business unionism, it influences union movements that have long unbroken traditions as well as union movements that were interrupted by fascist or dictatorial epochs. As the labour disputes of the late 80's in France, where the level of union membership is one of the lowest in Western Europe showed, membership figures are not a certain indicator for mobilization ability. Nevertheless membership levels are still "an important symbol for the attractiveness of union principles. In addition there is a cer-

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<sup>1</sup> Walther Müller-Jentsch, *Flexibler Kapitalismus und kollektive Interessenvertretung*, in: *Zukunft der Gewerkschaften, Ein internationaler Vergleich*, edited by Walther Müller-Jentsch, Frankfurt 1988, p. 10.

<sup>2</sup> Martin Baethge, *Übergang wohin? Reinstitutionalisierung der Gesellschaft im Spannungsfeld von Innovation und Sozialität*, in: *Im Zeichen des Umbruchs, Beiträge zu einer anderen Standortdebatte*, edited by Soziologisches Forschungsinstitut Göttingen, Opladen 1995, p. 33.

tain point - the United States serves as an example - where the quantitative weakness of the unions leads to a loss of power or even to insignificance"<sup>3</sup>.

The unions for the most part still rely on their traditional social basis which, due to substantial changes in economic and employment structures, has become less important: "the core of industrial workers is becoming a minority within the social stratification, and the social composition of the membership of some unions no longer corresponds to the social structure of the working population"<sup>4</sup>. Kern and Sabel view the process of industrial reorganization as the main cause behind the growing danger of an erosion of the unions' organization and basis of power:

"During the age of mass-production the large industrial firms and big industry became the nuclei of union organization. Currently, as the firms decentralize and the interfaces between the various industrial branches take on new forms, these harbours of union organization are becoming more difficult to navigate"<sup>5</sup>.

Unions like social democratic or socialist parties are organizations which are much more liable to such processes of social transformation than other political and social institutions. One could argue that the unions reflect the current process of social restructuring and that their momentary weakness is an expression of current social reality. They are split between their traditional social clientel, whose needs and interests are still valid and new social groups, whose values, expectations and attitudes do not always appear compatible with traditional social democratic policies. Accordingly one might think that the unions and the social democrats and socialists are all sitting in the same boat, and in principle, considering the common structural foundations of these workers' organizations this is correct. However the political situation in many western countries has changed.

"The social democratic political model has been replaced by a neoconservative pattern of politics (...). One example, from the field of industrial relations that illustrates the nature of this process is that: In imitation of Japanese production concepts, efforts to individualize employment conditions are being intensified not only in Germany, but in other European countries as well, even in Spain - where a highly flexible utilization of labour, including temporary employment possibilities, is already possible"<sup>6</sup>.

This turnabout has, in part, been supported by social democratic parties, as exemplified by the PSOE under Felipe Gonzalez or the Labour Party under Tony Blair: these parties have, in many respects, abandoned the social democratic Keynesian paradigm and are convinced that by moving

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3 Ulrich Zachert, *Gewerkschaften in Europa - Abenddämmerung oder neues Morgenrot?*-, in: WSI-Mitteilungen 12/1992, pp. 766.

4 Zachert, p. 767.

5 Horst Kern and Charles F. Sable, *Gewerkschaften im Prozeß der industriellen Reorganisation: Eine Skizze ihrer strategischen Probleme*, in: *Gewerkschaftliche Monatshefte* 10/1989, p. 612.

6 Zachert a.a.O., pp. 768.

towards the middle of the political spectrum they can improve their chances of survival. The social democrats in Western Germany had turned away from Keynesian economic and social policies by the end of the 70's. These realignments cause an additional problem for the unions in that they lose their political and parliamentary voice. In most countries there existed a traditional separation of tasks in that, the unions asserted the workers' social interests while the social democrats and in some cases the communists represented their political interests. This "division of labour" has become fragile as shown by the current situation in Spain and Great Britain.

This suggests the start of a downward spiral for the unions. Due to declining membership and the loss of substance in some branches and trades in the industrial sector the unions are compelled to reform internal structures and institute saving measures, which often reduces their ability to act as a political entity. The reorganization measures frequently influence the central federations of the union movement where interests are consolidated and politically articulated. In their place separate unions gain organizational and financial influence (for example through fusions) and the danger of a less effective representation of general interests grows. Competition between the unions can also become a problem.

As indicated the situations in Spain, Great Britain and Germany are in many ways representative for the developments outlined above. In addition the union movements of these countries illustrate various European systems of worker representation in the context of different historical and economic circumstances. Although a paper of this length will allow no more than a rough outline of the developments - in the following contribution the challenges which Müller-Jentsch mentioned will be illustrated using the situation in these three countries as examples.

## **2. The Situation in Spain, Great Britain and Germany**

The contours of a new model of social organization and regulation on which a new pattern of social democratic politics could be oriented is not yet visible. It must be remembered though that, on the one hand, existing concepts of production and work organization will persevere<sup>7</sup> and the corresponding modes of regulation cannot yet be discontinued. On the other hand, the structures of industrial relations are already changing: In Germany there is the tendency to orientate industrial relations more closely on the specific enterprises and simultaneously the tendency towards more

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<sup>7</sup> See Michael Schumann et al., Rationalisierung im Übergang. Neue Befunde der Industriesoziologie zum Wandel der Produktionskonzepte und Arbeitsstrukturen, in: WSI-Mitteilungen 7/1994, p. 409; Ben Dankbaar, Die Zukunft der Arbeit in der Automobilindustrie. Zur Einführung, in: Die Zukunft der Arbeit in der Automobilindustrie, edited by Ben Dankbaar, Ulrich Jürgens and Thomas Malsch, Berlin 1988, p. 20.

co-management assignments for the workers' councils when operations are restructured<sup>8</sup>. Legal and structural circumstances lead to an even closer fit of union politics to the specific enterprises in Great Britain and Spain, where the enterprise orientation of collective interest regulation is part of the "historical ballast, which also influences the unions"<sup>9</sup>.

Although it may be true that the fundamentals of the change in economic and employment structure in most western countries are similar. It can also observe paths of development and consequences for the unions which are highly differentiated. The differences are not only a consequence of the various national policies but of historical conditions as well: the original economic and social structures, and cultural circumstances.

