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**Unions at a Crossroad:
Protectors of Achieved Rights or Active Co-Constructors of the Future?**

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**Unions at a Crossroad:
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Introduction

Transformation to post-Fordism, intensified globalization and volatile markets together with growing individualization, consumerism and disengagement from political parties are among the many factors that have helped complicate the life of the union movement in different countries. For those who see this as an outcome of ideological battles, the neo-liberal turn since the 1980s really had compelling effects. Unions are in decline both in terms of membership and in terms of political power, seemingly unable to set the agenda in corporatist discourses and increasingly unable to formulate the interests of the mass as it transformed to a “multitude” (Hardt and Negri, 2000). The paradox seems to be that all the mentioned transformations might only lead to desirable outcomes if a strong union movement is able to “civilize” globalization and the new form of managerialism that is involved in these transformations. Current union weaknesses, then, is evoking pessimism over general capitalist evolution by a large group of Industrial Relations analysts.

Against this pessimistic view, our aim is to point out in more detail how unions may define a new role for themselves. By taking on this new role, unions could become active co-constructors of the emerging society and, not least, gradually learn to exert a civilizing influence on globalization.

Our argument runs as follows. By carefully studying the experimental evolution of firm level partnerships between management and union-representatives, in particular in subsidiaries of multinational corporations, it is possible to induce a number of novel roles, which unions could cultivate and potentially use to reform their position in western societies. The evolution of such local partnerships seems to take departure in reforms of the workplace and the re-organization at firm levels that propels towards finding new ways of making use of local labor markets and suppliers, becomes directed towards the reform of corporate governance of (multinational) corporations and is, finally, begging unions and employers associations to take on new roles supportive of the continuous experimentation with these extended local partnerships. Investigating the problems and challenges actors meet in making these evolutionary steps at local levels, a number of pressing needs of these partnerships is revealed and which we use to identify, what new roles unions and employers associations could develop. These roles are then considered and assessed in the light of and from their impacts on general union power in terms political and corporatist influence, and of membership representation. Finally we will suggest what are the

characteristics of the Industrial Relations Regime (IRR) that evolves if unions and employers' associations take on these new roles.

Our study has been carried out in the distinct national context of the Danish Business and Industrial Relations System (Diverse fra Kristensen og Due, Madsen, etc), has focused on the games subsidiaries can play within the frame of multinational corporations (MNCs) (Kristensen and Zeitlin, 2005; Rocha, 2003), and on how shop stewards and convenors¹ can act to influence these games (Kristensen, 2003). It is furthermore rooted in an ongoing project, studying how workplace re-organization may take different forms, effect various organizational problems, the resolution to which will highly influence the community of interests that either divides or unifies employees – and for that matter managers and employees (Lotz and Kristensen, 2005). How these reforms are tackled highly depends on the national context in which they are implemented. It is our argument that it is exactly in societies with strong union representation – as in the Danish case – that new offensive roles of unions can be studied and be used to inspire union reforms in other countries.

Positioning our Contribution

Debates on union reforms have been intensive over the last decade². Though our contribution can easily be placed within one of the various positions of this debate, it simultaneously relates to other positions in complicated ways. We share with Hyman (1999: 99) the belief that what is in crisis is a particular model of trade unionism (related to Fordism and Keynesianism), and when and if that particular model manages to give birth to a new model, the crisis may be overcome. However, models do not transform without human agency. The whole problem of “union revitalization and – strategies” (Frege and Kelly, 2003, 2004; Baccaro et al 2003) and its distinct institutional foundations in distinct societies moves to the forefront, not least pointing out that courses of action and strategy will differ depending on how social and economic change effect distinct societies, their institutional context (particularly the Industrial Relations System), union structure, how other actors (state and employers) strategize and how unions frame this process and search for a new identity (Frege and Kelly, 2003:13). Within this framework, a new “wave of labor scholarship” has emerged

¹ In Danish companies, also foreign owned, workers elect within each union a number of shop stewards, which in turn elect a convenor that speak on behalf of all workers.

² This debate has been elegantly summarized by Heery, 2003.

that “examines the potential for unions to serve as proactive organizers and system builders, grappling with and shaping the challenges they face” (Baccaro et al. 2003: 127). This potential differs among societies, and it is clear that when focusing on Denmark, we are considering a situation much closer to Germany and Sweden (belonging to the so-called Coordinated Market Economies (CMEs) (Hall and Soskice,)) than either to the USA and the UK (Liberal Market Economies, (LMEs)) or Italy and Spain (the Mediterranean model).

In Denmark as in Germany, Unions’ position is highly institutionalized through bargaining institutions. Though unions corporatist position towards the state has weakened significantly, union representatives on lower levels have been able to increase intensity at others. Unions used to be highly involved in a “Ghent” system of unemployment insurance (Western, 1997), but lately this has been reformed, to reinforce decline in number of members and membership rates. Partly, blue-collar unions fall victims to their own policies in continuous training, which tend to make members so socially mobile that they leave their original union. Consequently, Danish unions have pursued almost the entire repertoire of revitalization (acquisition of new members, mergers and internal re-organization, action towards the political system, international links and partnerships with employers (Frege and Kelly, 2003, 2004)). However, it is obvious that so far unions have preferred a market- or society-oriented (Hyman,) strategy, where compromise with employers and the state is seen as the only best trajectory. This trajectory is one of social pacts, partnerships, etc., which in Denmark has been further emphasized by decentralizing collective agreements.

The questions are: Does a new promising model for unions grow out of such a path, what does the new model look like, and what roles to unions to play?

Industrial relations analysts do not agree that a strategy of social partnering is the right choice. Our position, however, follows essentially the adherents of the *partnership thesis* (Heery, 2003), which see the change to post-Fordism as benign to workers, if unions manage to develop a new role. If this becomes the case, unions may ensure workers improved employment relations in emerging high performance organizations (Osterman, 1999: 96), turn the new HRM practices into their advantage (Bacon and Storey, 1993) and may make the new types of firms work in such a way that profits become shared in various ways. In this vision distributive bargaining gives place for integrative

bargaining (Thomas and Wallis 1998; Sisson and Marginsson, 2000) and we might move away from a system of centralized to one of coordinated bargaining (Sisson and Marginsson, 2000).

