COMMISSION OF THE EUROPEAN COMMUNITIES

studies

Problems and prospects of collective bargaining in the EEC Member States

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PREFACE

The task assigned to the Commission of the European Communities in the social field by Articles 117 and 118 of the Treaty of Rome includes matters relating to employment, labour law and working conditions, basic and advanced vocational training, social security, prevention of occupational accidents and diseases, occupational hygiene, the right of association and collective bargaining between employers and workers.

Furthermore, pursuant to the Council Resolution of 21 January 1974 on the social action programme (1), the Community institutions must, on the basis of the situation in the various countries, promote the conclusion of European collective agreements in the appropriate fields.

On the vasis of these provisions the Commission has undertaken a study with a view to identifying the most significant recent collective bargaining trends and outlining future trends.

The following have contributed to this study :

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The Commission thanks these contributors for their expert and constructive co-operation.

In presenting to interested circles this study, for which the final rapporteur takes sole responsibility, the Commission, while not regarding itself bound by its findings, wishes to submit for consideration to all those concerned an important contribution to our knowledge of collective bargaining trends in the Member States of the EEC.

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(1). OJ C 13 of 12 February 1974

Introduction

In the early 1960s it seemed likely that collective bargaining, which had taken vigorous root in most European countries after the Second World War, would henceforth develop along simple and easily foreseeable lines. It seemed that the gradual establishment of organizations and institutions and the benefits derived from growth would calm down conflicts, regularize relations and bring a wider acceptance of economic constraints. In addition, it seemed that industrial relations would no longer be a focus of social conflict or of the hopes of transforming society. Since then, two successive crisis have produced a different outlook. The first crisis, between 1968 and 1971? involved a sudden increase in strikes, often spontaneous, at times unofficial, the sudden emergence of new groups ane the use of new methods, the affirmation of new priorities and new objectives and a widescale questioning of accepted differences and traditional authorities. In some countries this crisis was a minor one, as in the Federal Republic of Germany; in others it was more seriuos, as in France, the United Kingdom and Italy. But everywhere it shattered accepted values. The second crisis, since 1973 and even more since the second half of 1974, involved not only a rise in inflation and an imbalance in most countries' foreign trade balance, but also destroyed what seemed the most solid post-war achievement, full employment, and thus shook people's confidence in growth prospects. The second crisis did not eradicate the first, although it changed some of the basic data (indeed, it probably intensified the crisis of values that went with it). No doubt both are still too recent to be assessed fully and too complex for us to see all their consequences and after-effects.

But this uncertainty only makes it all the more necessary to attempt to pinpoint the questions they raise.

To what extent is collective bargaining still an efficient method of determining, in this new context, employment and working conditions, wages and salaries, basic allowances, social benefits ? To what extent has it managed to cope with the new problems raised by unemployment and dismissal, the fight against inflation or the new requirements concerning the quality of working life ? What can and should one expect during a period of profound economic and social change ?

These questions can be answered only on the basis of established fact, by compiling, collating and comparing the answers given in the nine countries. A problem of definition arises at the outset of this enquiry, for where does collective bargaining begin and end ?

A purely legal answer would not be very satisfactory. If one followed national custom, then it would be necessary for the Federal Republic of Germany to make a careful distinction between the field of bargaining and the field of workers' co-management and exclude everything dealt with by the works council. On the other hand one would have to include most of the activities carried out by the Italian works council. The oppositions would be further reinforced by our use of language : the concerted action which

for many years brought together government and the two sides of industry in the Federal Republic of Germany does not fall within the sphere of bargaining, although it obviously influences it. By contrast, many of the Italian confederations' discussions with the government are often regarded as contrattazione.

Furthermore, the terms used vary in precision from country to country. Federal German law is very precise in this respect, as French law was in principle. But in Denmark any agreement between the parties, even a verbal agreement, has contractual value if it can be certified, and in the United Kingdom custom and practice is no doubt even more flexible.

At the risk of making it impossible to draw any coparisons, we must therefore discard the legal definitions and adopt a more common-sense definition which is as wide as possible : 'not only talks which end in the conclusion of genuine collective agreements, as defined and laid down by law, but also the whole gamut of consultations, insofar as they involve actual negotiation, between employers and workers or between their respective representatives'. (1) (Obviously, the public authorities play more than one role in these relations.) We shall not hesitate to do this, especially since a purely legal study is being undertaken parallel to this which will give all the necessary legal details.

Since it is the purpose of this study to examine changes that have taken place and that are now taking form in bargaining legislation, we shall try instead to begin with the developments that have actually occurred and fields that have been examined, such as employment, wages and salaries, the quality of working life. We shall then go back to the bargaining parties, those who take part in the bargaining and those who exert an influence on it. We shall ask which organizations represent the bargaining parties and the place of the public authorities in industrial relations. Then we shall consider how they meet in disputes ane how they reach a compromise, in the context of conflict and negotiation. We shall conclude by discussing the present situation of collective bargaining and likely future trends.

Three remarks must be made first.

Firstly, we do not pretend to cover the subject in its entirety and even less to compare precisely in what manner a same issue has been dealt with in the various countries or the results achieved. We want merely to pinpoint what is new and the general trend. For instance, we shall not try to assess the measures taken in youth employment, with or without the participation of the two sides of industry, nor the results achieved, but merely indicate the attitudes and guidelines according to which employment questions have been negotiated. We shall not give a full picture of the agreements and their clauses but will discuss the main agreements and show the main lines of change.

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1. International Labour Office, Collective bargaining in the industrialized market economies, Geneva 1974, p. 2.

Secondly, we are trying to discover future trends but not to direct or guide them. We are attempting to make forecasts, not recommendations. Of course, it is only human that once a trend has been recognized and identified by one or other of those concerned, it should give rise to reactions and responses. But fragile as our findings may therefore be, it seemed necessary to confine ourselves to these limits.

The third remark is the most important. This is a consolidated report. That means it makes use of the material, facts, ideas and thoughts of nine national reports. Clearly it is from them that we have derived not only our information but many of our basic ideas. Furthermore, we have had the privilege of being able to call upon the other eight experts on two occasions : first when we presented our first draft report on 29 November 1977, then when we compiled their opinions and criticisms on the edited report in January 1979. Most colleagues took the trouble to make detailed comments which enabled us to correct our statements or give more details. They have generously shared their thoughts and personal conclusions, of which we have mede abundant use. In order not to encumber the text further, we have not referred systematically to the national reports. May we therefore express our overall gratitude here. Naturally the author alone is responsible for any errors of fact or judgement he may have committed.

Lastly I would like to thank Madame Nicole Mercier, my assistant at the Conservatoire national des Arts et Métiers, for her invaluable aid throughout this work, and Madame Jeanne Bailly and Miss Huguette Alline, who despite their many other duties undertook the onerous task of finalizing the manuscript.

Paris, February 1979

1. Problems and their solution in collective bargaining

1.1 Job and income security

In the nine countries, the 1973-1974 crisis produced a sharp rise in unemployment which became a major if not the main social issue. However, there is a striking difference in the situations in the various countries : Luxembourg, where mining is the main industry, is no doubt an extreme case. Ireland had already experienced major unemployment in the recent past. The trend in the Federal Republic of Germany as a result of the moderate rate of inflation and the positive foreign trade balance is probably the most favourable of all. Countries with an economy largely dependent on exports such as Denmark, Belgium and the Netherlands must be particularly prudent in their attempts to relaunch their economy. But in all cases the employment market suffered profoundly and has little chance of recovering as soon as the economic trend improves. The chances of absorbing this unemployment vary according to situations and policies, but at best it will take several years (obviously, it is possible that the crisis may worsen). So the problems are long-term ones.

It has proved especially necessary to find solutions, even partial ones, because the long period of full employment experienced by most of the industrialized countries has made loss of employment or unemployment even less palatable. As shown by the vigorous local reactions to manpower reductions and firms closing down in Italy and Belgium, the UK and France, people find it more difficult than ever to accept these 'accidents' - perhaps because the full-employment policies convinced employees of the governments' ability to take action in this field, and perhaps also because relative prosperity and the habit of growth make the sudden loss of employment a great shock.

So it is not surprising that in most of the countries the 1973-1974 crisis caused new measures to be taken, some legislative some contractual. Often they went beyond mere pay increases to reveal a profound change in basic attitudes and perhaps guiding principles.

1.1.1 Unemployment benefits

Leaving aside the question of compensation for dismissal (cf 1.1.2), before the crisis unemployment benefit was governed both by law and by agreement, with the law predominating in most cases, apart from the striking exception of Denmark where there is a voluntary unemployment insurance system (since 1967 the state budget finances it above a certain level of contribution) and mixed cases such as France. The changes that have occurred in recent years have given a more important place to bargaining, perhaps because this method is more likely to succeed rapidly and because it is more pragmatic by nature so that emergency measures can be taken even if they sometimes run counter to certain principles.

For example, in France an inter-trade clause of 30 October 1974 fixed compensation at 90 % of gross wages for twelve months for workers dismissed for economic reasons; in Belgium the 60 % social security is supplemented in many branches by 'security of living standards funds' set up by agreement; in the Federal Republic of Germany, although the law retains the main responsibility, branch agreements have also supplemented the payments (15 % for chemical workers). Italy is an intermediate case because the unemployment fund which covers layoffs (cassa integrazione guadagni) was gradually increased by law but only under pressure of various agreements ane in the form of a law which was half 'negotiated' between the government and the two sides of industry.

In almost every case the intent of these decisions, whether legal or contractual, ahs been substantially to increase the level of payment. This level, sometimes fairly low as in Italy and France (between 30 and 40 % of wages) has been raised to between 80 and 100 % (and often the percentages below 100 % apply to gross wages : the 80 % in Italy are 95 % of the net value; the 90 % under the French agreement more or less coincide with net wages). Denmark, where the payment was already high, increased it to 90 % in 1972. This practically ensures maintenance of full wages, or nearly, in the case of loss of employment. Generally these benefits are granted for a limited period of six to twelve months ane do not therefore offer full security at a time when long-term unemployment is on the increase. But in fact this limitation only excludes a small percentage of the unemployed.

As regards those covered, sometimes it is the unemployed whatever the cause of unemployment, although generally they must have had previous employment, sometimes only the victim of dismissal for economic reasons, (eg France), sometimes, as in Italy, those who are temporarily dismissed, which encourages lay-offs. In the latter case, the range was gradually extended from those who were to be given special encouragement to retrain, to those who had been laid off. At the same time, unemployment benefit, which was very low at the outset (800 lire per day), was raised to two-thirds of earnings by the social security (INPS) in the case of victims of economic dismissal. Often (Denmark, France), young people who have completed vocational training courses and cannot find work are treated in the same way as unemployed workers.

If we wanted to assess the full implications of these measures we would have to undertake a detailed study of, for instance, the proportion of unemployed effectively covered by the new measures, the number of persons in France to whom they do not apply because they were not dismissed for economic reasons (end of fixed-term contract, for example), in Italy because they were not aware of their rights or in Denmark because of voluntary insurance. What is the proportion of those who have exhausted their rights ? It is clear that the gap between the accepted principle and its full application can be a wide one. Even in the best of cases, only some of the unemployed benefit from the new measures.

Yet this reform of principle remains a decisive one as is underlined by the wave of criticism the measures provoked in some countries, from Ireland

to Italy to France. Is it possible, ask the critics, to give wages to people who do not work without destroying their will to work ? Does this not make dismissals even easier ? May there not in certain cases be collusion between employer and worker ? There is some ground for these criticisms which may well refer to real wrongs. But no doubt their main interest is that they stress the breadth and scale of the innovations.

On the other hand, the jumble of measures or simply the diversity of schemes (according to ade, sex, sector, skills, type of dismissal) sometimes needs to be put in order. For example, this was the aim of the law of 16 January 1979 in France, which provides an outline for the simplification and unification of schemes and calls on the two sides of industry to establish the rates, duration and conditions of award. In future, all schemes will be administered by joint institutions to which the State will make a contribution.

Compensation for partial unemployment has developed in the same way, sometimes being laid down in the same texts. Sometimes, to prevent abuses, the payment must be made by the undertaking itself (as in the February 1968 agreement in France). But with the worsening economic situation the payment is more frequently reimbursed to the undertaking (France) or takes the form of a subsidy to the undertaking to maintain employment (Luxembourg, law of 26 July 1976).

In all cases, compensation for partial unemployment has two different purposes ; to maintain the worker's income and, at least as important, to protect his job, either by making shorter working hours less advantageous to the undertaking because it has to pay part of the compensation (although this is a double-edged weapon, for if the situation worsens, it simply leads to dismissal), or by subsidizing the firm to maintain employment. So it is not just a compensatory measure but also a job protection measure.

1.1.2 Job protection

Leaving aside protection against arbitrary dismissal (which is governed by a series of laws but apparently by few agreements) because, important as it is, its purpose is quite different, special importance must be attached to measures to protect the worker in his job against economic fluctuations by making his dismissal more costly or more difficult and subject to special procedures. In most cases, the dismissals to be regulated are mass dismissals. But under certain laws (as in France) individual dismissals can be covered by the same rules, provided they are for economic reasons, in other words, connected with a reduction or change in activity.

Here again, legislation and agreement are inextricably entangled and their roles vary widely. Sometimes the agreement is given general application by law (France, law of 3 January 1975 and inter-trade agreement of 21 November 1974), sometimes the law is based on company practice even if the latter is barely recognized in official agreements (the Employment Protection Act of 1975 in the UK prolongs and develops the 1965 Redundancy Payments Act,

although branch agreements signed between these two dates barely incorporate its provisions); sometimes the agreement supplements the law or deals with a specific issue (for instance, in Belgium, a national collective agreement 2 October 1975 determines the additional information the employer must give if he plans mass dismissals after notifying the works council. In the Federal Republic of Germany, since 1961, branch agreements give protection against 'rationalization').

To avoid going into excessive detail (and unnecessary detail, since the specific national solutions can only be understood fully in their own context), we shall nto review these decisions and will merely classify their results under three major headings.

1. Redundancy payments. Apart from cases of unfair (or, as the Germans call it, 'anti-social') dismissal which have a different purpose,(1) the legislation or the agreement may require fairly high redundancy payments which will make the transition easier for the worker concerned and in addition may dissuade the employer from dismissing him. In Italy, the length of service allowance (indennità di anzianità), frequently a substantial sum, is granted in the case of dismissal and also in the case of resignation. Legislation and agreement combine in various ways to achieve this. In Belgium, a national collective labour agreement requires the employer to give four months' supplementary pay in cases of collective redundancies. In the Federal Republic of Germany, the law of 15 January 1972 makes the works council responsible for reaching an agreement with the employer on social questions, including the appropriate payments. No doubt this was modelled on the agreements on protection against rationalization made in 1961 and later and applicable to undertakings which are being reorganized, which forbid dismissal above a certain age (55) provided the worker has completed ten years of service, extend the period of advance warning, increase the proposed payments and cover losses of income due to transfer. Similar agreements were signed in Luxembourg in 1969. This is a particularly interesting case because it lends itself to economic calculation - and no doubt this is not by chance. The aim of reorganization and rationalization is efficiency and profitability; so it is only logical for it to pay its 'human costs'.

2. Notice. In addition to the notice given for dismissal, ie the period between notification of dismissal and its taking effect (which can often be replaced by payment of an equivalent lump sum) there is also the advance warning period, ie the time between announcing a collective redundancy and notifying it to the individuals concerned. The first form of notice is mainly based on the desire to make the dismissal less brutal and to give the worker time to seek other employment (for which he is often given time off during this period). The purpose of the advance warning is quite different : it allows time for joint discussion or examination of the decisions to be taken. So it cannot be replaced by an additional payment and in many cases an employer who does not give this notice will find his decision cancelled or at least penalized before a tribunal.

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1. It is generally fixed by law. But in Denmark it is governed by a confederal agreement between the D.A. and the L.O. of 1973.

3. Information and discussion. It is largely up to the employer, especially vis-à-vis a works council or committee, to provide regular and detailed information on production and employment prospects. In several countries this obligation has been taken further and made more specific (by law in France, 1966, and in the Federal Republec of Germany, 1972; by collective national agreement in Belgium, 1970). This obligation is often particularly strict if dismissals are planned. In France it involves informing the works council, joint discussion and the possibility of applying to a joint branch committee (agreement of 21 November 1974; the law of 3 January 1975 also requires the authorization of the industrial inspector to whom the employer must justify his decision); in Belgium obligatory information without the employer having to justify mass dismissals (national collective agreement of 2 October 1975); in the Federal Republic of Germany, obligation for the employer to agree with the works council on the measures to be taken.

In fact these information and consultation procedures are often a discreet form of bargaining. Although the Federal German works council has no right to call a strike, it is certainly involved in internal bargaining. Although the French works council cannot sign a formal agreement, it is often its opinion that determines whether a dispute will take place, and whether a process of bargaining will begin with the unions. There is almost total continuity between these procedures and those in Belgium, Italy, or Luxembourg where such problems are settled by actual bargaining.

In some cases, job protection is embodied in specific agreements. In Belgium there are sectoral or company agreements under which the employers undertake not to make dismissals and even to maintain the employment level; in return, the unions agree to accept early retirement, partial unemployment and the suppression of overtime, severance payments, transfers from one establishment to another and the retraining of woukers. As a supplementary measure, the food union in the Federal Republic of Germany has proposed setting up a fund financed by contributions from workers' earnings, in order to compensate for the gradual release of the oldest workers in that branch. The Italian examples are very similar to the Belgian ones : in 1973 several agreements were signed in major undertakings to cover the location of job-creating investment. In Italy, after the reversal in the economic trend, the Fiat agreement of November 1974 provides that Fiat will continue to hire workers to make up for natural departures in the south and that there will be no dismissals elsewhere; in return the union accepted additional 'bridging days' and the possibility of redundancies and transfers between establishlents. In 1976, most sectoral agreements in industry provided, more modestly, for mutual information and joint examination of investment and production decisions (sometimes with very precise procedures, as in the chemical industry).

Luxembourg is probably the extreme case because of the very serious crisis in the iron and steel industry. After many other measures, Arbed resolved to implement a plan actively seeking ways to save on labour (a department has been set up for this purpose) : it made great efforts to redeploy the resulting superfluous staff and persuaded the unions to sign a special agreement endorsing this plan (its implementation is being followed up by a joint committee).

1.1.3 Two policies ?

Is it possible, from the above examples, to distinguish two possible lines of action, or even, using a stronger term to bring out the opposition more clearly, two policies ? In the one case the decision is left mainly to the employer is not asked to account for it, although this policy also makes dismissal costly, if not very costly. But provided he pays this cast, which is regarded as just compensation for the inconveniences he is inflicting, the emploter is free to follow the logic of pure efficiency. The other case, on the contrary, makes greater demands on the employer to justify his decision in both social and economic terms. It seeks less to increase the cost than to impose periods of notice and opportunities for examination and reflection, in fact for bargaining within the firm or with the other side (public autorities or workers' representatives) who will judge the matter on criteria other than those of economic efficiency (although they cannot dismiss that entirely). The first case makes dismissal easier because it merely adds a further element to the calculation of costs without changing the rules of calculation. The second inhibits dismissal by involving other criteria and other considerations in the decision.

We can now revise our notion of opposition; often the two lines of action coexist in the same country. Far from being opposites, they are often complementary. Thus the best example of the first policy is perhaps the Federal German agreements on protection against rationalization; yet an equally important place is occupied by the discussion of the 'social plan' with the works council, as required by the Federal law of 1952 (amended by the law of 15 January 1972) - which is closer to the second policy. (1) French practice, especially since the 1974 and 1975 texts, mainly follows the second policy. But the first also occurs and as a result the level of severance payments has risen.

Yet the second remains quite distinct from the first. The best proof is the recent scandal provoked in France by the system of offering severance payments (an undertaking persuaded a large numger of workers to leave voluntarily by offering a substantial lump sum to anyone who gave in their notice). Why this practice (in accordance with the law and elsewhere frequently considered, particularly by UK trade unions, as completely normal subject to discussion of the amount of the payment) is regarded as shocking by some French trade unions can be understood only if it is realized that by so doing the employer was dodging the judgement of the unions with whom he should have dealt. Otherwise, there seems nothing surprising in an adult employee who knows his rights deciding whether or not it is in his interests to accept a severance payment.

The two directions also correspond to two types of discussion. The first consists of general bergaining to determine the general rules to be observed. It tries to place potential specific cases under a jointly decided law. Thus the discussion can have a bearing on the decision but is not a part of it.

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1. However, the council has no right to oppose the management's plan and may only discuss its social implications.

It judges after the event, a posteriori, whether the decision taken complies with the rules (this is especially easy when it is merely a question of checking whether a payment has been made). Naturally it therefore takes place at some distance from the undertaking, for instance at branch level. The other type of discussion, by contrast, lays down the procedures for examining a case in poiny, as the jurists call it. It does not specify in detail the criteria of assessment because it reserves itself the right to consider a given case in all its complexity. It intervenes before the decision is taken in order to influence that decision, to know on what grounds and according to what criteria it has been taken. In fact, it takes part in the decision-making (even if at present the two parties are on a far from equal footing); so it intervenes a priori and not after the event. Naturally, this also involves direct contacts with the interested parties or at least with the decision-making body which is the undertaking.

The labour disputes which are common throughout Western Europe, particularly widespread in Italy and France and also frequent in the UK and Belgium, illustrate this second procedure. At first sight it seems absurd for workers to occupy a firm that is going bankrupt, to continue to produce without a boss, or to go on 'strike' in the absence of any employer. Once bankruptcy has been declared, what is the use of the economic weapon os the strike ? Of course, it could prevent the sale of equipment or the premises, thus giving workers a hostage against compensation. But this procedure seems more sensible if it is regarded as a passionate and sometimes unruly appeal for an examination in social terms of employment. The successful cases, of which there are not many, involved the use of political means. But this is surely quite natural when it is a question of protesting against the results of a decision taken by an employer or a tribunal according to the criteria of profitability alone.

It could also, of course, be a means of exerting pressure on the government to come to the rescue, or 'quite simply' provide a subsidy to avoid bankruptcy (sometimes it is difficult to draw the line between operations arising from a rational industrial policy and those protecting lame ducks.

In general it is the rank-and-file movements which use these methods and aim at these objectives. In the UK labour disputes are the affair of the shop stewards. In Italy, it is the workers' delegates, delegati, directly elected from the shop floor, who often organize strike action. In France, the federations have played a minor role in relation to the local unions (often even backed by staff meetings which made no distinction between union and non-union members).

The judgement of society which is called for and on which the action is based is often at local level. Curiously enough, strikers have sometimes obtained support and effective aid from the local employers and the Chamber of Commerce. They have also found it among traders, municipalities and local political figures (sometimes acting independently of their party). Where it is a question of protesting against the constraints of the balance sheet by appealing to the public interest and the realities of work and production or the value of the social bonds, this is in fact an obvious procedure.

Of course such events are marginal, even in the countries where they have aroused most notice and been emulated most. If one asked how many collective redundancies led to disputes and how many such disputes ended in success one would find that they are incidents of only local importance. But they could be assessed in another way. Surely the influence exerted on the employers' decisions and on the joint discussions (or discussions within a works council) goes further and deeper ?

This cannot be measured. But at least it shows that practice, when based on the deeply held convictions of those concerned, is somewhat remote from any model labour policy based on freedom of hiring and firing, compensatory payments, training, redeployment and mobility (which one might be tempted to call the 'Swedish model' if the Swedish unions had not been the first to discard it and the Swedish economists the first to criticize it). This model is more expensive than it might seem, since it creates a fringe of workers who cannot be redeployed or are not mobile. In addition it disregards the basic sense of solidarity within the undertaking or establishment and the fact that, when faced with difficulties, that is where the employees derive their main strength.

It is hardly surprising that a model of organized mobility should lose its attraction when the economic trend worsens. But the change - which occurred before the economic downswing - goes further and puts in question the very criteria of judgement in the field of employment.

1.1.4 Job distribution, job creation

Many of the provisions of the Belgian and Italian agreements we have mentioned relate to what is called job distribution, that is to say, the attempt to distribute existing employment more fairly. The same methods have been used fairly generally.

Firstly, they involve the abolition or reduction of overtime. In Belgium, overtime is generally limited to 40 hours a week by law. In fact it is surprising that this trend has not been more general or more far-reaching. While redundancy remains widespread, several branches still consistently work more than a forty-hour week. The slow change cannot be explained only by the demand for a compensatory increase in wages. Quite apart from the fact that this demand has been formally abandoned in several cases (cf 1.2.3.2), it might not be sufficient. Perhaps it can be explained merely by the 'viscosity' of the work force, that is to say, by the time it takes to make up for shorter working hours by new recruitment ? Or perhaps one should point out that in the UK and no doubt elsewhere too, overtime, in spite of its disadvantages and because it offers each individual a degree of flexibility and choice in his earnings, has become a matter of custom and practice and employers follow this practice for very similar reasons.

Lowering the retiring age may have the same purpose. In most countries early retirement schemes have been introduced, at first reserved to the

unemployed aged over 60, then extended to the most arduous jobs (or to women with two children) and finally in some cases open to all with no restrictions except the veto on retirement and employment at the same time (Belgium, France). In some cases the links between shorter working hours and job creation is clearer. For instance, in Belgium an agreement in the banks reduces the working week in 1978 to 36 hours. In return the employers undertake to create 750 additional jobs. The same applies to insurance companies. However, these are both sectors which are not affected by international competition. An agreement was also reached in a glass factory to maintain employment by giving longer leave (Glaverbel).

Similarly, in the Federal Republic of Germany, the printing union is asking for a 35-hour week in the hope of creating more jobs. This was also the aim which the strike in the iron and steel industry in 1978-79 failed to achieve in Germany. Demands for a 35-hour week are tending to become general in Europe (see 1.4., particularly 1.4.1).

Perhaps one could go even further and really create jobs. In this same glass factory in Belgium and under the same agreement, the employer undertakes to make job-creation investments. There are similar French examples in the same branch. The Fiat agreement mentioned earlier had the same aim, although in a quite different economic climate (1973). The regional agreement on mining in Charleroi also aims at creating new jobs.

It has been said several times that it should be part of the employers' responsibilities, whether individually or as a body, to create jobs. In France this idea gave rise to the first results of the Lip affair, namely the creation - unfortunately ephemeral - of an undertaking by the Shoemakers' Federation in Romans and job-creation investment schemes to make up for the dismissals at Rive-de-Gier (1977).

But in a situation where in the long term insufficient jobs will be created naturally, perhaps other methods should be considered. The national (tripartite) conference on employment held in Belgium in 1976 proposed creating a 'third labour network' which would be neither the traditional public employment network nor that of the market economy as such. According to the traditional formula the unemployed were to be put to work on 'major works', and this has left some bitter memories, since the time of the 1848 national workshops. One could, however, conceive of a network of work of social utility which, without being 'profitable' or steady, could be undertaken by those who could not find jobs elsewhere for the time being.

The Belgian government paid the unemployed to work in the social services and on improving the living environment. Luxembourg has signed contracts in the usual form for 'extraordinary work of general interest' with undertakings which had excess staff. In this way one iron and steel firm cleaned up the rivers, cleared the forests, developed the parks and recreation grounds and improved road signs and road safety.

Perhaps it would be reasonable to add to these two examples the programme of subsidies adopted by the Danish Parliament in 1975 and 1976 and designed, among other measures to promote employment, to improve accommodation (by insulation) or to improve the working environment.

Lastly, the increase in public sector employment may be due to the same reasons and have the same results. In most of the countries, this is one of the rare sectors in which the staff complement continues to increase.

1.1.5 New trends

1.1.5.1 Job control

We have observed a new tendency (1.1.3) or at least a more important trend in job protection : in addition to financial compensation, there is a trend towards control (by those concerned and/or by the public authorities) of employment decisions. This new trend, which is certainly encouraged by the short-term economic situation but which perhaps also reflects a deeper change of attitude, is likely to have major consequences for collective bargaining.

We noted earlier the tendency to apply criteria other than the calculation of economic results, to introduce into the decision-making a logic other than that of the classical employer. This logic surely goes back quite simply to an idea familiar to English and American trade unions, the idea that the employees, in particular the craftsmen, own their craft and the job that goes with it (job ownership). This idea is reflected in very practical form in the joint administration to access to these jobs and in the rules on length of service governing dismissal and promotion, means by which the union ensures that the body of workers to some extent own their jobs, but without taking the place of the employer.

This classical analysis has the merit of illustrating in practical terms what a different kind of logic can involve and can lead to. It is doubtful, however, whether this fully describes the new trend.

Firstly, it is clear that the body which, according to S. Perlman, collectively manages the available jobs is first of all a trade community. Although S. Perlman outlined possible ways of extending his theory to cover unskilled groups of workers, today we must go much farther : this community may be a category (eg unskilled workers, especially if they are very largely women or immigrants, ie if they are held together by a further distinctive feature), or simply an undertaking (especially if threatened with bankruptcy), or a local community. The logic reflected here will not necessarily be that of the craftsman but of a variety of industrial and local units which have nothing in common except that they do not follow the usual economic rational.

Moreover, the objective is a different one. The 'communism of opportunities' accepts the number of available jobs as a fact of life. It merely sees that they are distributed in such a way as not to offend the sense of fairness of the workers and to protect their interests and above all their unity in face of the employer. But job control relates to the actual decision to abolish (or create) jobs. It is no longer simply a question of adapting the results of that decision to the rules of length of service, for example. The very principle may be disputed because other criteria are being employed, relating not to the distribution of existing jobs but to the decision governing their existence.

This control therefore impinges far more on the employer's privileges. Job ownership imposed major, but in the end peripheral constraints on him : ie whom to assign to jobs once they had been created (or rather, whom to dismiss once jobs had been abolished). Now, on the contrary, under the new job control procedure, the demand is for a share in the actual decision-making of the undertaking (of course, not necessarily an equal share). This transition from a posteriori control of the results of the decision to a priori control of the decision-making is certainly an important change.

The uncertainty begins when we ask what forms this takes. In some cases these matters are included in the collective bargaining as such. We quoted examples of this in Italy, Belgium, Luxembourg, the UK and France. But usually (here the examples of Italy and the UK are very enlightening), they spring from a rank and file movement more or less closely directed by the unions; and in all cases the action is taken within the framework of the undertaking. How effective can negotiation on this issue really be, especially during periods of crisis when it is most necessary ? Are the traditional bargaining forms appropriate here ? In fact, often the 'agreements' are not at all in the traditional form. And the rather irregular nature of the means used shows the need for other parties to appear on the stage and for a different backdrop.

It might appear quite natural for discussions on job control to be reserved to the directly elected staff delegates and to be limited to consultation, that is to say to a less strict form of negotiation. This would certainly have the advantage of flexibility. But it might entail the risk of forgetting or underestimating the importance of possible disagreements and disputes. Paradoxically, in France it was after open disputes that the company union officials and the unions accepted the most economic responsibility and that the same people who vigorously refused co-management constructed economic plans for undertakings in trouble. This is only an apparent paradox however. In the case of a serious dispute, the two sides do not really enter into consultation but declare themselves in dispute. It seems that the kind of agreements reached by the Betriebsrat (works council) in the Federal Republic of Germany have not raised the same problems. But this could also be a result of the more favourable economic situation there.

It remains very difficult, therefore, to define the ways and means of 'dispute-sharing'.

1.1.5.2 Dualism of the labour market

To what extent are there two labour markets in Europe, one that is protected, organized, priviliged, the other with unstable employment, no guarantees and lower wages; and above all, to what extent are they separated by real barriers ? The rise in immigration and, more generally, the entry of new strata of society into the wage-earning category (especially rural workers, as in France and Italy) has certainly fostered this distinction.

Its scope has been limited by the fact that most European unions have little control over recruitment and dismissal and/or have pursued an active policy of solidarity. One could ask, however, to what extent the measures that have been taken to protect employment, that is to say the situation of those who have a job, in fact create a further division. By maintaining some jobs are not other unemployed workers being deprived ?

Unemployment strikes unequally, as it has always done. In general the proportion of unemployed is higher among young people than adults (with, as it seems, wide differences according to country) and among women than among men. In short, the new arrivals (or most recent arrivals) are at a disadvantage. In some cases, as in Italy, the problem is even more serious : the young unemployed and in particular young unemployed graduates form a new fringe group that has become massive and unregulated and is not under the control of the unions in spite of their endeavours. The very sudden fall in immigration has not prevented immigrants from leaving again, sometimes in large numbers, nor the high unemployment level among recent immigrants. Lastly, the increase in temporary work reflects the fact that today hiring has become a more serious and more costly decision.

A country like Italy also has a substantial number (perhaps nearly two million) home workers or workers in an irregular position not covered by collective agreements. The law (1973) protecting them is difficult to apply. One of the things that worries employees in the 'primary industries' is that in times of crisis a substantial amount of available employment escapes to the non-protected sector as a result of sub-contracting.

Lastly, perhaps it is basically the same difference which makes the distance between the large and medium scale undertakings and the small undertakings even wider. In the former, employment can be controlled with some success by the works councils and before the public authorities. The latter usually remain outside this control. More generally, sometimes the benefits of a collective agreement are reserved only to the former group and when competition becomes keener one finds several cases, in France, Italy and Belgium for example, where the 'non-protected' sector gains ground because it imposes fewer constraints.

Here one must of course distinguish carefully between the different national situations. They differ in this respect because of the difference in the powers of the unions and in economic level and traditions.

Does this mean that we should sound the alarm about the possible adverse effects of job protection ? Nowhere has it been shown that these specific measures produced a massive increase in temporary work. If there is any trend in that direction it is caused more by the whole body of regulating machinery, whether legal or contractual, than by specific measures. The public authorities' and employers' immigration policies have dove more to create this problem than the social protection measures. So it would be pointless to blame the privileges of existing employees.

Nevertheless, it is true that the economic trend as a whole has made competition on the labour market keener and thus made it more difficult for the individual to protect his benefits. It is only natural for the weakest to suffer most. The public authorities are trying to correct this trend, with varying degrees of success, by creating youth employment, ie trying to find a way of opening the most difficult door to them, the door to the first job. This is certainly a problem to be considered.

1.1.5.3 The two sides of industry and employment policy

As the last section clearly shows, action by the two sides of industry alone has only a limited effect in face of a serious employment crisis. No doubt bargaining and consultation can do more than merely redistribute the crisis and the poverty. They can improve economic competitiveness by easing some of the burdens or making them more foreseeable and they can help ensure that the undertakings' policies are socially justifiable. Particularly in the long term, these are important achievements.

On the other hand, the two sides have little power of action on the economic trend. And when the trend is very bad, it greatly reduces the chances of consensus. There is a wide gap between the objectives of the 1976 bargaining campaign in Italy and the results achieved : job and investment control were often reduced simply to the obligation to disclose information. The public authorities have the main power of overall action on employment.

At least they often try to bring together the two sides of industry. In Belgium two tripartite conferences on employment were held in 1973 and 1976. Although the participants had no powers of decision, the exchanges of view led each of them to take very pratical steps. They influenced legislation, government policy and negotiation. The conciliation agreement of August 1976 in Denmark closely involved both Parliament and the two sides of industry in a decision relating to wage restraints and action to promote employment (mainly by giving subsidies for specific cases). The tripartite national conference in Luxembourg in 1977 was of the same kind. On several occasions the Netherlands Government has settled issues by law. In France, youth employment measures were decided jointly by government and employers, while the unions remained rather reserved or critical.