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8 For this context see Müller-Jentsch, p. 287, p. 33; Klaus Dörre, Nach dem Ende des Wachstumspaktes: Auf der Suche nach einer neuen Geschäftsgrundlage für Industrielle Beziehungen, in: Im Zeichen des Umbruchs, Beiträge zu einer anderen Standortdebatte, edited by Soziologisches Forschungsinstitut Göttingen, Opladen 1995a, p. 155-170.

9 Wieland Stützel, Streik im Strukturwandel – Mobilisierungsmöglichkeiten der Gewerkschaften in Europa, in: Streik im Strukturwandel, Die europäischen Gewerkschaften auf der Suche nach neuen Wegen, edited by Wieland Stützel Münster 1994, p. 37.

Table:  
*Changes in Employment Structures,  
 Unemployment, and Strike Frequency*

	<i>Spain</i>		<i>Great Britain</i>		<i>Germany (West)</i>	
	<i>1980</i>	<i>1992</i>	<i>1980</i>	<i>1992</i>	<i>1980</i>	<i>1992</i>
<i>Employees by Economic Sector (in %):</i>						
Agriculture	19.3	10.1	2.6	2.2	5.4	3.5
Industry	36.0	32.4	37.2	26.2	44.3	40.0
Service	44.7	57.5	59.0	69.2	50.4	56.5
	100.0	100.0	100.0	100.0	100.0	100.0
<i>Unemployment Levels (in %):</i>	<i>1980</i>	<i>1992</i>	<i>1980</i>	<i>1992</i>	<i>1980</i>	<i>1992</i>
Total	9.8	14.9	6.8	9.6	3.8	6.6
Men	9.6	9.9	8.3	11.5	3.0	6.2
Women	10.3	23.8	4.8	7.2	5.2	7.2
<i>Labour Disputes</i>	<i>1985</i>	<i>1992</i>	<i>1985</i>	<i>1992</i>	<i>1985</i>	<i>1992</i>
Striking or Locked Out Workers (in 1,000s)	1511,2	5192,1	791,3	253,0	78,2	598,4
Number of Strikes and Lock-outs	1092	1795	903	148	Data not Available	Data not Available

Source: Various editions of the Year Book of Labour Statistics 1989-90 und 1993, edited by the International Labour Office Geneva (ILO).

The table shows that the change in employment structures is similar and that unemployment is higher in all the countries. The original circumstances and the rates of change are however quite different; it is interesting that in Great Britain the land of "militant unionism", the number of labour disputes dropped sharply. In the following sections we will explain the backgrounds of these developments. The unions in Spain will be discussed more comprehensively because the current situation is a result of their experiences under the Franco dictatorship and hence more closely bound to the country's recent history.

### *Spanish Unions as Neo-corporative Partner with Power of Veto*

There is scarcely another western European country where a dictatorial era interrupted the history of the workers' movement for as long as in Spain. The Franco regime of almost 40 years has had a lasting effect on the situation and the position of the unions in Spanish society. A short retrospective: Under Franco the formally independent central federations of the workers' movement and the employers were forced into a single organization. Both workers and owners were considered "producers" whose interests were to be represented by a single "union" the "Sindicato Vertical". In the late 30's this syndicate was supposed to become the central domain of power and the core of "state syndicalism" for the infighting fascist unity party "Falange". According to the party

platform from 1937 through the forced fusion of the federations the party hoped to master the class struggle and subdue social division<sup>10</sup>. In "the basic law of work" (Fuero del Trabajo) from 1938, which remained in force until the new constitution was ratified in 1978, it was stipulated that the "national syndicate organization of the state and the economy should be based on the 'principles of unity, totality and hierarchy'"<sup>11</sup>.

Vertical syndicalism and the Falange however, continuously lost political significance until the 50's and the "Opus Dei" (God's Work), a catholic organization with predominantly religiously defined goals, gained political influence. In the course of the administration's reorganization in 1957 Franco selected "Opus Dei" members to be ministers of finance and trade. The plan was to replace the politic of autarky with economic liberalism. Almost simultaneously, in contradiction of the principle of vertical syndicalism, the first representative structures of the workers' gradually developed. In many enterprises "Comisiones Obreras" (CC.OO) were elected and convened by the employees. The task of the CC.OO was to represent the workers in negotiations with the employers on specific issues. At first the CC.OO were not elected for longer periods, as soon as one group had finished its task and ended negotiations with management it was disbanded. The CC.OO were not officially sanctioned but at first they were accepted by the enterprises as negotiators, tolerated by the Franco regime and supported by all the organizations in the labour movement. However most of the active participants were communist workers and the socialists withdrew at a relatively early stage. The workers commissions, on the other hand, based on the principle of democratic counseling expanded their, at first exclusively enterprise oriented, basis and in a gradual process were institutionalized by the 70's. This took place under difficult circumstances since the commissions were legally forbidden during this period.

The socialist union founded in 1888, the UGT, like the socialist party PSOE, was outlawed but survived the Franco regime in the underground, even though many union officials were in exile where preparations for the post-Franco era were made. The worker commissions were not the only counter-force within the enterprises during the Franco era: "Inspire of political repression, during the years from 1968-1970, there were more work days lost due to strikes and lock-outs in Spain than in West Germany"<sup>12</sup>. Whereby, union organizations weren't legalized until 1977, almost two years after Franco's death. Since 1977 there has been a constant organizational evolution within the Spanish unions and their political role has also changed considerably.

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10 See Walther L. Bernecker, Spaniens Geschichte seit dem Bürgerkrieg, München 1988, p. 63.

11 Bernecker, p. 64.

12 Wolfgang Däubler, Einleitung, in: Arbeitsbeziehungen in Spanien, Geschichte – Ideologie – Rechtsnormen, edited by Wolfgang Däubler, Köln 1982, p. 7.

The system of worker representation in Spain includes various organizations. In addition to the CC.OO and the UGT there are many small and in some cases regionally restricted unions<sup>13</sup>. However, in the union elections in 1980 the CC.OO and the UGT were confirmed as the most important and effective organizations. These two unions are, within the workers' movement, the most politically influential players in the transition from the Franco dictatorship to democracy.