This does not mean that we disagree with those that see the risk of degradation of work under post-Fordism. But rather than fighting against this through a new form of union militancy, we believe unions are in a much better position provided that they are able to become competent negotiators that can contribute, in many ways, to the ongoing experimental process that is constructing our post-Fordist future. In our view this future is much less teleological given than was the combination of Fordism and Keynesianism after WW2. An important dimension in constructing the new production regime is to create new types of work careers as bureaucratic hierarchies are broken up and routine-work becomes much less of a rule. We agree with Heery (1996) that unions must provide their members with tools for “navigating” in the new labor markets. However, rather than seeing this as an individualization project, we think the need is great for unions to institutionalize new career paths and especially to construct “rites of passage” for people in critical moments of life or for people in general disadvantaged positions. Renewal in this direction is less likely to come from leadership within unions, than from their rank and file, and not necessarily because union leadership is more conservative. However, neither union leaders nor their bureaucracies are highly informed of ongoing transformations and experiments in distinct localities, with the many novel forms of work organization being tested and with the highly various situations that individual members enters into or construct. Unions – organized as mass-movements and protecting standardized rights - can neither see the problems nor the chances that emerge with novel situations arising from the continuous experiments. This is why unions as organizations easily risk becoming only loosely coupled to ongoing transformations, which, on the other hand, play a focal role both for their members and especially for local activists, shop stewards, and convenors. And yet, the rank and file is in need of the union as a community in which they can think jointly, discuss and formulate their interests and positions towards this stream of novel situations arising with organizational and institutional experimentation. Otherwise, neither unions, members nor activists can actively deliberate on the direction of these experiments, which will be basically directed by managers and employers and dependent on their capacities for joint action. The big question then becomes: How can unions take on this new role that enables continuously the formation of new publics and provides the ranks and files with impulses and inspiration that make them active partners in shaping high performance organizations, often operating within multinational

corporations? And how can they do this, while also trying to influence politics and institutionalize new forms of corporatism at state and European level?

Partnership as Agency

As it has been quite foundational for trade-unions as well as employers' associations that their members could be counted as belonging to two opposing camps, the idea of adversaries was institutionalized at all levels of society in many Western countries. Essentially employers would only use alternative conceptualizations if they managed to create union-free shops, that is, if they could dominate the shop entirely. The advance in new forms of HRM, especially in the UK and the US, thus has been seen as ways of pressuring workers to collaborate from a weak position (Bacon, 2003). Given this framing of firm level collaboration in the general debate, it is no wonder that unions in union-strong countries have been very skeptical, when their own members initiated such collaborative ties with managers even in cases where union density at the shop level was very high. In such cases, domination was not nearly as one sided. Rather it could and would be seen as mutual dependence between potential equals, which for the purpose of collaboration created a partnership – often in an informal way. Especially in MNC subsidiaries local managers are placed in a novel situation, where they might fight for the survival of the firm jointly with workers in the investment bargaining game that has become institutionalized by many a headquarters (HQ) (Mueller, 1996; Mueller and Purcell, 1992). However, also such partnerships build on employee and union strength place the unions in awkward positions.

Thus partnerships between employees and employers have become an important topic in industrial relations (Ackers and Wilkinsson, 2003). Its potentials, pitfalls, advantages and implications for the different actors have been discussed intensely, not least in Britain and USA, where its potential for coping with loss of jobs to NICs and to countries where economic actors have been involved in some kinds of partnership relations for a long time (e.g. German traditions for co-determination; Japanese forms of enterprise unions together with life long employment).

Proponents of partnerships see a great potential as the partners can support each other in achieving more effectively their respective objectives, which may enable them to transform radically the

organizational structure and division of labor of firms, by compelling people to think in new ways (Appelbaum et al., 2000). Teague (2005) argues that enterprise partnership may be seen as an exercise in deliberative democracy where the distinct actors are expected to collaborate inside a decision-making forum that allow for a gradual redefinition of identities and interests. Therefore it is no wonder that Ackers and Payne (1998) argue that partnership combines seductive rhetoric with ambiguous and shifting meaning. Partnerships initiate processes of redefining identities and interests that will feedback to redefine the content and form of the partnership itself. This poses a great challenge to unions in particular, as their job as aggregators of interests on behalf of their membership becomes much more complex. Therefore it is interesting that Ackers and Payne are quite unambiguous when defending partnerships potentials for trade union revitalization. Partnership “*offers British trade unions a strategy that is not only capable of moving with the times and accommodating new political developments, but, also allows them a hand in shaping their own destiny*” (ibid:529).

For managers in subsidiaries of MNCs the attraction of partnerships is that it may offer a shortcut to improved performance on a whole number of score-cards and benchmarks on which that their individual career prospects depend. Employees, on the other hand, have seen it as a way to protect jobs from being lost to competitive subsidiaries or from outsourcing. Often, however, by pursuing their initial interests both parties discover that they may achieve joint interests by respecting simultaneously the interests of their partners. In search for improving products and processes, managers are driven to a simultaneous search for good standards of employment and decent treatment of employees, as a way to build and sustain partnership trust and high organizational performance (Walton et al., 2000). With strong management engagement in these issues, on the other hand, employees are likely to share information and knowledge about the practical aspects of business operations, and how these can be improved and actively participate in purposeful problem-solving (Walton et al., 2000). The construction of partnerships thus may encourage both parties to change their perception of each other as adversarial actors, facilitating the search for common goals and new areas of interest. Employees would increasingly understand and engage in the pursuit of solutions to the business problems of the enterprise making it easier to improve on organizational performance. Kelly (2004) shows that partnership firms can better adapt to variation in the market and create more rapidly jobs than non-partnerships firms.

An important issue of partnership is related to power configurations among the distinct actors. As partnerships are formed across employee/employer divides they cannot be symmetric. Therefore they may turn into mechanisms of domination and control from the stronger or better-positioned partner at the expense of the weaker one(s) (Benson, 1975). Kelly (2004) argues that the balance of power between the partners in a partnership arrangement vary in the same way as employment relations. Therefore special attention must be paid to the configuration of power among employers, managers, unions and employees when analyzing partnership agreements and their dynamic outcomes.

For example, the literature on EWCs shows that the presence of worker representatives in these bodies is intrinsically problematic. In many cases representatives are barred from being involved in key decisions due to lack of training, difficulties in dealing with foreign languages and cultures, and refusal to place on the agendas items of importance to local subsidiaries (references). The idea is that employee representatives are allowed into a game that is totally defined by their opponents, a game that managers are trained to play and employees not, and in which their partners always play the upper hand. We are critical of this line of argument. It misses the dynamic potential of partnerships, which is actually dependent on what the actors do within its frame. If managers work eagerly to turn it into a body of domination they might simultaneously miss the opportunities that it opens up for them. But these opportunities are also dependent on how well the employees play their hands and change the game to their advantage. The partners may mutually civilize each other and open up for actions that none of the two had held in foresight. And this mutual learning effect is not independent of how unions and employers associations are able to back up their members.

The implication of partnership for the trade union movement and for the representatives at the shop floor level has been widely discussed in the UK. Ackers and Payne (1998), as mentioned, advocate that trade unions should engage positively in the potentials offered by partnership, while Kelly (2004) contrarily suggests that partnership agreements are unlikely to contribute significantly to union revitalization. Marks et al. (1998) argue a thought provoking position by stating that “ *the paradox of mutual gains workplace is that it extends the scope of union influence inside corporate decision-making processes as it renders the authority of the shop-floor union delegate more precarious*” (1998:220). A more Marxist critic of partnership arrangements points out that unions through their support favor an ideology of common interests, contribute to limit their own

independence, and find themselves captured by an agenda imposed by employers (Taylor and Ramsey, 1998). Again our view is that all outcomes are possible, but which will prevail is dependent on the wider scope of union transformation, their support for changes in the roles of “shop floor union delegates” and their joint effects on managers and employers associations.