These joint meetings certainly do not reach agreement easily. In several cases the resulting decisions taken by the government have provoked strong

criticism, as in the case of government measures announced early in 1977 in Belgium and the decisions of the Danish Parliament in 1975 and 1976. The government sometimes plays the role of arbitrator; but more often it imposes rules which the two sides of industry accept reluctantly as a temporary evil.

The same problem arises, in more acute form, with wages policy.

There is one road that deserves to be explored, however. Where it is possible to establish a 'third labour network' (cf 1.1.4), the two sides of industry could perhaps have a special part to play both in organizing this and defining its limits and objectives.

1.2 Determination of wages and salaries

The rising rate of inflation which occurred in all the countries in the 1970s made it necessary to re-examine or review the machinery for determining wages and salaries. The same problems arose everywhere, though they varied in urgency according to the economy concerned (especially according to the share of exports in the national product), to sector (whether or not protected from competition) and according to national traditions (the Federal Republic of Germany has good reason to fear galloping inflation even more than others). From 1974 on this was joined by the problems arising from a high level of unemployment. The so-called 'stagflation' is a monster which the economists have not yet managed to tame, and the specialists in industrial relations even less. From this point of view it can be said that a radically new kind of crisis occurred in 1974 and that we are only just beginning to realize its social consequences.

1.2.1 The usual bargaining structures

In spite of their differences the nine countries have many features in common as regards their usual bargaining structures for wages and salaries. The traditional bargaining framework is the branch of industry. Although the terms used to designate it vary a great deal and although the division into branches and the definition of an individual branch, which is even more important, also differ widely according to country (for instance the definition of 'engineering' or metal-working) and although divisions by trade can also be superimposed, as in the UK, in the main the framework for the discussion of wages and salaries is a branch as defined by its product, its technique or its materials rather than the trades involved. The bargaining unit can be regional (preferably, in the Federal Republic of Germany) or national (except in the Federal Republic of Germany, the tendency has been to increase the national bargaining powers) or both. The difference from the usual practices found in North America and Japan is striking.

The role of the confederations (the inter-trade organizations of employees or employers) is much more varied. In every case they have at the very least co-ordinating responsibilities; they attempt to lay down the rules of play,

and even where they have no right to dictate the conduct of the federations (or national unions) responsible for the negotiations, they may well assess the economic trend and indicate what is possible and desirable, as occurs in France and the Federal Republic of Germany and even more in the UK.

At times, however, they play an even more important role. The extreme cases are probably Denmark and the Netherlands. In Denmark, branch bargaining is preceded and regulated by confederal bargaining to decide on the margins of increase. In the Netherlands, the confederations, meeting in private in the Labour Foundation or a public organization like the Economic and Social Committee, have long been responsible for deciding on wage increases and also for supervising and endorsing the branch decisions. In spite of the eclipse of the wages policy in the 1960s, they were quite prepared to return to their traditional role when the crisis came. In Ireland national (ie inter-trade) agreements were not unknown even before the crisis. In Belgium, finally, although the joint branch committees are autonomous, the confederations, particularly in the context of inter-trade negotiations which link up with the work of the National Industrial Council, exchange their views and also make social planning agreements which become the basis of a consistent policy and settle a good number of issues at national industrial conventions.

The British TUC does not have the same powers, but of necessity it played a decisive role during the years, of which there have been many since 1945, when British governments endeavoured with varying degrees of success to establish an incomes policy and introduce wage restraints. In France, although wages and salaries remain the federations' prerogative, it was the confederations which built up the whole supporting structure of supplementary pensions, protection against dismissal and supplementary unemployment benefits. In Italy, the traditional method of confederal bargaining has regained importance in recent years as shown by the confederal agreements of 1975 on wage and salary protection and the sliding scale.

In many cases, however, the bargaining has tended to involve the undertaking. Of necessity, branch bargaining fixed minimum as opposed to real wages. Individual undertakings may therefore pay more if they consider it advisable. This makes it inevitable for wages to drift away from the agreed rates, a tendency further encouraged by growth, prosperity and perhaps inflation. The question is how are these increases decided, whether unilaterally or by bargaining ?

The reply varies greatly according to country. Bargaining at the level of the undertaking exists in Denmark, especially among undertakings which do not belong to the employers' association; in the Federal Republic of Germany it exists for the same reasons and also because the unions are attempting to take over this domain, which has been reserved mainly to the internal agreements (Vereinbarungen) of the works council (Betriebsrat). The most striking development is probably that in the UK where the activities of the shop stewards have gradually created a second bargaining level, which has become the main one, as shown in the Donovan report. The tendency in Italy is the same; there the great wave of strikes in the hot autumn of 1969 strengthened the trend towards bargaining within the undertaking, which then acted as much more than merely a relay of the branch in question. The same

applies in France, but there the trend is confined more to large undertakings and gives an important place to the quite unofficial action of the works council. A similar trend emerged in the Netherlands, especially in the 1960s, and in Belgium.

Government intervention also varies according to country. The extreme cases are the Netherlands, where for years the government 'managed' and even supervised the bargaining and, at the other extreme, the Federal Republic of Germany where respect for the 'autonomy' of the two sides of industry is a basic principle and no open intervention is permitted (indirect intervention, particularly through monetary means, is obviously not excluded, and more than elsewhere the courts have defined mutual relations). Between the two is a whole range of systems, from exemplary government action via the public sector to concerted action and authoritarian decisions, from periodic intervention to medium-term planning, from the determination of minimum wages to aid for the less-favoured categories or the promotion of bargaining.

We shall return later to the nature of the agreements arrived at in these ways. For the moment we shall merely note the differences between countries where the agreements have a fixed term (eg the Federal Republic of Germany, Denmark) and those where they do not (France, the UK, although the latter is tending towards fixed-term agreements). Even more important is the difference between countries where the agreement cannot be contested once it has been signed (Federal Republic of Germany, Denmark, Netherlands) and those at the other extreme where the bargaining can begin again at any moment and on any subject (France, the UK and now Italy). Clearly, the wages agreements have very different implications in the two cases.

1.2.2 Reactions to inflation

1.2.2.1 Spontaneous reactions

Without attempting to settle the discussion between economists on the causes of inflation, it is obvious that in seeking to correct it individual agents alone have little influence. The fight against inflation is mainly dependent on macro-economic measures (ie mainly governmental). But it is worth considering how the agents react to it in negotiations, regardless of the concerted efforts which may be made at national level.

Although we only have partial information on the subject, five trends can be noted.

1. Firstly, the proposed duration of agreements is tending to become shorter for very understandable reasons of caution. Employers are reluctant to commit themselves for more than the short term in view of the monetary instability. Employees fear they may not obtain sufficient protection. This tendency was noted in the United States, reversing the previous tendency to prolong contracts. It is evident in France, at both branch and enterprise level.

It has also emerged in Belgium, where branch agreements have tended to be reduced to twelve months, and in exceptional cases to six months, or at least to include a clause stipulating that they shall be reviewed within that period. It is illustrated dramatically in Ireland by the increasing frequency of national agreements between 1970 and 1976 and in particular by the increasingly short time span for which agreements are valid.

In all cases where it is easy to reopen negotiations, this phenomenon is almost automatic. The extreme case seems to be the Federal Republic of Germany where little change has occurred, apart from the unexpected events of 1969.

2. Not only do the agreements signed tend to be valid for shorter periods, they also seem more difficult to obtain, for the same reasons. Deadlocks on issues where agreement must be reached are becoming more frequent and extensions of time make no difference. In cases where temporary solutions can be found, this is done more frequently ('employers' recommendations' in France). Or again, where possible, the preference is for less official and less binding negotiations, for decisions which have been more or less fully discussed and accepted, rather than for agreements - in brief, for arrangements which do not require the formal agreement of the parties.

3. At company level in particular, the formulas used to deal with inflation are often emergency measures and, as a result, benefit the least-favoured categories : a wage increase which is not or not entirely linear, a lump-sum increase or a combination of the two. In Belgium, for instance, some sectors (eg the banks) made a serious effort to increase the lowest wages in that sector and women's wages. Certainly this often has an equalizing effect, to which we will return later. It should be pointed out that historically a period of great inflation like the First World War has the effect of seriously eroding the hierarchy of wages and salaries, in some cases permanently.

4. Has the shift to decentralized bargaining slowed down or speeded up inflation ? The second view is frequently maintained and the British experience of the intervention, in principle supplementary but in fact independent, of the shop stewards seems to confirm it. It deserves more detailed study, however, for other observations suggest the opposite : the small gaps in the adjustment to the cost of living (gaps which widen with the rise of inflation) and the non-linear wage increases could in fact slow down the rate. Whether the theory of 'structural inflation' has any universal application remains to be proved, at least as regards wage and salary bargaining.

5. One could ask whether the more informal nature of the bargaining and the resulting arrangements do not lead to even greater dispersal and fragmentation. Surely every undertaking or every group of employees tends to settle their problems themselves without paying much attention to collective rules or solidarity. That seems to be the lesson of Belgium - although the phenomenon can also be found in other countries - and it suggests that perhaps the distance and tension between small and large undertakings is increasing.

1.2.2.2 National minimum wages

The obligation to respect a national minimum wage is particularly useful in times of rapid inflation because the same reasons which caused the low wages in some sectors or groups also tend to delay and hinder the adjustment of these wages to the rise in the cost of living.

In countries which had long since had a minimum wage (France, Luxembourg, for example), the rising rate of inflation often became an opportunity to increase it as part of a policy to raise low wages (because this was urgently necessary, because such a policy is more acceptable in such circumstances and as a concession for certain sacrifices). For instance in France the SMIC (minimum wage) has been increased periodically since it was reviewed in 1970, and at a faster rate than the rise in the cost of living (this was true even under the wage restraint system known as the 'Barre plan'). More spectacularly, the minimum guaranteed wage in Denmark was increased to Dkr 29 an hour on 24 March 1977.

In certain countries which had not yet adopted such provisions, the accelerated inflation and the employment crisis became an opportunity to do so. The Netherlands did it by law (but on the advice of the Industrial Foundation and the Economic and Social Committee) in 1968 and indexed the monthly minimum according to prices and wages. This measure seems to have had considerable effect since the number of employees covered has doubled between 1971 and 1974. Belgium established a monthly minimum indexed to the cost of living by the national industrial agreement of March 1975 (endorsed by royal decree in October).

Some countries, however, do not wish to adopt such a measure. In the UK and Ireland, for example, unions and employers both fear that it would weaken their bargaining power and that bureaucratic or political machinery (or both) might come to replace bargaining. In the UK other institutional instruments, the Wage Councils, look after the least-favoured sectors. Although they have been strongly criticized for their inefficiency, they have the advantage of being in a kind of bargaining position and perhaps paving the way for it.

1.2.2.3 The sliding scale

The establishment of a sliding scale of wages is a direct response to inflation. It is still a matter of controversy today whether or not it is contrary to sound monetary policy, whether it brakes or speeds up inflation. The second question, which one should be able to answer on points of fact, remains unresolved, probably because the sliding scale has different effects according to the different bargaining structures and attitudes of the two sides - and perhaps also according to the inflation rate.

Some countries proceed by the general indexation of wages to the price index and have done so for a long time, like Belgium (1950) and Luxembourg.

Italy also adopted this principle by confederal agreement for industry and business as a whole (it also applies to the public sector), and reviewed the methods of calculation in the 1975 agreement. Denmark also has a general indexation system.

Other countries are less systematic. In the UK indexing has been introduced in many collective agreements, but it is far from universal. Naturally the changes in wages policy often meant indexation was questioned again. In Ireland, in the absence of any real indexing, some national agreements provide for more or less automatic adjustments usually in line with the fluctuations in the cost of living. In France this practice was at first prohibited by law, then tolerated, and now rather indirect or even direct sliding scale formulas have become widespread, especially in the public sector, although they are still far from general.

The Federal Republic of Germany remains apart because any indexing clause in a collective agreement must first be authorized by the Federal Bank. Application has never been made for such authorization. Public opinion as a whole, both on the side of the wage earners and trade unions and of the employers, is deeply hostile to indexing.

Certainly, it is not the countries where indexing is the rule which have the highest inflation rates. Yet this does not imply any causal connection one way or the other.

The formulas used are far from identical. Some merely align wage rates closely to the cost of living(Belgium). Provided the latter is measured correctly (in Belgium by the tripartite determination of the index), this sliding scale is socially neutral. But in other cases the sliding scale device includes a degressive element so that even while maintaining average wages in parity with the cost of living, its application results in a degressive rise in wages in relation to wage rates. Thus, in Italy and in Denmark where the systems are very similar, a one point rise in the price index produces a flat-rate rise of all wages (the flat rate is fixed at about 1 % of the average or most frequent wage). So the adjustments have an equalizing effect, particularly when inflation accelerates. In Denmark this has brought the wages of unskilled and skilled workers, or of men and women, substantially closer. Effects of the same kind were obtained in the Netherlands, for instance, with the minimum rises.

It is very interesting to note that in several countries the speeding up of inflation led to a partial suspension or correction of the sliding scale, as though beyond a certain rate of inflation there was an increased danger that the sliding scale would reinforce or at least maintain this trend. Thus in Belgium, following the breakdown of confederal bargaining concerned mainly with this matter, the government suspended the sliding scale for salaries over BF 40 000 a month for a period of nine months in 1976 (law of 30 March, not extended in 1977). In Italy a law passed in October 1976 abolished half the increases based on the sliding scale for wages of between Lit 6-8 million a year and all increases in wages and salaries of above Lit 8 million. The

amount not paid to the employees was to be paid in the form of recuperable amounts to credit institutions for small and medium-sized undertakings. In April 1977, some elements of the cost of living were dissociated from the index, which slowed down their increase. Lastly, in 1976 the Danish Parliament decided in a single flat-rate increase during that year and that a second one, if, as was likely, the price trend caused a second rise, would be paid to the supplementary pension fund.

The French government decisions for 1977 were of a similar kind. Wages were to be adjusted to the cost of living over that year, no more and no less, except for very high wages and salaries where the adjustment would be reduced by half (FF 18-24 000 a month) or abolished entirely (over FF 24 000).

These partial suspensions of indexing thus had two purposes : firstly to reduce the rate of inflation by putting a brake on it, secondly to correct certain inequalities. Moreover, a formula such as that applied by Denmark freezes increases without abolishing them; that of Italy is intended to promote investment and therefore employment (in 1976 France imposed a special tax on high incomes in the form of a compulsory loan for the same purpose).

1.2.3 Formulating an incomes policy

In the wider sense, we shall describe as incomes policy any measure taken by the public authorities which affects the distribution of incomes, at the time of incomes formation or after they have been received. In this sense, every modern state has an incomes policy, whether formal or not, by the very fact of having a tax policy. In the narrow sense an incomes policy is any measure by the public authorities affecting incomes formation which aims to be comprehensive and consistent (and, in general, fair). In this sense, in spite of the variety and scale of measures taken in response to the short-term economic trend, it is not certain that any of the nine countries under consideration has a genuine incomes policy, if only because so many of their decisions are taken as a matter of urgency.

1.2.3.1 Institutional methods

Some provisions of the branch agreements can be laid down by the two sides of industry as part of an incomes policy. In several recent Belgian agreements (machine production, dockers), the two sides agreed to reduce to zero or strictly curtail the increase in wages and to pay the amount thus 'saved' to the social security fund of the branch as a supplementary contribution. To some extent this freezes purchasing power; and to some extent it releases posts by promoting early retirement. In the same way, the setting up of employees' funds (by branch agreement) in various German industries was designed specifically to avoid inflationary tendencies.

Although not exceptional, these cases are not the rule either. At present, incomes policies are aimed at restoring the overall balance and therefore are

most meaningful at national level. They give first place to the activities of the confederations which normally act as the bargaining partner of the public authorities.

The first effect an incomes policy has (which is also a condition of its success) is to shift, in part at least, the decision-making centre from the federation to the confederation, from the branch to the industry. The British Trades Union Council, a traditionally weak organization if only because of the low dues it levies, has managed to increase its influence and authority since 1945, in spite of some ups and downs. Although the national unions in the Federal Republic of Germany remain responsible for agreements, it was a statement by Mr Vetter, chairman of the DGB (German federation of unions) which laid down the policy of wage restraints in 1976. Inversely, it is because the confederations had and still have so much authority that Denmark and the Netherlands have found it easier to define their overall objectives. We have already mentioned the national agreements (inter-trade outline agreements) in Ireland.

Generally, however, this centralization of power within employers' and employees' trade associations is a response to the activities of the public authorities. It goes hand in hand with a shift from bipartism to tripartism. With more or less difficulty, and on a more or less wide scale depending on earlier national custom (cf. 1.2.), the governments are now playing a larger role in determining wages. In some cases it seems to be temporary or occasional : in Belgium, the intervention in 1976 and 1977 has not been repeated and was regarded as an exception. In Denmark, the voting of an ad hoc law in 1975 is obviously not intended to set a new pattern. In Italy, government intervention to freeze part of the increase in the highest earnings terminated in April 1978; the introduction of a change in the cost of living index did not mean that the sliding scale was abolished. But, although such government action provokes strong reactions often followed by withdrawal, it would seem that the trend is deep-rooted.

The channels of intervention are extremely varied and the principles on which they are based differ according to country; yet these government measures can be divided into three categories : 'statements of principle, the establishment of specific directives, and effective government control of wage trends'. (1)

The first category, which most economists consider as at most a preliminary to a genuine incomes policy, is nevertheless the one chosen in the Federal Republic of Germany. Concerted action, in which the government representatives, the two sides of industry, the Federal Bank and various experts jointly examine a report on the state of the economy and future prospects is not the same as a decision-making meeting. Its object is 'to obtain the voluntary co-operation of all interested parties in order duly to combine stability and development by

1. Following the analysis presented in the ILO volume quoted earlier, Collective Bargaining... pp. 171 ff.

means of an exchange of information and opinions on the economic situation'. (1) Thus it fully respects the independence of the two sides of industry, which the unions and employers uphold so strongly.

It is understandable why in principle concerted action does not cover more than general matters (we should note that the DGB and the BDA have no authority over their respective federations and could not therefore impose their conclusions on them even if they so wished). Yet, the fact that the Federal Bank and the government announced an average rate of wage increases, wage drift included (7.5 %), in 1977 as 'what corresponded most closely to the overall economic situation and to medium-term needs' and that the Federal Bank criticized some agreements because they exceeded this rate, makes one inclined to think that the crisis forced the government to take a new step, moving from statements of principle to directives, although they remain overall directives not aimed at any one branch in particular. This might be one of the reasons why this method of concertation is no longer applied.

We must realize how original this step is in relation to what happens in most other Community countries where the public authorities do not try to intervene directly in the negotiations (termination of the concerted action does not invalidate this principle).

In most other countries the situation lies between directives and control. The real differences between them are mainly in the manner in which the directives are applied and the decisions administered, that is to say in the extent to which the two sides of industry are associated in the government policy.

It is practically impossible for the government to ignore them entirely. Even in the case of the French Barre Plan, during its first phase (blocking prices and wages for three months) or the second phase (limiting wage increases to the increases in the cost of living for 1977), the unions and employers were both consulted (even if some of the former assert they were not listened to and are openly trying to oppose the plan). In this case, however, we have reached the lowest possible level of association : not only was no agreement reached, but apart from minor aspects (limiting rises in high incomes) the government decisions were not formally voted in Parliament (on the other hand, it was the Danish Parliament that voted the price freeze in 1978 and its extension for three months in February 1979). Although they take the form of a directive, the control methods are important because for the undertakings they involve price controls.

At the other extreme we have incomes policy measures which are agreed, either between unions and government (the social contract in the UK), or between the two sides of undustry, although in fact they are negotiated between three partners because linked to reciprocal concessions offered by

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1. Joint statement by the participants in the meeting of 12 October 1970, quoted by Hans Reichel, ibid. p. 196

the government (or to government threats to apply constraints) : this is the case of the Irish national agreements and the 1973 'central agreement' in the Netherlands. Or one can have a complex combination of agreement and legislation, of decisions by the two sides of industry and Parliament, as happened in Denmark in 1976.

Quite often, however, and sometimes in the same countries, no agreement could be reached and those concerned had to resort to a government decision, authoritarian in form but taking some account of the points of agreement already reached during the bargaining. This occurred in the Netherlands, after 1973, with the 'authorizing law' of 1974 by which the government can regulate wages, and the 1976 decision; in Denmark when the employers rejected the mediation proposal in 1975; in Belgium after the breakdown of the 1975 and 1976 negotiations. The last case illustrates the full range of possibilities : although the two sides of undustry separated in 1976 without reaching any agreement at confederal level, they adopted a fairly general statement of intent on the objectives to be achieved which was regarded as meaning that this matter was now entrusted to the branches. So the government refrained from extending the law of March 1976 and put its trust in the bargaining process, on the basis of a list of points (and while retaining the possibility of control). (In fact, the government still had much influence on the undertakings by controlling prices, and it had specified that any increase in real wages beyond the sliding scale limits would not be regarded as justifying a price review.)

As regards methods of ensuring compliance with these directives, to a very large extent this is best ensured by the two sides of industry when the most difficult measures, those concerning wage restraints, are included in their agreement. In 1976 it was the Trades Union Council which brought the seamen's union back within the terms of the contract signed with the Labour Government. The Employers-Labour Conference in Ireland which discusses national agreements also acts as the intermediary and arbiter in any disputes which might arise when these agreements are written into branch contracts. In Denmark the LO and DA are responsible for keeping wage increases for 1976-1978 within the annual limit of 2 %.

Even where there is no agreement as such, the effectiveness of the decisions is largely a question of the discipline shown by the two sides of industry. This is certainly the case in Belgium. Even in France, and in spite of the open opposition of the CGT and CFDT, the Barre Plan is now being applied (it is too soon to know how strictly) thanks to the support of the employers and a section of the union movement (no doubt one should also add the support of part of the general public). This sense of discipline can vary according to country (in spite of the change of political climate, it is particularly strict in the Netherlands) and is rarely entirely absent.

Naturally, the government also has its own means of exerting pressure. The most direct methods are not necessarily the most efficient. In the Federal Republic of Germany, the very strict limitation of the money supply is one example and the two sides of industry realized that with such constraints any excessive wage increase would very soon have adverse effects on employment.

We have already mentioned how price controls influence the decisions taken by undertakings, especially large undertakings. The tax system, (eg taxes on wage increases) also enables the government to intervene specifically (of course it intervenes in general to determine available revenue). Lastly, we have already listed all the measures relating to minimum wages, the sliding scale, social security payments, etc.

Nevertheless, there are limits to these methods of control (and pressure), which emerge gradually. We shall come to them later.

1.2.3.2 Content of the policies

As we have noted, most government measures are more in the nature of complex programmes of action to deal with an urgent situation than medium or long-term incomes policies. Their prime objective is to reduce a rate of inflation regarded as excessive and as a threat to the trade balance and to employment, that is to say to restrict the distribution of incomes or at least available incomes. Large-scale unemployment complicates the issue by making it more difficult to find an economic solution, but perhaps it also makes it easier to offer concessions (or hopes thereof) to the employees.

So the prime aim, as regards industrial relations, is to halt the wage increase, in some cases by deciding to freeze wages (obviously only as a temporary measure for a few months; it was applied in France, and on several occasions (again in 1979) in Denmark for example); or by strictly confining the increases to a ceiling amount as was done in the UK (with the express intention of reducing real wages in a large number of cases), to the increase in the cost of living (France, where the sliding scale is used), or to a low rate (2 % a year in Denmark). Earlier we mentioned several more complex formulas : compulsory loans in the form of taxes (France); freezing part of the increases which are paid in to a credit institution (Italy) or to a pension fund (Denmark, Belgium); 50 % tax on wage increases allocated to an early retirement fund (Belgian law of March 1976). The methods are very varied, in response to social sensitivities, the political balance or calculations of the length and outlook of the crisis.

Where a contract, or quasi-contract exists, this is a bitter pill for the employees to swallow. In exchange they are generally offered a complex whole, a package deal of very varied elements.

Firstly there is the attempt to equalize or redistribute incomes, at least among employees. The accepted wage increase may be flat-rate or degressive or a combination of the two. The sliding scale may be applied with degressive effect. The lowest wages can be pushed up by raising the guaranteed minimum wage. Certain tax reliefs can be given (the UK) or subsidies introduced to lower food prices (Ireland) or particular price categories (France). Social security contributions can be reduced or taken over by the state (Denmark).

Secondly, attempts can be made to guarantee to the employees that they will not be the only ones affected and that all the economic groups will have to make sacrifices. Other incomes will also be circumscribed or controlled. Prices will be controlled or restrained. This objective is surely the most natural one : the best concession for an anti-inflationary policy is clearly one that halts or inhibits inflation.

The third objective is probably the most important one, but also the most difficult to combine with anti-inflation measures : to restore the employment market. Employees who are convinced that temporary restrictions will improve the employment situation are more likely to accept such measures. The difficulty is to find efficient measures which have no inflationary effects. That is why specific subsidies for depressed sectors (building), reorganization or restructuring of loans (small and medium-sized undertakings) and expenditure on improving the working environment were increased. In most cases the results are slow and it will become more and more difficult to make the proposals seem convincing.

The employees (and to some extent the employers too) may also hope that these responses to the economic situation will become part of a more long-term industrial and social policy. Attempts are being made in several countries to bring workers and employees closer together or to improve the situation of manual workers. But in both cases the restraints on wage increases make it very difficult to achieve much progress.

Lastly, in some cases the unions take this opportunity to try to obtain the legislation or measures they want. In Denmark, LO wants a bill passed on the employees' investment fund (a project analogous to the Swedish one), a very ambitious bill because it would finally put a large part of private companies' capital in the hands of the employees and their representatives. The 1976 law on co-management in the Federal Republic of Germany can be regarded as a reciprocal concession for the wage and salary restraints accepted by the unions (it is, of course, also the result of determined efforts by the trade unions since 1952, public discussion described in the Biedenkopf report, and general political developments). On the other hand, the lack of such reciprocal concessions (in any case, wage-earners' disappointment in this respect) is perhaps one of the reasons for social unrest in Italy.

1.2.4 Closing the wage gap

In earlier paragraphs we pointed on several occasions to the equalizing tendency of spontaneous reactions to inflation and of the policies applied to remedy it. The historical precedent of the First World War in Europe tends in the same direction. For closing the wage gap is a major preoccupation of our society. Is it then useful even to ask whether the gap is closing and is the reply not perhaps self-evident ?

Certainly it is for the immediate future, but perhaps not permanently. The inflation of the First World War went hand in hand with a shortage of labour (more generally, this has occurred during most periods of rising inflation). Today, however, inflation goes hand in hand with large-scale unemployment. Will the effects be the same in the end ?

In fact it has in no way been demonstrated either in France, Italy or the UK that the legal or contractual minimum wages apply to everyone without exception. Even in a period of full employment they apply only partially; there can and do remain 'pockets' of less-favoured workers, occupational, geographic or ethnic pockets. But in times of high unemployment, how can one be sure that the adjustments to the cost of living will apply to everyone ? In principle the compulsory minimum levels cover everyone.

But in fact their limits coincide with the limits in the influence of the industrial inspectors and the unions. Below a certain size of undertaking, and particularly if the branch is widely dispersed in general, are infringements still apparent ? If there are few jobs, will the interested parties disclose infringements ? In France, statistics show a narrowing gap since 1973. In Italy they show that the great egalitarian drive has brought the professional categories within the branches, and the branches among themselves, closer together. But the difference between regions and, even more important, between sizes of undertakings, has remained intact so that one might be tempted today to see a major split of the economy into two more or less separate sectors (cf. 1.1.5.2).

The British system of wage councils can leave very large gaps, and in any case it does not seem much more effective, for the same reasons (it should be pointed out again that it covers more than three million employees). We have already mentioned the problems of sub-contracting and homeworking in Italy. There too, it is difficult to apply legislation and generally there is no union available. The negative effects of equalizing measures, namely skimming off high wages, have a good chance of being applied, with the reservations we shall discuss below. The positive effects will certainly apply for a majority of those concerned. But the question is how many people will be left out and find their situation worsening.

If we include the unemployed, at least those who are paid reduced rates or who, over a period of time, have moved into a lower category of payment, the group of least-favoured workers threatens to be not only large but on the increase.

So 'low wages' are most likely to remain a topical issue.

Inversely, and still for the same reasons, namely the employment market situation, how can one be sure that in time the highest wages and salaries will be reduced ? Certainly we must acknowledge that serious attempts have been made to reduce the wage differential : in Italy, for example, by simplifying the occupational classifications and reducing the number of

categories and the coefficient differentials; in France by attempting to bring workers, employees, technical and supervisory staff closer together in a single wage structure and to make the various categories overlap. But in the medium term it seems possible that a counter-offensive may be launched to distribute them widely again.

After almost three years of the social contract this is what appears to be happening in the UK. After the freeze (for example, with a ceiling of £6 a week for all) came the search for new differences. In Italy, at a moment when the flood of union conquests has reached full tide and may be receding, associations of categories are reappearing, such as independent unions and small groups. In Belgium people are wondering whether the modest expansion of localized bargaining is not counteracting the attempts to achieve solidarity.

Such a trend would not be illogical. In an economic climate of high unemployment it would certainly not be surprising for categories which are strong on the labour market to find a means of asserting themselves and their advantages. In the fairly short term it is indeed possible that the differential will widen again, at least for some categories.

The term 'strong categories' must be defined, in case they should prove to be the same as the traditional categories. For example, in the fairly short term the excessive number of graduates may reduce the privileges of these categories of employee. By contrast, skilled workers, because not many have the required qualifications or because access to their trade is very strictly controlled, may improve their positions. A high rate of inflation and a high rate of unemployment produce all the conditions for very rapid changes in respective situations.

In both cases, we are unlikely to see any uniformity in the near future.

We shall not attempt to ask what will happen to the civil servants who traditionally suffer from inflation and benefit from the opposite trend. In several countries we have already noted their present privileged position, with security of employment and all the advantages this may represent in the bargaining process. Inversely, in the eyes of the private individual, they must act as an example. It is also clear that where force plays a stronger role, a major part of the public sector (electricity and coal, in the case of national undertakings) has a redoubtable bargaining power. All in all, however, it is difficult to draw any conclusions, especially as regards the future. For in this context the public employer retains a considerable margin of freedom (economically greater than that of a private employer) and, above all, his decisions are likely to be based less on the state of the market than on internal political considerations. It is not very wise to attempt predictions in this field.

1.2.5 Wages and output

It is a commonplace that in all industrial countries wages are now only

partially the reward for work and output. Recent tendencies seem to have reinforced this dissociation and surely the best example is the new unemployment benefits which give the recipient the equivalent of his wages without his actually working.

For industrial workers, payment by results in its various forms seems on the whole to be on the wane. In Italy, the systematic offensive action of the unions met with success and only faint traces of this system remain. In the UK this system was regarded after the war as being inflationist because it promoted wage drifts within undertakings and as having provoked a number of savage strikes because payment by results was negotiated in the establishment by the shop stewards (who often preferred it for that reason). Payment by results has declined most in those industries where it was most widespread, such as coal mining, engineering, cars, dockyards. It is increasing, however, in light industry and the services. In France it has become less frequent and an inter-trade agreement of 17 March 1975 notes this, welcomes it and hopes the trend will continue. In Luxembourg the change to the system of monthly payment, (ie to salaried status) has speeded up the replacement in the iron and steel industry of payment by results by fixed payments (an overall production bonus is still paid to all workers). Belgium is negotiating the abolition of payment by results in metal-working. Does that mean this system is now a dead letter ?

The Federal Republic of Germany seems to be moving in a quite opposite direction. The principle of performance (Leistung) is applied there, especially in collective agreements which recognize not only grades of skills but also the dependence of wages on activity (Tätigkeit), ie the amount of work provided (endorsed, for instance by piece-rate payment or incentive payment) and its quality. Furthermore, there is also a tendency, contrary to that in Italy and France, to analyse and evaluate jobs and to diversify wage categories.

Why such a striking difference ?

This may be due in part to historical circumstances. Payment by results may have been an overworked system during the fever of industrialization in France and Italy, which would explain the current reaction against it. But the reasons in the Federal Republic of Germany would be different.

Looking at the subject more generally (for payment by results is a system practically reserved to workshops, and it represents a specific kind of link between labour and production), the opposition looks much less clear.

The links between wages (or various wage benefits) and output have not tended to weaken in most countries; in fact the contrary is true. The example of the British productivity agreements explains the good and bad reasons why. The good reasons are that during a period of inflation wage increases linked to a productivity rise are not inflationary and may therefore be encouraged. The bad reasons are that productivity agreements have been used as a means of avoiding wages freezes, a process by which the two parties escape from outside

control (and in particular from the control of the public authorities). It is very likely that in the present economic and social situation these reasons will both remain valid. And wage restraints will not survive many years before provoking reactions from those concerned.

More generally the 'efficiency principle' is being extended even where it is not very easy to measure. It is applied for civil servants in the Federal Republic of Germany, and in Italy, too. It seems to have weighed particularly heavily in the last fifteen years on executive staff (what the French call 'cadres'). Very generally, in most large undertakings, the contract of loyalty by which the executive offered unconditional loyalty and devotion in return for security of employment and, to a certain degree, of career, has been replaced by a perfomance contract where the most sophisticated methods of analytical accounting and management by objectives are used so that the employee must prove that he is worth his pay. This pressure is often resented strongly in spite of the major benefits obtained by the executive employees. Nothing in the economic situation is likely to ease this situation.

It may seem symptomatic in this context that discussions are taking place in Italy on a wage reform designed to reduce the share of indirect wages and increase the share of direct wages, and also to reduce manpower costs and increase the portion of wages that is negotiable - a reform which is apparently about to be implemented. It is difficult to see how this can be achieved without linking wages to productivity.

It is unlikely that France and Italy will once again see the development of the traditional forms of payment by results, particularly in its more mechanical and individual aspects. On the other hand, it is very likely that the earnings/performance relationship is likely to be emphasized in the economy in the next few years : more flexible and more general definitions of efficiency may evolve, together with better means of measuring it. In other words, this development is linked with changes in work organization. But it is most likely that the links between wages and output, in various forms, will tighten and not weaken in the coming years.

1.2.6 The new trends

At the end of the 1960s and the beginning of the 1970s quite a number of European countries experienced a wage explosion backed by strong pressure from the employees themselves, acting either branch by branch or undertaking by undertaking, which overthrew all the established systems and rules (Netherlands, Italy, the UK). The crisis led to a radical change in economic trends by bringing about a much closer link between the risk of inflation and of unemployment. This accordingly gave new urgency to the need for an incomes policy, whether involving short-term economic action, a complex plan to deal with the requirements of economic balance and also social balance, or consistent medium or long-term planning.

As regards the changes which the development of incomes policies brought

to collective bargaining, clearly they involved the centralization of decision-making, with the national bodies and above all the inter-trade associations acquiring more say (often the deciding word). Equally clearly, they involved much heavier and often much more authoritarian government action to guide, arbitrate and even replace bargaining and exercise the necessary supervision. But what are the implications of these changes and do they not signify a return to the long-term trend, interrupted by the 1968–1972 social crisis, towards stronger and more centralized organizations and away from bipartite towards tripartite bargaining ?

This would be too simple an assertion. Many governments are deliberately trying to limit their intervention in wage matters. Moreover, the habit acquired in several countries of holding more or less informal discussions within the undertaking will not disappear overnight. Above all, such an assertion would conceal the real problems involved.