Nevertheless the organizational diversity at the beginning of the 80's reflects the changes, in the structure of the labour market and within the labour movement, caused by the technocratic and supply side politics introduced, predominantly, by the last administration under Franco. These policies led to a new constellation of industrial branches and economic sectors, more diversified and specialized industrial production as well as to a stronger segmentation of the labour market. Inspire of the start of this reorganization process the industrial and service sectors of the Spanish economy were neither integrated or competitive within the world market and the agricultural sector, for the most part still dominated by large landholders, was oversized in comparison to other industrial countries (see table). For a long time this problem was concealed by restrictive import duties and foreign investment policies. Until the end of the 50's, foreign capital - with the exception of firms from the United States - had little or no access to the Spanish market.

Even during the dictatorship however, the industrialists in the large industries became restive as the pressure from Franco increased. They attempted to topple the ineffecient and authoritative vertical syndicalism as well as the monistic, highly centralized, power structure of the Franco regime. This seemed prudent because Taylorist production methods necessitated different forms of industrial and social regulation: "In the concept of Taylorist rationalization (...) the line of conflict between capital and labour is structurally anchored" and with this line "collective fronts are distinguished"<sup>14</sup> where the dispute takes place and is regulated. The first attempt to profit from Taylorist rationalization was the introduction of a new style of management based on the "human relations"<sup>15</sup> model from the United States. The strikes in the late 60's proved that the new man-

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13 Also: USO (Unión Sindicalista Obrera), COS (Coordinadora de Organizaciones Sindicales), CNT (Confederación Nacional del Trabajo), CSUT (Confederación Sindical Unitaria de Trabajadores), ELA/STV (Eusko Laguilen Alkartasuna/Solidaridad de Trabajadores Vascos), INTG (Intersindical Nacional de Traballadores Galegos), or CONC (Confederació Nacional Obrera de Catalunya).

14 Martin Baethge, Horst Kern and Michael Schumann, Arbeit and Gesellschaft. Rückblicke and Ausblicke aus 25 Jahren Göttinger soziologischer Forschung, in:Göttinger Sozialwissenschaften heute, edited by Peter Lösche Göttingen 1990, p. 256.

15 The "Human Relations" concepts, which were introduced in Spain, had already been abandoned in the U.p., since it became clear that they alone did not lead to higher productivity.

agement concept and the attempt to raise productivity through Taylorist rationalization were not successful. The Franco system was by this time, long before Franco's death, in a state of crisis<sup>16</sup>.

In view of this situation the introduction of a radical process of transformation seemed unavoidable if Spain was to catch up again to the other western countries economically and become politically integrated. Until the collapse of the eastern European economies Spain was considered a typical example of a country in the process of accelerated transformation with a labour market which exhibited the corresponding consequences. Today Spain is one of the larger industrial nations but its economy has both structural weaknesses and one of the highest levels of unemployment in the European Community: "the Spaniards are in the no man's land between a traditional and post-industrial society and at the moment have the worst of both worlds"<sup>17</sup>.

This situation has polarized and continues to polarize the interests of the wage workers which not only encourages organizational diversity among the unions but also the existence of two large politically oriented unions. The attempt of the CC.OO and the UGT to merge into a united union failed due to their incompatible principles of union politics. The CC.OO is based predominantly in the large enterprises of the economic centres in Catalonia or the region of Madrid, where the transformation process in the core industries and in the employment structures caused an especially dramatic upheaval. The UGT is engaged nation-wide and is for the most part concentrated in the mid-size and small enterprises.

In the phase of the "regulated" transition after 1977 the unions had the important assignment of preventing the visible and violent eruption of social conflicts. The fear of a military putsch or political instability convinced the unions to become involved in the "transición". They publicized their demands relatively cautiously with the hope of establishing a basis for negotiation between the workers' organization and the governing administration of the first parliamentary democracy, including the Franquists, under Adolfo Suárez.

The unions ceded the negotiation of the administration's first attempt to counteract the economic problems, to the political parties represented in parliament. The "Cortes Generales" enacted by both chambers of the parliament in the fall of 1977 - the so called "Moncloa Agreement" - had broad political support including that of the communist party PCE.

[The agreement] "had two goals: first the economy was to be quickly stabilized through short-term measures and secondly, more fundamental reforms were planned. The short term program was supposed to limit both inflation

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16 For this context see Miguel Rodríguez Piñero, *Ein demokratisches Modell der Arbeitsbeziehungen*, in: *Arbeitsbeziehungen in Spanien, Geschichte – Ideologie – Rechtsnormen*, edited by Wolfgang Däubler, Köln 1982, p. 21-44.

17 Stützel, p. 33.



and the growth of unemployment and reduce the payment deficit. This was supposed to lead to a reduction in the budget deficit<sup>18</sup>.

The Moncloa Agreement had not only economic but also political intentions: The foundation for a peaceful passage from dictatorship to democracy and for political stability was to be created. Spain was to receive a new democratic constitution, not only enacted by both chambers of the parliament but supported by a wide social consensus as well. The new constitution was established in 1978 and in a public referendum found the approval of 87.9% of those who voted<sup>19</sup>.

For the accords that followed the unions were involved in the negotiations. These agreements were made between the unions and the employers association and in some cases the administration as well. Agreements like the "Acuerdo Básico Interconfederal" von 1979, the "Acuerdo Nacional de Empleo" from 1981 and 1982 or the "Acuerdo Económico y Social" signed under the socialists in 1984, which definitively integrated the unions as a corporative partner in the modernization program, had goals similar to those of the Moncloa pact: It was essential to find collective, socially accepted solutions to control and socially buffer the high inflation and its negative effects on income, economic development and social conditions. It was also essential to consolidate the young democracy and prepare the country not only economically but also politically for integration into the Western European federation.

Through these agreements the Spanish unions entered a neo-corporative pact that in this form seldom appears in the other western democracies. During the 70's there was the corporative "concerted action" of the unions, the employers' association and the government in Western Germany however, the goals were not so far-reaching and the action was less burdened by political demands. The neo-corporative modernization pact in Spain must be viewed in the context of the political and economic situation we outlined above. The pact was supposed to rationalize antagonistic social and political interests and make them easier to manage. The attempted putsch by the military in 1981 and the reactions in the administrative centres of the unions' and leftist parties<sup>20</sup> showed how precarious the situation remained even six years after Franco's death.

The uniqueness of Spanish neo-corporatism as well as the system and practice of negotiation can, as Däubler showed, be illustrated using three examples<sup>21</sup>:

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18 Bernecker, p. 233.