It seems possible to create a virtuous circle here that creates agency at the level of local union representatives. In the Danish case a “widespread system of worker representation”³ at the firm and locality level, high union membership, a peculiar strong position for shop stewards and convenors has implied that decentralization of collective bargaining and agreements have strengthened the actual influence on the local level. The more agreements they negotiate, the more union-education they receive and the more they can establish them as an (paid) “office”, the more actual influence they will get (Scheuer, 2003). Thus it takes strong union support to enable local level activists to become a local agency that may participate in local partnership.

In Denmark in general, the shop steward plays quite an important role in regulating the games between managers and blue-collar workers. The shop steward is responsible for negotiating a wide range of agreements between workers and management, between workers and vocational institutions, and with other shop stewards. She needs pursue grievances and other work specific issues, work to guarantee that workers can have their demands negotiated and attended to, and is responsible for reaching agreements not only with management, but also among workers. By playing a role in the negotiations between managers and workers, the shop steward tries to reduce the direct confrontations between them, eventually attaining the role as an independent party. The shop steward is in a position that enables her to negotiate with the management all changes in the organization of work. Not because the law prescribes it (on the contrary, the Danish labor market law gives sovereignty to management to manage (in exchange workers right to organize), but all actors involved assume that negotiation is anybody’s right, and necessary for conducting changes and resolving problems. In this way, the Danish system is continually built on the basis of negotiation and agreements among the different groups.

³ Andersen 2005 gives a very useful overview of both formal and informal modes of participation in the Danish system.

The shop steward not only has to try to find solutions for the workers' problems, the function is also often extended to negotiations of issues that in other places pertain to management. The shop steward is in this way co-responsible for the continuous improvement of the organization, not only to protect workers from any kind of downgrading of working conditions, but also to achieve agreements where the organization is able to support the process of skill-upgrading and higher productivity. When the factory faces market problems, the shop steward is called to negotiate possible solutions with the workers, which for example can imply sending workers on courses, or negotiating a list of workers to be dismissed.

Our own research shows that in some cases this agency is radically expanded if a Danish firm becomes a subsidiary. Typically, this expansion follows a quite distinct evolutionary dynamic. Shop stewards start the emerging partnership with local managers by engaging themselves in work place transformations. They continue with mutual negotiation of training policies, start worrying about the potential loss of managerial partners, negotiate themselves into selection committees for coming managerial recruitment, build up their local reputation to a global one by assisting in resolving significant "crises". This gives them access to distant HQs, which they can use to alter the organizational framework conditions (transfer prices, budgetary constraints, benchmarks) in favor of the gradual evolution of the local plant. This evolution may pursue quite unexpected strategies for improving work arrangements and being socially responsible (by recruiting disabled and emigrants). Following this virtuous circle of partnering, union shop floor representatives often become the architects of benchmarking factories, the principle of which becomes transferred to foreign countries by a process in which many blue collar workers act as international consultants. Thus, both the hierarchical structure of the subsidiary, the identities and roles of its agents and their mutual relations are changing in radical ways. Currently, this change is rather into a very confused state in which schizophrenic divisions prevail between a managerial hierarchy and team-based organizational forms at shop floor and in R&D, and between the remnants of the old hierarchy. In this new negotiated order among teams and hierarchy, union representatives function as troubleshooters for, in principle, unsolvable problems in order to secure the holistic working of an emerging high-performance organization, searching for a more robust structuring or ordering. Located in these positions employee representatives seem at least to be in a similar powerful role in defining the future as are their partners on the managerial side (Kristensen 2003; Kristensen and Zeitlin, 2005; Lotz and Kristensen, 2005). They share the fate of travelling into an unknown future.

One of the strengths, which union representatives carry into this partnership, is their knowledge of and relations to the wider welfare institutions in the Danish society. Through the network to the wider union organization and in turn this organization's relations to institutions, shop stewards and convenors are able to make the larger society work in tandem with changes in the focal firm. Vocational institutions can be addressed to solve problems that enable employees to adapt to new work arrangements, job specifications and projects through courses – taylorized or standard – to a high degree financed by the state. New employees can be recruited in collaboration with the Job Center, unemployment funds, technical schools and other training centers (see more on this in Kristensen, 1994; 2003 and Kristensen and Zeitlin, 2005). Shop floor union representatives may also use this network to influence authorities at municipal level, so that favorable schemes for both the firm and the authorities can be created to the benefit of disabled, immigrants and other potentially marginalized groups. But the dynamic also works in the opposite direction. The new high performance forms of organization are very stressful for employee groups down the line and may easily lead to burn-outs, abuse of alcohol or other forms of abuse, broken families, etc. To cope with that, some firms have created advisory boards at the firm level that can link up employees in trouble with the various public institutions before a personal crisis becomes manifest. Having firm representatives (shop stewards and HR-managers) address these institutions instead of the individual, facilitates the structuring of a tailor-made system for supporting the individual at an earlier stage, a system through which the firm and various institutions collaborate to bring the individual back on his feet. These are but a few examples of how union representatives may assist the firm in turning the institutions of a society into very supportive resources that enable the firm to do more far reaching and risky experiments with its organizational form.

It is apparent that union representatives are also engaging in activities for which they are not equipped. It is highly unlikely that they have been trained in issues such as head-hunting the right managers, principles of budgetary discretion, transfer-prices and other important principles for governing the workings of an organization. Neither are they prepared to actually set the direction of strategic nor organizational change processes as they have hardly studied the ongoing streams of texts that usually inspire managers, consultants and business school students. One might invoke that it is the duty of managers to carry this form of knowledge and inspiration into the experimental laboratory of such subsidiary firms, which also constantly receive a stream of novel impulses,

demands and suggestions from their HQs, which again is receiving similar “inspirations” from consultants, financial institutions and –analysts.

If unions and their shop floor representatives accept this division of labor among them and us, they obviously become “captured by an agenda imposed by employers” as a Marxist critique have pointed out. Visser (2005:302) also points out that this put unions under extra pressure: *“The Danish case shows that there may be a trade-off, with both sides winning something; though even here, with high union membership, this puts much pressure on the national unions since they must provide adequate services to local representatives and redirect resources and staff from the centre.”*

If, however, it could be taken for granted that this “agenda”, set by employers, would serve the long-term interests of the subsidiary firm, where partnerships are initiated, it would be unproblematic that employees take start from this agenda and then try modifying to work in their favor, too. However, this reformist possibility cannot be immediately trusted, given how the post-modern world functions with respects to managerial behavior. First, management and organization has turned into a fashion industry, where new templates and recipes incessantly change. Second, these templates and recipes are imposed top-down by financial institutions and HQs as stabilizing novel demands for benchmarks, principles of work and of strategy, which often have very little resemblance with the logic of developing the subsidiary firm. Third, these shifts in managerial and organizational thinking are only a few of several sources of volatility among managers at different levels of companies, meaning that they have difficulties in sustaining both political coalitions and the kind of partnerships, we are addressing. The problem for the subsidiary firm is that it risks being directed in arbitrary directions from one moment to the next by shifting managers with shifting managerial philosophies and ideas. This may have a great experimental potential, but if the union representatives are not able to learn from these experiments in a cumulative way, no agent seems to be. Consequently and paradoxically, it is only employees and their representatives that may be able to take on the responsibility for accumulating lessons gained from experimental exercises and institutionalize them into a more or less coherent set of practices, because managers have become very mobile and managerial positions very volatile. In this way, union representatives become the “long-term entrepreneurs”.