1.2.6.1 Political discussion

The first problem is a very obvious one : the more an incomes policy is confined merely to freezing wages, the less acceptable it is to the employees (and the less one can count on their support or at least acceptance). But the more complex it is, the more fair rewards it includes, the more action to combat low wages or to control other incomes, the more attempts it makes to create employment, the more it will then lend itself to discussion – to an overall discussion relating to long-term objectives as well as to methods and to the importance to be attributed to the various objectives (incentives to undertakings that create employment, improvement of employees' guarantees). In a word, it should be a political discussion, a model of the discussions and controversies which normally occur in a democratic country not just during electoral campaigns but in the context of all major legislative and government policy decisions. So it is quite natural and very justifiable to invite the two sides of industry to accept a 'contract' or a balanced programme; but this also means inviting them to shift the discussion of wages not only from the trade or occupation concerned to the national scale but from the occupational field to the political domain.

Consequently, the discussion does not change just in scale but also in content. When the wages of a branch or even of an undertaking are discussed, the two parties may well accept the objective economic constraints.

The uncertain nature of balance sheets and the even greater uncertainty of forecasting leave much room for discussions, but they have their limits. Moreover, if the disagreement is irreparable, the means of pressure that can be employed are known and limited. By contrast, an incomes policy programme, whatever the qualifications of the experts who have drafted it and whatever its technical virtues, is by definition a complex and debatable proposal, not only because it wagers on an uncertain future but above all because the extent to which it is fair and the position it takes vis-à-vis the future are a response to the pressures of various interests and to current opinion rather than irrefutable technical solutions. In an emergency the two sides

of industry may remain silent and accept any proposals that are made. But an emergency can equally well exacerbate the differences of conviction, principle and doctrine. If in a given country the majority and the opposition do not agree on a programme, it will be more difficult for the two sides of industry to accept it. Since we are now in the political field, it is inevitable that the discussion will be political and that in each country it will take on the same form and intensity as the usual political debate. The countries where doctrines lie furthest apart and the discussion is most lively are also those where it is most difficult to agree upon an incomes policy and where this policy is most open to discussion.

The result is obvious : the trade associations acquire certain responsibilities in general political life, whether they wish it or not, and become political forces, independent or not, depending on their party ties. For several years there was a tendency among unions, whether Socialist by origin or family, Communist, Christian or Liberal, to stand apart from the parties. A discussion of this kind necessarily brings them closer to the parties, even in the area which belongs par excellence to the unions, that of wages. In fact, either the trade associations 'bargain' directly with the government on the proposed programme - and paradoxically this means that the reliefs on direct taxation or VAT which are a part of it, like the subsidies to the economy, ie the resources and expenditure of the national budgets, are decided by the government and the two sides of industry before Parliament ratifies them - or the political parties, both those in the majority and those in opposition, play on the sympathy they have in the trade associations to assume the role of arbitrators or guides. Or again, and this is more likely, a mixture of the two will occur. But this will change the real method of operation of the institutions and affect the position of the unions in the political system.

1.2.6.2 The organizational cost of incomes policies

It has often been pointed out that incomes policies are generally only temporarily effective and that their effectiveness declines rapidly. With the passage of time, issues that have not been settled properly seem to become more problematic, either because the system adopted, efficient in its simplicity, leaves too many injustices, or because it becomes so complex as to be ineffectual by trying to take every individual case into account. Once the implementation of the directives is controlled, they are eroded rapidly (the exceptional case of the longevity of the incomes policy in the Netherlands seems due to a combination of exceptional factors).

But why this erosion ? Once a stand has been taken, that is to say once the discussions on doctrine and political orientation have been settled, why can the bargain made not be kept at all levels, for example that of wage restraints in exchange for selective employment measures ? Especially if the discussions have been conducted well, the bargain will be advantageous for all. Everyone has an interest in averting possible disaster. Why, once the agreement has been reached, is it so difficult to keep to it ?

Even leaving aside the fact, which in practice is very important and often

decisive, that the discussion is never ending and tends to start up again at every opportunity, the reason for the difficulties is simple. Even allowing that the body of employees has an interest in wage restraint (just as the body of employers may have an interest in credit control), none of the employees (or employers) and, what is even more serious, none of the groups of employees, whether categories, undertakings, branches or regions (or groups of employers) has an interest in the restraint of his wages (restriction of his credits). A healthy currency, balanced trade or even a satisfactory employment level are collective goods in the sense in which Mancur Olson has defined this term : accessible to all once created. The community has an interest in producing the collective good. But this is not true of any of the individuals or smaller groups that make it up. Its usefulness, its indispensable nature, may be apparent to all. But the possibility of taking effective action to produce it is reserved to fairly large-scale bodies; in the field of incomes policy, it is reserved to the confederal trade associations and the political authorities.

If the actions of individuals or splinter groups are to contribute to the production of this collective good, there is a need for strict internal discipline and strong national cohesion. This discipline may be based on constraint or on allegiance. But this allegiance of individuals and groups is so contrary to the dictates of their own interests that it is likely to exist only in exceptional cases, and in any case, it is not likely to be lasting (the importance and relevance of calculating one's own interests needs no further demonstration when it is a question of incomes). It is possible to acquire this sense of allegiance in emergency or dramatic situations but it is dufficult to maintain it on an everyday basis.

In other words, the controls necessary for the production of this collective good which is an incomes policy (always assuming it is recognized as a collective good) are successful in the early stages insofar as they are backed by feeling and conviction. They then become eroded because the emotion fades and conviction becomes weaker in face of the constant pressure of individual interests. The public authorities must make even greater efforts to maintain their positions, and in addition the organizations themselves are then obliged continually to start afresh, in the face of constant adverse pressure, on the operation to transform individual interests into collective interests and collective interests into the general interest. The organizational cost of this endeavour is a considerable one.

Furthermore, the pressure is not just constant, it is also a growing one. If there are any good reasons for believing that collective bargaining is an efficient means of determining wages, these are, in the main, that this is a method which decentralizes decision-making. Very centralized decision-making would forfeit the main advantage of this method, namely the possibility of reacting to specific problems concerning jobs, workshops, categories, work places, in fact the events and repercussions of local economic life. To eliminate or greatly reduce these micro-decisions would of course bring further insoluble or poorly resolved problems, whether it is a question of changes on the market, inequalities to be corrected, accidental delays to be made up or recruitment requirements; it would bring further disputes about injustices (or at least what are felt to be such by those concerned)

and about local maladjustments, which will become increasingly serious issues.

Here again the organizations can do much to reduce the disputes. And they will succeed all the better if they leave a greater margin for micro-decisions (although, of course, the more satisfactory the overall contract was for the employees, the more this margin will be reduced. Inversely, the wider this margin is extended, the less the overall contract will be applied.) They will often have to arbitrate on small issues and ensure that the solution does not deviate too much from the norm. This arbitrating and supervisory function demands a great deal of authority. It requires a considerable power of explanation and conviction on the part of organizations with free membership, so that the collective interests will continue to predominate. So, for the same reasons as before, the organizational cost is high.

It must not be forgotten that the unemployment which accompanies inflation makes it more difficult for special interest groups to exert pressure and thus favours the extension of controls. But this is only true in overall terms. It is probable that even in the absence of the general pressure of a shortage of manpower, some categories of employees will remain weaker than others (cf. 1.2.4) and that after a certain period of submitting to discipline they will use the means available to them to defend their interests. So the pressure will be spread more unequally and focus on a small number of issues. But this will not make it any easier to resist, and insofar as there is any resistance, it will be more difficult to make these concessions accepted equitably. So they will threaten the balance of the programme even more.

1.3 The quality of working life

1.3.1 The nature of the problem

To group a series of claims and bargaining issues under the heading 'quality of working life' is surely just a question of following the fashion and attaching a new label to old problems ? Does it designate a well-defined or new area ? Although the answer to these two questions is no, we shall attempt to show that something fundamentally new is involved.

A first indication of this is that most countries have invented new terms to designate this group of problems : improving the working environment in Scandinavia, humanization of work in the Federal Republic of Germany, work structuring (and variants thereof) in the UK and the Netherlands, working atmosphere and organization in Italy, working conditions in France. Although these terms certainly do not mean the same (rather, they show the variety of objectives), at least they have in common that they are new terms in the negotiating vocabulary.

It is quite evident today that the area is poorly defined. It has expanded gradually by its own internal logic, until it now encompasses practically everything except wages and employment (and even there we shall see that

the borders are imprecise). It includes not only the material conditions of performing work (effort and fatigue, in terms of both dynamic and posture, temperature, ventilation, noise, dust, in short everything to do with physiological comfort or discomfort), but also health and safety at work in the classic sense of the term. For how can one speak of the ergonomic adjustment of a job without also examining questions of the elimination of toxic vapours or protection against accidents ? It includes not only the interest of the work, its psychological and occupational content (whether the job is repetitive or parcelled out, monotonuos or varied and stimulating, the tension and mental effort involved), but also the worker's opportunities to use his knowledge and abilities, to learn something, his prospects of acquiring a higher qualification and being promoted, ie of entering into a career, in short the whole gamut of working life. The researchers at the Tavistock Institute did not forget this when they defined the criteria of an acceptable job. Naturally, it also includes working hours and their distribution (especially shift work and night work) and the degree of flexibility involved. Several countries (Italy, France) would not hesitate also to include job evaluation, which of course reflects decisions on the content of jobs, on the criteria according to which they are assessed and, in the end, on the whole work organization. Many countries would also include the status assigned to various jobs or categories. The upgrading of manual work and payment by the month, that is to say the co-ordination or fusion of the status of workers and employees, also affect the quality of working life in the deepest sense of the term. Perhaps even wages can be included, for it is difficult to talk of the quality of working life without considering wage forms, especially payment by results, wage drifts or the question whether a wage rate belongs to the man or to the job. The reduction of working hours is surely a claim which generally also includes maintenance of the overall wage rate, ie an increase in hourly rates. The actual wage level is surely the primary source of the worker's social status and individual independence, and the protection of this income is of decisive importance to his dignity. To make a distinction between qualitative and quantitative elements was a good way of condemning the now disputed practice of making up for arduous or dangerous work by paying a bonus and more generally a way of underlining the importance of the new claims being made. But on the other hand it is not a very useful way of defining an area. 'Qualitative' means everything which is directly felt and experienced by those concerned and giving priority to the 'qualitative' aspects means giving priority to their points of view. The quality of working life, in this sense, is a good formula because it places less emphasis on the reciprocal concessions of a bargain (the conditions for selling labour) than on the irreducible character of personal experience.

This makes it easier to reply to our second question. Of course none of these areas is a recent discovery. Ever since employees have existed (no doubt one should say, since dependent labour has existed) they have feared long hours, strict discipline and the arbitrary decisions of the managers. It is not the new left that invented the objections to payment by results, to night work or to assistant managers. Since the very inception of the labour movement, the conditions of industrial organization (including the independence and autonomy of skilled workers) have been a focus of conflict. Yet there has been some change. At first, no doubt, this was because these issues have become more important in the scale of claims. Workers are more reluctant to accept the usual constraints of work automatically, either because these constraints have worsened (concentration, responsibility and rhythm of work) or because

they themselves have become more demanding in general. To speak of improving the working 'environment' means demanding a wider-scale change than the mere improvement of safety and health. But it is also because the way in which these issues arise is relatively new : in Belgium, France and Italy, we find works conflicts on safety, the rhythm of work, the classification of less skilled workers or working hours, which have forced the employers, whether individually or as a body, and sometimes even the unions, to look at these issues again and reflect upon them. Furthermore, these disputes have often begun within small working parties, small teams sharing the same situation, obstinately resolved to find a solution to their small problem, who refuse to delegate it or to drown it in some vast collective arrangement. As the British researchers were the first to realize, the working party has thus become a full protagonist in industrial relations. The fact that this is where disputes originate - which explains why these claims were sometimes encouraged by small groups from the 'spontanist' new left - also explains the more radical reconsideration of the 'scientific' management and its traditional solutions, whether it is a question of the allocation of tasks, pay or job superivsion (often radical enough to inspire the technicians and organizers to seek ingenious solutions). If 'qualitative' means the resolve to start from the direct experience of those involved and the refusal to dismiss this in favour of economic logic, then the term is justified. But this means that it defines not an area but a procedure.

If the unity and novelty of this problem lie in the fact that a procedure is involved, it becomes easier to understand the variations found in the various countries. The discussion on job evaluation in Italy which originated from grass-roots pressures and came to a peak after the 'hot autumn' is a direct offspring of the movement which led to the creation of worker delegates, ie direct and unitary representation of the workshop or team, and to those concerned dealing directly with their own problems. There is no reason why job evaluation should be the same in the Federal Republic of Germany. The UK seems to stand very much on its own in this movement, at least as regards the unions. But it is also the country where skilled workers have managed best to retain their privileges, above all that of organizing work according to their own traditions, to custom and practice. The Federal Republic of Germany found it less difficult than others to take account of these new problems. Perhaps this is because its works councils and the co-management of internal working conditions gives it an efficient channel of expression, which was further improved by the law of 1972.

1.3.2 The forms and channels of discussion

Through what institutions and by what legal means can the two sides of industry act in this area ? Naturally this will vary according to the issue in question. It is easier to forbid the use of trichlorethylene in a solvent (and to enforce compliance with this veto) than monotony in a job. In the first case, the matter can be efficiently settled by regulation; in the second, this would be a derisory method and any statement of principle would merely be an appeal to the initiative of those concerned. Between these two extremes we find intermediate cases, where it is possible to establish a standard or a rule but where the main aim is to bring about a change in the decision-making criteria and in the procedures.

So it seems useful to describe the trend in industrial relations in this area not by dealing with the traditional issues in their usual form (safety, adjustment of jobs, job qualifications and evaluation, etc), but in terms of the channels of discussion used. By surveying well-tried methods and those which are legally simplest and also the more recent methods which are more difficult to classify, we will show whether the procedure of moving from below upwards which we have attempted to describe, the increasing claims of groups of operatives, whether skilled or not, to control the daily performance and conditions of their work, is in any way new.

1.3.2.1 Standards and rules

Safety and hygiene have traditionally been regulated. It is forbidden to use dangerous machinery or apparatus (prior examination or authorization of new machinery is required), toxic products must be eliminated and the standards of maximum permissible concentration of dangerous products defined, as must procedural standards and standards on the dimensions of entrances and exits. The list is very long and in spite of its inadequacies and the discussions to which it gives rise, it shows that great progress has been made in the protection of workers. These standards are generally endorsed by law and regulation and sometimes originated and developed from negotiation. The first safety rules were a result of industrial custom (eg among the miners) and in a country such as Italy, collective branch and company bargaining was perhaps the main factor that brought an improvement in health conditions. Moreover, even where the rules originate mainly from state action, there exists a strong parity device, taking various forms but usually that of safety and health committees, which examine the causes of accidents, sickness or concern, ensure the application of the rules in workshops and suggest improvements in the rules and their application. Backed up nearly everywhere by public inspection and industrial medical services, the rules have provided a model for intervention in working conditions (although it seems to be the relative weakness of these services which reduced the effectiveness of negotiated rules in Italy. Perhaps regional action will make up for this in the future).

Perhaps, after making the necessary adjustments, one could extend this model to cover questions which do not relate specifically to safety and health (although the distinction is not always a very strict one). For example, it could cover noise and temperature which are easy to measure (noise charts could be introduced in workshops defining the areas most seriously affected), or ventilation. Or ergonomic standards could be proposed for the various jobs, to measure the physiological cost of the work (the mental burden is also beginning to be measured). Precise rules could be introduced to forbid work in postures which are tiring and have harmful long-term effects. Large undertakings have prepared handbooks on the requirements to be observed in certain jobs and on the rules to be observed by the 'recipient'. University and industrial laboratories and research offices have made a major effort for some time now to draw up further practical rules. The Federal Republic of Germany can draw on the support of two research institutes, the Council for Economic Rationalization (RKW) and the Association for Industrial Research (REFA) which both have a good reputation for scientific impartiality and with which the two parties have close links. They have sufficient authority for the collective agreements to refer to their views at times. So to what extent

will ergonomic standards be codified in future on the model of the safety and health rules and include standards of psychologically acceptable and humanly satisfying work ? The German law which requires 'the application of the lessons of science' in industrial organization seems to point the way.

There is no doubt of the utility and importance of improving our knowledge of work, and drawing the appropriate conclusions and lessons from this. In most countries considerable applied scientific research has been undertaken (Work Research Unit in the UK, special programme of the General Delegation of Scientific and Technical Research and National Agency for the Improvement of Working conditions in France, tests and research undertaken in Belgium (Belgian Office for Productivity, today replaced by the Office for the Improvement of Working Conditions), in Denmark and the Netherlands and in the European Institute in Dublin) with university researchers and industrial authorities working closely together. And in every country there are attempts on the basis of the knowledge acquired to find means of analysing the situation and channels for action for use by methods study departments, engineering departments, technical services and unions and to disseminate them through small-scale training courses (often by introducing this subject into the curriculum of technical and engineering schools).

Lastly, no-one would dispute that much remains to be done to bring the working environment, as stated in the 1975 Danish law, 'in line with the technical and social trend'. In nearly every case, too, the safety laws have been tightened up and revised (Health and Safety at Work Act, UK, 1973; law of December 1973 on working conditions and of December 1976 on accidents in France; law of 23 December 1975 in Denmark), generally in order to offer further possibilities of regulation and to specify where the responsibility lies.

But perhaps the only or even the main object of the research and the attempt to formulate practical conclusions is not just to establish rules.

There are very practical reasons for doubting this. However devoted to duty the industrial inspectors may be (and however great the attempt to increase their numbers and their means of action) and however great the vigilance of the unions, there is often a wide gap, which no doubt varies from country to country, between the provisions of the law and its effective implementation. Certainly this is because there are no adequate means of control, but perhaps it is also because there are limits to the effectiveness of a regulation : it can be too lengthy, too detailed, it may paralyse itself by being inapplicable or at least unassimilable. Even the safety specialists of today consider it more important to choose good 'market opportunities' than to proliferate regulations in all directions.

In any case the pace of technological change is so rapid that regulations can only lag behind. A regulation necessarily takes time because of the responsibilities involved. How could it keep up with the constant creation of new processes, new machines (a minor adjustment to a machine can entirely change the safety conditions) ? This applies even more to new products, new

chemical substances or new combinations of known substances. The classification of products and machinery tend to be classified according to the dangers they involve after the accident has happened. So it would be more useful to regulate the procedures for introducing new machines, the methods of designation (labelling) and, even more, the activity of those who produce these new tools or substances. But rules on procedures to be followed are not so strict and are not even of quite the same nature as traditional regulations. So what can one do in the case of a product that is as ephemeral and as varied as a job ? Every day, the foremen and the methods study departments are making and adjusting jobs. How can regulations keep up with this activity ?

Lastly, even in the area of safety, one can see the limitations of classifying dangerous products and machinery, in cases where sufficient progress in this direction has been made. A major and now increasing part of the danger is due not to an isolated cause but to a complex or combination of causes : to the conjunction of two activities, the coincidence of two individually insignificant defects, the unexpected changeover from one situation to another. Systems analysis may enable one to take action with respect to these complex causes. But such action is much more difficult to regulate. This is even more true in the case of a job where the accumulation of requirements, each of which may be very acceptable in itself, can produce an intolerable whole, where data as fragile and elusive as the style or method of giving an order can be enough to change the meaning of output control or efficiency requirements.

It is as a result of this that the idea of discretionary action has developed in safety matters. It is the responsibility of the industrial inspector in some countries (France), the union delegate or the safety delegate elsewhere, who have the power to stop production if they consider the overall situation dangerous, even if no specific rule is violated.

Once again, no one wants to question the use of regulations as such. But it is doubtful today whether the main trends in the humanization of work can follow this model. Certainly, practical rules for action and advice to the decision-making body are useful. But strict vetoes and requirements are perhaps of value only in certain areas.

Discussion has begun on the dimension of these areas and the use that should be made of scientific data extracted in laboratories or the evaluations of experts. In the Federal Republic of Germany, perhaps as a result of old-established custom, unions and employers attach the greatest importance to the opinion of experts. Noise charts are prepared, jobs are registered according to the degree of noise to which the worker is subjected and limits are established. So the specialists play the central role. At the other extreme, the Italian unions have established a quite different doctrine for the ambiente di lavoro, the working environment. They can call upon specialists (and they welcome the fact that the 1970 law on the status of workers gives the employees' representatives the right to do so), but the direct representatives of the employees may not delegate to anyone, whether joint works committee or 'neutral' experts, the power to evaluate, judge and supervise working conditions. When one remembers that these representatives are elected by workshop (or homogeneous

group), that frequent consultation of those concerned is the rule and that there is close contact between principals and agents it is easier to see the difference. Quite logically, the Italian unions consistently distrust statistical norms. They do not dispute that there should be maximum limits which must not be exceeded; but on the other hand they do dispute the fact that it is sufficient to observe these maximum limits. Details apart, this is also the position of two of the French confederations and is reflected in their refusal to sign the inter-trade agreement of 17 March 1975 because it referred formally to the measurement of work loads and the consulting of experts.

The divergence is not total. The German unions have not ceded their decision-making power to the experts. The Italian unions know that their action will not be successful without a network of research institutes. The French unions, unanimously this time, have encouraged and even called for research and the training of specialists. But the difference in procedure remains evident : one is based on the observance of strict standards, which enables it to settle disputes by calling on experts; the other trusts in the overall judgement and pressure of those involved, giving them the most active role.

1.3.2.2 The 'packaging' of decisions

Since it is difficult to embody the various criteria of a 'good' job in a single set of rules, if only because job evaluation is to some extent subjective and those concerned have some justification in thinking that a good job is a job they consider good, action must be taken at the level of the decision which creates the job and, more generally, all the plant and the organization. This can be done directly (as we shall see in the next paragraph) or indirectly by acting on the conditions governing this decision and its 'packaging' (to adopt a neologism which has had some success among Italian unions).

This is the main purpose of conferences and exchanges of view between specialists and the two sides of industry. In the UK, Belgium (the Commissariat for the promotion of industry), the Federal Republic of Germany and France, conferences and talks have been organized so that the researchers and practitioners of industrial relations can exchange information on current experience and possible paths for the future and consider them jointly (sometimes the talks have even been at international level like those held in France between French union leaders and experts and the German and Italian unionists). Generally the public authorities have supported and encouraged this kind of meeting, considering that the spread of information and open discussion were probably the best way of influencing company policies. The long and laborious preparation of the 1975 law in Denmark served the same ends. In France the "Organisation nationale des employeurs" devoted its 1977 meeting to the improvement of working conditions, listing a long catalogue of achievements, and thus did much for its public image (perhaps this was also an opportunity to convince the hesitators in their own ranks).

The development of training schemes which we mentioned above has the same effect but acts at more varied levels of decision-making. After management

seminars came the training of specialists, and above all the continuous training of engineers, methods study technicians, foremen and unionists (and, of course, the development of training methods and tools).

Some texts, whether legislation or agreements, set out general principles and their objectives even if they do not specify the means of achieving them (or the penalties to be imposed on anyone who does not observe them). These statements of principle are more than exhortations; they attempt to outline a policy, either joint or tripartite. So they leave much to the initiative of those concerned, especially in the undertakings. The 1975 Danish law is of this kind and calls upon the undertakings themselves to take action and, of course, on the joint councils which it sets up (we shall return to this point). The main objective of the French law of December 1973 was to set up a public Agency responsabile for these questions. The inter-trade agreement of 17.3.1975 although it includes some immediately applicable clauses, is of importance mainly because of the principles it sets out and the policies it defines for the branches and undertakings. In the Federal Republic of Germany, legislation and collective agreements give little place to these aspects, perhaps because they are already implicitly asserted in the institutions within which the two sides of industry work together.

Branch negotiations can also play a part here, firstly, in order to settle those matters which can be settled at branch level, such as the reduction of working hours, the working conditions of pregnant women or shift work. Although it is a national industrial agreement, special mention must be made of the Belgian agreement which governs the reception of a new employee in the undertaking. The sectoral joint committees must specify the procedures for this, but the employer is also obliged to provide the new recruit with any information which enables him to settle in in the undertaking. Clauses of this kind exist everywhere to some extent and others, relating more specifically to the jobs in question, exist in the Federal Republic of Germany, Belgium and France (in this case, concerning the implementation of the inter-trade agreement). But branch agreements can also be designed to 'package' the undertakings' decisions. The case of job evaluation is a good illustration.

Discussion of job evaluation in a branch where the organization is fairly stable and required qualifications are well defined comes to little more than a discussion of wages; the main purpose is to establish fairly the difference between a skilled worker and an unskilled worker, between an employee and a foreman. But in cases where the organization is less stable, this discussion may serve as an opportunity to re-examine the qualifications themselves, that is to say the criteria of qualification, the hierarchy of jobs, the career prospects of the worker. Some French agreements, such as those in the metals sector, show the rather novel intention of bringing the manual and non-manual sectors closer together (by overlapping indices) and placing everyone (except the executive staff) on the same grid, which is expected to bring the categories closer together. The most interesting case is that of the Italian agreements. Beginning with the engineering agreement, analogous provisions spread to most other branches : a single scale (excluding the dirigenti or senior executive staff), a marked reduction in the number of qualification and wage ratios, abolition of line differentials. Other principles have been added to these

egalitarian ones, mainly the principle that a skill belongs not to the job but to the person; so the individual must be assured of a 'career'. For the three lowest steps, there is an automatic rise in category with seniority (regardless of seniority payments as such and in principle accompanied by a change of qualification), followed by non-automatic promotion, ie promotion on the basis of genuine occupational advancement. Parallel to this, a complete re-examination has been made of the distinction between ranks in the public sector, and of the breakdown of grades, in order to make job evaluations more realistic and align them with real functions and responsibilities.

The aims of this enterprise are clear : it is an indirect attempt at a thorough reorganization of work. Since the employer pays the man and not the post, he no longer has an interest in increasing the number of unskilled posts. Since the worker gains qualifications with seniority, the employer is driven to create more complex, 'rich' and qualified posts. If the hierarchy is called into question again, he will be led to relax it and to eliminate any authoritarian controls. So a whole system of organization based on enriching the nature of the work, increased autonomy and the organization of occupational careers is implicit in job evaluation. This is all the more true if one includes the effects of a number of measures such as the suppression or reduction of pay by results, the easing of the work load and activities or the introduction of compulsory breaks.

If one asks how far this objective has been attained, one would have to answer cautiously. For it seems that in the public sector, ie where it seemed most necessary, there is only hesitant progress. More precisely, attempts have been made at changes, but they are just as likely to enable the undertakings to regain the initiative and loosen the contractual controls.

So the 'packaging' thus achieved may not be sufficient. Direct action on the decision-making remains essential.

1.3.2.3 Decision sharing

In nearly all the countries, laws and agreements have introduced or strengthened the consultative bodies on safety and on the material conditions of industry in the form of elected councils and union representation (the UK) and have increased their powers. In some cases they are specialized bodies (health and safety councils in France and Belgium, committees for the improvement of working conditions in France, company or branch safety councils in Denmark, safety delegates in the UK) while in others special duties are assigned to general representative bodies, whether unions (consigli di fabbrica, factory councils, in Italy) or not (Betriebsrat, works council, in the Federal Republic of Germany).

The powers they hold vary a great deal : co-management in the Federal Republic of Germany with the right of appeal if the dispute persists but with no right of strike; detailed information and consultation in Belgium and France, but with the right of veto on some issues (France : variable working hours and

introduction of shift work); bargaining for the Italian councils (in this case, as in France, disagreement may easily lead to open conflict). Moreover, there are various channels of intervention available in cases of immediate danger.

So the term consultative which we used in the beginning is inexact in practice. Although, apart from Italy and the UK, there is no real joint negotiation, the procedure generally involves much more than a mere exchange of views. Rather it is negotiation not endorsed by an agreement, a procedure whereby the decision taken by the management is opened to criticism and often gradually revised.

Are the usual forms of representation perfectly suited to this ? This is doubtful when the question is one of the organization and material conditions of work. At the very least, the elected delegates, even if they have a good knowledge of their undertaking, will need more advanced training and additional free time to collect the necessary information. But in many cases, even where the technology is in no way a mystery, it is the workers themselves who have most of the useful information as a result of years of daily experience and who know the real criteria of judgement. Often they know more than anyone else what makes a job arduous or exhausting and what could relieve it (although obviously they do not have enough medical and technological knowledge to be able to appreciate the risks involved and offer suitable solutions). Direct consultation is therefore often both useful and effective. Union organizations have demanded it in the form of 'direct consultation at work' (Confederation of Christian unions, Belgium) and the 'employees' right of direct expression' (Democratic Industrial Confederation in France. The term was also used in the report of the committee on company reform chaired by Pierre Sudreau).

It is in no way extraordinary or contrary to the usual rules of sound management that the foreman or head clerk should carefully note the opinion and suggestions of his subordinates on the way in which their work is organized and the working process, that he should give great weight to this and attempt to embody their views in his decisions. But to regard the direct expression of the employees on their work as a right raises other problems : what are the limits to this right and what penalties are involved ? To what extent can it be reconciled with staff representation by delegates, whether union delegates or not ? What is the true domain of this 'direct democracy' and how far can it be reconciled with 'representative democracy' ? Surely this raises a new problem for those who believe in industrial democracy ?

In any case, decision-making on the organization of work must be shared today. It is not an equal participation, certainly, for even where the word co-decision is used, the initial and final decision are not shared equally. But there is a sharing of the decision itself and not just the assertion of a few prior rules or control of some of the results. So to a large extent this is certainly a new procedure and at any rate one which differs greatly from the usual form of collective bargaining both as regards its principles and the responsibilities it implies.

1.3.3 A difficult process

After arousing the interest and attention of the specialists and even more of the heads of undertakings and unionists, the experiments in the area of enlarging, enriching and restructuring jobs, of semi-autonomous working parties, humanization of work and 'self-organization' now seem to be marking time. The known cases have been studied with care and the information disseminated. Perhaps Ireland, where interest is keener than ever, is an exception. But in none of the other countries has the movement expanded or become general. However, it is much more difficult to say to what extent the habits of those who create jobs, of the foremen or methods study men, have changed and to what extent their criteria of judgement and their rules of action have changed - a change which may appear more modest but which all in all is very important. Certainly such changes must not be underestimated. But although we have few methods of assessing them, it is certain that the general feeling is one of disullusionment; there has been very little evidence of any overthrowing of socio-technical systems.

Why this apparent retreat after the great wave of interest and even enthusiasm ? Some of the reasons are easy to see. Firstly, perhaps, people wanted to put the cart before the horse; before speaking of enrichment or autonomy it might have been better to start by reconsidering the arduousness, work load, fatigue or danger of a job. And perhaps it was not very sensible to condemn Taylorism or the excesses of 'scientific management' at a time when millions of jobs suffered more from lack of organization and when, in several branches, organization was still at its most rudimentary. If accidents and, more generally, safety problems provoked so much strong feeling, surely this was also because there was too strong a contrast between what the behavioural psychologists described and what hundreds of thousands of workers actually experienced. What happens in large undertakings, especially in oil companies, cannot necessarily be transposed to the world of small shops or building sites.

Secondly, the crisis radically changed the situation. Employees have not stopped wanting a good job, but today they think first of a job as such. Similarly, the head of an establishment would find it quite difficult to introduce a system of consultation on the improvement of working conditions and the adjustment of jobs at a time when he was perhaps preparing to reduce his staff and even dismiss some of them. Moreover, would not any attempt at job adjustment or even new plant arouse suspicions that his main aim was to save on labour ?

Lastly, the slowdown of growth, the poor economic climate and the tightening of credit facilities have made investment in new plant more rare and more difficult. When the change was rapid and general, people embarked on it more readily. Now there are fewer opportunities to do so.

But good as these reasons are, they may not be the full explanation. More than one undertaking has argued the contrary. Since investment is more moderate and more rare, this is a further reason to attend to working conditions.

Immigration is coming to a halt; if employers want nationals to come back to take the jobs they had given up, say in the building or car industry, it is essential to transform these jobs and make them more attractive. Resources are scarse : surely it is possible to discover a treasure-house of professional ingenuity, intelligence and thus productivity, by methods which give more priority to initiative and self-supervision ? It has become less easy to settle every small difficulty simply by increasing wages : is it not reasonable then to try to reduce dissatisfactions and nuisances ? Safety is the main priority. Can it be ensured today without the active participation of the workers ? Thus there are many reasons to continue acting along these lines, and however serious and well-founded the difficulties of circumstance or economic trend, they alone cannot explain the hesitation.

In our view the difficulties lie in the very nature of the discussion and the responsibilities it implies.

As in the case of jobs, the intervention of employees in the organization of the work does not relate to a posteriori control of what has been decided but to claims a priori participation. The safety specialists have stressed this enough : a safe installation is one where thought has been given to safety from the outset. The ergonomists say the same : whatever the utility of ergonomics of correction, ergonomics at the planning stage is much more effective and much less costly. This becomes even clearer when it is a question of job content and qualification : a 'good' allocation of tasks goes hand in hand with the choice of plant and is linked to an overall choice concerning the organization. The criteria for the 'manufacture' of jobs do not operate in isolation (and can hardly be corrected on a case by case basis); they are part of a system. What must be modified is the policies, the choices and the decisions.

It is always difficult to share in decision-making which is central to the employer's responsibilities, whether in connection with the creation or abolition of a job or organization of the work. But in the second case the difficulty may be greater because the decision to be shared concerns the day to day relations between management (and its representatives) and workers : allocation of tasks, distribution of controls, levels of authority, in short all the elements of life in common.

So it is easy to understand why those concerned hesitate to take this path. Each country translates these difficulties into its own language. In the Federal Republic of Germany there is a tendency to say that the humanization of work is not so much a question of laws and agreements, for the time being at least, as of the 'autonomy of the undertaking' - which clearly indicates the area of the decision to be shared. The German unions have linked this issue to that of the control of investments and democracy within the undertaking, ie to the two aspects of co-management. This certainly did not make it an easier issue to settle but did show its scale.

The unions most reluctant to take this path are those which believe most profoundly in the virtues of bargaining and dispute. The British unions are

perhaps the most reserved, as we have said, because some of their members, the craftsmen, traditionally control an important part of their work, but also because a re-division of tasks could encroach on the area occupied by the crafts (or the territory of the foreman who is often a member of the employees' union). If the management took a step of this kind it would provoke distrust because it could be a means of reducing absenteeism and raising productivity at low cost. And in any case, any enrichment in the content of a job should also bring an increase in pay. Although they agreed to participate in the Tripartite Steering Group which prepared the Work Research Unit's research programme, they did their best to reduce the programme, at least those areas that concerned them, to the classic subjects and procedures of industrial relations.

Although analysing the question much more boldly, the Italian unions have also remained very cautious. While claiming that negotiation gave an impetus to the transformation of work, they will not really take responsibility for this, since it might lead to co-management which would be impossible to justify to their members, without having any real means of controlling the outcome.

The philosophy of the French unions has elements of both these attitudes.

It is equally easy to understand the employers' hesitations. Although they have the main power of initiative, the organizational changes to be considered would obviously cost a substantial (and not easily calculable) amount in the short term and, above all, have major longer-term consequences. To change the controls and revise the system of hierarchy would affect the entire edifice of company power. And why undertake such an adventure if their official partners were not really demanding it ? All in all, the issue is not productivity, efficiency or job satisfaction, however important each aspect is, but control over the future. Those who took the road of reform did it less to improve their profitability or popularity than to take up what looked like a challenge, distant yet inevitable. The caution and reserve may be due to similar reasons to the above.