19 For this context see Carlota Solé, La recesión del neo-corporatismo en España, in: *Revista de Sociología*, 33, 1990.

20 In the union and party offices the staffs had begun to remove files out of fear that the putsch might succeed.

21 See auch Antonio Ojeda Avilés, *Derecho Sindical*, 4th ed., Madrid 1988.

1. *Collective Bargaining Rights*: The right to negotiate collectively is not, as in other countries, viewed as an accomplishment of the labour movement that must be preserved.

"The collective contract law of 1958 did not result from the struggles of the then quite weak Spanish workers' movement but from the realization of the government and the enterprises that the rigid system of state directed wage levels was hindering the rise of productivity. This means that the institution of collective bargaining is more often considered an intelligent variation of system preservation rather than a basis for social opposition"<sup>22</sup>.

2. *Labour Law*: Industrial relations and the individual employment contract are meticulously codified in the Union Law (Legislación Sindical) and the Worker's Statute (Estatuto del los Trabajadores). In contrast to other countries individual and collective labour law is based on legislation rather than judicial precedents. In some cases this can lead to restrictive policies and it also assigns the state a dominant but very difficult role<sup>23</sup>.

3. *Concept of State*: The statutory regulation of employment reflects a unique perception of the role of the state in industrial relations. Whereas in other countries the state plays only a secondary role in Spain the state is "a permanently visible intervening authority, political and economic power are not fundamentally separated"<sup>24</sup>. On the one hand this raises the danger of state repression but it also places the state in a position that corresponds to its actual economic and social importance in developed capitalistic societies. Accordingly the government's extensive intervention possibilities and the concept of state in Spain can be judged ambivalently.

That Spanish neo-corporatism can also lead to a "modernization trap" for the unions was proved in the late 80's as the modernization pact broke down and serious conflicts developed between the government and the unions. The political situation was characterized by a rising budget deficit, restrictive budget consolidation policies of the PSOE, a severe economic crisis and falling real wages. The unions reacted in December 1988 with a widely supported general strike against a "modernization at the cost of the workers". However the strike did not lead to a compromise in the divergent concepts of the UGT and the CC.OO on how the economic crisis should be handled<sup>25</sup>. The communist oriented workers' commissions viewed the cyclical and structural collapse as an (inevitable) result of capitalistic developments for which the workers could not be expected to pay. Accordingly they rejected shorter termed wage level contracts and limits on the rate of wage increases. The UGT on the other hand, sanctioned this sort of agreement with the hope that

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<sup>22</sup> Däubler, p. 12.

<sup>23</sup> See ebenda, p. 13.

<sup>24</sup> Ebenda, p. 14.

<sup>25</sup> For a detailed examination see Faustino Miguélez, Las organizaciones sindicales, in: Las relaciones laborales en España, edited by Faustino Miguélez, Carlos Prieto, Madrid 1988.

through a more flexible wage system the enterprises would have more latitude for restructuring and the creation of new jobs.

By the beginning of the 90's both unions were forced to abandon their distinct positions and move closer together. The socialist administration attempted with the employers' organization CEOE (Confederación Española de Organizaciones Empresariales) to achieve more employment through a sweeping flexibilization and deregulation of employment conditions. Even substantial parts of the employment contracts, for example income levels, were to become the object of individual negotiations between the worker and the enterprise. This was the policy that provoked the UGT to take leave of the PSOE.

Since then the unions have attempted to work together in the dispute about the policies of the government and the employers. Both unions called a general strike in January of 1993 which was not as successful as in 1988. There were also common actions and May day ceremonies in 1994 and 1995. All the same the unions were in a weak position as they entered this conflict. After Franco's death, union membership increased, at first, considerably, so that by the end of the 70's about 25% percent of the labour forces were union members, but by the end of the 80's only 10% were organized<sup>26</sup>. This means Spanish unions along with those in France have the lowest organization level in Western Europe.

Changes in the employment structures are of course one reason for the loss of membership and mobilization problems of the unions (see table). Lecher argues though, that it was predominantly the neo-corporative role that the unions played in the "modernization pact" that cost the unions mobilization strength and freedom of action, for the long term. This past makes it difficult for the unions to serve as a force of opposition with veto powers<sup>27</sup>. This also explains the pessimistic forecast of the future from Altvater and Mahnkopf:

"Dismissed from the 'modernization pact' and left to their own means the Spanish unions will hardly be in a position to protect the, by northern and middle European standards already limited, social and industrial civil rights in Spain"<sup>28</sup>.

### *Great Britain: The End of "militant unionism"?*

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26 See Wolfgang Lecher, Zur Lage der Gewerkschaften in Europa, in: Europa '92, Industriestandort oder sozialer Lebensraum, edited by Franz Steinkühler, Hamburg 1989, p. 177; Zachert, p. 766.

27 See Lecher, pp. 177.

Participation in a neo-corporative modernization pact is not the only way for unions to lose their strength as a force of opposition. The British unions, historically advocates of "militant unionism", have suffered a severe loss of social power since the end of the 70's. This has various causes. Changes in the employment structure and the economy altered the social basis and the functions of the unions while the policies of the Tory government undermined the "practiced" system of industrial relations through legislative measures.

As table shows the structural changes in employment and the economy are more advanced in Great Britain than in Spain and Germany. As of 1980 59% of the workforce was already employed in service industries; this proportion rose to 69.2% by 1992 when only 26.2% worked in the industrial sector. Great Britain along with Belgium and the Netherlands is the furthest along among the 12 original EC countries in the shift from the industrial into the service industry and is even ahead of Japan; only the USA has a higher proportion of employees in the service industries<sup>29</sup>. Almost simultaneously (1979-93) the unions represented in the TUC - that represent more than 88% of the organized workers - lost 4.7 million of the 12.2 million workers organized in 1979<sup>30</sup>. Correspondingly the proportion of workers organized fell from 54.3% to 36.1%. This proportion is still around the mid-point in comparison to the other west European countries and is above the level in Germany. Inspire of the structural changes the unions' organizational activities are still concentrated in the branches of tool and die, metal manufacturing, energy production and water supply. In the, less organized, service industry the unions are, now as before, more likely to be active in the public sector while the level of organization in the private service sector is only between 11% and 23%<sup>31</sup>.