If unions, and especially shop floor union representatives, cannot support their members in taking on this entrepreneurial role of learning from experiments and experiences, both the firm and its members risk becoming victimized in more than one respect by the restless fashion industry of post-modern management. On the other hand, if unions and their local representatives are able to navigate and set a direction, they might highly benefit from these restless shifts as they continuously will provide unions and representatives with impulses for doubt, reflection and for reformulating their own more systematic search for better alternatives and better practices. Such a situation could then indeed turn partnerships into regimes of continuous improvements with a novel division of labor among the partners. Deliberation within the frame of deliberate democracy would change and so would the nature of the partnership.

As indicated, we see partnerships as a dynamic form of organization, constantly in a state of experimental change and search for improvements. This means that it is less useful to make typologies dependent on the current stage of dominance/equality among the partners (e.g. Guest and Pecci, 2001; Teague, 2005). We take for granted that if a partner takes on a new role in a successful way, this partner may temporarily dominate the agenda until its opponent/partner redefines its respective roles and thus condition its “opponent” to do the same in an unending chain. Rather partnerships should be assessed on whether they open up for such experimental and mutual redefinition. And this is much more dependent on which rules they follow in their mutual games than on their current position at a specific point in time. What matters is, for instance, “transparency, scope and depth of issues, credibility of the partners engagement in each others problems, degree of commitment, the incorporation of external stakeholders and evaluation procedures”, as has been pointed out by Kochan (1999). This raises methodological questions on how to research partnerships. Assuming that they are initiated at a certain point in time and develop principles/rules of operation, what become of focal interest is their logic of evolution and how this may be influenced by the larger societal context. Thus, partnerships should not simply be evaluated on their constellation at a specific point in time, but for their ability to improve over time (Coulson, 2005:151) and for their future potential. For this reason, we pay special attention to the narratives that our respondents tell us about their experiences over the time with partnership on various organizational levels and among shifting actors. This indicates a very chaotic process with periods of surprising progress alternating with dramatic setbacks. In MNCs, subsidiary managers in some places are frequently shifting names, while union shop floor representatives in Denmark may not be

reelected. At a stage where such partnerships are often established dependent on the gradual construction of personal trust and informal rules of the game, they tend to become highly volatile. And yet they seem able to become cumulative over time, primarily because their track records become narrated by the participants' joint authorship. The participants, on the other hand, use these narratives as reflections of good and bad experiences, thereby creating a readiness for initiating novel experiments.

To make them more robust, however, takes the active involvement from organized interests and ways to align it with the larger institutional structure within a society so that partnerships can more offensively benefit from constructed complementarities between the societal and firm level. Before we look into this, we will go a step deeper with respect to internal firm reform.

High performance work systems

The end of Fordism has been seen as a shift to a radically different way of arranging work and of organizing. Whereas Fordism could be fairly well described, it is much less so with the emerging forms of organizing and of arranging work and jobs. Whereas Fordism emphasized routinization and automatization, the emerging paradigm is in favour of flexibility, quality, lean operational procedures, just-in-time and continuous improvement and innovation, i.e. high performance towards customers, shareholders, etc.

The literature on high-performance work systems (HPWS) can broadly be divided in three streams. First, there are those who are quite positive and see important changes in this new way of organizing industrial relations also in relation to workers and other employees. For those authors, empowerment, participation in decision making, reintegration of conception and execution, increasing control over tasks allocation, and continuous skill improvements of employees are some of the characteristics that follow in the wake of HPWSs. High-performance work systems are said also to be replacing the hierarchical structure associated with traditional forms of work organization, as they require workers to have autonomy over their job tasks, to participate in self-

directed teams, to be part of problem-solving and other offline teams, and to regularly communicate with employees outside their work groups (Appelbaum et al. 2000; Whitfield and Pole, 1997).

Huselid (1995) evaluated the links between systems of High Performance Work Practices and firm performance, including labor turnover, sales per employee and an indicator of financial performance. He interpreted his results as showing strong positive effects between HPWP and performance, concluding that a range of innovative human resource management practices, when combined, can have synergetic effects through an interactive and mutually reinforcing positive impact on performance. Other studies have shown similar results in distinct sectors and industries (Ichniowski et al. 1998, MacDuffie 1995; Berg et al. 1996). By the end of the last decade, a number of studies have held the view that as different changes in work systems accumulate they form complementarities (Ichniowski *et al.* 1997). These in many ways function as circles of reinforcement, implying that the efficiency of one measure is propelled by the efficiency of another and vice versa.

Rubinstein and Kochan (2001) argue that the implementation of HPWS creates opportunities for union renewal. In many ways such work systems comply with many of the non-salary issues, which unions for years have been advocating. Therefore unions could see these changes as an invitation to abandon their traditional, adversarial role in favour of a new, collaborative one. Godard and Delaney (2000) explore the differences between HRM-advocates and the proponents of HPWS. They argue that the latter are more supportive of unions, as unions enhance the benefits associated with new work arrangements and HRM practices and ensure that employers do not revert to traditional arrangements and ways of making decisions. In this way, partnerships and HPWS can be seen as a way of expanding the participation of trade unions in the governance of firms, in subsidiaries of MNCs and through EWCs of entire MNCs. Unions are necessary as they might stimulate workers' participation, that again enable organizational learning, that leads to improvements in performance, work conditions and working life so that a mutual beneficial system come into being.

A second strand of more skeptical researchers is critical to the organizational and institutional effects of HPWS. Harley argues that HPWS can be used to undermine labor. Management might have seen the weakened position of labor as an opportunity to de-unionize their organizations, by

utilizing participation to gain employee compliance and reduce employee reliance on unions as a means of influencing outcomes (Harley, 2005:51). In this perspective HPWS is used to separate employees from their unions by an offer, which the employees cannot reject. Others are skeptical as to whether the offer itself is so beneficial to employees. Ramsay et al. (2000), for instance, find that employees enjoy some benefits (e.g. higher discretion) in HPWS. But these benefits are frequently far outweighed by work intensification, insecurity and stress (see also Sewell and Wilkinson, 1992). To these observers many scholars have accepted far too uncritically the promises of positive employee outcomes of HPWS. Proponents of this view think we are in need of a novel form of union militancy that can fight back, rather than go into partnerships to develop them further (Voos, 1997). Support of this view comes from a camp that sees HPWS as a strategy developed against unions, as it might be difficult for unions to deal with these novel management techniques, which do not use cash exchange relationship over which unions usually bargain. Thus Fiorito et al. (1987: 124–5) find very early that alternative (progressive) human resources policies associated with employee participation is a successful way to keep shops union-free. Wood (1999: 391, 403–4) has blamed proponents of HPWS for having highlighted findings supporting the high-performance paradigm while forgetting findings that do not.

A third stream sees the changes in a more contextual perspective. Martinez Lucio and Stuart (2004) look at the meaning and significance of the partnership strategies for trade unions in England, and show the changing meaning of the concept for the trade union and the problems related to the identity and union purpose related to it. They argue that the limited nature of involvement in decision making and the lack of investment in training and education of the workforce in Britain may have had a negative impact on the development of partnership relations. Godard (2004) argues that the limitations to HPWS are likely to be greater in liberal market economies than in coordinated market economies. In liberal market economies HPWSs may even be less effective than traditional personnel practices (2004:370).