In order to interpret these attitudes properly and understand the difference between these three countries and the Federal Republic of Germany and Denmark, perhaps one should also point out that in a number of branches it is the 'long-nurtured low trust relations' fed by tradition and experience that represent the main obstacle. And this cannot be overcome simply by a show of good will.

Lastly, the facilities (and sometimes demands) for direct expression produce a further difficulty. Undertakings are usually so equipped that the superiors can listen to their subordinates. But any active participation by the latter in the adjustment of working conditions risks putting into question not only the top management but the whole working framework. In the internal strategies encouraged by the current structures, few management staff have any interest in promoting such changes. Conversely, if the unions, which are founded on voluntary membership and the rule of democracy, can in principle

easily widen the scope of consultation, they also measure the investment of time and resources required to achieve this and the overthrow of structures it would require, both as regards the operation of the union itself and that of the representative unions. Neither side can make the necessary changes in organization rapidly. Naturally, all the forces (and excellent reasons) which push in the other direction, towards the centralization of decision-making and responsibilities, do not make it any easier.

So there remains a long road to travel and the end not in sight.

1.4 Adjusting working hours

Everything connected with the adjustment of working hours is clearly an essential part of the quality of working life. We are dealing with it separately for convenience sake, because it is one of the most traditional subjects of bargaining and also and above all because it lends itself very well to bargaining in the strict sense of the term and to centralized decision-making. So it deserves to be considered apart.

Whether it is a question of the length of the working week, holidays or retirement age, the main demand of the unions until 1974 was to reduce the fatigue and work load of the workers and to promote personal development. So free time was demanded for reasons of well-being, which was also a means of utilizing the rise in productivity. Since the crisis, the demands and objectives have changed somewhat, coming back to preoccupations which were widespread at the time of the 1930s crisis but forgotten since. A reduction of working hours and lowering the age of retirement have become means of redistributing employment and giving jobs to the unemployed. To the social justifications have now been added economic justifications.

1.4.1 Length of the working week

Immediately after the Second World War, the need for reconstruction (and the low wage level) led to long working hours. These working hours have been reduced substantially everywhere, generally as a result of collective bargaining although the law has often also contributed to the trend.

The trend has been most rapid in the Federal Republic of Germany where 92 % of employees did not work more than a 40-hour week in 1976, and most sudden in Italy where working hours dropped from 48 to 40 in the fifteen years from 1959 to 1973 (they actually dropped from 44 to 40 hours in the seven years 1966-1973). In Belgium a national industrial agreement made the 40-hour week general as from 1 January 1976 and this limit was confirmed by law of 20 July 1978. In Denmark the 1973 conciliation pact achieved the same result in December 1974. France has moved rather more slowly, since collective bargaining in this area was not really effective until after 1968. In general it is expected that 40 hours will be achieved in 1980. The UK has established a basic 40-hour week in most agreements for manual workers (employees frequently

work no more than 37 1/2 hours), but remains a case apart, as we shall see. In Luxembourg, agreements and laws have reduced the week from 48 to 40 hours over a period of 20 years.

But does this 40-hour week which has been obtained for the majority represent a threshold which will not be crossed ? On the contrary, there are increasingly numerous attempts to break through this 'wall'. In Italy, the working hours of civil servants have dropped to 38 and 36 hours in some cases. By the same 1973 Danish agreement, those working in two or three shifts have been granted two hours of 'freedom', which puts their real working hours at 38. The Belgian unions are calling for a gradual general reduction to 36 hours, although for the time being the employers are refusing this. Some branches have paved the way, however, such as electricity, banks and insurance companies (36 hours), dockers (36 hours 15 minutes). But in every case this was done mainly to save or create jobs. In Italy company agreements have exploited the movement towards semi-continuous shift work by demanding a 36-hour week in compensation (six days of six hours; four shifts of six hours a day). Despite a strike lasting more than six weeks (November 1978 to January 1979) particularly in North Rhine-Westphalia, the German metal workers failed to obtain a 35-hour week. The United Kingdom trade unions have tried without success to launch a concerted European movement for a 35-hour week. This demand has also been repeatedly put forward in 1978 in Italy and France. Will a coordinated offensive be achieved ?

Yet some ambiguity may remain, for the agreements may lay down a fairly strict limit, a maximum (eg Denmark), a rule to which exceptions are possible, or a basic timetable. How then should overtime be regulated ? In the UK, in spite of the declared intentions of the TUC, major unions and employers to reduce overtime, it has remained remarkably stable for manual workers (from five to six hours a week on average for workers). It varies little with the economic cycle and appears to be more of a tradition which offers employees extra pay which they can quite freely choose to obtain or not according to their needs (and, of course, which involves more flexibility and probably less expense to the employers than recruiting new staff). Elsewhere, the rules are more crude : the Italian agreements tend towards an annual maximum, for example 150 hours per head per year in engineering or 100 hours in oil companies (1975). These quotas fell rapidly in recent years but seem to have come to a standstill now. In Belgium, a national industrial agreement advises against overtime and obliges the employer who allows it to inform the administration and employment services thereof. By the law of 1976, which will be implemented on the basis of collective bargaining, France invented an original method of automatic reduction : it makes it compulsory to compensate overtime hours worked by additional paid leave. Experience will show whether this ingenious provision is efficient.

Several problems remain :

1. It is easy to understand the need for laying down fairly strict rules. Otherwise, as shown by the case of the UK, the basic hours indicate only the moment after which the hourly rate increases. But conversely, the employers have good reason to fear excessively strict timetables. Naturally, ad hoc

agreements can be negotiated, as is done in Denmark to authorize a cut in working hours, that is to say, to reduce working hours rather than the number of employees (for the contractual maximum is also a minimum). But the procedure can be a difficult one.

As a method of reconciling overall control with momentary flexibility employers have proposed that agreement should be reached on an annual total with some range of flexibility in the distribution over the year (provided, of course, certain limits are observed). Hitherto the unions have greeted this with reservations, except for the real seasonal industries. Negotiations were, however, opened on this question in France in 1978 (the formula also has the advantage of putting a clear choice between a reduced working week and longer paid holidays).

2. In most large towns, the time taken to travel from home to work is tending to increase and to absorb a considerable amount of the working time saved. In order to arrest this trend the unions have suggested that the employer should pay a total time of availability (work + travel). But this proposal has encountered serious objections. If applied individually, it would discourage the recruitment of staff whose homes are furthest from the place of work, with consequences which would no doubt be adverse for the employees concerned (and particularly for the most recent arrivals who often live on the outskirts). If an overall compensation was paid it might encourage distant travel. A formula remains to be found (probably with the help of the public authorities). But this issue makes it easier to understand why the area of concern to the unions tends to go beyond the narrower confines of working life, which can pose difficult problems of organization and methods of action.

3. The most difficult question of all, in the present economic cycle, is the effects of reduced working hours on employment. On the one hand it is certain that this reduction does not entail an equivalent drop in production. If the hours range from 44 to 40, lost production would be no more than 50 % on average (the figure would probably rise if the hours were further reduced). So this would not create an equivalent and immediate demand for employment.

In the longer term, one can obviously no longer reason as though the number of jobs was fixed. The employers argue that since it would be necessary to increase basic wages so that total wages did not fall, retail prices would be affected and the number of outlets would therefore be reduced. At any rate, what is certain is that in the end the most important consideration is the effect on investment and demand.

1.4.2 Shift work

There has been a general increase in shift work (two teams which work in relays every day and stop at night, three or four teams working in relay day and night with a break at the end of the work, continuous work, ie which does not stop on Saturday or Sunday, or in four, five or six teams). Sometimes it is based on technical requirements (a blast furnace or glass furnace cannot

be extinguished every night), sometimes on economic requirements (it is difficult to pay off a computer working eight hours a day), often on a mixture of the two which is difficult to disentangle. The unions, which are more liable to accept the constraints of the trade, accept technical requirements. The employers stand by the economic requirements.

In France and Italy, and to a lesser extent in the UK, the unions have launched a major campaign against shift work, especially night shifts. The matter had been studied for a long time but in recent years these studies have aroused greater social concern. The physiological cost of night work was assessed, as was the difficulty of making up for the fatigue by sleeping in the daytime in lodgings that were too small or badly soundproofed, the lack of transport, and also the social cost of shift work, which restricts family life and makes it very difficult to pursue any civic or leisure activity collectively or consistently and practically makes it impossible to follow any vocational training. Even in very large towns which provide more facilities during off-peak hours, shift work is a strong factor of social isolation.

This condemnation and this campaign were nurtured by company disputes on working hours which confirmed that the constraints were becoming more obvious and less tolerable. What is felt most is probably the social deprivation, either because those concerned find it difficult to measure the long-term burden of accumulated fatigue themselves or because they have grown to accept it out of habit : rebels have more often demanded free Saturdays (Michelin, December 1977 in France) than an overall reduction in working hours.
On the other hand, the threat of reductions in employment triggered claims for the introduction of five, or even six shifts : in Lorraine and the north of France, early in 1979 iron and steelworkers saw this as a way of reducing the number of dismissals planned up to 1980.

The result of this movement was additional regulations in some countries in order to make new decisions on this matter subject to joint examination, prohibit certain formulas, increase medical supervision and improve accomodation for shift workers. It is too early to assess the effects. Moreover, the undertakings made an effort to improve the organization : one can reduce the number of night-shift workers by retaining only those operations which are quite essential, reduce the length of the night shift (provided there are sufficient teams), find better systems of rotation, limit the number of years during which shift work is allowed and organize additional training and reclassification. It is far too early to judge the implications of these measures.

But above all it should be asked whether the economic downward trend has not made the reasons which led to the expansion of shift work even more compelling. If the capital equipment can be paid off more easily and becomes more productive, this creates more jobs for the same investment. During the present crisis these arguments are likely to weigh very heavily. In Italy, where the crisis is particularly acute, the unions are hesitating and making major concessions : in return for shorter working hours, they are allowing shift work in the textile industry in order to facilitate the modernization

of undertakings and in engineering they have signed a clause acknowledging the employers' right to demand shift work. But this was done only after much discussion and hesitation and usually in cases where the crisis is most serious (it was allowed more willingly in the south than the north and for textiles than for more prosperous branches). Yet this flexibility is significant.

The need to create jobs, livelier competition and the stresses of industrial reorganization will not, however, lead to an end of shift work. Although its reduction or profound readjustment remain an objective of the social policy both of governments and the two sides of industry, this goes against all the economic forces. Collective bargaining may well occupy a secondary place beside legislation in this case.

1.4.3 Flexible working hours and part-time work

Flexible working hours which leave the employees a margin of freedom to decide their working hours provided they perform the required total number and all work during a specific stretch were very clearly a procedure introduced by the employers. It seems almost exclusively to concern office workers and even so, for the time being it only involves a small fraction of them (between 5 % and 10 % perhaps). In the Federal Republic of Germany, where the idea was first launched, it is thought that its influence is now spreading more slowly and that the limits will soon have been reached.

Although flexitime can be introduced only with caution and after prior consultation, so far it has not been a matter for collective bargaining in the Federal Republic of Germany, which together with Switzerland is generally considered the pioneer and where most of the discussions took place in the discreet atmosphere of works councils, or in Belgium where the two sides of industry discussed it in the 'Conseil national du Travail' but did not consider it advisable to support it by agreement or legislation, or in Denmark where it is not mentioned in the collective agreements, or in France where the problems it involves were examined in tripartite research committees chaired by a senior official and where the matter is mentioned but not really discussed in the inter-trade agreement of 17 March 1975 and where the law (27 December 1973) requires the prior agreement of the works council. Only in the UK has the civil service national negotiating body decided, after a series of formal experiments over several years, to adopt it for the body of civil servants thanks to the enthusiasm of some unions.

Apart from this exception, unions have shown strong reservations as a whole. They do not usually dispute that the great majority of employees appreciate the freedom it gives them. But the unionists list a number of technical objections : in these conditions will it always be easy to control working hours ? Will they not to some extent fall outside the area of collective bargaining ? Will it be possible to defer overtime hours from one week to another ? The minor freedoms of absence authorized hitherto will now be the responsibility of the employee. Will flexitime not restore or reinforce the system of clocking in ? Is it not being introduced so that the employees will be less aware of the reduction in working hours ? Will

the unions not lose some of their means of communicating with the rank and file or holding meetings ?

Behind these specific reasons, which are certainly valid, lies a more general preoccupation. Is flexitime not a means of shifting questions of working hours from the sphere of collective action to that of individual arrangements and will it not therefore have the overall effect of weakening the sense of community and unionism as a whole ?

Belgium took a new step by introducing in some sectors, such as banking, the right to adjust working hours for family reasons, that is to say, the right to unpaid absence for compelling family reasons. Other countries have adopted similar practices for the same branch.

The trend towards part-time employment and the measures (mainly statutory) taken to facilitate it could be regarded as another attempt to adjust working hours in order to cut them to the measure of the employees' needs. At least this is what has been argued, not without justification since part-time work is on the increase in all the industrialized countries. Yet one should not forget that its primary justification lay in the requirements of the branch (or, one could say, of the consumer), for example in trades, catering and hotels or health services. But it is true that it has often enabled employed women to go to work while also fulfilling their traditional family responsibilities, which explains why part-time work has increased particularly in industries employing mainly women.

Here again, the unions express reservations. This is not because they wish to oppose what is now a widespread practice (18 % of employees in the UK work fewer than 30 hours a week; seven out of eight are women). But they are reluctant to encourage it in Italy, Belgium, France or the UK, because it might contribute to downgrading women's work, exert pressure on the advantages (or wages) of full-time workers and (for the feminists) widen the traditional division (and inequality) of tasks between men and women. Unemployment certainly adds an element of risk to the use of this new 'labour source' both for those who are employed and for those newly arriving on the labour market.

1.4.4 Paid leave

Paid leave has been extended by means of collective bargaining, although this is often supplemented or rather consolidated by law. There are substantial differences from one country to another : Luxembourg and France started early, the UK a little later (34 % of workers had four weeks holiday in 1976; among employees, 60 % of men and 40 % of women). But now the majority have four weeks (by law in France since 1969. In the Federal Republic of Germany 53 % of employees have at least four weeks; Luxembourg will introduce five weeks for everyone in 1979) and holiday pay is becoming general.

The number of official holidays also varies from one country to another. In other respects, the progress is of a more diffuse nature.

In the Federal Republic of Germany, additional holiday entitlement is largely based on age and seniority (but the limit comes early since the maximum number of days is generally reached at 35 years of age). In the UK, the pressure comes from the white-collar employees, with whom the manual workers have almost caught up as regards what was one of their privileges and 'perks'. In Italy, however, the differences between workers and employees have been eliminated by the agreements (both now have four weeks) as have the privileges of seniority (except for an additional week for workers of advanced age). In France, several branches have taken a first step in this direction; moreover, an additional week is planned for the youngest employees; but since November 1977 negotiations have begun on making the fifth week generally applicable.

The most important long-term choice is no doubt the one that has been discussed least, in public at least, namely the choice between reducing the working week and extending holidays. The Federal Republic of Germany gave priority to the first alternative, France to the second. Even if today they are very close again, a difference remains. And the result is far from the same in spite of involving the same economic cost (if indeed it has been calculated at all).

Lastly, it is worth noting that some undertakings which were in difficulties, in Belgium, France, Italy and elsewhere, found extending unpaid leave a more acceptable form of redundancy (sometimes by agreement with the unions).

1.4.5 Retirement

Pension schemes were established by law in all the nine countries a long time ago. Often they were adapted or profoundly altered after the Second World War. Since then, however, they have very frequently been supplemented by further schemes, introduced by law or negotiation. The rise in the percentage of old people in the population, the increasingly widespread demand for providing senior citizens with an adequate living standard and the trend among younger people to provide for their future security have made retirement conditions one of the most widely debated and topical of issues. Several opinion polls show that it is one of the main preoccupation of white-collar employees. No doubt the uncertainty born of the crisis further increases the need for security and guarantees.

The main body of pension schemes was introduced by law. Indeed, the reasons for resorting to legislation here are so strong that the only surprise is the area left to collective bargaining. The law is the best way to make contributions to pension schemes compulsory and to cover everyone, thus placing the system on an adequate numerical basis. By contrast, a branch, category or even company scheme is subject to the fluctuations of the population structure or of the economic situation of the branch.

In France and Luxembourg, however, supplementary schemes have been introduced which in the first case at least are based on a complex system of hierarchical agreements (inter-trade outline agreements, branch agreements, company agreements). In France the supplementary schemes for civil servants are mutual insurance schemes. In particular, one should note the schemes to cover specific categories, executive staff, foremen or technicians, which have paved the way for joint institutions. In the UK the unions have shown a belated interest in the retirement schemes set up (outside the statutory scheme) by various companies and which display a wide variety of formulas and rates. Stimulated by the Social Security Pensions Act of 1975 and the development of white-collar workers' unions, that is to say of a category that is traditionally more interested in protective institutions, they have now begun to exploit this vast bargaining area.

Yet generally it is the law which has taken the action. In Denmark, for example, in 1964 the law supplemented the usual scheme by a supplementary pension scheme (the 'labour market' pension scheme) to be administered and run by joint bodies. In Italy no new scheme was created by law, but the two sides of industry and in particular the unions have made great efforts to persuade the public authorities ot improve the statutory system (basing pensions on the best earning years and indexing it to the cost of living, for example) since inflation was gradually eroding the private schemes, especially company schemes, which were usually based on savings. In the Federal Republic of Germany there has usually been little room for collective bargaining beside the statutory system and the supplementary company schemes (with an insurance fund).

Two opposite and complementary schemes often coexist, a flat-rate pension scheme for all to give minimum protection and an earnings-related scheme, ie related to contributions. The UK and the Netherlands started with the first system and then added the second, which leaves much room for branch or category action. In Belgium and France the earnings-related pension system was applied from the start, although supplementary schemes have made wider differentials possible.

The economic crisis gave new impetus to pension schemes. One way to 'mop up' unemployment seemed to be to lower the retirement age in order to 'make room'. It seemed more reasonable to pay for the retirement of men and women aged 60 than for the inactivity of those aged 20. Surely, a young labour force, probably better trained, would help towards the necessary industrial redevelopment ?

Usually the system of early retirement seems to have been applied only locally. An undertaking or a branch in difficulties could resort to it to reduce its staff complement without dismissals. In France, the Lorraine iron and steel industry embodied this in an agreement as early as 1967. Some undertakings have done it in Italy, Denmark and Belgium. The Federal Republic of Germany is planning to provide for it in collective agreements. But in all these cases, quite apart from being a measure justified by an emergency situation, early retirement was also a means among others (eg transfers from one undertaking to another, further training and retraining) of settling staffing problems.

Thus in France in some cases the early retirement age has dropped to 57 years while the normal retirement age remains 65 years. The difficulties in the iron and steel industry have led to a further step being taken : early in 1979 it was proposed to lower the retirement age in certain cases to 54 (this , it is true, would apply to those engaged in traditionally arduous work).

There has also been a tendency to interpret the provisions authorizing early retirement in cases of illness or invalidity (age 60 years in Denmark) more and more widely or to add other entitlements : arduous work (English coal miners claim this for retirement at 60 years) or, as introduced by law in France in 1976, assembly-line work, work in bad weather or, for women, the fact of having three children. So far as we know the employees have not rushed to make use of the opportunities thus offered them (for instance by the French law of 1976), yet this represents a major increase in rights.

Belgium and France have gone further, firstly by introducing the possibility of early retirement from the age of 60 years for anyone who, by that age, has been a victim of dismissal and found it difficult to find another job (technically this 'pre-retirement' scheme took the form of supplementary unemployment benefits, financed in France by a fund (1972 agreement), in Belgium by the employer, aided by a fund if he is unable to finance it himself (national industrial agreement of 1974). The next step was to offer retirement at age 60 to all those who wished it, with a supplementary pension until the age which entitled them to the full rate, provided they did not accept other employment. Thus in Belgium the law established 'pre-pension' '<u>à la carte</u>' - although it also obliges the employer to replace the retired worker. The French 1977 inter-trade agreement sets as sole condition (other than sufficient seniority in the job) that the retired person must not take another job.

It is very likely, especially in the French case, that with time the various conditions and restrictions will gradually be eliminated and that it will be decided to advance retirement age to 60 (or rather, considerably to improve the pension rate entitlement at 60 years).

When can or should one retire ? And, of course, at what rate ? Obviously it would hardly be reasonable for the rate not to vary according to age. Those who work longer should be offered a better pension, both out of fairness and as sound actuarial method. But when, as with the French social security, the pension rate doubles between the ages of 60 and 65, this is not just the outcome of actuarial calculations but an attempt at dissuasion. Moreover, the absolute amount is the most important one : 25 % of earnings (below a certain ceiling), as is the case at 60 years under the French general scheme, offers little incentive to retire.

These reservations must be borne in mind when we compare 'normal' retirement ages (ie compulsory retirement age or that at which the pension rate becomes more acceptable) : 65 years for men, 60 years for women, except in Italy (60 years and 55 years) (1) and Denmark (67 years and 62 years for single

(1) In Italy, the December 1977 law, now offers women the option of retiring at 55 or 60.

women). It would be overhasty to conclude from this that Denmark offers the least favourable conditions.

Indeed a better conclusion would be that today the problem is no longer specifically one of retirement age but rather one of the conditions which can widen the area of choice of those concerned, the conditions governing pension rates, the circumstances allowing workers to retire before the usual age and the compulsory retirement age.

Flexibility is probably the best solution to this last issue. France wanted to reduce the final working date of senior officials (especially university teachers) from 70 to 65 years. But there was so much resistance that the reform, which was to be made in stages, stopped at 68 years. The Danish rules seem the most flexible : a civil servant is entitled to retire as from the age of 60 years; he is obliged to retire at 70. The introduction of gradual retirement schemes (ie the gradual easing of the work load at the end of working life, under consideration in the Netherlands and several other countries), would also produce less rigid schemes.

On the other hand, the pension rates for earlier retirement must not be low and the reasons for early retirement at improved rates must be defined fairly widely so that the decision is largely up to the person concerned.

Improving access to earlier retirement (in short, bringing forward the retirement age) would certainly respond to a very general concern. But can one be sure that the great majority would immediately make use of this possibility ? The experts are discussing this and express strong hesitations. One would have to observe closely the experiences of Belgium and France. Certainly, the economic situation will not allow one to apply the lessons too generally; it is very likely that the anxieties created by the crisis will dissuade some employees from retiring if they may not pursue any additional activity. When times are uncertain, people are not eager to give up all possibility of working. But in spite of this reservation, the experiments will be extremely instructive. The first information, relating to France, seems to show that this deal is acceptable to a not insignificant though still rather small number.

The security of obtaining a guaranteed pension if he is overcome by fatigue, ages sooner than he should or loses his strength remains a basic assurance to the worker. But inversely, there seems to be an increasing number who find in their working life not only human contact, exchanges of views and their social identity but also a centre of interest and satisfaction. The reluctance to stop working, in a population that is better cared for and better instructed, may weigh more heavily than age or fatigue Although work obviously involves stresses and strains, it is possible that the years to come will bring a major change : a majority of employees may wish to prolong their working life as much as possible, provided they are offered honourable terms of departure at the end and the burdens and responsibilities are eased.

1.5 Continuous training

The trend towards continuous training, with the dual aim of gaining more control over the labour market and offering more equitable promotion prospects is one of the major social phenomena of the last ten or fifteen years. We shall not attempt a comparative assessment of the expenditure involved, forms of financing, number and breakdown of trainees or aims and efficiency of training, for this has already been done. Our object will simply be to assess the role of collective bargaining.

All in all, it is modest. It is important in only two countries : France where the points of agreement between the two sides of industry are set out in the inter-trade agreement of 10 July 1970 - although this agreement is also backed by several laws, dated 1966, 1968 and 1971; and Italy where the most important provisions seem to be embodied in branch agreements (above all the engineering agreement of 1973). They were extended to all activities, including the public sector (most often, the entitlement was for up to 250 hours training).

In other cases the two sides of industry and their agreements have clearly played a secondary role in relation to legislation. In Belgium the law of 10 April 1973 entitles workers to paid leave for training purposes. The branch joint committees lay down the conditions for the use and breakdown of the hours credited for this. Some (large stores, building trade) have set up vocational training funds. But there are no real collective agreements on the principle of training. In Denmark the 'labour market' training schemes were set up by law; they include specialized training (1960 law), further training for skilled workers (1966) and retraining (1969). Administrative responsibility lies with the two sides of industry.

In some cases, in fact, there is practically no collective bargaining at all. In the UK the crafts unions regarded the Training Services Agency which set up retraining schemes with some suspicion. In the Federal Republic of Germany, aside from measures to promote training leave, paid or not, there is little scope for agreements beside the laws (especially the Länder laws) and supplementary provisions made by the undertakings.

It is easier to understand these differences when one remembers the special nature of negotiation on further training where it takes place at all.

As illustrated by the 1970 inter-trade agreement in France, the main function of negotiation is to provide a general framework for the decisions taken by those concerned and the undertakings. Naturally, this agreement established well-defined rights (as do the Italian branch agreements) : the right to paid leave and the limitations to the exercise of this right. But it goes much further and jointly lays down the main lines of a common policy to guide the branch agreements and company planning. It regulates relations with the public authorities, plans the use of available resources and calls for others. Although the agreement is joint, the negotiation is in fact tripartite. The 1970 agreement resolves some of the problems of the application

of the 1968 law and paves the way for the 1971 law (which, for example, will make financing compulsory). In its capacity of outline agreement, statement of principle setting out a policy, and tripartite arrangement, this agreement is in fact quasi-legislation by delegation, or, if you like, a contribution by the two sides of industry to the regulation of an area of public interest.

This makes it easy to understand why a law, prepared for by adequate consultation, can fulfil the same needs (although there would evidently be advantages in proceeding by agreement).

The second function of negotiation is of course to define the obligations and organization of the branch. This does not involve any new procedures (Belgium, France, Italy). At most one can note the existence in France of standing joint committees, regional and branch, which are responsible for following up training and employment. Although they are not found everywhere and their operation has given rise to strong criticism, they are an important institution.

The third function relates to the other extreme, to the employers' and employees' decisions and more specifically to the decisions of the undertaking, which can be incorporated in a training plan. Here the 1971 law in France requires consultation of the works council (a 1976 clause to the 1970 agreement lays down the detailed rules of this consultation). Although the policy is based on an agreement, the method is perhaps not very different from that in the Federal Republic of Germany which makes the works council responsible for examining training matters. It would perhaps be different if the French unions obtained their wish that any disagreement in the works council should mean a suspension of the plan which would become a negotiating issue between employer and union. But hitherto this remains a wish. And even if it were satisfied, it might not radically change the situation; it would be more likely that both sides would do their best to ensure that the council remained responsible.

So the form of negotiation is very varied. Its most classic form is the branch agreement. But the statements of principle which guide the negotiation and the consultations with the undertaking which follow it give the two sides of industry different roles to play. And, of course, if such a policy is to be implemented efficiently, this will be a question primarily of the efficiency and quality of the consultations. In fact such consultations are very similar to negotiations and only differ by omission, ie when, as frequently seems to be the case, the lack of interest of the staff or lack of training of its representatives makes it almost impossible to examine the plan seriously.

Perhaps this suggests a basic opposition between the points of view of the two sides. Although it is apparent that the opposition of interests is not at all of the same kind here as in the case of wages, there are striking similarities, from one country to another, in the points of friction. In Belgium the two sides have not managed to agree on a statement of general objectives because the unions thought the employers were too exclusively concerned with training linked to the immediate interests of the undertaking. In Italy, where the unions have most power of choice of the training schemes authorized by the agreements, they have mainly

opted for training to catch up on missed schooling rather than vocational training as such. The same differences of direction appear in France. Of course there is no reason why the employers should not consider only their short-term interests. Nor does anyone pretend in practice that training is better the more disinterested it is. The differences of direction leave a good margin for agreement and action.

How is a balance reached between the two sides ? The share of each in formulating the guidelines for training reflects the general balance of forces which is clearly not the same in Belgium and Denmark on the one hand and France on the other. Moreover there are good reasons why the employers' views should weigh more heavily. Firstly, this is because it was often the employers who took the initiative a long time ago, at least in the large undertakings (and in the trade associations which often have a long-standing honours list of training schemes). Secondly, and above all, it is because a good training scheme, even if it assigns a fair share to general training with formulas to increase the employees' independence, must offer the trainees short-term prospects of increased responsibility and improvement of their situtation that is to say promotion prospects. This is a company decision, linked to the prospects this company can offer and to its opportunities on the market. So this is the usual ground of the employer rather than the union or the staff representatives.

It also happens, as happened in France, either that the unionists may regard further training as a long-term objective, placing faith in its long-term effects rather than attempting to control the immediate situation, or that they show growing scepticism about the efficiency of the joint mechanism which structures and controls it. In the absence of any strong pressure on the part of those concerned or of a dynamic to gradually arouse their interest, how can the unions assert themselves vis-à-vis the employers, in particular, within the undertaking ?

The two objectives most often set for further training, that of a better control of the employment market and that of offering more equal opportunities can surely conflict at times, or at least diverge. Obviously it is not the same thing to begin by dealing with the needs of redeployment or saving jobs as it is to construct training methods which will allow, in the medium or long term, major changes of category or promotion. The need to link training to vocational objective in order to determine the scale of requirements, the fact that it is usually the employer who takes the initiative and lastly, the pressures of the short-term economic trend evidently speak in favour of the first type of objectives. In Denmark, the downhill economic trend has increased the demand for training (the 1971-73 labour shortage had reduced it). Sometimes, training was designed for very short-term objectives, in order to give employees the expectation of a new job or enable young people not to enter the labour market immediately (the French unions ironically spoke of 'parking' training). However, apart from actual abuses, of which there do not seem to be many, the use of training to respond to the most urgent needs probably has the overall effect of reducing inequalities or at any rate preventing them from increasing. The effects on social mobility as such are much more uncertain. Most of the effort seems to have been directed at maintenance and improvement of knowledge rather than social advancement.

One final effect must not be forgotten, especially in countries where the school system offers little opportunity of technical or vocational training. Further training mobilizes a large number of teachers, makes it necessary to set up or adapt a whole training apparatus and, as regards both the recognition of training courses and their orientation, gives the two sides of industry some decision-making power. The effect of these new factors on the school system as a whole may be far from negligible. At a time when training for working life is being re-examined (the new Danish law of 1972 and 1976 on basic vocational training, which, after a period of five years, totally replaces the former apprenticeship system, is a good example), both in order to rectify the serious imbalances of supply and demand on the labour market and in order to give less weight to the economic trend than to foreseeable changes in industrial and economic structure, the two sides, ie, employees' unions and employers' trade associations, perhaps have more to say than ever before; recent experience can provide them with valuable information and additional authority (even in a country like the Federal Republic of Germany where the link between vocational training and the undertaking is still very close).

1.6 Inequalities and disparities

1.6.1 The problem

The inequalities or disparities between men and women, manual and non-manual workers or undertakings of different size are less a traditional bargaining object (except in the limited sense, which we examined earlier, of job evaluation and the wage rates connected with them) than a problem that arises from time to time by its very nature. Although collective bargaining is attempting in some respects to bring certain working conditions outside direct market control, for instance by eliminating or reducing the ability of undertakings to compete on wages, in order to attain its ends it makes use of power relations where, of course, the labour market situation has a strong influence. Especially when a major place is given to decentralized bargaining or the (more or less negotiated) decision-making of the undertaking, collective bargaining can endorse or even increase the inequalities between the providers of work. Historically one of the major problems of the union movement has been the division between skilled labour and unskilled labour (in some cases, between craft solidarity and industrial solidarity) and how to co-ordinate the two situations and the two forms.

This problem has not disappeared, as shown by the discussions on job evaluations and the chain of command and the strikes on issues specific to unskilled workers. But others have also appeared, which overlap only slightly ; inequalities between immigrants and nationals, women and men, manual and non-manual workers. One of the hopes of industrialization and growth was that economic development would automatically erode the differences, or at least make them less blatant, and that the free play of negotiation, backed by this economic trend, would do the rest. This hope has been fulfilled in part, especially with the considerable increase in social guarantees and more generally of social transfers. But it has been fulfilled only in part, for

apart from all the cases of 'exclusion', of people whom a physiological or social handicap prevents from maintaining their position at a time of sterner competition, some differences have proved difficult to eradicate. Only by deliberate specific action can any changes occur.

In some cases the problem is even more serious. Not only are there no automatic correcting mechanisms but vicious circles appear which make any intervention or correction difficult. It is not surprising that the last arrivals on the labour market, the recent immigrants, especially if they also have little general training or vocational qualification, tend to occupy the least skilled, most difficult and dangerous and the least well-paid jobs. But if circumstances are such that there are only very limited chances of acquiring a qualification or gaining better employment (because the number of immigrants increases, because the urgent need to earn their living prevents them from following a training course, because of certain barriers, institutional or not), a vicious circle will appear, separating the two labour markets. The existence of a work force which 'contents itself' with such jobs perpetuates their existence; because they remain outside the first labour market, they may reamin badly paid, in difficult and dangerous jobs. In some cases, unfavourable living conditions (accommodation, transport, food, forced savings to send money home) reinforce this vicious circle. But in all cases fragmentary measures are no longer enough. It is the whole interconnected system that must be attacked and corrected.

Our example is certainly too simple and only has schematic value. The earliest immigrants, in France as in the UK, are extricating themselves from the vicious circle in large numbers. The divide between the two markets is not total. Immigration policy has corrected some of the most flagrant abuses of the 'sleep merchants' and 'men ferriers'. But the wider the cultural distance between immigrants and nationals, the closer we come to the model outlined above.

The problem of immigration is probably about to change radically since the great wave of immigration into the Europe of the Nine has come to an end with the economic crisis. The balance of this movement has become negative or at least nil everywhere now. As a result, one may except an end to the vicious circle, but for the fact that unemployment hits the weaker categories particularly hard, which means, in many countries, the immigrants.

But above all, analogous mechanisms are appearing in other cases too and the same conclusions must be drawn from them. In all the countries of Europe, women are becoming more sensitive to the inequalities of which they were the victims. Here again, there is a vicious circle. Women are paid less because they occupy less qualified posts; but these posts are traditionally reserved to them to the extent that employers and workmates (and sometimes the women concerned themselves) regard as particularly 'feminine' the skills they demand (dexterity, care, quite simply the capacity to tolerate boredom and the absence of ambition). This reinforces the circle. The situation is even clearer if one considers not the distribution of jobs by sex but career. Women have a shorter working life than men (although it is lengthening rapidly) with more

breaks and more absenteeism, and it is women who are traditionally responsible for children and domestic work. So they are offered less promotion, less responsibility and less chance of asserting themselves, less further training. Because they are less qualified and have fewer responsibilities they are absent more often and are less reluctant to give up their work. The circle is thus complete. The situation can also be complicated by other factors : since girls have fewer opportunities in working life, their parents will give them less training, especially technical or vocational training, or training less likely to lead to a job (in secondary education, girls take subjects which have fewer job outlets) or more traditionally feminine training, even if it does not lead to anything (sewing, hairdressing, etc). Similarly, since they 'have no ambition' (ie have interiorized these stresses), women will prefer to choose shorter working hours, smaller undertakings - where they will of course be less well paid and more liable to unemployment.