The decreasing number of strikes and workers involved in labour struggles indicates that the British "militant unionism" has lost its "fighting edge". Data from the ILO shows (see table) that, in this respect, Britain is far behind Spain and Germany where the number of strikes actually increased. It is also interesting that during 1992 it was predominantly in the public sector of the British service industry where strikes occurred although the level of union organization there is not high. This willingness to strike was probably a result of the strict privatization policies of the conservative government. Still, the British unions, like unions in other countries, find it difficult to organize the women and part-time employees who make up the majority in the service sector

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28 Elmar Altvater and Birgit Mahnkopf, *Gewerkschaften vor der europäischen Herausforderung, Tarifpolitik nach Mauer and Maastricht*, Münster 1993, p. 167.

29 See Table 12 (p. 136) by Altvater/ Mahnkopf.

30 We should mention that information from the Labour Force Surveys showed that the total number of people employed also fell by 1.3 million during this period.

31 See Labour Research, May 1995.

and who are in danger of being shoved to the periphery of the labour market. Only 30% of all women employees are union members and among part-time workers, where women are also in the majority, the proportion is 20%<sup>32</sup>.

The British unions reacted to structural changes and mobilization problems in various branches with organizational mergers. The most important metal workers union AEU fused with the electricians' union EETPU to form the "super union" AEEU and the three unions active in the public services combined to form UNISON, which now has more than 1.1 million members. These mergers and the existence of "super unions" will have consequences for the labour movement. "Their financial and organizational power will weaken the influence of the TUC and raise questions about its future"<sup>33</sup>.

This will not be the only consequence of the economic developments for the unions: The structure of industrial relations has shifted even further towards collective bargaining at the factory level, though factory level negotiations were already a characteristic of the British model. It is predominantly the influential Japanese "transplants" that have encouraged this trend. They prefer locations in the countryside of regions where economic structures are weak and unemployment is high. The choice of these locations puts the unions under pressure to make concessions rather than endanger employment opportunities: "Through concession agreements that erode worker rights and demands in the factories they (the unions that merged to form the AEEU, the authors) indicated willingness to actively adjust union negotiation policies to specific (and in addition short-term) calculations of profitability"<sup>34</sup>. In the opinion of Altvater and Mahnkopf the unions, by entering "profit oriented productivity coalitions with local management" allowed themselves at a relatively early stage, to be forced onto the "modernization path of price competition"<sup>35</sup> by the Thatcher government. They often entered negotiations on profit sharing schemes without demanding a secure minimum wage and accepted pay levels that were linked to the situation on the regional labour market. Simultaneously, it was not unusual for them to renounce the right to strike.

The tendency to negotiate branch oriented "multi-employer agreements" has also weakened considerably. National wage negotiations on the level of the minimum wage fixing for example have lost relevance<sup>36</sup>. "This alone however does not yet indicate the true dimension of the decay of social rights in Great Britain: In November of 1992 the new conservative administration intro-

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32 See Labour Research.

33 Stützel, p. 36.

34 Altvater and Mahnkopf, p. 169.

35 Altvater and Mahnkopf, p. 168.

36 See Altvater and Mahnkopf, pp. 168.

duced a law to abolish the three party Wages councils, an institution that since the beginning of the century has monitored the payment of a minimum wage for lower income groups"<sup>37</sup>.

The attempts of the Japanese subsidiaries to establish the principle of "one union for one installation" (Single Union Agreement) also plays a role in this situation. For the various unions that represent workers within an installation the question of which union wins the representative monopoly can be a question of survival. And for the most part it is not the workers but management that makes the decision. Consequently the earlier solidarity within and between the unions turns into competition and the willingness to make a deal with management grows. This is a practice that, if it spreads, could eradicate British "militant unionism". The factories are no longer "fields of struggle" and the installation agreements infringe upon the functions of the shop stewards. The factory based syndicalism practiced by the unions and the shop stewards also becomes a problem since, "the installation agreement monitored by the shop stewards and burdened with the spiral of connected wages that results from the obligation to represent various trades, makes the adjustment of the wage scales to contemporary economic conditions nearly impossible"<sup>38</sup>. It will influence not only wage levels but the regulation of working conditions as well, and opens yet another avenue for the advancement of the enterprises' installation oriented strategies.

It is predominantly the social consequences of the competitive wage policies in Britain that lead Altvater and Mahnkopf to speak of a process of "social dumping" that the unions have tolerated and that could become a stumbling block for the workers along the profit oriented path of modernization:

"If, in specific cases, the decrease in labour costs reached through "social dumping" are not high enough to achieve price advantages on the international market or if other local production factors raise labour costs (for example the relatively low level of worker qualification in Great Britain) and for these reasons massive layoffs or factory closings take place, the British workers are in the weaker position. Requirements to negotiate social plans with worker representatives before layoffs or closings - as (still) exist in Spain, the Netherlands or Germany - are not in place for the British workers"<sup>39</sup>.

We have not yet mentioned all the causes of the weakness of British unions. Changes in the legal regulation of industrial relations that began under the Thatcher administration are also a factor. The attempt was made, by way of union laws, to destroy the foundation of the practiced system of collective bargaining. The originally self-regulating "free collective bargaining" between the social partners is now the object of an extensive system of statutory regulation. And the principle

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37 Altvater and Mahnkopf, p. 170.

38 Stützel, p. 37.

39 Altvater and Mahnkopf, p. 173.

intent of this regulation is to negate the strike as a central element in industrial relations and union concepts. It is also worth mentioning that this government policy could be instituted only because the unions entered the dispute in a politically weakened condition. A condition that is all the more serious since the close association between the TUC unions and the Labour Party, that existed earlier, is at least under pressure if not near disintegration<sup>40</sup>.

The unions are consequently in danger of losing their political voice and without the political support of the Labour Party for union activities their social legitimacy may be called into question. The unions have reacted to these dangers with new public relation strategies and by attempting to win additional public support outside of their membership circles. As the strike of the ambulance service personnel in the early 90s showed they have also transformed their way of organizing labour disputes. New in this case was that the background of the strike was publicized in the media and the unions organized an emergency service to prevent a total collapse of service. And in order to recruit and retain members the TUC under its new leader John Monks has begun to improve administrative processes and to address new themes such as safeguarding the minimum wage. They have also begun to offer more services, for example legal insurance, and through internal reforms have improved the representation of women and minorities such as blacks or homosexuals.