The debates about the characteristics and the effects of HPWS are thus unresolved. The different and in many ways divergent theoretical as well as ideological positions reflect quite distinct ways of interpreting and analyzing HPWS, its effects, and potentials. Edwards et al. (2006) in their highly interesting article resolves, in a way, this debate by showing how cases might be sorted out as different outcomes in terms of control and developmental concerns for labor compared to capital.

Theoretically, the number of different possible outcomes is large and they demonstrate how different cases can have very different outcomes both for capital and labor and be shifting over time.

Our purpose here is not to advocate the advantages of HPWS or to criticize them for not delivering what they promise. Our intention is to investigate whether and how these models are being or can be translated, negotiated and reconstructed among organizational groups in such a way that they offer viable organizational forms, enabling participants to cope with globalization and volatile economic situations to their mutual benefit. We will focus in particular on the role played by shop stewards and convenors in negotiating these systems, and from this discuss the potential new role that trade unions could play by supporting convenors. Despite divergent assumptions and analyses, the literature agrees that HPWS and partnerships are focal points of orientation having great influence on the future of work and the organizations that embed these new work arrangements.

Our observations of work place reform in a number of factories owned by MNCs, in a small and quite coherent society as Denmark, bear evidence to a pattern of great variability of very different forms of HPWS (as also suggested by Edwards, et al. 2006). This variability is far from captured by the usual dichotomy of “lean” and “socio-technical” work arrangements (Lotz and Kristensen, 2005; Hodson, 2001)), a duality that sees them either as benefiting capital or labor. Though teams are usually constitutive for the organization of work in such work arrangements, teams have been created for very different reasons. Sometimes employees and shop stewards have taken the initiative, other times they have been initiated by reform-eager managers. In some top managers appoint team leaders, and in others team members elect team leaders. In many places, the team leader position simply is rotated among the team. We have even observed a factory in which it was the board of the enterprise union-club that appointed team leaders among its members. Thus in some arrangements the new forms of work organization could be seen as an extension of the old hierarchical principles, in others it could be seen as an extension of the shop steward system and a great increase in the autonomy of the worker collective () vis-à-vis management. Interesting enough a “rotation rule” seems from our preliminary findings, to be a principle by which the teams are able to develop the highest form of reflective internal community, mutual understanding and ability to share commitment. Thus, it is at this level that the decisive things happen, that workers

become so self-reflective on their work, that they take on the former role of managers to continuously improve quality, productivity, etc.

In all studied firms, teams coexisted with remnants of the old hierarchical administration. In some, the entire hierarchy down to foremen was maintained, but instead of directing individual workstations, foremen were now expected to coach the autonomous or semi-autonomous team. In other firms, the only parts of the administrative hierarchy left, were upper positions as technical- and production-managers and supporting HR-managerial services with which team leaders would communicate directly. But in most cases, shop stewards and convenors had gained greater importance. Most notably, one company had grown from a small plant of 35 employees to 450 without hiring a single foreman. It has expanded the number of union representatives from 1 to 35, and they were essentially responsible for personal administration, control of performance, coordination among teams, hiring and firing, planning of holidays, circulation of personnel in case of sickness, etc, etc. In another firm, shop stewards and convenors were seen as a force for horizontal coordination, supplementing and being complementary to day to day hierarchical control of the managerial corpse. In this system “partnership” and “hierarchy” as organizational principle were constantly contested each other in search of competitive solutions to pressurizing problems. In a third firm, shop stewards and convenors would, in close collaboration with a production manager, take on the role to monitor that lower level managerial responsibilities were handled after the principles of partnership and team and employee discretion. Union representatives had deliberately become the forces that would safeguard the cultivation of the new “regime”. Finally, of course, in some of our cases neither shop stewards nor convenors played such an active direct role, but rather oversaw that reforms, practices and their administration were not developing in ways contradicting, breaking, or obscuring central or local agreements between employer and employees or their associations.

It is evident that it is only in the last type of behavior that the traditional roles of union and enterprise representatives comply with the new situation. In all the three other cases, shop stewards and convenors are embarking on role-definitions that surpass any scope that unions have imagined or are preparing their activists for. And it is obvious that the more beneficial these activists can develop these new roles, seen from management, the more gain will it potentially bring to the employee side in setting the agenda for the experimental course of the enterprise.

Thus if unions had policies for how to evolve enterprises towards a favored version of the new economy, if they had reflected on how gradually to formalize new forms of influence and if they trained their activists to take on new roles, it is very difficult to see the limits to this participatory dynamic. Furthermore, as this level of organization - between the apex and teams - is also decisive for what becomes the roles of team leaders and team members, for the discretion of teams, and for the governance of the mutual interaction among them, unions could gain influence on business organization beyond the magnitude of previous experience.

Drawing on the third European Survey on Working Conditions undertaken in the 15 member nations of the European Union in 2000, Lorenz and Valeyre (2003: 13) find that Denmark (together with the Netherlands and to a lesser degree Sweden, Austria and Finland) prove to have a overrepresentation of the “learning” form of work organization (compared to the “traditional”, “Taylorist” and “lean” forms). The learning form *“is characterized by the over-representation of the variables measuring autonomy and task complexity, learning and problem solving and to a lesser degree by an overrepresentation of the variable measuring individual responsibility for quality management. The variables reflecting monotony, repetitiveness and work rate constraints are under-represented.”* (Ibid:6).

Whereas the “lean” form (as in the case of “Taylorism”) is characterized by a number of managerial principles (teams, job rotation, and quantitative production norms), these seem to be absent in the “learning” form. This could indicate that the cell 3 with “workers control” concerning development concerns are at least not as impossible to imagine as Edwards et al. (2006: 132) makes it look. Ironically, our findings seem to indicate that in such forms of enterprises, owned by foreign multinationals, it is actually the workers and in particular their elected representatives that even more than managers are concerned about how to secure and guarantee the long-term development of “their” plant. And they are intensively discussing – not new principles of governance – but the incoherence of the current.

Given that the remnants of the old hierarchy continuously produces streams of problems because managers sometimes slip into old habits, shop stewards and convenors are busy trying to repair potential damage and to regain trust-relations, so that local managers in Danish subsidiaries do not harm the ability of workers to deliver according to the benchmarks that foreign owners hold as a criterion for not intervening. Danish managers are highly divided in their attitude to this system. Some oppose, but often it is the CEOs of subsidiaries that are most radically in favor of the new system of autonomous work groups (see e.g. Kristensen and Zeitling, 2005). Such persons have voiced quite radical ways for reorganizing the entire firm after new governance principles. One suggested, given that teams were evaluated according to their performance (according to a system

of benchmarks) and their contribution to the overall results of the subsidiary, that the different management functions should be measured according to their ability to assist the teams in achieving improvements in performance and innovation. This could be done by making it voluntary for individual teams to demand “managerial services” either from their own organization or from subcontractors. The irony of this suggestion is of course that the investment bargaining game that is institutionalized among subsidiaries in a MNC and among teams within a subsidiary is in this way turned against subsidiary managers, which will only survive and grow if teams demand their services. The turn from hierarchy to market-relations where demand for developmental services by work teams shapes the groupings of managerial functions/teams, could eventually also be used to radically reform relations between subsidiaries and headquarters of a MNC.