Again we are simplifying. Developments in the school system are enabling an increasing number of women to take up qualified jobs. In the professions, the managerial jobs and technology, the number of women is increasing faster than that of men. It was found in Denmark that women were invading traditionally masculine domains, such as soldering, engineering or truck driving. This means that minor corrections are occurring and the growing pressure and discontent of the feminine population can be explained more by their entry en masse into the working population and their heightened aspirations than by the worsening or even unchanging nature of the situation. This model at least has the value, like the preceding one, of showing the 'systemic' nature of the difficulties. For not only does any cut in male privileges provoke resistance and repercussions (male backlash), but many elements of the situation promote and apparently even justify this resistance.

Although it is less fundamental in our society, the opposition between manual and non-manual workers is due in part to mechanisms of the same kind. Here the corrective mechanisms were applied earlier : the shortage of manpower in the early 1970s was in many cases a sign of disaffection towards manual labour, a disaffection which it must be admitted was founded on good reasons in some countries : difference of wages (France, Italy), of stress (eg output : the Federal Republic of Germany), of advantages (leave, social security, protection against dismissal) (Belgium). In the light of this list, it is not difficult to imagine the correctives that could be applied. Because of the cost, their application is a different matter. But in this case too there is not only resistance on the part of the privileged workers against losing their privileges (even if only by sharing them with others) but also the 'revenge of the system' : the increasingly rigid classification of jobs makes it easier for small groups of white-collar workers to recover the advantage (Italy).

Noting the existence of these vicious circles is no proof that it is impossible to take action but only a means of drawing attention to the necessary ways and means of doing so and to the role that can be played by bargaining.

1.6.2 Means of action

Because major inequalities are often the product of relations, on the labour market (or markets), any correcting policy can only come from fairly high up : the public authorities, in the name of the general interest; or the two sides of industry, but at top level, where the long-term dangers can be measured and where all the effects of the dispersed decisions be assessed.

The impetus of the Community and ILO directives on equal pay and equal opportunities at work for men and women was reinforced either by legislation, inter-trade agreements or the two together. In France the 1972 law satisfied a movement of opinion rather than initiating it. In the Federal Republic of Germany, the tribunals tried to eliminate discrimination on the basis of constitutional provisions. In the UK the 1970 act was formally backed by the employers and the TUC. Belgium preferred a national industrial agreement, ratified by royal decree, in order closely to associate the two sides of industry. The law of 20 July 1978 later confirmed the agreement. In Denmark the 1973 inter-trade agreement was the decisive step. In Italy branch negotiation was encouraged partly by the 1960 inter-trade agreement, partly by the 1969 law and action by the tribunals.

The same applies to the change to salaried status. In France, branch negotiation was encouraged and backed by a political measure, accepted in a joint declaration by the confederations. In Italy the initiative came from the top level of the union organizations after 1968. Rivalry between blue-collar and white-collar unions seems to have played a more direct part in the UK where the development of white-collar unionism showed the manual workers' unions new objectives (or at least new levels of aspiration), or in the Federal Republic of Germany where the rivalry between DGB and DAG (employees' confederation) has become more acute, particularly as a result of the endeavours of the union of public services and transport (OTV) to co-ordinate pay levels.

Lastly, the attempt to reduce the gap between immigrants and nationals was very centralized in the beginning and often based on legislation (1968 Race Relations Act in the UK).

It is clear that a central impetus is necessary. Branch and particularly company negotiation alone would no doubt have had very limited results. On the other hand they are an essential stage. How have they functioned ?

Branch negotiation has worked fairly well for the most easy issue, that of paying monthly salaries (within certain limits, for in no respect has it dealt with the special situations of the higher categories, whatever their definition, which differs greatly according to country (cadres, dirigenti or executives). The manual workers' union had sufficient power and the resistance of the white-collar unions (sometimes distinct from the former as in Belgium and signing separate agreements) has been very limited. The rapprochement and

sometimes even fusion of their respective status was a rapid process in France and Italy, based on branch agreements (the French inter-trade agreement of 14 December 1977 and the law of 21 December which immediately gave it general application only represented the legal framework). Belgium had to try to co-ordinate separate agreements (and sometimes their dates) and major differences remain. The differences as regards sickness and accident benefits were abolished by the inter-trade collective agreement of 1970. On the other hand, severance pay still differs greatly in spite of the inter-trade agreement on social planning of 1973. Overall monthly payment agreements have been signed in some branches (foundry-work, large stores). Similarly, in Italy, in spite of the rapid rise in importance of this issue in branch negotiations (equalization of paid leave, sickness and accident benefits) there are still differences as regards seniority bonuses and severance pay. The standardization of these measures will require some sacrifices. The monthly payment agreement in the iron and steel industry in Luxembourg still contains the same kinds of limitations at present.

As regards equal pay and equal opportunities for men and women, the situation is more complex. Certainly the action taken by the tribunals in response to individual grievances, jointly with branch negotiation, has purged the agreements of any discriminatory clauses or separate classifications and thus eliminated some differences. However, reservations must be expressed here. In Denmark, the pay of women rose to 80 % of that of unskilled men in 1968 and to 90 % in 1975. But the alignment was partly due to the equalizing effects of the "corrected" sliding scale. In Italy, women's earnings had risen from 67 % of men's earnings in 1967 to 77 % in 1974. Since 1975, the flat rate increases under the sliding scale have confirmed this trend. In France, detailed examination of the implementation of the 1972 law has shown it to be very disappointing. In the Federal Republic of Germany and the UK, unions and employers have sometimes joined forces to try to find definitions of 'feminine' jobs which also comply with the law (in the UK the differences appear particularly marked because in 1970 women's pay was 50 % of that of men; in 1975 the percentage was 64 %). But the most significant differences are not due to the basic rates, which are often identical, but to overtime, allowances for shift work, and particularly job classification and promotion.

Moving from the same wages for the same job to equal pay is in effect a move from what is verifiable (provided the verifiers act in good faith and with knowledge of the industry) to something much less so. Apart from cases of flagrant injustice (and there will always be someone to note these), how can one ensure equal pay ? It is easy to verify from overall results that that it is not equal. But how should one measure, in a specific case, that which pertains to the job as such, and over which the decision-maker has little control (a man will be accepted more easily for a certain responsibility or the male candidate has shown more devotion to the task and has more experience) and that which reflects his own judgements ? Or should one perhaps set quotas ?

The union confederations often militate actively for equality and most of their national unions follow suit. But there may be patent unwillingness on the shop floor; the unwillingness of the shop stewards and members of the Betriebsrat reflects that of the body of the workers.

Concern has often been expressed at the low proportion of women in unions. A British survey found 71 permanent women as against 2259 men. In Belgium, women are virtually absent from the joint committees. Although women, participating more in working life, have entered the union movement in vast numbers (in the UK the number of unionized manual workers has fallen by 6.8 %; the number of unionized women workers has risen by 58 %; the number of unionized white-collar workers has multiplied by three in the last 30 years), they are still poorly represented.

But it is probably here that they have the best prospects for the future. The pressure of women in the union movement is the best means of strengthening the role of negotiation and making it efficient, not only in the context of equal wages and salaries but also of adjusted working hours, arrangements for pregnant women (like the very simple arrangement enabling them to leave work a quarter of an hour earlier to get home before the rush hour), longer maternity (and paternity) leave, nurseries, special training conditions, special conditions for refresher courses and promotion. In Belgium, the UK and France, 'women's strikes' attracted some attention. They generally received warm backing from the national unions (if not always from the local people) and showed that a new force had emerged.

The same measures would also make it possible to rectify the inequalities embodied in social legislation, such as replacing the simple wage system by an allowance for baby-sitting (which does not discourage women working).

In the main, the same reasoning would apply for immigrant workers.

1.6.3 Future outlook

We have not attempted to discuss all the major sources of inequality at work. Regional differences, which are insignificant in the UK and in the Federal Republic of Germany and more marked in France and above all in Italy, may also give rise to vicious circles, but they do not really pertain to collective bargaining because they are essentially economic. Although Italy and France abolished area abatements after 1968, this was largely the result of regional infrastructure measures (and the effects of this standardization were modest although not negligible). Degressive scales for young employees have been reduced or abolished in Belgium, Italy, France and Denmark (although in the latter case the differences remain large, especially for apprentices). This equity measure may even have made the recruitment of young people more difficult. That is a point worth considering at a time when several governments are offering the employers tax and social contribution reliefs to recruit young unemployed persons. Lastly, the protection of the handicapped is a question of major social importance. In Belgium for example, the statutory obligation to employ handicapped people is combined with the authorization for the employer to pay them wages below the agreed rates, a public fund paying the supplementary amount so that the handicapped will receive normal wages (national collective agreement of 15 October 1975 and ensuing regulations).

We have preferred to concentrate on cases which are at the same time very important, require decentralized agencies to back up the central impetus and which have to combat existing imbalances.

What is the effect of the changing economic trend on immigrants and nationals, manual and non-manual workers, men and women ? Logically it should be adverse for the weakest on the labour market, unless the public authorities or social groups take compensating measures. But even if recent immigrants fall within this category, it is not certain that the other two less-favoured groups do.

As we said with respect to wages, the definition of the strong and weak members on the current labour market, which is regaining its full importance after thirty years of full employment, may no longer be the same. In the case of manual workers, although the traditional trades are likely to give them few privileges (except repair work and crafts), many engineering trades and many skills (which are less easy to transfer) in the chemical and oil sector can stand up well to competition, whereas occupations requiring diplomas of ability may find it less easy to do so.

As regards women, the reason it is likely that the economic trend will not act against them is quite different and lies in the scale and breadth of the women's movement. Although real feminist groups are a very small minority, women's awareness of the issues involved is becoming increasingly acute and general. It is difficult in the long run to resist a movement which encompasses more than half the electorate.

But as this case illustrates , articles of law or clauses of agreements will not cover all these issues. Some of the vicious circles we condemned are based on attitudes and convictions inherent in working relationships and also in personal relationships, friendships, family or political life. The present transformation of social morality is not a question of decrees (it is a result rather that can be measured in law : laws on marriage, abortion and contraception or the law introducing co-educational schooling).

Do the two sides of industry have a part to play in this task ? The undertakings will necessarily play a part by the measures they take. (Will a married worker be authorized to absent himself because his child is ill ? Will a woman readily be appointed head of division ?) No doubt the union organizations will also play their part. Although there is a strong male predominance in all of them, they may need to keep in contact with this major social movement and show a degree of conviction and militancy. This objective is more important in Italy and France or Belgium than in the Federal Republic of Germany, but every European union movement needs to show a certain amount of devotion to the cause and good faith.

Although the context is not the same, the same reasoning could be applied to the approximation of manual and non-manual workers. Leaving aside wage and statutory measures, they represent two very distinct and sometimes

opposed types of social relations which must be brought closer together if there is to be any unity. This involves the relationship of trust and delegation which traditionally links employer and employees, and the relationship of distrust and supervision which traditionally links employer and manual workers. Even if this opposition is excessive today, in both senses of the word, at least it shows to what point reactions of trust or distrust are implicit in both cases and have their own logic.

Here again we have reached the borderline of what can be covered by collective bargaining. But whether they want or not, the two sides of industry are the faithful or unfaithful interpreters of social relations and not just its legislators. Although the contract is their main raison d'être and objective, the ways in which they adjust social relations go far beyond matters that are inscribed in contracts.

2. THE PARTIES TO NEGOTIATION AND DISPUTE

None of the nine European countries has experienced any profound changes in its representative organizations of employers and employees : little has resulted from rapprochements between rival unions so far and the changes of statute or direction have not caused any real change. As a whole, transformations of organization have been modest. We shall underline the changes. But first of all we must stress the great stability of these institutions.

On the other hand, during these thirty years of growth, and perhaps more obviously in the last ten years, there have been profound changes in the working population and perhaps even more so in respective positions and powers and in relations. The change in beliefs and philosophies is perhaps even more radical : up to the end of the 1960s, the various forms of economic development (by leading to better living standards, furthering social justice, promoting modernization or making it possible to keep up with international competition) had, despite diverging interests and conflicting outlooks, provided common ground for understanding and, more important, a source of common conviction. This conviction found expression in the fervent belief in planning in France, social planning in Belgium, the social market economy in the Federal Republic. The emergence of new problems and sharpening conflicts of interest have reduced this common ground. Doubts regarding the benefits of growth have undermined the conviction; the re-emergence of unemployment and the crisis have put an end to the economic conditions which fostered it.

In most countries radical minorities have developed or made themselves heard. Some of the large trade unions have stiffened their positions and stand aloof from the common commitments (some have reverted to their traditional attitude of opposition). The new militancy has spread to new ground; often it has overturned doctrines. The Marxism of the CGIL now barely resembles the traditional orthodox approach (for example, with reference to work organization or the trade unions' role). The trade unions in the United Kingdom and the FGTB have rediscovered a more vigorous socialism. The Christian trade unions in Belgium and France have shifted to the left (in the case of the French CFDT the change was abrupt, mainly as a result of the shock of 1968). One of the more frequently quoted examples of this reversal of prevailing ideas was the transition in the Netherlands (perhaps not total or irreversible) from a harmonious conception to a conflictual conception of relations.

Similarly, liberalism, often somewhat lethargic or purely defensive, has again become a living conviction of employers (the change is particularly remarkable in France). It has been the inspiration of a social policy that has been vigorous at times and at times has taken the offensive.

Lastly, these changes in industrial relations have had a corresponding impact on political life, where the passage has been more difficult and rougher, due not only to the economic crisis, but also to the increasing tendency for programmes and doctrines to conflict compared with the 1960s

when the major policy alignment took place, and to the growing tendency for political forces to scatter (the Netherlands provides a good example).

These changes are not without cause. They stem from changed attitudes and means of action, and above all from changes in the participants themselves.

2.1 The emergence of new parties

Although there are still fairly wide economic and social differences between the nine EEC Member States as regards gross national product per capita or the distribution of the working population among the large sectors and even more among the branches, the trends in the latter are very similar. Without attempting any detailed comparison, which we are not qualified to do, we nay note several major features in common, such as the fall in agricultural workers, whether landowners, farmers or employees, which is of course all the more striking in countries where this population had remained large (France, Italy and Ireland); or more generally the fall in the number of self-employed workers, as a result of the fall in the agricultural population, and in the number of craftsmen, traders and small industrialists, following mergers of undertakings. This has resulted in a rise in the number of employees. Some of the new employees are the product of the flight from rural areas (especially in France and Italy), immigration, from ever more distant places until its stoppage in 1973-74, and the increasing employment of women, which was particularly rapid recently (Denmark, the UK and France in particular). The breakdown of these employees by socio-occupational categories shows a slow or nil (percentage) increase of manual workers and the gradual dominance of non-manual workers (as a result of the trend in the tertiary sector and perhaps especially the public sector but also of the growing proportion of non-manual workers in the secondary industries). Here the most rapid increase has not been among the categories of employees (in the trades and above all office workers) but among the skilled or highly skilled categories of technicians and middle or senior executive staff. Among manual workers, the breakdown by qualification has not changed radically in spite of the decline of certain traditional trades and the growth of industries employing fairly unskilled manpower (electronics and domestic equipment); and although geographical decentralization has sent more factories employing unskilled workers than methods study departments into the small communes, the empty space left by the fall in unskilled labour has been occupied almost fully by semi-skilled or skilled labour, often mainly the latter.

The changes are profound. Even in a country which gave great protection to agriculture like France, middle and senior executive staff are now (1975) more numerous than peasants. The tertiary sector is gaining more and more ground in relation to the secondary. The level of education has risen and the proportion of university students has risen particularly quickly.

What consequences can be drawn from this familiar picture, which we are describing pro memoria, for the parties to collective bargaining ?

2.1.1 A new working class ?

Many of these changes in the working population had been foretold by the economists with remarkable precision. There was no lack of analysts to study this situation and, on the basis of factual observations, to foretell the overthrow, transformation or disappearance of the working class in the accepted sense of the term and of the class-consciousness which lay at the roots of the unionist movement in Europe. But however important the changes now appear - we will come back to this point - all in all the opposite impression seems to emerge : the massive rise in living standards, the profound changes in employment and training have only partially changed the workers' modes of expression and organization.

The idea of a 'new working class', which in France had a real influence on union and political life, presumed that technical changes, especially those grouped under the term automation, would increase the skills of the workers concerned and bring them closer in line with the technicians and executives. Moreover, since these skills were less transferable, there would be greater integration within the undertaking, which would encourage workplace solidarity rather than solidarity among categories. The privileged workers in automation could thus become the avant garde of the working classes and pave the way for new union action (workplace action, interest in management).

The great wave of disputes starting in 1968 largely refuted this interpretation. The case of Italy shows this very clearly : the various parties involved in the 'hot autumn' were not the 'new professionals' of the key sectors but semi-skilled workers from the large mass industries such as cars and engineering. Young, often better informed than in the past (if only because of the extension of compulsory schooling), they were nevertheless in no way a privileged class. They played a central part in the disputes and strikes because they were well placed to do so and held a central, strategic position in production (the professionals who joined them often played a supporting and balancing role because their position was quite different). Alliances with technicians and executives were neither very widespread nor of any great strategic importance.

The same conclusions must be drawn even from a detailed analysis of the 1968 crisis in France (which is not to say that different problems did not arise, as we pointed out in the first section).

One hesitates far more today to speak of automation en bloc, as though the transfer machine in car production, the continuous flow production of glass, the numerical control of machine tools, self-supervision or feedback mechanisms or the introduction of computers all had the same effects on employment, the work load and qualifications.

However, in the UK the improvement in working conditions, social security and the rise in the standard of living popularized the idea of the emergence of a new working class, a class that had become more bourgeois as a result

of prosperity, house ownership and the desire to provide for the future, to the extent of becoming assimilated with the middle class of white-collar employees and clerical staff. Here again a careful examination of reality has made this simplified picture look questionable. The prosperous English workers in the new towns and expanding firms, who earn high wages, have in fact changed. They are less bound by traditional craft and industrial solidarities. The working environment has become less of a living environment. Family life and private life have become more central concerns (together with the forms of consumerism they promote). But these workers have not become petty bourgeois. When they buy their house they do not stop voting Labour (at least, not necessarily, but the result may be different if they buy a house in a middle-class district). They look upon their work not as a career but as an economic necessity and take the same pragmatic view (which produces in them a very distant attitude towards both the undertaking and their immediate superiors) of unionism, though this does not entail a fall in union membership. Although their concept of the class system places them within the vast category which they call the middle class, which includes all but the very poor and the very privileged, they have given evidence of some inherent militancy since 1969, if only to protect their wages, individually or as a body; lacking revolutionary convictions and class solidarity, they become keenly aware of their interests as a category.

So it would be quite wrong to regard these semi-skilled workers (specialized workers in France) as a marginal group which is in every way inferior as regards wages, working conditions and insecurity. We shall return later to the movements specific to the least-favoured categories. The mass of semi-skilled workers played a major role in the big disputes not because it is a marginal group (as the Italian example has shown) but because it has e central role in the production process and in the changes in social life. It is true that as a whole it is more affected than others by the stresses of organization and has a need for collective action. But what is new, apart from their numbers, is that these workers have had an opportunity to express and press their claims.

Today the workers surely have something other to lose than their chains. Poverty is no longer the main motive force behind their claims. So to some extent the oppositions have become less violent and other demands are being put forward as a result of the comparison of their earnings with those of more prosperous categories. They now protest against the parcelling out of production and tasks, against the lack of prospects and insecurity. Sometimes even their sense of solidarity seems to have become more fragile : the worker gives his support to his occupation rather than to his class. But it is questionable whether the basic class consciousness has changed a great deal, or the sense of being one of the least well off, one of those who carries the burden of daily production (and has no subordinate to whom to delegate) and perhaps above all the feeling of being one of those who is told what to do and for whom decisions are made from above.

This sense of class has in fact become more commonplace; it has spread from the workshop to the office and now also covers the middle-grade categories who have often taken over more than just its vocabulary and attitudes. The unions no longer include only manual labour (this has been true for fifty years in some countries such as France) but also workers of

different origins, training and situation. Yet they still stand for that sense of opposition and combat which they inherited from the traditional labour movement, to different degrees depending on country yet with great similarities in every political group and negotiating system. The question is : do the unions hark back to this tradition for reasons of identity, or at any rate deep-rooted affinities, or for practical reasons (because it affirms the organizations' continuity and is a vigorous expression of opposition) ? With the growing numbers of white-collar workers among wage earners, and the improvement in skills and, even more, in educational levels, this is a question that needs to be answered.

2.1.2 The public sector. Staff and executives

The undeniable rapprochement between workers and employees which is reflected in the shift to monthly payment is not, therefore, a fusion of the two groups. As we said before, very profound changes would have to occur before the social relations of a workshop become the same as those of an office. So there is still a great deal of stability in the workers' methods of action.

But this stability must not conceal the advent on the scene, often at the very forefront, of categories others than the workers of private industry.

Public sector unions are not a recent phenomenon in Europe, in spite of the great differences in legislation. In France, after the great depression, the CGT of 1930 started as an organization of civil servants and state employees. After the war, trade unionism spread to cover state and local authority employees (the same applies outside Europe). Moreover, the establishment of a public industrial sector, of varying importance depending on the country, gave trade unionism a further field of action. Lastly, some categories of officials, such as teachers, have greatly increased in numbers and have organized themselves on a massive scale. In the UK, with an average trade union membership of 50 % for employees as a whole, the rate is 85 % in the public sector. In Italy, the rate of trade union membership in the public sector is estimated at 56 to 57 %, slightly higher than in the private sector. In France, the first national trade union (or federation as it is called there) is the national education federation, with more members than the three metal-workers' federations together. Next in line are the railways, the Electricité de France and the mines. In Denmark, negotiation has become such an important element that more employees are bound to the state by collective agreement than actual civil servants.

The job security of the public sector has become a much envied privilege since 1974. It gives more power to union action, which has no doubt also been favoured by the attitude of the public authorities. In the UK or France after the Second World War is was most unlikely that the nationalized undertakings would not point the way as regards compliance with the right of association and joint consultation.

This does not necessarily mean that state employees are privileged in times of crisis, although they are certainly protected against unemployment and their employer is not faced with difficulties at the end of the month. They can also be regarded as examples for the policy of wage restraints. But in fact their practical privileges do not necessarily match their apparent powers.

Trade unionism has also spread to private sector employees, although seldom to the same degree. Strikes have occurred in banks, insurance companies and large stores in Belgium and France. In the UK 27 % of private employees are unionized. In Ireland they represent 30 % of total union membership. In the Federal Republic of Germany they are so numerically important that relations between DGB and DAG (employees' union) have become very tense and employers sometimes find themselves obliged to negotiate separately with each of them (although the outcome of the negotiations hardly differs). In Italy a number of employees, mainly those whose privileges were at risk, took part in the 1968-1970 strikes.

A crisis can intensify the claims of employees' unions, whose privileges and differences are threatened by monthly payment and by the emergency measures taken to combat inflation. In Belgium the employees' unions, which are a separate organization negotiating separate collective agreements, refused to accept redundancy (to which the workers were subject) or to give up their very high severance pay.

Even more important for the future of negotiation is the extension of unionism to the most highly skilled employees, to designers, technicians, engineers and administrative staff. The trend is the same everywhere although the results may differ quite widely. In the Federal Republic of Germany the senior executive staff (leitende Angestellte) are on the board of directors. At a lower level, the unions are also trying to include in their ranks the middle management staff, who were hitherto considered outside the scope of agreements, and to represent them in their negotiations. In Belgium and Luxembourg only a minority of executive staff belongs to the 'workers'' unions; in Belgium the employers have not accepted them as representative of these categories, except the banks. On the other hand, a large number of them belong to independent associations of categories. In spite of the reluctance of the Belgian unions, some undertakings there have established executive staff committees in which executive staff participate in the management of the undertaking but where they can also discuss their own problems (the 'Federation des Industries belges' has recommended that this system should be applied generally).

In other cases a certain number of executive staff (1) are members of

(1) The definition of this term varies considerably from one country to another. Leitende Angestellte in Germany, dirigenti in Italy mean senior executive staff. In Denmark, the definition depends on the university degree. In France, the notion of executive staff is particularly broad since it covers supervisory staff and highly skilled specialists with no responsibility for others (the CGC in fact intends to organize even senior salaried employees).

associations, whether or not called unions, specific to their jobs. In France a general confederation of executive staff negotiates alongside the executives' unions of the workers' confederations. In the Netherlands an association of senior executive staff takes part in branch negotiations and the committee of middle and senior executives, although not belonging to the 'Fondation du Travail' (Labour Foundation), takes part in the discussions between the foundation and the governments and is represented on the Economic and Social Committee. In Denmark associations of graduate executive staff, independent from the LO union confederation, have been set up and have federated (doctors, engineers, lawyers, economists) to negotiate jointly, especially vis-à-vis their state employer. In addition, three associations of executive staff, foremen and technicians are negotiating an outline agreement with the employers' organization. In Italy some executive staff have traditionally belonged to the trade union movement. They have shown new interest in organizing themselves after suffering intensely from the disputes of 1970 and after. They have set up independent groups which are not in principle unions but which concentrate more and more on defending their category of job, and the confederations are seeking common issues with them.

In the UK too, the union movement has spread to technical and executive staff, taking various forms. There are scientific and technical staff unions (The Association of Scientific, Technical and Managerial Staffs increased its membership 2.5 times between 1968 and 1974); then there are the large-scale workers' unions which have set up subsidiaries for these employees (the Amalgamated Union of Engineering Workers set up the Technical and Allied Staffs); lastly, special sections have been set up for the new categories within the union, whether as part of general unions (TGWU), industrial unions (Iron and Steel Trades Confederation) or sectoral unions (Union of Shop Distributive and Allied Workers).

Some of these organizations have a large membership, but they also have an importance that goes beyond their numerical membership and lies in the strategic position they occupy and the powers they hold. The big unions are in fact trying to attract technical and executive staff everywhere and these often play an important role in the public discussions and debates.

Generally, the unions of employees and technical and executive staff are moderate and have rather different customs and objectives from the workers' unions. In the UK it was the white-collar workers who aroused new interest in pension schemes, a field which had previously often been neglected. It is partly their example that has intensified employees' concern with career prospects and possible guarantees. Often too it is a question of defending established positions and privileges (this attitude is not unknown among crafts unions either, though).

The methods used are not the same The situation has to be very critical before the executive staff will consider going on strike and they will always attach a different importance to personal discussion.

In some cases, however, small groups readily adopt extreme ideas and

positions. Some employees' unions have an extreme left (or 'new left'), as in Belgium, Ireland and France. It is true that words like 'radical' may go hand in hand with the defence of privileges, yet one cannot dismiss the phenomenon of the emergence of extremist movements among skilled and highly skilled employees.

No doubt it should be linked to the development of occupations requiring high qualifications but situated at one remove from the direct responsibilities of the undertaking (production, marketing, finance) such as consultancy bureaux or laboratories, or teaching and social and cultural activities. A large number of graduates working in new fields remain unaffected by the traditional workplace opposition between those who give orders and those who carry them out. These managers cannot be managed.

Perhaps one could generalize and assert that the unease among executive staff which emerges at times during the discussions and disputes, and which has been studied in great detail, is merely the forerunner of a general movement of opposition on the part of this category to management. Yet the facts suggest that it is more a problem of organization than of social class. Just as the existence of radical technical and executive staff can be explained by their position in the organization of the undertaking (or the social organization), the unease of the executive staff is more a result of difficulties in adapting to the new role of the executive, to a new set of obligations, duties and rewards which takes away their traditional security and subjects them to the disciplines of efficiency and output. This does not mean that the change is not just as serious and important. It simply means that it cannot be explained merely in terms of alignment to workers' or employers' positions. Even when it takes radical forms, one must look for the new elements these forms reveal rather than trying them to old conflicts.

2.1.3 The least-favoured categories. Rival solidarities

2.1.3.1 The least-favoured categories

In the UK, Italy, Belgium and France the disputes during the prosperous years of 1968 to 1973 were often led by groups which although not outside the union movement played only a modest role in it. They contributed or consolidated but they did not press their own claims. This was the case of the strikes of immigrants in protest against their working conditions, of unskilled workers in general demanding, under the heading of job evaluation, a wage rise and recognition of their role, or of women subjected both to the stresses of output and to their position in a male-dominated society.

These strikes often proved particularly hard-hitting because they came from the rank and file who were often very inexperienced in the area of social conflict and therefore used unusual and often unofficial methods. The union organizations were only very rarely called to account for this, but often they needed to revise their ideas in order to understand these aims and make room for them on their platform.

All in all these events, favoured by a very tight employment market, may be no more than significant incidents in the spread of unionism to the new industrialized strata. Because of the labour shortage they could occur without necessitating a major effort of collective discipline. With the crisis, however, they may take on more habitual forms.

Yet some of these disputes pose a rather novel problem to the unionists when the categories involved are bound by a sense of solidarity which goes beyond that of the working world and to some extent stands in competition with union solidarity.

2.1.3.2 Rival solidarities

The first case in point is that of foreign workers. Immigrants, especially recent immigrants, do not suffer only from the difficulties and pressures of lower wages. Special rules govern their work and their stay in the country. Moreover, on arrival they may not know the language, culture or customs. Lastly, for these and other reasons, they are often regarded by at least some of the nationals as having a lower social status (this attitude is generally called racism and its major form of expression is not necessarily the most violent or spectacular one).

So in addition to the usual worries of fairly unskilled and badly paid workers, they also have special needs in common with other immigrants of the same origin and not with their workmates, eg accommodation, food, residence permit and work permit, learning the language, the practice of their own religion, schooling for their children. The union often responds to these needs, but this means that it must diversify its services and sometimes its organization, setting up special sections. Nationality-based associations will emerge of their own accord and the union will have to find ways of co-operating with them and sharing their duties, which is often difficult. The solidarity between employees should remain the primary solidarity; but this is an objective and not a datum of the situation.

In a different way the same applies to the problems of women. Working women have the same problems as all employees, but they also have others which go much further than those of working life although intimately linked to them. For instance, the division of domestic tasks is a major element of their daily workload and plays a major part in everyday working life as it does during strikes. If sexism is defined as assigning women an inferior status, sexism is at least as widespread as racism. We pointed to the vicious circles of this 'inferiority' earlier on. What is new is that they are now tolerated less and less and that women are feeling them and protesting against them increasingly often.

Can the unions respond to this situation ?

Firstly, the unions were originally a male movement (and men regarded

female labour as a rival which enabled employers to dispense with the services of the craftsmen); surely militancy was reserved to men as one of the noble functions in the world of those who act ? As we have seen, union responsibilities are reserved to men almost everywhere (especially, as can be seen in Belgium, the higher they rise in the hierarchy of these responsibilities - but no doubt this is true everywhere). The proportion of unionized women has risen markedly in the UK and in Denmark, but it generally remains below the proportion of working women. In some countries such as Italy, there are few working women or women union members, especially the latter. In the wave of disputes and negotiations in 1968-1970, little place was given to women and their claims.

In any case there is no reason why 'sexism' should not occur as widely among employees as among the rest of the population (even, to some degree, among the militants).

In recent years women have entered working life at an ever accelerating rate. In Denmark they made up 29 % of the total on 1960; by 1975 they made up 41 %. In the UK, where the initial was a little higher (30 % in 1950), they now make up 40 %; in Belgium, 35 %. In France the increase in the working population between 1968 and 1975 was accounted for by 159 000 men and 1 384 000 women (now they make up more than 38 % of the total). Italy still lags behind; there women make up a large part of home workers and, more generally, of workers who are not covered by any rules. In every case, the great increase in numbers can be explained largely by married women remaining at work or returning to work (in Denmark in 1960 less than 25 % of married women worked; now more than 50 % go to work).

This was followed a little later by an increase in female union membership. In Denmark women make up 35 % of members of the LO - as against 41 % of the working population (cf. 1.6.2).

The massive entry of women into working life was doubtless helped and encouraged by the economic upswing of the late 1960s. But its scale is so great that it cannot be explained merely by economic conditions. Rather it reflects a profound change of attitudes (the attitudes of women and, secondarily attitudes towards women) and social roles. The place of women in our society is changing. To use a phrase that has been a little overworked in recent years, this is not an economic but a cultural phenomenon.

The hesitancy and difficulties felt by the unions in face of this new situation are, therefore, not only a result of their traditions and the latent or open reservations of the male nucleus. They are also a question of finding effective ways and means, as we pointed out above. A type of relationship cannot be transformed like a rate of pay, nor a relationship which penetrates all other social relationships (like a working relationship). The difficulties are also due, above all, to the fact that the women's movement and the union movement spring from different bases.

The unions have always had rather difficult relations with the women's movements even where they have looked upon their basic intentions with sympathy. For does the discussion of household tasks, sexuality or contraception, not divide the employees rather than unite them against the employer, disperse their activities instead of concentrating them on realistic objectives ? Should women be organized separately (LO in Denmark has a union of female workers); should means be found of grouping employed and non-employed (ie non-working) women together ? Are committees on women's problems within the unions enough, are non-union feminist groups acceptable ? Does giving priority to women's difficulties not put workers solidarity in second place ?

There is a risk that this problem may also be dissembled behind the Marxist-based language in which attempts were made in Italy and France to reduce relations between men and women to a question of exploitation, and behind the methods of reassurance which consist of working 'towards women's rights' and adding a special chapter to the list of union claims. For the unions can neither refuse to concern themselves with that which motivates feminism nor align themselves with it. The major movement of social opposition which is currently expressing itself is certainly unlikely to set up a party or to organize itself into an interest group. But it will surely influence the organized parties and groups, especially the unions.

2.1.3.3 The new marginal group born of the crisis

Keen national and international competition may favour unprotected forms of work, especially in exposed sectors and those which a new international division of labour will bring into decline, eg home working, undertakings on the fringe of legislation. As a result of the low job supply, a large number of young people have at best to suffer a long wait before entering work, at worst extended unemployment and temporary jobs. This hits young people who have left school without training or qualification most severely, and there are many of them everywhere. Nor does it spare recent graduates. We know of no study of the unemployed who have exhausted their entitlements to supplementary benefits or of those who have given up looking for a job and have been struck off the working population list.

These new marginal groups, born of the crisis or enlarged by it, have attracted very different degrees of attention. Italy has paid most concern to the first group, probably because it is most numerous there. Government programmes have been set up in most countries for young people seeking employment. Much less attention has been devoted to the long-term unemployed.

In Italy and France the unions have tried to group the unemployed together but this attempt to provide them with a framework for expression and action seems to have had only very limited results. In the UK it is mainly non-union groups which try to help them, from the left or the right but in either case usually extreme. In general they remain without much organization.

The existence of this marginal group (which often renews itself fairly rapidly) without any channels of expression or institutional status raises very serious problems in the long term, in spite of the scale and effectiveness of social security payments and social programmes (especially unemployment benefits). The problems are not equally apparent in all countries but they are likely to be important in the future.

2.1.4 The employers

The world of the employers is not yet known well. What is the distribution of opinions and powers behind the reassuring unity of the trade associations (the only exception to this unity is the Netherlands) ? What was the result of the great economic transformation of the last thirty years for which of course the employers had much responsibility ? What effects has the recent crisis had ? We know only the general picture.

As has been known for a long time, the growth and stability of undertakings also involves replacement of the employer (the contractor, or, in the classical sense, the owner and head of the undertaking) by employee managers, who have higher certificates and vocational qualifications, whose objectives are not so much immediate profits as long-term success, not so much protection of the heritage as the development of the undertaking, not so much control as growth. Obviously this picture is too simplified, the differences in motivation are not so clear-cut and the social effect of this replacement is weakened by the fact that the new managers are often the sons of the old bosses, after graduating from higher college, and that there is more social stability than one might think.