One might conclude from the situation we outlined that the end of "militant unionism" is imminent and/or - as some British union officials suspect - that the industrial relations and union practices in Britain are converging with the continental systems. Neither conclusion can be made without reservations. For it might well be that, as Stützel argues, "cultural traditions again come to the forefront" and impede the development of both scenarios<sup>41</sup>. While it is obvious that recent developments have created a new situation - that the clock cannot be turned back - it is nevertheless unlikely that industrial relations in Britain will assume the forms of continental systems because these systems are also prone to crisis and in a difficult process of transformation. As even the "West German model", until recently a highly esteemed system of labour regulation, currently illustrates.

### *New Terms of Business for German Unions?*

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40 See the contributions from Uwe Jun and Eric Shaw, in: *Das sozialdemokratische Modell im internationalen Vergleich, Strukturen und Politikinhalt im Wandel*, edited by Jens Borchert, Lutz Golsch, Uwe Jun, Peter Lösche, Opladen 1996.

41 Stützel, p. 37.

The system of industrial relations in (West) Germany has till now been considered more stable than those of the other western European countries or the United States. As social scientists tested the stability of the system at the end of the 80's "the results were predominantly positive. In comparison (...) the collective participants and institutions of the relationship between capital and labour appeared both capable of learning and exceedingly flexible"<sup>42</sup>. There were critics in the unions, right into the 80's, that doubted the advantages of the numerous legal regulations and the institutionalization of labour relations. This would lead, they argued, to a bureaucratic control of labour disputes and the union organizations, as well as to the formation of a specialized staff within the unions that would hinder spontaneity and the transparency of decision processes. Moreover such a framework disguised the contradiction between the interests of capital and labour. From the start the counter argument was that the legal regulation and institutionalization would ensure the unions a certain degree of leverage during periods of economic crisis even if uncertain employment perspectives, mass unemployment and resignation made mobilization more difficult<sup>43</sup>. If one accepts this argument the German system of industrial relations could be considered a role model and the German unions did in fact use the "German model" as a prototype for international cooperation within the European Union.

Today the German unions are confronted with a situation that raises questions about both the mobilization potential and the terms of business inherent in their system of industrial relations. Just as in the other western countries the unions in Germany are suffering a loss of membership that was only temporarily eased by the influences of the reunification. And though the positive influence of the high degree of organization in eastern Germany is gradually diminishing it is also the only reason that the proportion of unionized workers in Germany has not yet fallen under 30%. In east Germany 45% of those employed are still union members in the west on the other hand the proportion has fallen from 33.1% in 1980 to only 28.5% in 1993. The gradually increasing proportion of West German women who are union members was not enough to reverse the negative trend. And in the east the number of women members is falling although they still make up 47.4% of the total. Nationally, from 1991 to 1993, the women's faction of the unions fell 1.6% to 31.4%<sup>44</sup>.

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42 Dörre (1995a), p. 155.

43 See on this debate Wolf Rosenbaum, Vom Sinn und Nutzen der Verrechtlichung der Arbeitsbeziehungen, in: Ohne Utopien kann der Mensch nicht leben. Beiträge zur Gewerkschaftsarbeit, edited by Gerd-Uwe Boguslawski, Bodo Irek, Göttingen 1985, pp. 94.

44 In comparison to West-Germany, in the east more unemployed women are members and women are more likely to seek and attain employment. For the figures see the paper from Klaus Löhrlin, Membership Development, pp.



Although this information might lead one to suspect a very high level of membership loss in the west, membership figures do not support the assumption. The various unions of the German Labour Federation (DGB) lost only 460,000 members from 1979 till the end of 1993. In the same period the British unions lost almost 4.7 million members. The most pressing union problems in West-Germany are that the unions have not profited from the increase in women employees and, even more threatening, that the apprentices and younger men and women in the workforce are currently less willing to join the organizations.

Consequently, "during the last decade (...) the so called 'youth question' has often been discussed in the context of the unions' organizational problems. The background is the declining binding power and the mobilization weakness of the unions amongst the younger generation"<sup>45</sup>, an issue that has already led some to speak of a cultural upheaval. More than a temporary phenomenon related to a specific age group, the problem shows that the relationship to unions and their political practices has fundamentally changed<sup>46</sup>. Current studies on voter confidence in political and social institutions - including the unions - show, that the more distant relationship is not limited to the young but - in the meantime - can be also observed in older groups<sup>47</sup>. It is generally accepted that the decline in allegiance, or the often purely functional relationship, to the unions is not the result of political disinterest but rather a consequence of changes in political consciousness and values as well as new expectations in the individual plans for work and life that have led to new forms of political participation.

It is predominantly in the service sector where employment has increased and where the increasing number of female workers is occupied<sup>48</sup>. In 1992 56.5% of those employed were in a service industry and the proportion of workers employed in the industrial sector fell from 44.3% in 1980 to 40% in 1992. However, the shift in employment between the economic sectors was not as marked in the Federal Republic as in Spain or Great Britain. And Inspire of the changes in employment levels and economic structures the unions' organizational focal point has remained in the branches where the German metalworkers union (IG Metall) is active; this union still organizes more than 30% of all union members, down only 3.6% since 1979, and is by far the larg-

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86,92,96 and Gerhard Bosch, Claudia Weinkopf and Jürgen Kühn, *Arbeitsmarkt 1994*, pp. 270, 274 in: *Gewerkschaftsjahrbuch 1995*, edited by Michael Kittner, Köln 1995 and own calculations.

45 Klaus Dörre, *Junge GewerkschafterInnen. Vom Klassenindividuum zum Aktivbürger?*, Münster 1995b, p. 11.

46 See Dörre, p. 12f. See also the study from Martin Baethge et al., *Jugend: Arbeit and Identität, Lebensperspektiven and Interessenorientierungen von Jugendlichen*, Opladen 1989; Ursula Birsl, Maria Busche-Baumann, Joachim Bons and Ulrich Kurzer, *Jugendlicher Rechtsextremismus and Gewerkschaften. Lebensverhältnisse and politische Orientierungen von Auszubildenden*, Opladen 1995.