The great advantage with this suggestion is that it helps us divorce ourselves from old habits of thinking, when studying and reasoning about the new forms of organization. It is obvious that we have only half-baked concepts as to which managerial roles that are compatible with HPWS at the level of plants, and between highly innovative subsidiaries and corporate or MNC headquarters, not to mention relations to suppliers that participate in the process of continuous improvement and innovation with their OEMs (Zeitlin and Whitford ???). However, the radical formulation of the market principle also allows us to see some defects in current degenerated hierarchies. In principle, only teams, sections, etc., of the workplace that “delivers” according to benchmarks will survive. This means that the whole organization becomes very short-term oriented. Emergent novel teams with less well defined work tasks, the benefits of which have not yet become clear for the surrounding organization will face less demand and therefore become de-selected before its potentials have been demonstrated.

As far as we can see, this means that work-, managerial-, sales- and R&D-teams need to have a mutual negotiation procedure giving them the opportunity to explain and compare current performance against future promises. Such a negotiation procedure would not only allow them to reveal future aspirations and find ways to benchmark their possible contributions to the future performance of the firm. It would also allow them to become informed about the possible services that other teams could help supply in their process of achieving agreed upon aims and benchmarks. Obviously, this would institutionalize within a regime of short-term competitive rivalry a procedure for long-term cooperation that would pressurize partners continually to reflect on developmental goals and to rationalize on how these comply with larger societal changes. Obviously, these considerations point towards a constitutional ordering of the enterprise, which breaks with both markets and hierarchies, and towards what has been called a networked form of organization, which needs to be formed through a deliberate democracy (Sabel,).

We think that such a new organizational form is unconsciously in the making in some firms. In some of our interviews in Danish MNC-subsidiaries, the organization became so incomprehensible from the official organization chart that we kept pushing our respondents to explain how and by whom a series of cross-team problems would be solved. They finally revealed a number of committees, where employee and managers from different parts of the company were discussing joint problems. In one company of approximate 100 employees it turned out that 18 ad hoc committees were currently in operation, each negotiating and searching for solutions to overriding problems. But before we asked, neither managers nor convenor were aware that such a negotiating order was negotiating bits and pieces of the ordering of the company. Another way of organizing

similar activities is to institutionalize within the primary work teams dispersed responsibilities, so that workers, besides their primary tasks, are responsible for looking for e.g. internal or external logistics, work environment and health issues, quality level, etc. Across primary teams the relevant persons meet regularly in secondary teams to discuss common concerns and to compare improvements. Apart from helping workers become more able and recognized members in both team communities (Lotz and Kristensen, 2005) this means that impulses for doubt and search is continually circulated in the company across the manager and employee divide.

However, a recurrent theme in our interviews is that agreed initiatives are often not implemented. This makes workers highly critical of management and reinforces a pattern where shop stewards and convenors take on the role of trying to make managers at different levels comply with promises. The problem, which follows from the nature of things, being that middle managers of the line seldom have cross-organizational concerns as their primary responsibility and are above all focusing on orders, benchmarks and concerns that are filtered down hierarchically from the top – ultimately from the MNC HQ. The paradox is that a deliberate democracy succeeds in creating a much more self-conscious public, which lacks an administrative apparatus to enforce its decisions.

Unions and convenors in these situations often have a tendency to reinforce what remains of the old hierarchy, not least by trying to involve local top managers as much as possible in processes of implementation. However, it is indeed strange that they are not working in a more systemic way with the problem.

One option would be to translate concerns or decisions into benchmarks and to integrate them into balanced scorecards together with the stream of benchmarks that filter down from MNC HQs. In this way it would become much clearer which and when HQ concerns and workplace concerns collide, discover the need for balancing, or for conflicting developmental routes of the subsidiary. This could eventually lead to new rounds of negotiations in which the overarching routes of developing companies could become part of the agenda.

One option in Denmark would be to re-evoke the work councils to take on the role of negotiating on top of the negotiating committees or secondary teams of the work organization. This would reflect that the new organization is indeed shaped through the opposing claims of capital and labor and that the constant re-figuration of the organization is by principle dependent on constant deliberation of two concerns, which may constantly need to search for novel ways to compromise.

In such a system unions would take on a new and very crucial role. First, unions should constantly help firm level worker representatives to formulate their goals in benchmarks, furnish them with alternative ways of organizing, search for solutions to organizational dilemmas, etc., which could make the role of convenors and shop stewards much more active in proposing alternatives in negotiations on company reforms. Second, they should constantly find ways to elaborate the formal institutions of collaboration (the role of convenors and shop stewards, the formal authority of WCs vis-à-vis both normal managerial hierarchies and the ad-hocracies of committees and secondary teams. To us it is obvious that WCs hold the potential to become the monitoring center for how to improve the ability for continuous improvements on which the whole firm depends, both in terms of

its attractiveness to workers and to shareholders. Thirdly, unions should take on a very new and unusual role. As the search for new experimental solutions to the problems of the new constitutional ordering goes on in the firms, unions could be the body that monitor individual firms' experiments, and compare and develop meta-order benchmarks that allow for cross enterprise learning. Without taking on this role, it is indeed difficult to see how experience gets stored. In the new global order, firms do not necessarily survive or die because of their market strength. Rather closures or new investments are dependent on negotiations within the framework of the political bodies of MNCs – and here there is currently no mechanism to guarantee a fair selection process (Kristensen and Zeitlin, 2005).

EWCs and trade unions

This, of course, makes it very important to consider how unions might be able to civilize and make more fair how MNC HQs select among the favorable and less-favorable subsidiaries (and countries) in their overarching strategies and budgetary dispositions. In principle, it could be an option for unions to try influence these political processes through European Work Councils.

Over the last decade EWC has been discussed extensively, both the agreement establishing them () and their development as organizations (). The literature is quite divergent on the analysis of the impact of EWCs on different institutions. There are basically three different positions. First, some authors are quite supportive of this new institution and see it as a form of intervention into corporate governance: the directive creates new structures of regulation by involving worker representation in decision-making (Jensen et al., 1999; Lecher et al., 1999). Others, the so-called Euro-pessimists (Waddington, 2003) are quite critical, pointing out that the possibilities for companies to opt out of already limited requirements are large and the flexibility of the directive leads to neo-voluntarist arrangements (Falkner, 1998), which in turn leads to the erosion of the national industrial relations standards, once the EWCs are separated from national structures of representation (Streeck, 1997) and trade unions have insufficient resources to generate cohesive policies and to articulate activity across Europe (Keller, 1995). The potential for a European industrial citizenship is just as much of an illusion, because the directive can be used to limit employee participation as it may simply be used to distribute information (Streeck, 1997). Taking a radical position in a well quoted article, Streeck (1997) points out that EWCs are neither European nor works councils' and 'will certainly assist [multi]national companies (MNCs) in building company-centered and management-driven industrial relations or human resource regimes' (1997b:

325, 333). Hancké (2000) takes the full step and sees EWCs as a body where MNC managers can actually exercise regime-shopping and play out subsidiaries mutually in investment bargaining.