What are the consequences of this change for negotiation ?

1. A large undertaking is not just a larger undertaking but above all an undertaking which has more autonomy vis-à-vis direct market pressures, whether the pressures of the produce market or of the labour market, and one which can therefore have its own economic and social policy. Of course every undertaking is a decision-making centre, but a large undertaking has a greater margin of freedom here.

So the effect of the growth in size of undertakings and the increased number of 'professional' managers in countries where the negotiation is often conducted by an employers' association must be to strengthen not only the influence but also the intervention of the larger undertakings in the associations (and, more generally, in the employers' world), and to give more weight to the undertakings' own policy in relation to the associations' directives. This does not necessarily mean that the organization will be weakened; the general trend in Western Europe is in the opposite direction and some large undertakings have contributed towards making their national associations more active. But it does mean that the distribution of decision-making powers must change quite considerably.

2. The emergence of very large undertakings, particularly in centralized countries where company headquarters are usually located in the economic capital, has also taken some of the autonomy and importance from the regional associations. In France the large provincial units are now overshadowed by the establishments of subsidiaries of large undertakings. The local body of employers is in the minority, at least as regards economic importance. The major social policy decisions are taken in the Paris headquarters. However great the undertakings' attempts to decentralize social decisions and economic management, the local associations have restricted powers.

To what extent is this picture also true of Italy, Belgium and the UK ?

3. Thirdly, the distinction between large, medium-sized and small undertakings has at times turned into a genuine opposition, fostered by the crisis and its emergencies. In simple terms, there is an opposition of social environment between the higher middle class and the provincial lower middle class; an opposition of origin, training and prospects between the cosmopolitan graduates and the local self-made men and dignitaries; an opposition of relations with the bureaucracy and the public authorities. On the one hand there are the men who come from the same schools, on the other hand the distrust of the self-made man towards the state and its officials. These oppositions are sometimes reinforced by the credit squeeze, price controls, monetary policy or the gloomy market outlook and often crystallize in social problems. The 'real bosses', those who own and direct, accuse the 'technocrats' of the large undertakings of endangering their livelihood by taking excessive measures or showing unpardonable tolerance. The association find it more and more difficult to deal with both ends of this chain.

2.2 The trade associations of employers and employees

2.2.1 Employers' associations

2.2.1.1 Structure

Although neither law nor practice prevents the individual employer from negotiating an agreement or convention, in Europe it is usually the employers' associations that have acted as the main partners of the unions in negotiations. It is true that for the past twenty years, with the shift to bargaining at undertaking or plant level more importance has been given to the role of management and their staff (in the United Kingdom it has become predominant) and associations have been left with the task of giving advice and providing services and coordination.

Undertakings can associate in order to set up joint departments, defend their interests before Parliament and the governments in matters of taxes, customs duties or credit (functions which we shall call 'economic' for the sake of simplicity). They can also associate as employers in order to

negotiate with the employees' representatives, formulate the basic lines of a joint social policy or assert their point of view before the legislator and the public inspectorates ('social' functions). The two functions are sometimes combined in the primary employers' associations which generally group undertakings according to industry whether at local or national level (often they then set up a specialized body such as the 'social committee' in the Federal Republic of Germany), sometimes they are separate. The same applies to the groupings by major branches ('federations' or unions). Lastly, the two functions are sometimes separate in the national inter-trade associations (BDA and BDI in the Federal Republic of Germany, the same in Ireland), sometimes combined (Belgium, Italy, France - the UK now also belongs to this group since the merger of the British Employers Confederation, the Federation of British Industry and the National Manufacturers Association to form the Confederation of British Industry in 1965).

The coverage of the inter-trade employers' associations varies. Sometimes they cover the entire economy except agriculture (Denmark, France); sometimes industry and commerce are separate (Italy, the Federal Republic of Germany). Sometimes, small and medium-size undertakings have separate associations (Belgium and in a more ambiguous way, France). The public sector undertakings generally remain apart but sometimes they do participate (and sometimes, as in France, they join forces).

The employers' associations have the same general structure (which corresponds in its principles to that of the employees' unions). Primary company groups (by small branches, ie by product, by market, by technology or by materials), either federate by branch (vertical organization, eg metal-work, textiles) or by locality or region (horizontal organization, eg Land, provincial or departmental association). The two types of organization come together in a national inter-trade association (which we shall call 'confederation').

Yet their respective powers vary considerably.

The Employers' Confederation (DA) in Denmark has very substantial powers. It negotiates and signs conventions, decides on any lock-outs and administers the employers' entire social policy. The situation in Italy is very similar, in spite of its extremely different social climate There the 'Confindustria' is responsable for defining the employers' economic and social policy, for enshrining the broad lines of this policy in inter-trade agreements and very closely controlling the branch discussions It has been headed by some of the major Italian leaders of industry. In spite of the secession of the state-participation undertakings in the late 1950s (grouped in two federations, ASAP for the oil and chemical industry, Intersind for the others) it directs the activities of the Italian employers well. Similarly, in the Netherlands, the central organizations with both private and public responsibility very carefully vet the branch decisions, especially where they relate to wages.

At the other extreme, in Ireland, there are several groupings, by far the most important of which in the private sector being the Federated Union

of Employers. In the Employer-Labour Conference, which has been negotiating national wage agreements since 1970, the employers' delegation is a coalition which, as the Irish Employers' Confederation includes the employers in the construction industry, in the electrical industry, in printing, state companies and local authorities and the state itself as a direct employer of civil servants.

Thus the branches have very varying degrees of autonomy. They remain the dominant force in the UK, the Federal Republic of Germany, Luxembourg and France. In France the branch unions which have more money and more human resources have traditionally had pride of place whild the CNPF, which was designed only as a 'committee', is a conciliation body rather than an authority or decision-making force.

2.2.1.2 The increase in the confederations' powers

In the countries we have just mentioned, the main social policy decisions and main negotiating powers rest with the branch associations. In Italy there is such an obvious need for a method of flexible supervision of the situations in the branches that in spite of the predominance of 'horizontal' associations, the large federations have set up autonomous negotiating machinery. In this way the 'Federmeccanici' and the 'Federtessili' have achieved some independence vis-à-vis the Confindustria.

Yet the main tendency is to strenghten the powers of the confederations and, more generally, of the horizontal associations. At times the pressures of the incomes policy have made it necessary to strengthen the central powers, as in the UK and the Netherlands. Sometimes it was their concern about social conflicts and crises that led employers to give their central organization more internal power and prestige, formally to confer on it the responsibility for a common social policy and entrust it with defending the undertaking vis-à-vis public opinion, in contrast to the traditional attitude of discretion and reserve. This applies to the CNPF and its reform in 1969 in France, and to the new effectiveness of the Italian Confindustria. In Belgium the long-term social planning projects made the constraints of consistent planning more tangible and resulted in improvements to the machinery (nevertheless, the tradition of social planning came to an end in 1976).

The effects of the recent crisis have followed the same lines as those of prosperity, perhaps because both were accompanied by inflation. The crisis confirmed or reinforced the centralization of pay negotiations (or at least, as in the Federal Republic of Germany, gave more weight to those who took part in the concerted action). Moreover, as political discussions have become more intense in France and Italy, the employers' confederations there have assumed an increasingly important role in defending the undertaking and its economic liberalism.

In many cases, the horizontal associations (regional or provincial) have also acquired more importance. In Italy many undertakings give full allegiance

to their provincial union and ignore the branch organization (in France the contrary tends to occur). These unions may acquire more weight with the autonomy recently granted to the regions, and their effectiveness is increasing with the creation of decentralized area unions. In Belgium the associations of very large regions such as Flanders, Wallonia and Brussels are becoming more independent and their policies are also becoming more differentiated, in line with the differences of economic situation. In France, the CNPF is seeking the more direct backing of the regional associations, but as a result of company mergers the regional establishments have to follow the policy of the Parisian head offices, and the regional units of the branch federations, at least of the major ones (metal, construction) remain more powerful centres of attraction.

More generally, large-scale undertakings, groups and holdings (to the extent that they have any social reality outside their financial unity) tend to favour confederations and be against decentralization. Since they may include undertakings and establishments which would traditionally be classified as belonging to different branches, they are not always at home in a purely occupational framework. They may therefore have to deal with a large number of different unions (Netherlands, the UK). Moreover, if only as a result of their size, they can easily act at top level. Lastly, even if their decentralized establishments try to participate in regional life, they cannot have the same autonomy of decision as a local undertaking and are necessarily subject to at least a minimum of co-ordination.

2.2.1.3 Large and small undertakings

Because of the range of their activities and because of their size, the very large undertakings occupy a special place in the employers' organization. Some like to remain outside, others join it, although sometimes with a special status (DA in Denmark has 157 associations - it is planned to group them more satisfactorily into seven large sectors - and also some fifty individual members). In Italy, France and the UK large undertakings sometimes not only negotiate on their own account and take steps which clearly distinguish them from the others but go flatly against the instructions of the organization.

Affiliates of multinationals that have their head office abroad are not very different from the major national companies in this respect. They too remain apart from the mass of undertakings, largely because they have a different outlook. The difference simply becomes wider if the decision-making centre is situated abroad and is therefore less sensitive to the national economic trend. In the United Kingdom, many affiliates of North American companies refused to join employers' associations (they have perhaps contributed to the development of company bargaining). They have today joined the ranks.

Moreover, the large undertakings have often formulated their own specific social policy. Groups and holdings often have general managers to co-ordinate this policy among the undertakings in the group. Although this is a model of functional management, with no linear responsibility, it requires a considerable

amount of information and competence which contributes towards the 'professionalization' of these functions. Management of personnel, social relations and industrial relations (human relations) develops within the undertakings themselves, with responsibility both for defining staff policy and dealing with the unions (the UK, Italy, France). Because these functions are becoming more important, they now often occupy the very top rank of the hierarchy.

Associations of personnel officers are emerging and asserting their trade association status. Universities and colleges are organizing special training.

This increased autonomy and power is widening the distance between large and small undertakings. In fact what happens is that in the main the employers' association becomes an organization of services for the small undertakings paid (largely) by the big ones; at best it acts as an area of compromise between the activities of the one group and the caution of the other. In times of crisis, however, this compromise can lead to lack of action or decision. The tension between the big and small undertakings is stronger than ever today in many employers' associations.

In Italy, Confindustria has set up special committees for small-scale industry, partly as a means of warding off the competition of the 'Confapi' (confederation of small undertakings). In Belgium, the Federation of Belgian undertakings is faced with the emergence of associations of small and medium-sized undertakings with their own separate policies, and the two groups disagree on the financing of social security, the reception of employees and employment policy (especially the organization of youth training schemes). Since any national collective agreement within the national labour council cannot be signed unless the employers are unanimously in favour, this opposition has considerable means of exerting pressure. In France the CGPME ('Confédération générale des petites et moyennes entreprises - general confederation of small and medium-sized undertakings) has long since asserted its independence from the CNPF and stood apart from it. Their disagreements relate to the rights of the unions (the CGPME is in the main hostile to any union action within the undertaking and on certain issues the CNPF only co-operates with it in a rather forced manner), employment policy, especially protection against dismissal (the large undertakings have agreed to maintain a higher employment level than required by efficiency alone and have adopted new procedures to control dismissal), and to a number of other measures (vocational training, restructuring of jobs).

The reluctance of the small and medium-sized undertakings (PME) to follow the 'big' ones in their expensive follies is often a response to the unions' reluctance to admit that there are two weights and two measures (or two employment sectors). The Italian confederations no longer want contract policy to include 'allowances' for the small and medium-sized undertakings (PME). The Belgian unions are willing to join the state in making a special effort to help these undertakings, but only 'in compliance with the social agreements'. The French unions paint a picture of a 'witch hunt' and of shocking working and safety conditions.

In these same three countries it is also accepted that the public authorities must make great efforts (by means of credits, the spread of technology or training) to help the large number of small contractors. In France new formulas are being tested to avoid the vicious circles of inferiority and subsidization. But even if they are successful, these efforts will erode the differences only very slowly.

In all three cases internal tensions have made the confederation adopt more intractable attitudes (as regards employment, working hours or working conditions) and made it more difficult for negotiations to arrive at a successful outcome.

This is no new problem in the employers' circles, but it has certainly worsened, for both structural and short-term economic reasons.

2.2.2 Employees' unions

The employees' unions are associations to defend certain interests. They are also militant associations. So convictions and doctrines are more important there than in the employers' associations (where economic liberalism is often a matter of course). For this reason, and because their ties with the political parties and movements are more frequent and closer, they often display greater pluralism (of course this pluralism can also be based on the difference between the groups represented rather than differences of opinion, although frequently the two go hand in hand).

Owing partly to tradition and partly to legislation and common practice, overall unionization rates vary considerably from one country to another : the rates are very high in Belgium and Denmark, fairly low in France, to give two extreme examples. These differences in unionization rates not only give rise to differences in resources and power but can also affect the nature of an institution : in an undertaking where 90 % of the staff are trade union members, the elected works council is unlikely to be a dangerous rival of the trade union section. Similarly, the application of an agreement will be more difficult and less rigorous where the proportion of trade union members is small.

They have the same overall structure : the basic association is the union, a local rather than a company unit (the second form exists but is rare in Europe). The unions are grouped into national unions or federations ('vertical' groupings of workers in the same industry or the same trade) and often into provincial or regional unions ('horizontal' association). The vertical and the horizontal associations unite in a summit association, which for simplicity we will call a confederation in accordance with French and Italian usage. Lastly, the unions have representatives and officials in the undertakings.

Yet there are major differences amongst European countries in the

definition of the area covered by a union and in the respective responsibilities of the various organs. Changes have occurred in both in recent years and it is these that we shall emphasize.

2.2.2.1 Breakdown of national unions

Which employees are covered by an union ? What are the criteria of the union's field of reference ? Today there are at least four different types of group.

The first type, which is the most familiar and now the most widespread, is the industry-wide union. It is found no doubt at its most rigid among German unions. There all the employees of an undertaking, whatever their special skill, function or grade, whether they are painters, mechanics or store-keepers, production or maintenance workers, manual or non-manual workers, belong to a single union. All the undertakings of a same branch are members of the same national union. In all, the DGB includes sixteen national unions of which the largest, I.G. Metall, has 2 600 000 members (out of a total DGB membership of 7 400 000). As this example shows, an industry can be defined very broadly : metallurgy covers some dozen different branches of industry. In the main, the principle of industrial organization is the same in Italy, France and Belgium (and the metal-working branch is equally broad). In the UK, some federations of unions, set up to enable the crafts unions to negotiate on an industry-wide basis, have a similarly broad coverage, although their basic organization is very different (this is the case of the Amalgamated Union of Engineering Workers).

But even where industry-based organization predominates, there is often a differentiation between manual and non-manual unions. In the Federal Republic of Germany, although employees belong to the DGB unions, a smaller confederation of employees, the DAG, also exists. In Belgium and Luxembourg, manual workers and white-collar workers have separate unions (and negotiate separately). The white-collar unions have acquired great importance in the UK and Ireland today between 30 % and 35 % of total union membership in Ireland). We have already discussed the unions of technical and executive staff in detail. The change to salaried status seems to have reinforced rather than reduced these distinctions.

Crafts unions are far from having disappeared. Not only are they of great importance in the UK and Ireland, not so much in terms of numbers (18 % of total union membership in Ireland) as by the often strategic position they occupy and the power this gives them; but they also exist elsewhere. Several small CGT federations in France are in fact crafts unions or incorporate crafts unions (shipping, dockers, book-trade) and, again in France, all teachers are organized in crafts unions.

Lastly, the 'general' unions, linking several industries on a rather loose logical basis, occupy a central position in the UK and Ireland as a result of their large numbers and their power. Structured on the model of its British

counterpart and of relatively more importance in the trade union movement (it was founded 12 years earlier), the Irish Transport and General Workers Union alone makes up one third of total union membership. Perhaps one should also mention in this context the Danish union of specialized workers which by itself makes up 27 % of LO membership.

The various combinations of these types of organization explain why sometimes there are very few national unions (16 in the Federal Republic of Germany), sometimes many (88 in Ireland, 59 in Denmark until 1971).

What are the trends ? At times there have been huge amalgamations as in the Netherlands where the (Socialist) NVV has created a federation of industrial workers, another for the public sector and one for construction (the Catholic NKV has done the same for industry and construction). Similarly, in France construction and book-trade unions are reducing the number of crafts unions.

This can sometimes be done by trying to group together the very small unions. Thus after 1971 the LO reduced the number of its unions from 59 to 40 in 1976. But it still wants further, genuine rationilization. Ireland has enacted a bill to facilitate amalgamation (1975).

But where there is amalgamation, does this create industry-wide unions ? In France the amalgamation into a federation of clothing, textiles and leather is closer in type to a general union than to an industry-wide union. The grouping into large functional federations which is taking place in the public sector in Italy is analogous to organization by industry; examples are at school, transport and (in process) health and social services.

By contrast, the maintenance or even extension of unions of employees and technical and executive staff is striking evidence of fragmentation. And there are even signs of the maintenance and extension of independent unions, of 'autonomous' confederations covering a specific category of job or body of officials or specialized skill (train and metro drivers in France). In the Netherlands in 1975 the independent unions accounted for almost a quarter of total union membership (437 000) (1).

What is striking, in spite of the successful attempts at mergers and the rational medium-term planning is not the progress made in 'rationalization' and amalgamation. Rather it is the extremely slow pace of this progress and the scale of the movement in the opposite direction. It is unlikely that this can be explained in terms of habit alone. Certainly the weight of tradition is very heavy in France, Denmark and the UK. But this weight is not necessarily

(1) W. Albeda, 'Changing industrial relations in the Netherlands', Industrial Relations 16, 2, May 1977. We borrowed much material from this article and from that by the same author in the BIT volume mentioned earlier.

a dead weight. It is time to embark on a more systematic enquiry into what it is that gives a group of wage-earners sufficient solidarity to set up an association and act jointly. Perhaps it is naive to think that 'good' organization is necessarily that which corresponds to a market or product unit and perhaps one should enquire how the relevant communities of collective action come into being, are maintained, develop and change.

2.2.2.2 Basis and organization

Apart from the UK where the closed shop is recognized by law and is an old-established union practice, and although this practice exists unofficially elsewhere too (in France for the book trade and dockers), compulsory union membership is not the usual practice in Europe. In some cases, the high proportion of union membership and trade solidarity exerts a strong moral pressure to join. In Belgium, union members may obtain some special advantages in return for their dues, but in most of the other countries this is legally impossible or contrary to tradition. It is more often the case that the union offers its members specific advantages (strike fund, legal advice, miscellaneous services). The very high membership rates (Belgium, Denmark) can probably be explained by a combination of various means of recruiting members. But even where the unions are most firmly based, they remain voluntary membership associations and their main basis is made up of militants.

So the unions respond to their grass roots movements, interests and pressures. In 1968-1973 this basis was often turbulent, on a massive and spectacular scale in Italy and France. In both cases, the 'hot autumn' of 1968 in Italy and the 1968 crisis in France, the initiative came from local militants rather than from the union machine, which was sometimes shaken up and caught short. In both cases the result was the entry of the unions into the undertaking (cf 2.2.2.3), hitherto refused by the employers, and also a thorough internal reform involving 'democratization', ie consultation and information on matters such as drafting the list of claims, deciding on a strike, holding discussions or reaching agreement. And in both cases the unions managed on the whole to tap this great movement in order to increase their representation and negotiating power.

A similarly broad grass roots movement emerged in the UK. Its effect on the union movement was much more restricted, perhaps because the unions already had the means of dealing with company issues, perhaps also because in general it was a question of more traditional claims, mainly relating to wages.

In Belgium, unofficial strikes called into question the former agreements and sometimes attacked the union bureaucracy, especially the highly centralized system of decision-making on inter-trade social planning.

The response to this movement was the introduction of consultation and of staff meetings. In the Federal Republic of Germany and the Netherlands, the unofficial strikes of 1969 and 1970 led the unions to adopt a more obdurate

attitude in the negotiations and to demand more far-reaching consultation (in the second case, some unions such as the NVV metallurgy union tried to obtain powers of action within the undertaking).

Small left-wing groups (the extra-parliamentary left) played a part in these movements in several countries (Italy, France, Belgium). Sometimes they injected a more radical note into the claims (eg regarding material working conditions or disputes about work organization and sometimes they turned against the established unions. However, their influence was very limited in this respect (even that of the Italian 'basic unitary committees'). They were more effective in expressing a new awareness than in creating a rival machinery. So their main effect was to reinvigorate and revive the union movement, which to some extent adopted them within its ranks in Italy and France (especially the CFDT in France).

In nearly all cases the main result of this militant movement was to assert or confirm the position of the union in the undertakings.

2.2.2.3 The union in the undertaking

The unions have only a very limited position here in the Federal Republic of Germany. Although union influence plays a large part in the elections to the works council (cf. 2.3), there is a clear division between union and council since the latter must work in co-operation with the employer. The union has spokesmen (Vertrauensleute) who represent it, collect the dues and ensure contact between the two sides, but they have no direct negotiating responsibility and need not necessarily be consulted. The introduction of these spokesmen (and sometimes the links with those elected by the Betriebsrat) is evidence of the unions' desire to assert their presence within the undertaking. But they are not an active partner in it.

The French union delegates do not have much more power either. In France the union delegate has no power to negotiate an agreement unless the union specifically confers such powers on him (but he is often the one to start a local dispute and sometimes to conclude the agreement at the end of the dispute). At least he can provide information to the employees. The French 1968 law enables him to exercise this right outside working hours and premises, but some branch agreements give wider rights. In Belgium, trade union delegates' rights were specified and considerably extended by a national agreement in 1971.

Their position is strongest in the UK and Italy. In the UK the shop stewards (or office representatives), elected by each group of union members, whom the employer accepts as a negotiating party have all the more freedom in that the union rules are often very vague with regard to their powers. They ensure compliance with the agreement and with custom and practice and negotiate the necessary changes. Their margin of action was increased by the periods of wage restraint during which local arrangements (on payment by results or productivity) acquired more significance. In a medium or

large-scale undertaking, each delegate represents a different union (and thus group of union members), but they often meet in committee to discuss the affairs of the undertaking; this multi-union committee and its elected chairman have greater freedom of action because they are not tied to any one dominant union. The meeting of the combined committees may be very important in a company with several establishments.

So delegates are both full union members (elected only by union members) and very autonomous in their relations with the unions.

The delegate (tillidsmand) in Denmark is closer to a shop steward than to a Vertrauensmann, in spite of his title. He represents the union but is also the spokesman for the employees vis-à-vis the management and takes part in company negotiations where necessary. In medium and large-scale undertakings, the delegates meet in committee under a general delegate. The difference from the British case lies in the amount of control exercized by the union machine.

The 1968-1970 strikes in Italy brought a new institution, the worker delegates (delegati operai) appointed directly by the body of employees of a production unit, and this system has become general, with the active support of the unions. In small groups of thirty or forty employees (in principle homogeneous by production unit but in fact grouped on a more flexible basis in the case of maintenance staff or white-collar employees) the employees (who all have a vote, union members or not) elect a group delegate, with no special union ticket (often on a blank ticket). He can be removed at any time.

The body of delegates forms the works council (consiglio di fabbrica) which has practically taken over from the former internal commissions. It is unitary and directly elected by all the staff; nevertheless the unions regard it as the union representative in the undertaking. It has extensive powers to negotiate, call strikes, sign the company agreement. It consults its constituents frequently in the general assembly. In fact, more than 90 % of delegates are unionized.

Although the system has not completely replaced existing institutions, it now covers most of the industries in the south and the north. The weakening of union unity which it seemed to have brought about makes the liaison between the works council and the local committees (which only have union members) more difficult. The recent trend has been to strengthen the 'executive' of the committees, to incorporate in them representatives proposed or appointed by the unions, and to reduce the terms of reference and scale of the meetings and direct consultations. This also brings out their dual nature more clearly (elected by all and acting as a basic union section).

Yet the councils are an innovatory institution and have given the Italian unions much more insight into what is happening at rank and file level and

more power to translate this into action. The system is an original solution to a problem which faces all the European unions to some extent.

Can one see any close links between this grass roots movement, which was answered by the strengthening of the union presence in the undertaking, and the 1969-1973 economic trend (especially the employment situation) ?

Although many things point to a new tendency towards centralization, the issues which arouse most interest (on-the-job protection, working conditions) were not economic and suggest the opposite. There are many reasons why the unions attach increasing importance to their position and activities in the undertaking.

2.2.2.4 Powers of the confederations

In some countries, not only have the confederations remained very powerful, compared with the professional federations (or professional associations or the national trade unions) which they incorporate, but their powers have tended to increase.

In the Netherlands, as we noted earlier, the crisis and the return to a rather dictatorial incomes policy has put the confederations back in control of branch decisions (1973 central agreement) and then, for lack of other solutions, placed this control in the hands of the government. In Belgium, the difficulties experienced in inter-trade planning (the gaps between strong and weak sectors, vulnerable and protected sectors, as regards working hours or pay are too wide) led the government in 1976 to rely on branch negotiations while keeping them under supervision. In Ireland, the Employer-Labour Conference, as already mentioned, set up the machinery for central negotiations even in the absence of a single employers confederation.

Although no institutional changes have occurred in France the confederations there have increased their authority. The branch federations still retain much autonomy in negotiations but the emergence of new claims and issues has put the main initiative in the hands of the confederations. The crisis brought an increased need for overall policies. The ensuing political debate involved the main social forces of the country and as a result, within the trade union movement, gave the confederations an added responsibility (even if only to affirm their neutrality like the Force Ouvrière).

In Denmark the 1971 congress gave the LO the right to make collective agreements on 'questions of general interest to all employees'. Although the unions still play a major role in negotiations, the confederations have made use of their new powers - for which the crisis gave them many opportunities.

In Italy, although the branch organizations remain at the centre of the

union organization, the confederations have acquired more power. Partly this is because they wanted to regain control after a period of very fragmented action, but mainly it was in response to basic trends. These included the extension of the list of claims to very general issues (schools, health, housing), the general economic crisis and the employment crisis. They have also embarked on correspondingly wider-scale action. By statute the horizontal organizations now have half the votes in the CGIL confederal conferences (the vertical organizations are in a majority in the CISL). It should be pointed out that there is a marked difference between the unitary works council elected by all and the area councils reserved to union members.

This increased power also extends to regional horizontal organizations. In Denmark the LO has set up departmental organizations with departmental advisers to co-ordinate union activity at that level and settle labour problems locally. In Italy the provincial unions are acquiring more power since the regional reforms made them the surety for the new regional authorities. In France, particularly in the CFDT, regional unions distinct from the traditional departmental unions have developed for the same reasons as in Italy, together with local, sectoral or basic unions which can serve as logistics centres for local action and act more effectively upon public opinion. They have proved very active in employment disputes.

2.2.2.5 Union pluralism. Unions and parties

Where it is based on differences of conviction or doctrine, union pluralism lost some of its importance with the development of bargaining in the 1960s. It seems to have regained it with the crisis.

The only exception to this trend was the successful amalgamation in the Netherlands in 1976 of two confederations, the NVV and the NKV (one Socialist, one Catholic) into the new FNV. The third, Protestant, confederation, the CNV, remains apart; but its main support now comes from white-collar workers and agricultural workers.

On the other hand, the common front pacts are in trouble nearly everywhere. In France the pact concluded by the CFDT and the CGT in 1965 in spite of a number of crises is still in force and the two organizations took joint action in several areas in 1977. Yet there is some tension as a result of the split in September in the alliance of the two left-wing parties, the Socialist Party and the Communist Party, and of the CGT's alignment with the Communist position. Similarly, in Belgium political events (the participation and absence of the Socialists in the government from 1974 to 1977) seem to have brought some divergences of opinion within the common front established between FGTB and CSC in 1965.

In Italy, the unification of the three confederations (CGIL, CISL and UIL) seemed a logical consequence of the unitary strikes of 1968-1970 and of the establishment of works councils. It was achieved in the case of the federation

of metal-workers (FLM). Elsewhere the process was confined to the 1972 federative pact. This involves common structures at the various levels, with each confederation having equal representation and decision-making power (by a 4/5 majority). But separate structures still remain and are being reinforced. Moreover, the tripartite machinery is becoming awkward and finding it difficult to take action as a result of the tensions. The political upheavals (especially those resulting from the Communist Party's success in the June 1976 elections) are accentuating the differences of view.

In France, as in Italy, the more unstable political situation has induced the political parties to try to tighten their control and increase their influence over the unions, whose independent attitude worries them (particularly in Italy where the co-ordination of the three organizations guaranteed the unions' autonomy and powers), and to establish themselves inside the undertakings. In both countries the Communist Parties are setting up an increasing number of works cells. In France the Socialist Party is trying to do the same with its union sections (and so, to a lesser degree, is the Gaullist Party). The recovery of influence by the confederations goes hand in hand with growing political differences.

Clearly the situation in France and Italy is a special one because of the possible change in political majority and the wide divisions between the political forces. But more generally, as a result of the crisis and the economic policies adopted to deal with it, government arbitration and the influence of the political parties are playing an increasingly important role. Even in Denmark, where the LO and the Social Democrat Party have always had good relations (the two organizations have 'cross participation' on their respective steering committees), the emergence of a minority Social Democratic government has created tensions between these two branches of the labour movement.

This same crisis also explains why leftist tendencies have become weaker or disappeared within the unions. The union organization which had welcomed such tendencies most, the French CFDT, reacted against their excesses in 1973 and even more after the 1976 congress. We noted earlier (cf. 2.1.3.3) how, by contrast, extremist left or right-wing movements found support among the victims of the crisis. Sometimes this took violent forms, as in Italy, and it always fostered very lively critiques of the established institutions, unions and parties. In Denmark these movements have encouraged strong critism of the labour tribunals. Prosperity made it easier for them to press their claims and the crisis made them more extreme and more violent. The renewed centralization of decision-making has also tended to strengthen the big political parties.

2.3 Worker representation in the undertaking

2.3.1 Objectives and procedures

Union delegates in the undertaking (cf. 2.2.2.3) are of course staff

representatives. In the Federal Republic of Germany, where their role is very limited, the law of 15 January 1972 enabled them to attend, on an advisory basis, meetings of the supervisory board and general meetings of the undertaking. The nine European countries have also set up a system of representation in management, directly elected by the entire staff, by various means and procedures. Many of them have also introduced representatives onto the supervisory boards. We shall return to this later (4.2).

In some cases this representation is a long-standing institution. In the UK it arose out of the experience of the First World War and was revived by the Joint Production Councils during the Second World War. After 1945, thanks to the impetus of the Labour Government, these became Joint Consultation Councils with wider responsibilities. In France, Belgium and the Federal Republic of Germany works committees were set up by law, such as the conseil d'entreprise in France (1946), the comité d'entreprise in Belgium (1948) and the Betriebsrat in the Federal Republic of Germany (1952), in the aftermath of the war in order to establish a system of collaboration which gave the employees some say in the life of the undertaking. In all four cases the attempts to establish employee participation were motivated by the lessons of the war and the need for reconstruction.

The Italian commissioni interne were set up by an inter-trade agreement; since 1968 they have been largely replaced by the consigli di fabbrica.

Lastly, in several countries laws have been enacted recently to renew or reinforce these institutions. The 1972 law in the Federal Republic of Germany increased the powers of the works councils. In the Netherlands works councils were set up under the 1950 law and substantially strengthened by the 1971 law. In Denmark, after attempts in 1947 and 1964 which were considered rather unsatisfactory, an agreement between DA and LO in 1970 set up co-operation committees (separate from the union delegation). By the law of 1 May 1974 Luxembourg set up the comité mixte d'entreprise (joint works committee) on the model of the German Betriebsrat and the Belgian conseil d'entreprise. In Ireland the Employer-Labour Conference recommends the general establishment of joint councils. The French case is more similar than might seem to the above, because quite apart from the 1966 law a number of legislative or contractual measures were taken to widen the committee's terms of reference. In the UK the CBI recently advised any of its members employing more than 500 workers to set up company councils with sections in each establishment, and this has been done in some cases.

This second wave of legislation was no longer a response to the patriotic and democratic post-war spirit. Rather it followed on from the crisis in industrial relations to which we referred earlier and was an attempt to facilitate direct dialogue within the undertaking on issues such as working and employment conditions which are difficult to deal with at branch level.

The systems adopted differ profoundly. In most cases the works committee

is a joint body, sometimes representing both sides equally (Belgium, Luxembourg, Denmark - in the two latter cases the executive staff sits with the management), sometimes chaired by the head of the undertaking (Netherlands, France). In other cases the committee is an employees' meeting which meets the management in order to hold discussions (Federal Republic of Germany). In the Netherlands the employees' representatives can meet without the manager. The German formula of a chairman elected by the employees was adopted by a draft law in 1977.

The employees' representatives are elected according to formulas which ensure that the various categories, workers, white-collar employees, technical and management staff, are represented on a more or less equitable basis. They are often divided up into electoral colleges. The Netherlands prefers election by company department. In Belgium, if there is a sufficient number of young employees, these will form a separate college with their own representation. As we said, in Luxembourg the executive staff sits with the management. Separate councils for executive staff have been recommended by some employers (Belgium) or by law (France, 1977).

What is surely the most important aspect is the relationship between this elected representation and actual union representation since the two very often coexist. In two cases, the second has eliminated the first : in the UK the introduction of company bargaining and the increased responsibility of the shop stewards, acting individually or in committee, has eliminated all but a small number of joint councils (joint councils sometimes also means committees of both management representative and shop stewards). In Italy works councils co-opted entirely by the unions have taken over from the internal commissions (elected by the body of employees but according to more 'parliamentary' procedures : voting open to all the employees of the undertaking). It should be noted in passing that the CBI's attempts to establish elected company councils aroused protests on the part of the TUC which objects to any representation by non-unionized staff (non-unionized employees have no right of vote). In British Leyland, the council is made up only of shop stewards.

At the other extreme, there can be total separation. In the Federal Republic of Germany the union is not the spokesman for the employees in the undertaking although it can sign company agreements) and any employee may stand as a candidate for the council. Although the unions have much influence on the elections, there are no provisions giving them control over it.

In France, Belgium and the Netherlands, all the staff, unionized or not, can vote. But the only employees entitled to stand as candidates are those nominated by the representatives. In Denmark the union delegates are members of the co-operation committee.

An important special feature in some countries is a third staff representation outside the committee or council or union delegates, which is also elected (in analogous conditions) and is responsible for putting

forward grievances and claims. In Luxembourg the staff delegation puts the employees' claims to the management and tries to settle the differences. In France the management meets the staff delegates on a regular basis and they put forward the employees' individual or collective claims.

In many cases special health and safety committees have been set up, as sub-committees of the works committee (France), as bodies parallel to the works committee (Belgium), or in the form of specialized union representation (the UK).

2.3.2 Functions of the representatives

Leaving aside the question of the management or control of the undertaking's social institutions, and to simplify a little, three main functions of the staff representatives can be distinguished in the undertaking :

a. the establishment jointly with the employer of working rules, whether, depending on national laws, in the form of bargaining proper in co-determination (form of wages, payment by results, working hours, shift-work, recruitment and dismissal rules, the 'social plan' in case of staff reductions, training programme, safety and health rules and measures, job qualifications, evaluation and nature of the job);

b. the presentation and discussion of grievances, ie discussion with the employer of all cases where members of staff consider they have been badly or unfairly treated, whether on the basis of law, agreement, staff regulations or equity;

c. consultation, ie the opportunity, on the basis of information provided by the employer, to express opinions and to discuss matters with him without having to reach an agreement proper (market situation, choice of plant or products, work distribution and work and employment prospects).