47 See Ursula Birsl and Jürgen W. Falter, *Es ist weder politisches Desinteresse noch Politikverdrossenheit. Der veränderte Zugang zur Politik von jungen Frauen and Männern in Ost- and Westdeutschland*, in: *Frankfurter Rundschau (Documentation)* from 2th October 1995.

est of the various unions in the German labour federation. Other unions have suffered greater losses as a result of economic changes, such as the unions of the chemical workers (IG Chemie), the miners (IG Bergbau) or the leather workers (Gewerkschaft Leder). These three organizations, similar to the British unions, believe that only a merger can insure their survival and their power within the German labour federation. The fusion to create the mining, energy and chemical workers' union will be finalized in October of 1997. The new union will then be the third largest among the federated unions. The construction workers' union (IG Bau-Steine-Erde) and the union for gardeners, agricultural and forest workers (GGLF) are also planning to merge.

A new pattern of economic sectors and new interfaces between the branches as well as new technologies and vocational fields can also, as in the past, lead to intense competition, between the unions, for rights of jurisdiction and members. There was for example a conflict of demarcation between the IG Metall and the German postal workers union (DPG), in the course of the privatization of the telephone business and the expansion of the telecommunications network. The point of contention was the jurisdiction for the production and service surrounding the core of the telecommunications industry.

In addition, at the enterprises a change in the responsibilities of the workers' councils and in the demands on the unions has loomed for some time. There is a clear trend towards industrial relations and work regulation more closely oriented on the specific factories and its changes the terms of business between the social partners as well as between the workers' councils and the unions. New firm strategies usually referred to with terms like "new concepts of production", "systemic rationalization" or "operational reorganization"<sup>49</sup> lies behind the change. The strategies are part of a process in which, due to competitive forces, the firms adopt less centralized and more flexible policies and change production techniques, work organization and their business cultures. This process had already begun by the late 70's as exemplified by the "Employee-Involvement-Program" and "Quality-of-Work-Life" scheme at Ford and Opel.

Workers' councils are more directly confronted by co-management assignments as the reorganization processes take place and the globalization of economic activities and labour markets has involved them in the competition between various production locations. The latter is also true for the unions which are now forced to deal with economic and business issues concerning the preservation of specific production locations and the related jobs - whereby the social consequences for the society as a whole are often neglected. This also weakens the traditional form of

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48 The rise in employment of women is closely related to an increase in part-time employment.

49 For this context in principle: Horst Kern and Michael Schumann, *Das Ende der Arbeitsteilung?*, München 1984; Martin Baethge and Herbert Oberbeck, *Zukunft der Angestellten*, Frankfurt 1986.

worker representation in which the workers' council represented the workers at the factories and the unions negotiated the regional wage contracts. Even as early as the beginning of the 80's, when the wage contract that reduced working hours was negotiated, the workers' councils were given the responsibility for forging a compromise between the workers and the employers. The question of which institution, the unions or the workers' councils, is primarily responsible for worker representation is also being discussed more frequently as the workers' councils gain power through the growing factory level orientation in industrial relations. A competitive situation appears almost inevitable. And it is not yet clear if the worker representatives within the firms are capable of coping with the additional responsibilities and new regulatory demands that the reorganization of the firms will entail.

The tendency to a closer orientation on the factories represents, in Dörre's opinion, a long pending decentralization of the industrial relations system that was delayed by the German reunification<sup>50</sup>. Whereby, the nationally valid wage agreements will also be called into question - for example by the employers association of the metal industry. This concerns one of the most important elements of the system and endangers the mode of regulation that secures social standards and creates relatively uniform working conditions and wages within the specific economic sectors and branches. This strategy to raise flexibility, which has come to the forefront through the discussion on the international competitiveness of the German economy, has already led to an erosion of so-called normal working conditions, which in turn influences social standards and undermines the state's welfare programs.

Incidentally, the discussion of the nation-wide wage contracts is not only a conflict between the employers' associations and the unions but also within the employers' associations. For some time internal controversies have also tended to become public. The small and mid-sized firms have increased their criticism of labour agreements which they maintain are appropriate only for the situation at the large firms. Therefore newly established firms are less likely to join the employers' associations and are consequently not bound by the national wage agreements. Meanwhile the firms are also beginning to doubt the necessity of joining the business chambers (Handwerkskammer, Industrie- und Handelskammer). This shows that it is not only the unions who are struggling with mobilization problems and the loss of power to bind their clientele but that the organizational base of the employers is crumbling as well. Since the conflict regulation through the social partners in the "German model" is based on strong unions and organized employers,

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<sup>50</sup> See Dörre (1995a), p. 158.

these developments fundamentally effect both the terms of business as well as the structure of the model.

### 3. Conclusion

It has probably become clear that the framework of union activities has changed radically. The basic structures of this process are quite similar in Spain, Great Britain and Germany while the starting points and courses of the development are not. Traditional industrial branches are shrinking and there has been a strong shift between the economic sectors which has also caused an enduring change in employment structures. Especially in Great Britain and Spain there has been a large reduction of employment in the industrial sector in favour of the service sectors. Whereby, as the unemployment statistics show, the loss of industrial employment was not fully compensated. In (West) Germany this development is not as pronounced. However, in Spain in spite of (perhaps due to) the rapid restructuring process, low level technology is still being used, especially by the smaller industrial firms<sup>51</sup>, and the agricultural sector, which is still dominated by large land holdings, has retained a higher proportion of employees than in the other highly industrialized countries.

The unions have not been able to adjust to these changes and are still dependent on their traditional social base - the industrial workforce. The new service industry firms are often unexplored terrain for the unions. This also explains the unions' difficulty in winning female members. The German unions - when one considers the absolute figures - are not suffering a great loss of membership but they have lost mobilization and binding power in the new branch interfaces and among the younger workers. Consequently, the proportion of German workers organized has sunk drastically. In Great Britain and Spain, as even the absolute figures show, the unions are experiencing a substantial loss of members.

In Spain one might consider the role of the CC.OO and the UGT in the neo-corporative modernization pact as the main reason for this situation. However, during the transition phase to democracy it is questionable if they had any other alternative. Now they must manage a two sided dilemma not comparable to the situation in Great Britain or England: They must seek solutions for the social challenges presented by the highly accelerated and unpredictable process of trans-

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51 See Dieter Nohlen and Andreas Hildenbrand, *Spanien. Wirtschaft – Gesellschaft – Politik*, Opladen 1992, p. 60.

formation as well as credibly convey the ability to act as a force of opposition with power of veto.