Others, however, see the EWCs in a more contingent and contextual perspective. Waddington (2003) shows that the form and character of EWCs are likely to be strongly influenced by the national IR traditions in the company's country of origin (see also Muller and Hoffmann, 2001). Gold and Hall (1992) show differences in format between the joint management-employee EWCs in French-based companies and the employee-only EWCs in some German-based companies, which would reflect national works council institutions in the two countries (see also Rehfeldt (1998) for the French-based). American and British companies have resisted the adoption of the directive (Gold and Hall, 1992) and are still resistant to the possible changes in the governance of the firm that the EWCs can bring about. Knudsen and Bruun (1998) reveal that the tradition of Nordic trade unionism (decentralized approach to company-specific issues) implies that agreements are negotiated by employee-representatives, which limits the involvement of trade union officials in the EWCs'. Marginson et al. (1998) find that agreements in Anglo-Irish and non-European MNCs show stronger signs of management-dominated procedures than do agreements in continental European MNCs.

In spite of that, the literature is largely silent on the impact of EWCs on the process and outcome of management's decision-making process (Muller and Hoffman, 2001; Marginson et al., 2004) and whether it may represent for trade unions a challenge or a threat to its revitalization. Waddington (2003) adds that EWCs are at different stages of development, thus they can not be assumed to pertain to a single category, as both euro-optimists and euro-pessimists tend to do (Waddington, 2003:323). In Denmark, as in other Nordic countries, with its history of co-operative industrial relations, our research shows how the employee-representatives are making use of this new institution to negotiate their local problems and to get access to the headquarters and thus initiate a dialogue of mutual recognition and understanding (Kristensen, 2003). It might be the case that the solidary behavior of the Danish representatives can influence the perception and the actions of other representatives, who are more skeptical towards partnership arrangements. They may even be able to change the ways in which EWCs can be used as an effective tool for cooperation among not only representatives within the multinational companies but also for trade unions across national boundaries. How far this can go seems rather dependent on the competence, imagination and

strategies of employee representatives than on any other issue (Knudsen and Sørensen, 2000). Again the question is: How may unions assist employee representatives in taking on agency?

In the Danish case, this flows from our arguments so far. Danish employee representatives are likely to be convenors and members of national work councils. Obviously, if they have engaged themselves in the overarching discussion on how to balance between top-down and bottom-up concerns in strategies and the composition of benchmarks, they will be equipped with the best of all tools for initiating negotiations with HQ executives on these topics. The more this proves successful in investment bargaining, the more it will force representatives from other countries to do the same. If representatives' capacities for influencing management decisions become the benchmark for assessing their effectiveness as representatives, the effect may be the spreading a more solidary attitude among representatives in order to create a system through which they can strengthen their joint capacities. This has the potential to turn EWCs into a forum in which the parties actually reveal as much as possible what are the current situation and future potential of their plants, so that a discussion may evolve on how they may best strike a balance between their individual developments. This could lead to better-informed decisions on how to select projects and destinies among subsidiaries. It might also open the floor for the subsidiaries to ask HQs as to how they see their role as being a service to subsidiaries, eventually educating subsidiaries in the art of managing financial assets, investors and shareholders, etc.

As soon as this opposite way of doing investment bargaining has become initiated, unions might use their mutual transnational relations to educate each other, to the best of their abilities, in the art of supporting EWC-representatives and how to become advanced negotiators capable of influencing and catering to the respect of HQ-managers. As shown elsewhere this dynamic might simultaneously combine with a major transformation of the European Community, where citizens from different localities collaborate across country borders in reconstructing MNCs as international collaborative associations (Kristensen and Zeitlin, 2005).

Unions and Europeanization

However, unions have not had their eyes directed towards such a major transformation of neither the MNC nor the individual bond between (subsidiary) enterprises and their host region. Instead

unions have seen Europeanization and globalization as carrying with them the promises of a neo-liberal turn. Through ETUC and associated bodies they have tried initiate for years a pan-European corporatism in which they could repeat the previous success of Keynesian corporatism in such countries as Germany, the Netherlands and Scandinavian. Ideally they have aspired for a system that could prevent “a race to the bottom” by setting up European bodies, where the social partners together with EU could bargain over level and conditions of employment, wage levels etc. (Waddington, 2005). But as Marginson and Sisson (2004) argue, we are presently very far from a system of centralized bargaining or of pan-European Keynesianism. Rather in country after country, we have witnessed a race to decentralized and local bargaining, reflecting partly the turn in enterprise restructuring, as reported above ().

However, as far as we can judge, unions in European countries are still very much directed towards the shaping of a pan-European corporatism that imitates the heydays of Keynesianism.
(This will later be documented)

This orientation means not only that a lot of resources are directed towards lobbying at the European level. It means simultaneously that unions at national levels to a high degree orient their bureaucracies towards the EU-bureaucracy, and make the European-wide technocratic dialogue set their national agenda.

To our surprise, we found that many of the “demands” formulated by unions and employers associations in preparation of Danish national centralized bargaining, reflected European wide social dialogues – though it was not revealed as stemming from the EU.
(The documentation will follow later)

Obviously, these European-wide issues may only arbitrarily reflect the needs, challenges and opportunities that activists experience, when they are engaged in local partnerships, the evolution of high performance work systems, the fight for the survival of a subsidiary within a MNC or the reconstruction of a EWC towards an international deliberative democracy. To local union activists, it seems as if union-bureaucracies have focused their attention in a highly erroneous direction.

We think that this illustrates very well the huge dilemma that unions and employers associations are facing in the age of globalization. They need both to work on an international scale with and within international organizations. On the other hand they also need to be much more focussed on local experiments in order to find ways of civilizing and codifying these, so that a direction towards a gradually improving society is negotiated. This will involve – as we have seen – ways to empower and build up the capability of local activists and make unions experts on the evolution of enterprises. Obviously, unions cannot march in both directions without facing a basic crisis of direction, especially given that they are often facing a serious financial crisis with the gradual loss of members – even in such countries as Denmark.

We think that a way out of this dilemma is for the unions to focus their interest not so much on the centralized bargaining institutions, wages and employment as on building up complex institutions that can help shape a labor market that assists individual employees in undertaking complex careers at work, that gradually heighten their bargaining power and support shop stewards and convenors with a powerful constituency that reproduce their respective power in partnerships, enterprise-restructuring, etc. It is exactly in the Danish labor market that we may find the reasons why shop stewards and convenors have been able to play a powerful role in such partnerships, despite the fact that the Danish unions for a while misdirected their attention.

Labour markets as a powerbase of unions: Revisiting Danish Flexi-curity

The Danish labour market has been characterized in the recent literature () as a *flexicurity model*, which combines labor market flexibility and social security. The literature has emphasized that the Danish system combines high welfare benefits with easy access for firms to hire or fire employees. In our view the system encompasses much more than that, presenting quite distinctive and interesting features, which benefit different actors in the labor market. One of the fascinating features of Danish flexicurity is a highly mobile labor force that, supported by welfare schemes, has the possibility to continuously upgrade skills so they can actively influence work organization, the formation of networks among firms and create a rivalry among firms over recruiting attractive workers.