Within the undertaking the same institution may perform the three functions. In the Federal Republic of Germany, provided a clear distinction is made from matters for negotiation with the union, and although the fact that the agreement (Vertrag) with the union and the agreement (Vereinbarung) with the works council are two separate legal categories, the Betriebsrat has all three functions. It holds discussions with the head of the undertaking until agreement is reached (with the possibility of mediation) on the main internal rules of staff management and on the settlement of emergency problems (social plan if the undertaking is being reorganized). It ensures the implementation of the company texts, collective agreements and other agreements (Vereinbarungen) and is responsible for resolving grievances. It also receives detailed information on the undertaking's economic and technical situation.

This unified institution is made possible by keeping the union outside the undertaking or at least not giving it any responsibility in the undertaking (in fact, it has 'Vertrauensmänner' there, has access to it and under certain conditions can sit on the council). In systems where the only representation is union representation, the three functions can also be combined. The Italian works councils and the British shop stewards' committees negotiate,

investigate grievances and collect the necessary information. It should be pointed out in this context that the British Employment Protection Act of 1975 obliges the employer to disclose to the union representatives any information the absence of which would seriously hinder them in conducting negotiations (this includes employment, productivity, profits, etc).

The other extreme is France where each function is entrusted to a different institution : bargaining to the union (and the union representatives in the undertaking if the latter authorizes it), grievances to the staff delegates and consultation to the works committee.

In most of the other cases the union representatives perform or can perform the first two functions (Belgium; in the Netherlands the unions had no works representation for a long time, especially as regards grievances); the Danish shop stewards have very extensive negotiating powers. Consultation or 'co-operation' is reserved to the committees.

The area of consultation has sometimes been defined as the area where the two parties have common interests. The advantage of this definition is that it excludes from this area the main bargaining issues (pay, working hours, social guarantees) where disagreement is considered normal (in other words which are a question of the labour market and can be decided by means of the pressure - strikes or lock-outs - which this market permits). But this legal fiction does not stand up to serious examination. It is difficult to regard the issues on which legislation and agreements have concentrated over the last few years as issues on which interests converge without conflict - for instance, the decisions to be taken in case of mergers, reorganization or partial closure, or the organization of work and improvement of working conditions and environment. In fact it is to the extent that these issues were liable to produce conflicts that the law or agreement came into being. It may be true that the two parties, the employer and the workers, face a common problem which cannot be settled properly at any other level, but often this is also a problem that is difficult to settle in any case. So this area can be defined less in terms of convergence of interests as in terms of the need to bring those concerned directly in contact with one another (and that is why it can often use the channel of negotiation provided one exists in the undertaking).

Has this area expanded in recent years ? The provisions seldom seem to cover any really new territory. The German law of 1972 specifies all the cases in which the works council has co-decision rights but embodies nothing radically new in relation to the 1952 law, although the employers regarded it as seriously restricting their internal decision-making rights. The French law of 1966 specifies the employers' obligations as regards disclosure of information; the 1973 December law specifies the committee's responsibilities as regards working conditions (and under certain conditions sets up special committees). But this is nothing new. In many cases the obligation to provide information and introduce consultation with which the employer must comply if he wishes to reduce his staff complement or reorganize the undertaking has been made more clear-cut and rigorous. He must give detailed and reasoned information on dismissals or time-limits for examination and discussion of

the 'social plan' provisions. This is however a subject on which the committee always required to be informed.

So at first sight the changes look very slight, involving only a change in the quantity of information to be provided and in the precision of the procedures laid down. Surely this did not require new texts ? But if not, why did countries which did not have this institution feel it necessary to create it during the 1970s (especially Denmark where it appears that the union delegation system worked very well) ? Perhaps on the contrary a new problem had arisen which needed to be dealt with and perhaps there was new resistance to overcome.

The answer seems relatively simple. What was created, even if this was often not admitted by law, was an area of negotiation (and at the same time the distinction, clear in principle, between consultation and negotiation became blurred). This is very evident as regards issues where the committee practically has the right of veto (ie that require its approval). This area includes workshop regulations and internal rules (Luxembourg, Belgium, France, Netherlands), sometimes working hours and shift-work (Netherlands, France subject to some reservations), more often health and safety measures. But it also applies to areas where in strictly legal terms its powers are only consultative : the examination of training measures, even if this does not give rise to impassioned discussion, does influence management decisions (at least has a preventive influence, since it prevents some proposals from being implemented). And this applies even more to the discussion - usually impassioned - of employment difficulties. This influence is not formalized by any agreement. The employer can continue along his road. But it is very dangerous for him to dismiss the 'opinion' given to him. This consultation does not lead to any contract, but it is certainly a form of bargaining.

The German case confirms this. Even if one wanted to distinguish between, on the one hand co-decision and agreement and on the other collective bargaining as such and the contract, it remains true that discussions between the works council and the employer, sometimes protracted and difficult, and often leading to an agreement in the proper form, are a genuine form of bargaining.

But what kind of bargaining and how can it be defined in relation to the usual collective bargaining forms ?

2.3.3 Consultation, participation and negotiation

In most countries precautions have been taken to maintain the carefully drawn borderlines between the two areas, whether between the areas inside and outside the undertaking as in the Federal Republic of Germany, or between the area of negotiation and that of consultation or co-operation as in Belgium, the Netherlands and France.

In the Federal Republic of Germany a strict legal distinction is made. On the one hand the union has no specific functions within the undertaking. Even ensuring the application of the collective agreement is the council's responsibility. On the other hand only the union may call a strike (and it is only to the union that the employer can reply by a lock-out). The works council not only has no right to do so but cannot even call for it; it is obliged to remain 'neutral'. Furthermore, questions of pay, working hours or overtime payment pertain to the union and the agreement, while staff management rules and more generally internal rules pertain to the council and co-decision. So there are two territories (inside and outside the undertaking), two procedures for discussion (strike or no strike) and agreement (Vertrag and Vereinbarung).

In countries which have both a union delegation and a works committee in the undertaking there is a clearer division between the area of collective agreement (where the union usually has the monopoly) and that of consultation. A few exceptions apart (in France the works committees can sign profit-sharing agreements), there is a clear legal differentiation : only the union signs the enforcing text, the text which requires an explicit agreement. Generally the union organizations are very jealous of this privilege.

It may seem questionable whether in either of these cases the legal distinction still corresponds to the facts. There is no doubt that some parties are still passionately in favour of it. The German employers do not wish to give up the neutrality of the undertaking (although they accept that the union representatives should be protected in it). The French and Danish unions do not want to lose their power of negotiation or want the committees to allow the employers to settle issues without union intervention. But is this the right distinction ?

Is the division of the area in the Federal Republic of Germany in fact as clear-cut as it seems in principle ? Is there not quite a lot of continuity between the pay discussions of the Tarifvertrag and the company agreements on the forms and basis of payment by output, or between the agreements which protect the employees from rationalization and the formulation by the council of a 'social plan' ? Is there not a close connection between the general standards which employers and unions are considering as regards working conditions and the determination of these conditions within the autonomy of the undertaking ? To an outside observer, perhaps because of his ignorance, the distinction made between these two areas looks like a question of convenience, justified for pragmatic reasons, rather than a difference based on principles.

This is even more true of the distinction made between bargaining and consultation. It seems quite pointless in the case of Italy, France and the UK. In the latter two countries the unions may reopen an issue dealt with by the committee in order to discuss it and negotiate (with good reason this procedure has even been regarded as the criterion of a 'good' works committee, ie one which takes the first look at the issues and refers the most difficult ones to actual negotiation). In both these countries, negotiation can lead to a written agreement or to a more or less formal and often verbal agreement.

In France one finds the whole range of intermediate forms from agreement to strike : signature by only one union, unilateral employer's decision which is tacitly accepted for want of anything better, 'statement of disagreement', or agreement which is implemented although not signed). In the UK one finds all kinds of agreement, including the referral - often not very explicitly - to custom and practice. In all three countries it is nearly always possible to reopen the discussion on whatever subject and at any time, regardless of whether an agreement has been signed. Moreover, much of the bargaining (or discussion) takes place within the undertaking, without being bound by many rules and quite informally, and leads to an equally informal agreement (especially in the case of negotiations and agreements at the end of a dispute). Lastly, a strike may occur without union instructions, and in fact strikes are often based on local action. So in France a strike can equally well be the result of unsuccessful consultation of the works committee. This is often the case with consultations on manpower reductions.

How should one distinguish between negotiation and consultation here ? In Italy, in particular, contrattazione covers both negotiation and consultation, although the forms of agreement and discussion procedures are not identical for fixing wages or discussing investment. It might be better to speak of different methods of influencing decisions, of determining the rules in force.

Curiously enough, in most cases where the two structures of representation coexist, this does not seem to worry the unions, whether in Denmark where the unions themselves set up the second structure, or in France, where the unions, while checking on possible abuses, tend to regard the committee as the institutional guarantee that they will be able to obtain information, express their views and consult the employees where appropriate. In Belgium, however, despite the strength of the unions, certain difficulties arise in the interface between the trade union delegation and the works council.

No doubt this is because the committees and councils, although they have a genuine bargaining function, do not do the same thing as the unions. It has long been asserted, especially in the UK and the United States, ie in countries where the unions have always wanted to have the monopoly in representing the employees, that works councils were merely a less effective substitute for company negotiation. Certainly it is true that they made a kind of negotiation possible in cases where the usual habits and structures did not really enable the unions to negotiate. But this may not be the whole truth. Perhaps the shop stewards in the UK can offer more effective representation to the extent that they are also fairly independent of the union organization and do not always commit it. The Italian works councils embody both features. In short, is there not a whole area of negotiation which does not lend itself easily to agreement and in which the unions are more reluctant to commit themselves, namely the area of participation a priori in decisions - the same area we described in the case of employment and the organization of work ? This is also the area where it can be useful for those involved to participate directly.

Perhaps this can be described as a level of negotiation, with its own

specific features, although still poorly or vaguely defined, and where the main problem is how to integrate it with traditional negotiation. There is a vast area to be explored here and it is necessary to collect facts and classify the different customs before looking for possible solutions.

Some procedures already exist : the organized relay system from one institution to another (the French union demand that if the works committee does not approve the training programme, this programme should be referred to the unions for negotiation; the British shop stewards seem to have achieved this referral easily for other issues); the relay by conflict (which occurs in the case of spontaneous strikes in France and Italy in the form of a referral by the works institutions to the union or the federation); or the careful (and pragmatic) division of functions (which is apparently the case in the Federal Republic of Germany and perhaps in Denmark); not omitting all cases where systems of representatives elected by everyone are in competition or conflict with systems of trade union representation. Systematic study is required here.

2.4 The public authorities

The state intervenes in industrial relations in various forms. Firstly, the state is itself an employer, a direct employer of civil servants and other state employees and the local authorities, an indirect employer of all the public undertaking employees. As a major employer and because it is a state, it therefore acts as focal point and point of reference and its decisions influence those of others.

It also acts as the partner and guardian of collective bargaining in general. By law and ad hoc action, it lays down the procedures, rights and permitted resources; it determines the rules of the game and intervenes in the relations of power. Since it is elected on a programme and must attempt to respond to demands, it also has a social policy, tries to achieve the policy objectives and delegates them to the two sides of industry or shares them with them. Lastly, when bargaining is unsuccessful, the dispute becomes serious or the difficulties are so great that bargaining cannot resolve them alone (employment difficulties or inflation, for example) it intervenes to guide the debate, organize it, take part in it and sometimes settle the matter.

2.4.1 The state as employer

The public sector is far from homogeneous and any comparison of the legal status of its various employees would require lengthy discussion. However, it is usual to distinguish between the civil servants (the local authority employees are more or less aligned with them) and the other public sector employees (contractual state employees, employees of national undertakings). Together they make up a large proportion of the workforce and one which is tending to increase rapidly, especially since the crisis, because of the fall in recruitment in all other sectors.

The current trend is very clear. The differences between the main group of public sector employees are becoming less marked and the same applies to the differences between the public sector and the private sector, both as regards the procedures and the content of the discussions.

Sometimes the legal distinctions are still very clear-cut. In the Federal Republic of Germany the pay of civil servants is laid down by the legislator, following consultation; that of the other public sector employees is fixed by collective agreement. In France the law on collective agreements applies neither to civil servants nor to the national undertakings (railways, coal-mining, electricity, gas, etc). In Denmark there is a clear distinction between the civil servants and those state employees who are covered by a collective agreement.

In practice this difference is less well-defined, however. In the Federal Republic of Germany, the content of the legislator's decisions as regards pay and holiday pay tends closely to reflect the outcome of the private sector negotiations. Although this is not the case on France (the civil servants are not paid a thirteenth month's wages and their pay is not aligned to that of the private sector), the procedures of discussion (one might even call it negotiation) have changed. The public undertaking unions and the management, the civil servants and the Secretary of State negotiate and sign agreements which cannot perhaps be called collective agreements but which have the same scope and features (wages, working hours, job evaluation, working conditions, protection against modernization in public undertakings, etc).

Sometimes the distinction was eroded more easily. In the UK the nationalized undertakings have always negotiated in the same way as the private sector, although the seriousness of any strike in the public sector often led the Prime Minister to mediate (this occurs nearly every year in the case of British Rail) or posed bitter political problems (the miners' strike and Mr Heath's government). In the civil service each department has a Whitley Committee (as do many private industries), since although strikes are unusual here they are not forbidden. It is in this area that the change has occurred, for civil servants and public sector employees now resort to the go-slow, to the work to rule, or even to the strike as such (post office, hospitals, ports, local authorities), in spite of the fact that the arbitration agencies still retain their autonomy (civil service arbitration board). A department has been set up to establish and review civil service pay in order to keep it in line with that in the private sector.

In Belgium the law has been changed. The 1955 law which provided for consultation with the civil service unions but not for negotiation was gradually overtaken by a procedure of informal talks which led to social planning agreements similar to those in the private sector. The new law (19 December 1974) officially recognizes negotiation, sets up separate institutions for negotiation and conciliation and allocates the issues at stake between these two procedures. Even before the implementing decrees were published, these guidelines were being broadly followed.

There is very clear co-ordination of action between the public and private sector unions. In 1977 the public sector waited for the outcome of the private sector negotiations before presenting its list of claims. Apart from social welfare, governed by very different procedures, the clauses generally tend to be similar.

The Conseil national du Travail covers the public services where they coexist with private undertakings in the same sector (e.g. health services).

In Italy there were particularly marked differences between the public administration and the remainder (private industrial sector or state-participating industry). A very large number of national or local officials belonged to autonomous category unions or specialized unions. Faced with these corporative organizations, each attached to its local privileges, and sometimes highly dependent on the political party in the same way as a political group, the confederated unions have fought to assert the rights of collective bargaining and the need for a more functional organization and more rational classification. The right to negotiate, at least in economic matters, has been recognized since 1975 in most public services. Rationalization is progressing more slowly.

While the civil servants are tending to resort more and more to negotiation and attempting to imitate the private sector procedures, it is not rare either to find that the public industry sector has given impetus to or acted as a model for the private sector. In the UK, Italy and France, soon after being established the national undertakings wanted to introduce a new type of industrial relations, giving full place to consultation of the unions within the undertaking. In France, for example, the joint consultation machinery of the Electricité de France has few equivalents in the private sector. The same applies to the content of the agreements. The national undertakings wanted to be 'good employers'. In Italy the state-participation undertakings and their associations did much towards the 'modernization' not only of economic life but also of industrial relations - although some years ago Confindustria regained the initiative and began to prove increasingly dynamic. In France the idea and model for the 'contractual policy' came from the public sector. This policy includes respect for its union partner, placing trust in negotiation and agreement which are regarded as a mutual undertaking and compliance with the relevant rules of procedure. Although the private sector only adopted this model in part and although its scope was restricted because of the opposition of most unions to anything in the nature of an industrial peace clause, the policy has had major results.

One reason why the public sector played this initiating role was of course the power of the unions. The rate of unionization is particularly high in the public sector in the UK, France and Italy, as we have seen (perhaps because in the first two countries at least the unions are more closely involved in staff management).

Can the job security of the public sector strengthen this role of industrial leadership during a period of crisis ? There is little doubt in

England and France, for example, that it is easier for the public sector unions to resort to strikes (post-office workers, miners, electricians) and that they occupy a strategic position. It is certain too that any decisions concerning them are therefore reviewed very carefully : no government can recommend wage restraints with any chance of success unless it begins by ordering its own house. The relative influence of these two considerations may depend on more than one factor. Certainly it may depend on the governments' authority, but also on their political hue (a left-wing party is more dependent on the support of the employees, at least of those on strike).

Has this situation resulted today in advantages in terms of pay and other working conditions for the public sector employees ? This is asserted by the employers in the Federal Republic of Germany and Luxembourg (they say the unions are too powerful and that the government has less reason to resist them than a private employer who is tied to the constraints of his balance sheet). In the UK it was considered that the Civil Service Pay Research Unit leaned a little too far towards the civil servants (perhaps because of the concern for the quality of recruitment). In France, although the results of the contractual policy were generally well looked upon, it is most doubtful whether the public sector as a whole, and even less the civil servants, have gained any advantages over their private sector counterparts (the contrary is in fact true of the management staff). It is difficult to draw any general conclusions.

2.4.2 The state as regulating and participant force in industrial relations

2.4.2.1 The state and the rules of the game

It is generally the law which lays down the rules of the game in disputes or negotiations, whatever the division of powers between the legislator, the public bodies responsible for implementing the law and the courts. Even in a case like the UK where absence of intervention is the rule (at least in the past), the public authorities define the general framework of the discussion, implicitly at least. In several countries, the specific nature and scope of the legal requirements have become clearly defined again and even accentuated by the events of recent years. In certain cases, however, the two sides of industry have had a greater share in formulating the law which lays down the rules of the game. The state legislator in now giving the trade associations more say in formulating the laws which govern them.

The above comment is very important, for these new laws were generally a response to an unexpected increase in disputes or to an increase judged excessive, to the emergence of irregular or surprising practices, to the feeling that the usual rules were inadequate or ineffectual, in short to a crisis in the institutions and sometimes organizations. Faced with this crisis, a 'good' reaction on the part of the legislator (ie one which works in fact) was not to attempt to impose order but to try to restore order by following new procedures or by bringing in the two sides of industry.

One procedure that proved necessary was research on the one hand, public discussion on the other. The model for this is the Royal Commission on Trade Unions and Employers' Associations in the UK, called the Donovan Commission after its chairman, thanks to the scale and quality of the research it commissions and its penetrating analyses. But this is not an isolated example. The 1972 and 1976 co-determination laws in the Federal Republic of Germany (they were not based on collective bargaining but the issues they deal with are certainly those with which this report is concerned) were preceded by in-depth reports and by a major research programme. Similarly in France there is the research undertaken under the planning Commissariat to assess the implications of the 1968 events, and the Sudreau Committee report on company reform.

These reports are not just a means of utilizing and guiding university research. They are also a means of compiling and assessing the experiences, ideas, projects and doctrines of the two sides of industry. Whether because the impartial experts are members of such a committee or because they give their evidence to the committee (or both), and whatever their position, the result is the same. The analysis of the situation incorporates their views and the suggestions and recommendations made take account of their possible reactions and are often submitted to them for opinion.

What is perhaps even more important is the careful observation and analysis of actual trends recorded and attempts to formulate recommendations on this basis. The Donovan Report did not confine itself to noting the gaps between the official bargaining system and actual practice. It sought to establish to what degree the second, hitherto 'informal' system could be reintroduced into the official procedures of the two sides and reconciled with the first. It sought to regulate and order the procedures by making them formal and legitimate. In the same way the Sudreau Report draws the appropriate lessons from the recent negotiations and disputes and takes the tendencies they noted to their logical conclusion (eg direct staff expression on working conditions).

No report or research has directly generated an overall law. But several laws have drawn on the findings of the reports and, in fact and in law, brought the two sides of industry together to formulate them.

This is clearly true of the French law of December 1968 which enables the union to enter the undertaking. Both unions and employers had come face to face with this issue during the Grenelle negotiations of June 1968 and had adopted a quasi-protocol agreement, reserving themselves points of divergence and agreeing on the need to call on the law to settle them. To a large extent they paved the way for the law and although in the end the government had to 'arbitrate' since they did not reach a genuine agreement, the unions criticized some of the legal provisions but did not oppose them. This law was adopted almost unanimously, which seems extraordinary for a decision which some months before had still provoked passionate discussion until one remembers that the main areas of disagreement had been removed by the direct negotiations between the two sides of industry.

The Italian 1970 law on the statute of workers is also contrary to all legal and legislative habits. Its main object is to affirm the worker's rights within the undertaking rather than to codify the forms of negotiation and organization. It would not be too much to say that basically it codified the procedures of representation which had automatically sprung from the autumn strikes and the mediation procedures of the Ministry of Labour during that period. It is probably because it drew direct support from a social movement that it managed to establish unionism in the undertaking, to restore all their authority to the union organizations and to consolidate the negotiations (although this scarcely helped to calm the disputes).

In the above two cases the initiative came from the employees' unions or the employees themselves and the employers accepted the decisions rather than contributing to them. But in France the 1971 law which regulates bargaining procedures (favouring the company agreement and giving the state wider powers of intervention in the neglected sectors) is a typical 'negotiated' law and even requires that the outcome of the negotiations be ratified by Parliament (unanimously). Even if it is far from being revolutionary, this does reflect important changes.

In the UK, the failure of the Industrial Relations Act (1971), which was replaced by the 1975 Employment Protection Act, can parhaps be explained as a result of the contrary procedure. Even though the 1975 Act still incorporates important elements of the earlier one, the 1971 Act tried too hard to impose a legal system which was foreign to those concerned. The oppostion of the unions alone would not have been enough to prevent it without the tacit or active complicity of the employers.

One cannot go so far as to say that in general the public authorities delegate to the two parties the responsibility for making the laws which concern them. But at times this is true - and the authority of the state seems in no way to have been impaired by this. After all, free collective bargaining means letting the two sides settle their own affairs as they wish. So it would not be inconsistent sometimes to extend this principle even to the rules governing their contracts.

The administrative custom of entrusting certain functions of recognized public interest to the management of the two sides of industry is no doubt in line with this growing habit of delegation. This delegation has existed in certain social institutions for a long time. In various forms, the market and employment services, placement and continuous training are entrusted to the two sides of industry, or the two sides are closely involved; the same applies for social security (insurance, retirement or unemployment schemes) - although there is evidence of some disappointment in this area (very strict supervision and the fact that a reform was rejected by several unions in France means that the idea of social security as such being managed by those concerned is something of a fiction). The system of delegation becomes more interesting in the case of issues where there is a large degree of disagreement or dispute or of control over the implementation of the laws. In the UK the responsibility for health and safety regulations was withdrawn from the five ministerial departments which formerly dealt with it and entrusted to a

tripartite Health and Safety Commission (by the Health and Safety at Work Act, 1974). Similarly, the Employment Protection Act of 1975 helped the unions to gain recognition as bargaining party from the employers and helped to create a mediator for disputes by setting up the Advisory Conciliation and Arbitration Service, managed by a tripartite council. Its recommendations have no binding force but should have considerable moral force (whether it is a question of recognition or of compromise in a dispute). In France, the national agency for the improvement of working conditions has also set up a tripartite administrative council.

2.4.2.2 The state in negotiation : law and agreement. The extension of agreements

Apart from the above cases where the state brings in the two sides of industry to define the rules of the game or where the responsibility is divided between law and agreement, much more often the state intervenes in the actual negotiation, either in order to make its outcome binding, or to guide it, or even to take part in it, whether officially or unofficially.

The extension of a collective agreement makes it binding for the branch and the region for which it was concluded and for all the employees and all the employers, even those who have not signed it. In fact the first objective is usually achieved by other methods, either by the unions legally committing all the employees, or because the interpretation of the non-discrimination clauses achieves the same result (Federal Republic of Germany). The second procedure is the most widespread. The royal decree in Belgium, the generally binding decision in the Federal Republic of Germany, the extension decree in the Netherlands and France all have the same effect of transforming an act of private law into an obligation under public law, of transforming an agreement into a regulation.

In some cases the extension is almost a matter of course, so that the two sides of industry acquire genuine statutory power. In Belgium the law of 15 December 1968 authorizes the national labour council to conclude collective agreements which in fact if not in law 'are incorporated into state regulations'. So there must be some concerted action by the legislator and the administration on the one hand, and the two sides of industry on the other if the general result is to remain coherent.

Wherever inter-trade negotiation occupies an important place (Denmark, Italy, France, Netherlands), the agreements to which it leads often have the value of a law, the formulation of which the public authorities have left to the two sides. Very good examples are the agreement on the sliding scale in Italy and the establishment of supplementary insurance against unemployment and supplementary pensions in France. One of the most curious examples no doubt is the increase (to 90 %) of the maternity allowance for women workers. The two parties agreed to it and agreed to an increase in their social security contributions so that all the public authorities had to do was to transform this agreement into a decree.

The governments can also guide the negotiations by proposing objectives for it. In the Federal Republic of Germany a government report lays down in detail the objectives of asset formation. This could have led to a law but in fact it led to negotiations. In many cases the principle of equal pay and equal opportunities for men and women was laid down by law. Although it was well known that the law had only limited effect, it was hoped that by this means the idea would be incorporated into contractual practice (with, as we have seen, very varied success). In France the changeover to monthly payment was an initiative of the President of the Republic although it was quite readily accepted by the two sides of industry after 1971 (reciprocally, the recent agreement which gives general application to some aspects of this measure was rapidly embodied in a general law in December 1977).

These kinds of procedure do not detract from the autonomy of the two sides. Not only are they free not to observe them (in this case they can expect legislative measures, but they may also prefer them because they can 'negotiate' them, as happened in the case of several branches which refused the change to monthly payment in December 1977), but they can also discuss the entire content of the decision. They can decide in what form asset formation should be encouraged, what kind of investment should be supported, what time-limits should be set. These issues were resolved in different ways in Denmark and the Federal Republic of Germany, as were the stages in the introduction of monthly payment in Belgium and France.

In some cases the public authorities take part in the negotiation, either on the stage or in the wings. In Ireland, the Government succeeded in changing the national pay agreement of 1975 by offering concessions (subsidies) on food and transport prices. It was easier to reach the 1969 and 1974 French agreements on employment because the government made reciprocal concessions. Similarly, the 1970 inter-trade agreement on vocational training supplements a 1966 law, specifies its implementing conditions and paves the way for the 1971 law on its financing which obliges the employers to allocate a certain percentage of the employees' pay to training. By contrast, the 1971 law adds to the agreement by requiring that the works committee must examine the 'training plan'. A later agreement (1976) is designed to lay down the procedures of this examination. Here the overlap is so close that one could probably speak of concerted action.

Naturally this co-operation of the government in the negotiations can be viewed very differently from country to country. It seems to be current practice in the Netherlands, especially for pay questions. At the other extreme, in the Federal Republic of Germany, the two sides jealously defend their autonomy. In France, any 'political' measures rouse distrust, but administrative measures are accepted readily - and naturally the distinction between the two is very fragile. But in the many cases where it exists at all, this intervention 'on an equal footing' by the state which negotiates and contracts rather than imposing its sovereignty is an interesting new departure and has produced results which would have been very difficult to achieve by other means.

2.4.2.3 State arbitration

However, one should not forget that there are cases where the state imposes its authority. The state can intervene in emergency situations, in order to oblige the two sides of industry to take account of other obligations or constraints or to extricate them from an impasse. This action is not confirmed to mediation or arbitration in cases of social conflict in the usual sense of the term - and to which we will return. It also covers much less clear-cut or foreseeable situations where political decisions must take priority.

As we showed earlier (cf. 1.2.3), this is well illustrated by incomes policy, in the very pressing form it took on with the economic crisis. This policy reflects the various extremes. In the Federal Republic of Germany the government did not go beyond the confines of joint action in order to halt the rising inflation rate. Although its statement of an acceptable rate of pay increases (and its criticism of cases where this rate was exceeded) is very similar to a directive, its main weapon remains control of the money supply. At the other extreme, the French Government froze wages in the last quarter of 1976 and decided that they should be strictly tied to the cost of living in 1977; the Dutch Government determined the 1976 wage increase. Although the Italian Government usually prefers to act by persuasion, it partly suspended application of the sliding scale, a measure decided on by inter-trade agreement.

One of the possible results of such intervention - which will be successful mainly if the political situation encourages it - is to shift the issues to be dealt with from the area of negotiation to that of public, political or even electoral debate.

Arbitration (which we are not of course using in its strict legal sense here) can probably take place more easily and with less risk if it is based on wide consultation and, where possible, an arrangement or tacit agreement. In this case the state intervenes to take responsibility for any unpopular measures, for measures which the organizations would find it hard to persuade their members to adopt even if they do not fundamentally dispute their soundness. In Belgium, for instance, in view of the social security deficit and particularly the unemployment insurance deficit, it seemed essential for the government to attempt conciliation but also for it to take the final decision.

Similarly, in Denmark, in the recent cases where the government took legal decisions on matters on which the two sides of industry had not managed to reach agreement, this procedure, unusual in the other countries, was no doubt made more acceptable by the fact that it helped the two sides to come closer to agreement. The 1975 law correcting the operation of the sliding scale by adding measures to control other incomes was based on the proposal of the mediator (ie on the proposal he had regarded as acceptable to the two parties). Similarly, in March 1977 the law endorsed the proposal by the mediator (which had been accepted by the employees and rejected by the employers) to fix a national minimum wage at a high rate. Obviously the

economic trend has some influence here. On the other hand, the government had allowed the 1973 strike to spread (clearly this was a very wide-scale dispute, accounting for more than 3 900 000 lost working days).

Yet it is not always possible for the government to work on the basis of a quasi-agreement. In Belgium, following the failure of inter-trade negotiations, and although it was hoped that the branch agreements would adopt the wise recommendations made by the confederations before they separated without reaching agreement, the law of 24 December 1976 prudently authorized the government to base the royal decrees making collective agreement compulsory not only on a review of legality, according to usual custom, but on a review of economic and social advantages. However, the law was not extended after the end of 1976.

In France, the restriction of pay increases to increases in the cost of living is not based on any agreement or genuine concerted action. It was an authoritarian measure justified by the emergency situation and therefore regarded with distrust by all the unions, both in the public and the private sector.

To conclude one should perhaps refer again to the many faces of the public authorities. Naturally the agencies of repression whose task is to evacuate an occupied plant in no way resemble the factory inspectors in the eyes of the workers involved or of the employers. Similarly, the various administrative branches operate according to a different logic and in a different manner. An administration dealing with employment rarely acts on the same principles as a financial administration. The latter gains in authority in times of economic difficulties.

At an even more general level, public authorities means firstly the administration, ie a politically neutral authority which is generally respected for its abilities and impartiality, even by those who criticize it severely; secondly the government, ie a political coalition or a party whose powers give it special authority and responsibilities; thirdly the political parties, ie organizations with opposing views and programmes which compete for votes.

The more dictatorial and exceptional the intervention of the public authorities is, the more clearly the face of the government will appear behind the administration. The more this intervention is disputed, the more clearly will the political parties be visible behind the government.

3. THE FORMS OF BARGAINING AND DISPUTE

3.1 Industrial disputes

It is particularly difficult to draw comparisons in the field of industrial disputes. Not only are national statistics not compiled in the same manner (Denmark does not list disputes which involve a loss of fewer than 100 working days, the Federal Republic of Germany does not list unofficial strikes very precisely) but, what is even more important, the legal definition of the strike, and thus the access to it and its place in the negotiations, vary greatly from one country to another. The same number of days of strike does not involve the same economic cost for this depends on whether the strikes are local or national whether the decision was foreseeable well in advance or whether the strike was the result of a sudden decision. Strikes have a different meaning in the Federal Republic of Germany, Denmark, the UK and Italy.

The right to use lock-outs differ as least as much and perhaps more : it is one of the employers' usual tactics in the Federal Republic of Germany whereas its use is subject to close restrictions in France. In practice, though, the situation is not so different : in France selective or repeated strikes (generally under cover of technical unemployment) have provoked a use of the lock-out in response which is no longer out of the ordinary.

These reservations must be borne in mind in the future discussion. They make the common trends or convergences which appear even more striking and significant.

3.1.1 Strike rates

There is no need to discuss again the familiar differences in the rate of strikes in the nine countries. The number of days lost by strike per 1000 employees can vary from 1 to 100 (and even more in extreme cases) between the countries most affected and least affected (Italy and the UK in the first case, the Netherlands, Denmark and the Federal Republic of Germany in the second). Over the last fifteen years Italy has lost over 3000 days (3013 in 1969); the rate in the Netherlands fell to 2 (1967) - not to mention Luxembourg which does not usually lose a single day.

So the parellels evident in the changes are remarkable.

Certainly the parallels are not absolute. Strikes are not chance phenomena. As a result of the infectiousness of discontent and success, of the dissemination of objectives and means of action, or of the political trend (especially economic policy decisions), work stoppages happen in clusters, even when the relevant decision is decentralized. The untrustworthiness of the figures is even more marked when the decision

is highly centralized, either an inter-trade decision (Denmark, Netherlands), or that of a major branch (Federal Republic of Germany). The major strike movements do not therefore occur at exactly the same moment, even where there is great similarity between economic situations, levels of development and economic trends. But over a certain period, the similarities are quite evident. This suggests that the causes of strike are similar in spite of differences of law and tradition.

Looking back, the great peak reached in all the industrialized countries between 1968 and 1973 seems easy to understand (although it was quite unexpected by the governments, the two sides of industry and the experts). Full employment generally, or even labour shortage, growth and inflation, can easily be used to explain the increased number of disputes in terms of the well-known effect of economic cycles. It should be pointed out, however, that this increase was so large that it must be regarded as something more than a cyclic phenomenon. In France in 1968 the industrial crisis (an estimated 150 million days were lost) became a national crisis for several weeks. In Belgium, the country of concerted action and planning, the number of strike days rose to 1 423 000 in 1970 and 1 240 000 in 1971 respectively (or 482 and 406 days per thousand employees). In 1969 Italy lost more than 37 million strike days (3013 per thousand employees). In the UK the figure rose rapidly from 1968 (less than 4 700 000 to 1972 (nearly 24 million, or 1044 per thousand employees).

The same happened on a different scale in countries with a low strike rate. In the Federal Republic of Germany, although the 1969 increase was modest in overall terms (less than 250 000 recorded days lost), the 1971 total was quite exceptional (nearly 2 600 000 or 118 per thousand). In the Netherlands, although the annual average was around 25 000 from 1962 to 1967, there were 262 000 days of strike in 1970 (70 per thousand) and still nearly 135 000 in 1973 (35 per thousand). Lastly, in Denmark, 1973 was a highpoint with over 3 900 000 strike days, a quite exceptional total.

This movement is of course international and affected nearly all the industrialized countries (Sweden, United States, Japan).

The cyclic factors are clear. But no doubt the movement had deeper roots. Even if one tried to explain it by the rising inflation rate, this inflation would have to be defined and demarcated. Without wanting to discuss the theory further, it is clear that the monetary drift probably had structural causes. This is even more true of the strikes. Their increase marks at the very least a rise in levels of aspiration, a change in methods of action and a weakening of constraints and controls.