Fulfilling this role, within the society, is not only difficult for the Spanish unions but increasingly for those of Germany and Great Britain as well. As a consequence of the factory level orientation of industrial relations and the decentralized representative structures friction develops from three directions: First of all the employers hope for more flexible agreements that favour the interests of the firms. The discussion about abandoning the national wage agreement in the German metal industry or the situation of the Japanese firms in England described two examples. Secondly, the process of decentralization is also being forced by the labour representatives based at the firms. Their position, especially within the larger concerns, has already changed markedly in the course of the reorganization efforts and they have, for example, assumed co-management responsibilities. Their proposal to shift collective bargaining to the factory level probably results from their growing need for legitimation in the eyes of the workers. In this context it may also be argued that better results could be attained through firm level negotiations since the increasingly differentiated interests of the various employee groups could be better accounted for and the negotiated working conditions better matched to the actual, and often new, activities of the workers in the production processes. However, even in this context the questions of the competition between production locations and the market viability of the products will probably carry more weight.

The third point of friction comes from the employees themselves for their position on the issues mentioned above is identical. The workers seem convinced that a closer orientation on the specific firms will allow them more leeway to protect their individual interests:

"Even the workers have an interest in the product market (...) expressed in phenomena such as 'firm egoism' and 'firm syndicalism'. Because the product interests of the workers are similar to those of their firms or the sectors, the unions have the possibility of ceding representation to the employers' association"<sup>52</sup>.

In addition in locations where group work is an instrument of work organization, elected group spokesmen emerge as a new set of actors in the firms' negotiating process. A new representative structure develops, which may include conflicts between the group spokesmen and the workers' councils, since the arenas of negotiation often overlap or may be identical<sup>53</sup>. Also "the negotiation processes within the groups as well as between the groups and their superiors, due to compe-

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<sup>52</sup> Hans-Wolfgang Platzer, Die Konstituierung europäischer Arbeitsbeziehungen, in: WSI-Mitteilungen 12/1992, p. 782.

<sup>53</sup> See Dörre (1995a), p. 166.

tion and perceived injustice, are often so antagonistic that sooner or later interventions are necessary"<sup>54</sup> - an additional responsibility approaching the unions and the workers' councils which shows that the phase of "unionism without unions" is not, as some have maintained, upon us. Rather it appears that even for the employers, the need for collectively negotiated conflict regulations, will increase if reorganization efforts are to be successful. The form and the arena of negotiation for these regulations, which may vary from country to country, is not yet clear.

The political situation in Western Europe with its change from the social democratic model to the neoconservative paradigm and the crumbling "alliance" with the socialist and social democratic parties has caught the unions in a delicate phase of transition whose social consequences can be summarized as follows:

- *Deindustrialization and Job Loss*: The shift in employment structures leads not only to a transfer into the service sector - in Great Britain deindustrialization has been mentioned in this context<sup>55</sup> - but also to a reduction of jobs not only in industry<sup>56</sup>.
- *Processes of Social Segmentation*: Even in periods of economic growth, unemployment as well as other social risks in the form of insecure employment, and lower wages continue to rise. And the systems of social security in their current form are no longer appropriate for dealing with the consequences. Various forms of social segmentation result: In Spain short term employment or under scale wages are becoming more common. In Great Britain "the proportion of those employed as part-time women workers on the outskirts of the labour market"<sup>57</sup> has increased, and specific unions often neglect to set minimum wages. In "Europe's cheapest production location" for example the British General Motors installation has lower costs than any other General Motors facility in Europe<sup>58</sup>. This indicates not only that the social segregation and social risks on the specific national labour markets are increasing but that these developments are spreading throughout Europe as well.

This brings us to a further dimension that has not yet been mentioned but is of fundamental importance within the complex of union politics: The European Union's internal market. In Western Europe economic evolution and the globalization process has been politically structured and ac-

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<sup>54</sup> Dörre.

<sup>55</sup> See Stützel, p. 36. Since 1979 2.5 million jobs have been lost in the manufacturing industry and the unemployment rate has risen from 6.8% in 1980 to 9.6% in 1992, whereby it is especially high for men 11.5%. The lower unemployment rate for women and the comparatively high proportion of women in the workforce entails insecure employment and part-time work predominantly in the service industry.

<sup>56</sup> See Baethge, p. 36.

<sup>57</sup> Stützel, a.a.O., p. 36.

<sup>58</sup> See Altvater and Mahnkopf, pp. 167.

accompanied by the formation of the European market. The unions will be sorely tested by developments that include both centralization and decentralization and have been intensified and complicated by the economic union: Even if the need to negotiate minimum social standards at the European level increases, and the attempt to coordinate and standardize some political questions (for example inflation, currency, defence and refugee policies) is undertaken, the regions will simultaneously continue to gain importance in respect to economic and labour market policies<sup>59</sup>. Whereby at the regional level it is not only growing capital mobility or firm re-organizations, that will be factors but the very existence of entire industrial branches and their jobs as well.

"As opposed to the late 19th and earlier 20th centuries when the new chemical, automobile and electronic branches developed alongside the existing industrial sectors such as iron, steel or tool and die, and at worse replaced jobs in the pre-industrial manual production. The 'new' today develops at the cost of existing industries. We should not deceive ourselves: we are not currently speaking of additional production and additional jobs but of the future of the automobile, electronics and tool and die industries"<sup>60</sup>.

Inspire of this situation and the resulting requirements for supranational union and wage policies, as of now, there has been no truly coordinated cooperation at the European level. Jacobi is not surprised that competition among the unions in Western Europe has developed<sup>61</sup> and explains that the unions seek the shelter of their national fortresses because:

"The structural change has, at the national level, already required additional intermediary forms of compromise: It is frequently necessary to organize arrangements between the winners and the losers of modernization and this entails compromises of interests between various social groups, between age groups, between men and women and between branches and regions as well"<sup>62</sup>.

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59 See Baethge, S 35.

60 Volker Wittke, Wandel des deutschen Produktionsmodells, in: Im Zeichen des Umbruchs, Beiträge zu einer anderen Standortdebatte, edited by Soziologisches Forschungsinstitut Göttingen, Opladen 1995, p. 117.

61 See Otto Jacobi, Industrielle Industrie and intermediäre Organisation in Europa, in: WSI-Mitteilungen 12/1992, p. 777.

62 Jacobi, p. 776.