In the Danish system the welfare benefits are used not only for proportioning high levels of social equality. An important, if not the most important, effect of the welfare regime is the possibility of workers to upgrade skills through continuous training, not only during unemployment periods but also at different stages in the work career. The combination of high mobility and continuous skills upgrading produces a labor force that frequently moves among employers and builds work careers across many firms and therefore accumulate many social ties.

During our interviews it was apparent that for a substantial number of employees remaining for more than two or three years with the same firm was not seen as a satisfactory alternative. Rather employees interpret their mobility as an important contribution to their skill enlargement and security against unemployment. Rather than being fired, the main reason for workers to shift job is the need for new challenges (). We think that this is the chief explanation of why Danish firms have become very oriented towards “learning modes of organizing” (Lorenz and Valeyre, 2003). These features contradict the vision of a flexible labor market, which is generally related to economic insecurity and degradation of workers rights in working life. Flexibility in the Danish case increases the bargaining power of workers vis-à-vis employers, as we shall see.

Once workers improve their skills by using the welfare schemes and keep high levels of mobility, they improve their employability as well as reduces the possibilities of downward mobility, since firms need to compete to recruit the best employees by offering good wages, challenging work and good working conditions (Kristensen, 1996). This high level of workforce mobility also creates a virtuous circle which improves and boosts the formation of networks among firms. By keeping good relationships to their former colleagues and employers, Danish workers help firms to build strong ties of collaboration and information sharing. High internal skill levels and rich access to external skills in other firms, make firms look for challenges beyond current routines. Skills in this way become self-propelling.

From this perspective the active labor market strategies are not those which force workers to find jobs, but a set of interacting features which increases the bargaining power of the labor force, enabling it more actively to choose its own destiny. The right of the workers to desire, search and create flexible skills is a powerful force, driving the move towards loosely coupled relationships

between workers and firms, which in turn support experimentation, learning and performance improvement. In this sense, the Danish system has been quite successful in supporting the freedom of choice for workers in different stages of life. Instead of fighting for employment security for privileged majority, the system supports security through personal development and consequently the improvement of employment capabilities. What is at stake in the Danish system is not the level of employment, which is almost as high as in Anglo Saxon economies. Security is a feature linked to and dependent of flexibility in the use and deployment of skills, which are in turn dependent on the patterns of skill formation, distribution and change. Contrary to other systems, where employment security leads to highly specialized workers, who develop close connections and strong dependence on specific firms or sectors, flexibility leads to highly skilled workers with loose relations to firms and sectors, and who is able to adapt to changing competitive economic regimes.

The contrast seems great compared to Germany, where workers are more tied to firms in long term careers, making incentives for employees to invest in firm specific skills that fosters gradual innovation within narrow trajectories (Casper and Matraves, 2003). Probably, Denmark's labor market is less able than the US labor market to foster radical innovative firm practices (Casper and Whitley, 2003). But it has its strength in continuous improvements, making novel products and probably in radically transforming people within a life span

Recently the French government has tried, not successfully, to infuse more flexibility in the national labor market. These reforms were expected to produce a new virtuous circle of growth, creating more jobs and more employment. The means were quite different from the institutions, which prevail in the Danish labor market. The French government tried to make it more favorable for French employers to hire young people (who suffer a rate a 25% of unemployment) by withdrawing from this group the privileges that other, more old groupings holds. These reforms, had they been implemented, would have reduced the freedom of choice of unemployed young people, who would have been forced into work with reduced employment security and very low bargaining power. It is not a great position for cultivating the aspirations for a working career involving constantly changing demands for competencies and capabilities.

This would not have changed the French labor market in the direction of Denmark's. Whereas the French educational system is major supplier of relative firm group divisions with each their

professional privileges and “rights” to jobs at certain, relatively well-defined hierarchical levels (Maurice et al., 1986; Crozier, 1964) in firms and public services, the pre-structuration of the Danish system of positions and roles is much more open. Traditionally this meant that Danish craft workers had very open possible careers, e.g. to become entrepreneurs or high level managers (Byrkjeflot, 2000). And they achieved this by frequent job-shifts, moving across firm boundaries and making use of a dense and frequently redefining further training system.

Today, Danish firms are rapidly changing their work organization and redrawing hierarchical positions and roles. People on the other hand are moving in highly individualized ways through positions and training. What goes on and can go on is an experimental transformation of both firms and working population, so that they can both search for new market positions (as firms) and new professional identities (as persons). It is in this mutual redefinition process that union activists at local levels take on a crucial role, as they both connect people with transitory training institutions, and enable employers with wide possibilities to search actively for better market positions by offering partnership that secures the partners’ mutual benefits.

Obviously, one of the primary tasks for Danish unions is to develop and constantly modernize the system that enable all different groups to engage in this continuous redefinition of professional identities. This is done by constantly broadening the scope of these institutions and sophisticating the levels and range of courses offered. In this way they might create a ladder that brings the majority of the population the networks of innovative cooperation that globalization offers (Unger, Forthcoming).

A Radical perspective for Union politics in the EU

Our short comparison of the French, German and Danish labor market illustrates quite well what could be the task for unions at a European level. If focusing on what options for self-transformation that the different labor markets offer their populations, unions could start suggesting reforms to the benefit of people as well as of the firms that try come to terms with global challenges and opportunities. In this process, trade unions could, drawing on OMC, use benchmarking in different European Countries as a way of systematically searching for inspiration for improving regional and national labor markets. Once some countries have demonstrated that new and different political actions are possible, others can also try to adapt, adopt or at least attempt to implement them.

In the European Employment Strategy (EES), the Open Method of Coordination (OMC) has, until now, been used to create schemes that favor labor market flexibility to the benefit of employers short term interest in being capable of easily firing workers. As it has been seen employers and unions may share interest in creating schemes that make workers much more skilled and attractive resources in helping change themselves and firms to take on increasingly advanced tasks.

Thus instead of longing for and searching for ways to realize the Social Democratic vision of a Keynesian Social Europe, trade unions in Europe through ETUC could mobilize the EU to choose the “high” instead of the “low road” to labor market flexibility.

As Taylor and Mathers (2004) show, the mobilization in the wake of the ETUC becoming engaged in the European Charter of Fundamental Rights was actually one of the most successful ones in the recent history of the ETUC. It is easy to imagine that rights could be formulated that would give all citizens access to training and mobility in different situations in such a way that it would force national governments to work with these issues. But it would also provide local union activists with the tools and the negotiating bodies that would enhance their power and usefulness towards employers.

Furthermore, the ETUC does not need to wait for the EES OMC to take on a cross-country learning process on novel institutions in training and forms of work-organization that enable employee self-transformation so that they can master increasingly difficult challenges within the frame of globalization. This learning process can be organized within the ETUC as an internal OMC that is used to provide national unions a much more direct, concrete and profound critique of national policies. In this way the ETUC and national unions could be actively engaged in suggesting the type of institutional reforms that would make enterprise partnerships favorable to workers and unions, and restructuring work to benefit of workers. The OMC within the ETUC could be directly used to discuss the comparative advantages of different subsidiaries’ labor markets within a MNC during EWC-meetings.

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