This is confirmed by the second major event of that period : the maintenance (or renewed increase after a decline) of strikes in spite of the crisis. The best evidence that the economic trend alone cannot explain the peaks of 1968-1973 is that the reversal, violent and profound as it was, of this economic trend did not eliminate them. Although the pressures of unemployment, the erosion of margins, fear of the future and the uncertainties of the present quite certainly brought a measure of calm in several cases, on the whole they did not reduce the rate of conflict to the level of the 1960s.

France and the UK are closest to a return to peace. In the first case, the 1968 crisis seems to have concentrated into one year what in other countries was spread over several. The following years showed an average rate; only in 1976 did it go up again to over five million. But this was a high figure during a period when unemployment had exceeded the 5 % peak. In the UK the figure in 1975 was somewhat less than six million, in 1976 less than 3 300 000. But this was more the result of the Social Contract, the incomes policy pact between government and unions, than merely of the pressure of unemployment (of course the economic climate had some influence on the acceptance of the Social Contract, but it is worth noting that it was imposed by a centralized decision); 1977 brought signs of a renewed increase.

In the other countries the level of disputes remains high and much higher than usual. In Italy in 1975 a new peak of 22 million was reached (the figure in 1976 was still sixteen million, which corresponds to the renewal of the branch collective agreements) 1974 and 1976 showed high rates in the Federal Republic of Germany (over one million and over half a million) as did 1976 in Belgium (nearly 900 000 days lost). Similarly, in recent years the total strike figure in Denmark was above the norm (184 000 in 1974, 210 000 in 1976, and these figures should be supplemented by the days lost on smaller strikes which often more than double them). In Netherlands the period of calm in 1975 and 1976 was followed by the great strike of February 1977.

A careful examination of each country would no doubt show the variety of circumstances and reasons. Since the decisions imposed by a crisis come from the government, or because they affect everyone equally, they can easily lead to major disputes wherever the bargaining is highly centralized. This was the case of the February 1977 strikes in the Netherlands in protest against the employers' resolve to obtain a partial suspension of the sliding scale and refusal to accept a 2 % general pay rise. This was also the case of the government intervention in Denmark. Major branch disputes can partly explain the high figures recorded in the Federal Republic of Germany. In France 1976 brought a rather violent shift in economic policy at a moment when inflation was speeding up.

But the variety of possible detailed explanations cannot conceal what they have in common. During the recent crisis the quantity of days of strike bore little relation to the short-term employment market trend. This is true of all the profoundly different systems of industrial relations, of labour and management with very different organizations, powers and policies and of governments with very different economic policies (and attitudes).

The assertion that during the first period the full employment policies, backed up by inflation, had shifted the seat of power to the shopfloor deserves to be fully understood. This did not describe a short-term economic trend but a lasting transformation of methods of action and power relations, as can be verified by an examination of the different forms of strike.

3.1.2 Forms and methods of action

There are many descriptions of the emergence of new, or at least unusual and forgotten forms of strike and at times of unofficial or illegal procedures during the crisis in industrial relations from 1968 to 1973. In Italy, France, Belgium and the UK the strikes were fairly often accompanied by occupation of the work place, and in France this practice, condemned by the labour tribunals although sometimes not without hesitation and delay (in the case of occupations, delay in acting makes a great difference), has also become a frequent one (it is becoming so in Denmark too). In some cases the management was kept in against its will in order to force it to negotiate. In extreme cases, nearly always cases where the undertaking threatened to close down, the occupation was accompanied by a return to production and unofficial sale of the product. In the case of bankrupt undertakings, occupation is a means of protest entirely comparable to the strike, even if it is no longer a strike in the strict sense of the term (wage earners in France and Italy continue to call it that). Some countries make widespread use of picketing in order to discourage non-strikers by various means, and the methods used have become tougher. In some cases picketing was combined with blocking deliveries. The strike itself has also taken on special forms : repeated stoppages to disorganize production, bottleneck strikes to block a strategic sector, output strikes, especially go-slows to protest against over-rapid work rates (they are a kind of fait accompli, a means of obtaining claims without waiting for the employer's agreement). The courts do not recognize many of these strikes as such (although the employers sometimes agree to discuss the issues rather than take this pretext for repressive action).

These unusual methods and these unofficial procedures are very generally related to the origins of the strike, which is often a local initiative more or less controlled by the militants or local union representatives and not organized by the central machinery. In some countries where the law imposes industrial peace for the duration of the contract or where there is strong union discipline (often the two go together), the strikes were often 'wildcat' or at least unofficial strikes. They were rarely directed against the union but sometimes did try to exert pressure on it to force it to commit itself, and at any rate they were often called without waiting for union agreement.

This much painted picture shows the change of methods used and the shift in the centre of initiative. Today, however, the passage of time and changing economic climate force us to consider other questions - such as what remains of this sudden outbreak of strikes. We have seen that the crisis brought little reduction in them. But did it not change their form ? Is it not more difficult today for a small group to take the initiative and responsibility of a work stoppage ? After shifting towards the workshop, has the power not returned to the hands of the organizations ? Was 1968-1973 a passing excess or does it herald a fundamental change ?

Certainly there is a change, as shown by all we have said about the current methods of dealing with employment and pay and the operation of the organizations. But nuances have to be added to this picture. Once again, the change is not simply a movement backwards.

The picture that has been drawn of the trend in the preceding period

also requires many corrections. In some cases the 1968–1973 outbreak left the essence of the industrial relations system untouched, in others it changed it.

Firstly it would be excessive to draw the Federal Republic of Germany or the Netherlands into this picture. True, both experienced strikes which infringed the industrial peace pact and caused disquiet and reflection. And in both cases the internal discipline of the organizations was tested and, in particular, the unions had to make efforts to establish closer contacts with or gain recognition in the undertaking. But all in all there were rarely any occupations and even more rarely any illegal 'sequestration' of executive staff. Even more important, the traditional bargaining system was perhaps shaken up in some years and thus became more flexible. But it was not profoundly changed, especially as regards its main characteristic : disputes and bargaining still concern the industry not the company. The main changes occurred elsewhere, in an area only partially controlled by the unions either in the Netherlands or in the Federal Republic of Germany, namely the area of participation by the employees in decisions directly affecting the staff and in economic decisions, the area of works councils or committees and supervisory boards.

At the other extreme, what happened in the UK, Italy and France was far more than an unrestrained outburst, bringing in its wake more flexible methods and more democratic union structures. It was a change in the very system of bargaining.

The Italian case is the most instructive. The most frequent form of strike there is still the branch strike, directly connected with the negotiation of a collective agreement (the peak years of conflict were also those when the agreements were renewed) or at least a common claim. But what is called a branch strike in Italy today has little in common with a branch strike in the Federal Republic of Germany. Although the general objectives are laid down by the central organizations and although they draft an action programme, the implementation of this programme is very decentralized. In fact it is the local or company sections which deal practically with the claims and, above all, which decide on the timing, length and forms of the action. The branch strike is no longer a general work stoppage at a given moment. It is a series of decentralized measures which the national unions attempt to co-ordinate and standardize. Nor is the strike any longer the ultimate means of pressure if bargaining fails. It goes hand in hand with negotiation, giving it impetus and stimulating it; it is involved in it to the extent that it is itself a local negotiation which can act as a precedent and example for the overall negotiation. The decisions taken by one undertaking may anticipate the industrial branch decisions or even run counter to the joint rules of the employers.

So the branch strike is a means of closely associating the grass roots in the actual negotiation by means of the general assembly and the actions of the delegates. Sometimes this requires some artifice. Strikes for 'reforms' (housing, health, transport) which the Constitutional Court has now recognized as lawful (1974), and strikes for an even more distant objective (protection

of employment, development of the south) involve fewer people and therefore have less following because they derive much more from a central initiative. By contrast, strikes involving branch interests have a high rate of following because of these organizational formulas.

Moreover, there are no unofficial strikes. With such flexible conduct of disputes, it would need a curious accident for a union not to see itself and its policies reflected in a locally-based movement.

The legal situation is radically different in the UK since nine strikes out of ten are considered unofficial there. This was true of the ten years during which the Donovan Commission reported and is even more true today. And the exceptions, which account for much more than the other 10 % in terms of days of strike and actually make up over half the days lost during peak years such as 1971 and 1972, tend to be cases where the unions, tired of being outstripped by their members, take the reins in their own hands. That means that in accordance with the Donovan Commission diagnosis, the second system of negotiation, at company level, is dominant. The strikes are a matter for the shop stewards and the groups which elect them rather than for the actual unions, except during periods of major conflict. The centre of initiative in disputes has shifted permanently, and not because of any passing excesses fostered or determined by the economic trend.

This does not mean that the new economic trend has not enabled the central organizations to gain strength and acquire more authority. But they are no longer what they were. Their joint co-ordinating and organizing duties have changed because their means of action have changed.

In broad lines, the same conclusions could be drawn for France. The shock of 1968 and the experience of the following years led to a type of strike very close to the Italian type, although less centralized and co-ordinated (and, of course, involving a far fewer number of strikes and therefore more localized action). The union's role is more to disseminate its policy keynotes and ideas, to awaken its members to new objectives or methods; then, when a dispute breaks out locally, to guide it and where appropriate co-ordinate it with others and to bring about an acceptable compromise.

This extreme decentralization of the dispute goes hand in hand with a slightly greater centralization of the end-of-dispute agreement (and a fairly centralized collective agreement or arrangement). Unlike in the UK, the union delegates control the strike, but the union controls the agreement.

This new type of dispute obviously corresponds to different bargaining forms. But this example shows that there may be a time-lag between the two (which is very marked in Italy). France has nothing like the British company bargaining system and its union delegates are not shop stewards. On the other hand in France the decision to strike is controlled very little by the centre.

Of course we are only pointing to a tendency, and one which is not general. A strike at the Electricité de France stems from a carefully considered decision taken by the national union (although even in this case there is some local initiative. Among public employees, the case of the post office employees is quite different, as shown by their own strike in 1974). A confederation such as Force Ouvrière has its own conception of the agreement and therefore often displays a different attitude towards disputes.

At any rate, this tendency is more than the result of circumstances alone and certainly indicates a basic change.

In other countries, the picture is even less clear. In Belgium and Denmark the powers of the unions seem to protect them from any surprises from below. But are they still so protected ? The proportion of unofficial strikes is so high in Denmark as to recall the UK in the 1960s. There have been lack of discipline and unofficial strikes in Belgium. Although there is no doubt of the firm control exercized by the LO, CSC and FGTB, they may have to give more room to decentralized dispute and review their position in the undertaking.

The Federal Republic of Germany, Luxembourg and the Netherlands stand apart because disputes there had very little connection with the emergence of the undertaking as the centre of decision and above all of industrial bargaining. But in at least three other countries, the UK, Italy and France, and to some extent also in Belgium and Denmark, the frequent and wide-scale local disputes (official or unofficial depending on national tradition) served as a good means of establishing a new forum of discussion and decision-making within the system of industrial relations. As we said earlier, this shift reflects a shift in the whole bargaining system. And it is significant that this change was the result of local disputes, of the initiative of local delegates and militants.

3.1.3 The settlement of disputes

No useful comparison can be made of procedures for settling disputes without first distinguishing between two types of dispute : the dispute stemming from disagreement between a national union and an employers' association which have not managed to reach agreement at the end of the bargaining process; and the very different kind of dispute, which starts on the shop floor and then extends to a whole plant, on local problems which have often not been fully or thoroughly discussed before the strike. In the first case conciliation procedures may help prevent a confrontation. In the second a compromise can be reached if the issue is fully explored. It is perhaps an oversimplification to say that in the first case the strike is born of the failure of negotiations, while in the second case, negotiations are engendered by the strike or at least stimulated by it.

Many of the disputes in the UK, France and Italy are of the second type. The go-slow is an expression of discontent, perhaps following an initial

rejection. It involves the local union or, if it is more serious, the national union, and the undertaking calls on the specialized staff and social relations services. So the dispute clarifies the issue and leads to contacts between those who will deal with it. The public authorities, the factory inspector or the prefect in France will intervene mainly in order to bring the two sides into contact, to pull down the barriers between them.

In many undertakings in the UK the strikes called by the shop stewards are also a factor of relations with the management. Depending on the importance of the case, the union which is 'called on' in this way will intervene more or less actively.

A small number of such disputes may become protracted and end in an impasse. In that case the nature of the outside intervention may change. In France, apart from the above officials, the public authorities may also appoint another official to mediate, without any powers other than those conferred on him by the official nature of his task or his personal prestige. In Italy, mediation by the public authorities is often decisive both in negotiations and in disputes, although no form of constraint is available to them.

On the other hand, conciliation (or arbitration) takes on a quite different function if the dispute arises at the end of formal bargaining, especially if it has become legal only because no agreement was reached (industrial peace obligation). The conciliation service may have no binding power, as in the Federal Republic of Germany and Belgium where unions and employers are quite ready to apply conciliation procedures or make use of the national conciliators but not willing to accept any arbitration that would weaken their autonomy. Or it can be much more binding, like the conciliation procedures in the Netherlands or the (more rare but not exceptional) intervention of the public authorities in Denmark, for instance in the form of legislation. In both Denmark and Luxembourg the conciliation procedure as such is obligatory but its results are not binding on the two parties (in Denmark they decide by a vote).

Should a distinction be made between interpretation disputes and disputes concerning the establishment of a right ? Some countries make a strict legal distinction between disputes of rights and disputes of interests - for instance Denmark, the Federal Republic of Germany and the Netherlands. Others make no such general distinction (eg the UK) or only attach limited practical importance to it (France). Disputes of law can be settled by the courts, by joint bodies set up by the two sides (for engineering in the UK or the joint Labour Court - which is not a law court - and the Employer-Labour Conference in Ireland).

The tribunals or courts have often been the target of criticism, both in Ireland and in Denmark, because perhaps their task of implementing the texts is particularly thankless during periods of incomes policies. Denmark strongly criticizes the practice of imposing fines for unofficial strikes (flat-rate fines paid to the plaintiffs in lieu of damages). In France the

conciliation tribunals, apart from their organizational troubles (too many functions, insufficient specialized departments), have the fault of concentrating on settling individual disputes after the employees and employers have separated, ie have very little official say while the two sides are still in contact.

In the UK, in spite of the traditional distrust of the two sides towards any judicial procedure, the tripartite Advisory Conciliation and Arbitration Service seems to have had a favourable reception.

Lastly, exceptional procedures exist everywhere to deal with exceptional cases and the major crises showed that if they do not exist they are easy to create. The Grenelle conference which laid down the broad lines of an agreement after the 1968 strikes in France is a very good example. Nobody criticized the Prime Minister for the lack of any legal foundation when he called a conference between the confederations of employers and employees, or pointed out that under their statutes the confederations did not have the right to sign a pay agreement.

3.2 Bargaining structures

As we noted above, forms of dispute are linked to bargaining forms. This does not necessarily imply any coincidence between the area covered by a dispute and that covered by an agreement. Or rather, such coincidence exists only where the agreement imposes an industrial peace clause on both sides and if there is general compliance with the clause, ie if there are few strikes in infringement of that rule. That is the case in the Federal Republic of Germany (where an undertaking not covered by a collective agreement and threatened with strike by the union can protect itself against dispute simply by belonging to the employers' association, ie to the collective agreement which that association has signed, which embodies the obligation to keep the peace). The Friedensraum (area of peace) is identical to the Kriegsgebiet (area of war). More or less the same applies in the Netherlands.

In another group of countries there is an obligation under the law and by tradition either to keep industrial peace or at least not to embark on a dispute before exhausting certain procedures; but there are frequent infringements (Denmark) and they can even make up the main issue of dispute (the UK). In that case, there is in fact no real coincidence of principle between the area of agreement and that of dispute. A good number of small-scale disputes (shop floor, establishment, company) which arise are not necessarily 'circumscribed' in the same way as an agreement.

Lastly, in a third group of countries, there is no rule enforcing (France) or still enforcing (Italy) such coincidence. Disputes can arise in the branch or in the undertaking. Go-slows may be decided in the undertaking in support of branch bargaining; specific company disputes may be settled either by a company agreement or by reference to a branch agreement (and often by the two).

In France it would even be advisable to distinguish more carefully between end-of-dispute agreements (especially company disputes) and collective agreements with their clauses as two different forms of bargaining and agreement, especially as regards their relations to the dispute.

3.2.1 Branch bargaining

In our survey of pay negotiations we pointed to certain elements in the bargaining structure (cf. 1.2.1) and especially the fact that the European tradition, which is very different in this respect from that in North America or Japan, gives priority to branch (industry or sector) bargaining. Although this priority is under serious threat in several countries and may even be abolished, either by being controlled by the inter-trade negotiations (Denmark), or by the emergence of company bargaining (the UK), in general branch bargaining remains very frequent. Over the last thirty years, and in spite of the scale of economic and social changes, what is perhaps most remarkable is the stability of this structure.

What is a branch or an industry ? How is the bargaining unit made up ? We have already asked this question in relation to the structure of trade associations (cf. 2.2.2.1). It should be pointed out that the answer is not generally the same. Although in some cases the area covered by an association is the same as that covered by a collective agreement, this is far from being the rule. In some cases the definition of an industry is the same (the activities covered by the metal-workers' collective agreements in the Federal Republic of Germany and France are more or less the same as those of the employees of I.G. Metall or the various metal-workers' federations), but the organization is national while the bargaining unit is regional ('Land' in the Federal Republic of Germany, 'département' in France). In other cases an ad hoc grouping of national unions, grouped partly by trade, makes industry-wide bargaining possible (the employers' federation is sometimes of the same kind, at least in the beginning, as shown by the complex of the structure of the 'Union des industries métallurgiques et minières' in France). Similarly, in the UK, the metal-workers' unions have set up the Confederation of Shipbuilding and Engineering Unions to negotiate with the Federation of Engineering Employers. Again in Denmark, there is a central association of metal-workers grouping several national unions in order to deal with the employers of that branch.

The opposite is more frequent, however. A single employees' organization signs a number of agreements, each covering a more restricted field than that of the employers' association. This is often the case with dispersed industries or activities such as food and trade. It also partly explains the very wide gap between the number of collective agreements and the number of national employees' unions. In the Federal Republic of Germany, for example, there are some 20 000 collective agreements in force and 16 national unions (of course many of these 20 000 agreements are company agreements. Some of them are also explained by the breakdown by Länder).

In recent years, areas formerly covered by different agreements have tended to be combined. In Denmark the various branches of the graphic industry

or the hotel and catering industry have been co-ordinated (the employers' association has an ambitious 'rationalization' plan) although they still have no joint agreement. In Italy in recent years the entire textile sector was brought under a single agreement and the same applies to the very diverse food sector. Here it is difficult to distinguish the role of the desire for reorganization and rationalization from that of the short-term economic trend which favours a grouping of forces. In any case, this is not the only tendency. As a result of the crisis, some industries may detach themselves, for bargaining purposes, from the larger whole to which they formerly belonged. Although there was no legal breakaway, this was the case of the iron and steel industry in France in 1967 and again in 1977. So the economic climate can act both ways.

In general it is true to say that the employers' organizations tend to try to define the bargaining unit by the product (the product market, the technology) and thus to restrict its scale by underlining its specific nature, while the employees' organization defines it by the labour market and thus enlarges it, in local terms at least. But apart from the fact that this is not a general tendency (in France, several metal-workers' unions wanted this enormous complex to be divided up into more homogeneous industrial branches, while the employers were staunchly in favour of unity, perhaps because they are organized as a union for bargaining purposes), many other factors also come into play.

Some of these affect the choice between bargaining at national or at regional level. In the Federal Republic of Germany, in spite of exceptions such as the printing trade, bargaining is usually at Land level. In Italy, it is predominantly at national level, although the trade unions are organized at provincial level (in recent years efforts have been made to develop horizontal area organizations). Provincial agreements in addition to national agreements exist only in agriculture and the building industry. In both cases the administrative and political structure, which is classically federal in the Federal Republic of Germany and more centralized in Italy (where the recently acquired regional autonomy has not yet affected negotiation), is probably the main explanation. What will be the effect of the strengthening of the three regions in Belgium and of the new structure of the UK ? Although in the first case the effect on the confederal organizations is already apparent, it is too soon to measure it in the branches.

In France, the choice is influenced more by the nature of the branches, their homogeneous character (similar size of undertakings and similar situations among regions) and the quota of large undertakings with several establishments (which have good reason to wish for less national co-ordination). The chemical industry has a national collective agreement, the construction industry fixes wages by département, the metal-working industry has traditionally been covered by regional collective agreements but in the last ten years has seen an increasing number of national agreements (on working hours, the change to salaried status, vocational training, job evaluation, pay of engineers and executives).

In Denmark, a small country, the existence of discussions and agreements at two levels, national and local, perhaps reflects the desire to allow for some local discussion within a highly centralized system.

Today the scope and limits of branch bargaining vary considerably according to country. But in very general terms, branch negotiation remains widespread because the branch is the traditional place of discussion and meeting, where the formulas of discussion, bargaining and agreement are most firmly established. Often this is also because in spite of all the economic and technical upheavals, there is still a strong sense of the unity and specific nature of the 'occupation' (this is certainly more true of small branches of industry than of the very large ones, of paper, glass and oil than of metals; construction is a difficult case). Often the branch is the place where a real sense of community can be expressed in face of the confederations' rather abstract requirements (which are more strictly economic or based on more long-term views). So it is easy to understand why when the negotiations become difficult or the crisis entrenches the two sides in irreconcilable positions, branch discussion has more powers of resistance than talks at a higher level, as shown by the case of Belgium and France.

With the development of company discussions, the branch has obtained other advantages too. The employers can resort to branch negotiations because this helps them to keep discipline and avoid any divergent measures; the employees can do so because this will endorse and consolidate their achievements in one field or another. In both cases this applies above all to small and medium-sized undertakings which often have neither the economic nor the personnel resources to attempt an individual agreement. Broadly speaking, the difference between large and small undertakings widens when the branch agreement gives way to the company agreement.

The public sector nearly always adheres to branch negotiation, because of its centralized decision-making powers, whether in the case of the large national undertakings which in themselves make up a branch (coal-mining, electricity, railways) or the public services as such. The UK is the outstanding case of a country where decentralized bargaining plays only a minor role. In France agreement or dispute still occur at national level (this is only broadly true of the dispute, however). We have already noted the public sector groupings in Italy. In Denmark too the bargaining with public sector employees is highly centralized.

Overall, the Federal Republic of Germany no doubt remains most faithful to branch bargaining, partly because bargaining at a higher level is the exception there (although not legally impossible), partly because many company issues are dealt with by the Betriebsrat. In Belgium the branch joint committees find it easier to resist the crisis and continue to sign agreements when this becomes difficult at confederal level. Moreover, the main reforms in Belgium are embodied in branch agreements. In France, collective branch agreements remain the stable core of industrial relations, although not incorporating any very reformist measures. In Luxembourg it is sometimes difficult to draw the line between branch and company agreements.

Italy is probably an intermediate case. The national collective agreement remains the centre of gravity there, but it is used more as a means of co-ordinating the widely dispersed talks and disputes and of giving the results achieved in the undertakings general application. It has only limited powers of discipline and disseminates innovations rather than

introduces them. On the other hand, the crisis gave the collective agreement more power (especially by leading to the introduction of more wide-scale bargaining units in some industries). Employers are sufficiently worried about the strikes which might accompany collective bargaining as to propose to the unions that collective agreements should be turned into planning and policy agreements for company bargaining - but the unions rejected this proposal, fearing it might inhibit their local action.

As shown by the Donovan Report, the UK clearly has two parallel bargaining systems; the first and most official, branch bargaining, is now only of secondary importance (except in the public sector). It lays down fairly general minimum conditions and leaves it to the shop stewards and the company to regulate practical working conditions.

Conversely, branch bargaining can be supervised or circumscribed by the central organizations, with more or less government support or constraint, in some countries. In Denmark the two confederations, DA and LO, together discuss general working conditions and find it all the easier to oversee the lower-level talks because all the collective agreements expire on the same date. In the Netherlands, the crisis restored full power to the traditional framework institutions. Pay talks are only held at branch level if the confederations have not managed to agree; and even in this case the objectives remain very general and vague since the branches are not very distinct one from the other. In Ireland the system is more circumstantial, and from 1970 to 1976 pay questions were decided in the main by national agreements.

3.2.2 Inter-trade bargaining

The nature, frequency and scope of inter-trade bargaining between the organizations we call confederal varies greatly according to country. Such bargaining is fairly rare only in three countries (the Federal Republic of Germany, the UK and Luxembourg) and widespread in all the others. In spite of the differences in situation, it is worth trying to distinguish the different functions of this level of bargaining.

1. One case must be considered apart, ie where inter-trade bargaining is an exceptional response to an exceptional situation. In France in 1968 (and in 1936) the meeting of the confederations under the chairmanship of the Prime Minister was a means of dealing with an overall social crisis and finding overall solutions in face of very widespread strikes affecting the most varied branches and, by contagion, the entire economy. Many of the issues of this bargaining could have been dealt with just as well or better at branch level (as they were after the near failure of the Grenelle meeting). But in this case the decision 'at the highest level' had symbolic and political value. It recognized and endorsed the exceptional nature of the dispute and asserted that its settlement transcended the individual interests of the occupations. By their nature the decisions taken at such a meeting are no different from the decisions taken by a government or parliament in face of a serious political crisis. Because such a political crisis is also a

social crisis, the tripartite meeting brings in the two sides of industry and the government to resolve it (and the outcome therefore comprises legislative measures, such as recognition of the union in the undertaking, regulations such as those on the very marked increase in the guaranteed minimum wage, and contractual measures such as pay increases.

2. A second case is that where inter-trade bargaining is to some extent necessary because of the nature of the employment conditions to be settled, for example if social security contributions (whether supplementary or not) are so high that compensatory measures must be taken among underatakings and also among branches. In France in 1970 the extension of the 90 % maternity leave pay to women workers was negotiated at inter-trade level because it would clearly involve very different costs for the iron and steel industry and for the garment industry. The same would apply to supplementary pension schemas for executive staff. Yet these technical arguments, which tend to be considered first in order to justify inter-trade bargaining, are rarely totally compelling. Many social security questions can be dealt with at branch level with no great difficulty, (eg unemployment, as shown by the Belgian system of social security funds - 'Fonds de sécurité d'existence' - or the French 'Assedic') and harmonization may be enough (although insurance and reinsurance techniques could also be applied). Although it is true that many of these questions have been settled at confederal level, this was generally not so much because of any strict need to spread the burden fairly as an attempt to avoid systems that were too different or privileges that were too glaring. France, which has frequently resorted to confederal bargaining (supplementary pensions, unemployment insurance) clearly shows that inter-trade harmonization or co-ordination of pensions for example, still leaves major inequalities in some branches, categories or undertakings.

There are other methods of performing this second function of central bargaining. In spite of the difference in legal methods used, there is no difference in kind between the effect of a law and that of an inter-trade agreement (especially if it has been 'extended'). Or rather, the difference is not one of the substance or nature of the obligations; it lies in the possibility given to the parties involved to review the measures taken and in their right to administer them themselves. Two of the main reasons for proceeding by agreement are that this maintains the rules outside the realm of politics as such and avoids bureaucratic controls. If there is no danger of either of these, there will be less reason to proceed in this way. In Denmark, supplementary pension schemas were introduced by law and the law entrusted them to a tripartite body.

In this case as in the following ones, the inter-trade agreement is a kind of legislation drafted by the two sides of industry and by public authority delegation. So its results can be very close to those of the opposite procedure of 'negotiated law' (cf. 2.4.2.1).

3. The third case is that where inter-trade bargaining lays down the rules of the game for the parties. In Denmark the procedures for bargaining at

the various levels between unions and employers' associations were laid down by an outline agreement of 1936. In France the 1968 bargaining laid down a major part of the 'negotiated law' on the right of association in the undertaking of December 1968. In Belgium the National Labour Council often played the same role to implement the social programming agreements.

There are many possible substitutes for this function. So far as we know the German DGB has never bargained with the employers on the rules of conduct it urges its members to follow and these derive from a tacit understanding (they are intended to be acceptable to the other side). A report presented to the public authorities who accept its recommendations may have the same effect. Thus during the First World War in the UK the Whitley Committee recommendations gave rise to a large number of Joint Councils as permanent bargaining units. The fact that defining the procedures is left to negotiations merely shows the important position of the two sides of industry in the political system (and their desire at times to stand apart from the political scene). Of course there is no reason why the same regulation should not be laid down separately branch by branch. The functions and structures of the Whitley Committees vary considerably in the UK and one of the most familiar examples of a procedural agreement, that of the engineering industry is in fact distinct from the Whitley Council model.

4. As our review of the second case showed, inter-trade bargaining may simply have the function of co-ordination and harmonization (have an equivalent function for the branches as branch bargaining has for the undertakings). It draws the general framework within which the outcome of the branch bargaining must remain (supplementary pension schemes in France), or it imposes a general settlement in cases where different settlements according to branch could produce wide divergences (1975 agreements in Italy on guaranteed wages and the sliding scale), or it gives general application to clauses which are already very widespread and which it appears cannot be further extended by bargaining (paid leave in several countries, monthly payment in France in 1977). This co-ordinating and harmonizing function has the advantage of disciplining the branches (it speeds up the laggards and slows down the most advanced branches) and giving the employees more equality. So it is very useful as a final stage or at any rate when branch bargaining is sufficiently advanced to require co-ordination.

Naturally the law can equally well assume this generalizing function. In several cases the length of paid leave is fixed by law. Or the two procedures can be combined to give even wider general application (this was the case of the change to monthly payment in France in December 1977 where the inter-trade agreement was immediately embodied in law).

To take but one example, an inter-trade guaranteed minimum wage can be introduced by law (Netherlands, France) or by inter-trade collective agreement (Belgium).

5. A rather contrasting function is that of persuasion or stimulation. Because they have great authority and because the real nature of the issues

can appear more clearly at their level, the confederations can take the initiative in defining the broad lines of objectives and the broad policy lines in the hope of persuading the branches of industry to implement them. In this case the agreement is less important in terms of what it concludes than of what it proposes, less in terms of the rights it establishes than of the prospects it opens. Its scope can vary greatly from a statement of intent to the promulgation of a new course of action, depending on how it is received. In France this was the case of the joint declaration on monthly payment (1970) and the agreements on employment (1969), vocational training (1970) and working conditions (1975). In Belgium, some collective agreements signed in the National Labour Council are also programme agreements.

In fact the fourth and fifth functions are often combined. The establishment and definition of a programme is often also the regularization of a practice which has already emerged in some areas, at least in the undertakings. It is rare for a confederation to introduce a new programme that is not inspired by practical experience. In Denmark the various attempts to establish original forms of participation, going so far as co-operation committees in 1973, are a good example.

In this case there is often very close contact between the two sides of industry and the public authorities. The official research committees present their conclusions (generally the two sides of industry are on the committee and/or express their views on it). The public agencies may be officially responsible for part of the programme (in the UK, Denmark and France for improvement of the working environment; in the Federal Republic of Germany for asset formation). At times it is difficult to pinpoint which body took the first step or even where the responsibilities lie (they can be allocated in such a way as to produce rivalry between the administration and the two sides of industry). Such contacts are in no way surprising considering the executive and administrative authorities have long ceased confining themselves to the role of guardians of the law and are setting up an increasing number of separate services.

6. The inter-trade agreement can not only frame the branch agreements but also lay down binding limits for them or even replace them. The development of incomes policies over the past four years often led to this situation. But it occurred long before the crisis in the case of Denmark. There the general employment conditions common to all the branches are negotiated for a same period as the collective agreements, although a little earlier, by the two confederations, LO and DA. Branch talks relate only to specific branch questions. It is clear that the number of general issues may vary with the economic trend; during inflation and if attempts are made to restrain wages, the confederations will be responsible for the overall determination of wages.

The procedure in the Netherlands is not very different although backed by a quite different institutional machinery (a 'private' institution for discussions, the Labour Foundation, and a 'public' institution, the Economic and Social Committee). Since the Netherlands already has a long tradition of incomes policy and the public authorities are accustomed to intervene, the

procedure is even more centralized. The branches have only very limited autonomy for many of the general questions.

Although occurring on a more occasional basis, but backed by a standing institution, the Employer-Labour Conference, the national (ie inter-trade) wage agreements in Ireland have the same effect. Although they must be followed by decentralized agreements to become effective, their provisions must be observed strictly. The Conference has the authority to interpret the agreement and act as arbitrator in case of differences; it is also authorized to judge whether the agreement has been correctly applied.

The branch negotiations can also be 'managed' in different ways. After the failure of the confederal bargaining in Belgium in 1976, the parties published a joint statement of principle before separating. The government considered this sufficient and gave the joint branch committees the right to negotiate on the basis of a list of issues. The Social Contract in the UK is an agreement between the Trade Union Council and the government. But it has the same effects as the preceding cases.

At the other extreme we have the Federal Republic of Germany, where concerted action seeks to relate only to information and discussion and does not affect the autonomy of the parties concerned (ie the branches) - the disappearance since 1977 of this form of concertation, although probably definitive, does not prove that the guiding spirit which inspired it is dead; or France where the government takes dictatorial action vis-à-vis the undertakings in order to limit pay increases.

In all these cases it is not always easy to distinguish between actual bargaining, which is on a joint basis, and the three-sided talks in which the government intervenes (cf. 1.2.3 and 2.4.2). Sometimes the government does not intervene directly in the bargaining but influences it by making certain offers and threats (Ireland), sometimes it arbitrates, especially after a breakdown in the talks (Denmark) or even calls into question some of the bargaining results (sliding scale in Italy), sometimes it replaces it ('authorizing' law in the Netherlands, 'Barre Plan' in France).

However, even if the pressures of inflation and unemployment operate in favour of and justify government intervention and cause procedures of very different origins to end by becoming similar, this must not allow one to forget that the reasons why the two sides of industry resort to inter-trade negotiation may stem from very different attitudes. Sometimes the reason was to keep aside from the government and the public authorities (in Denmark, although the two parties accept the legitimacy of occasional intervention, they are not prepared to accept the government making any lasting change in the rules and procedures) and sometimes it was that the public authorities invited or forced them to enter into inter-trade negotiations (in the UK, the Trade Union Council has in fact been rather reluctant to play any major part in determining incomes policy over the last thirty years).

In spite of these differences of approach and origin, because of the wide field they cover and because they 'make the law' for a large part of the economy, inter-trade associations are often situated on the borderline of industrial relations and form part of the political scene. Even if the law carefully separates the prerogatives of the public authorities, and in particular the parliament, from the rights of interest groups, the latter are political agents and necessarily become more so the larger they are. So their activities are at least as significant in the context of the political system as in that of the industrial relations system and their links with the policy-makers are at least as close as with the industrial relations specialists. The differences between countries are so marked because they also relate to the differences of political system.

3.2.3 Company bargaining

The development of company bargaining is one of the major trends of the last twenty years and outside observers have seen in it the beginnings of a rapprochement between the European and the North American systems. It is not a traditional bargaining form and was greeted with distrust as much by the employees' unions as by the employers' associations. The employees feared that to situate the bargaining within the undertaking entailed the risk of having to accept the employer's reasoning all the way and no longer being able to oppose it with trade, category or class arguments. The employers' associations feared that company bargaining would not only divide and weaken their world (and reduce the strength of their associations) but also abolish the principle of separation between production, which is an area of collaboration and peace, and sharing of the results, which is an object of dispute and haggling. It would mean that the discussions were brought into the undertaking (and in some countries where there are strong links between unions and political parties, politics would also be brought in).

In many cases it would be more correct to speak of negotiation at plant level rather than at undertaking level. It is at plant level that the shop stewards are the most active in the United Kingdom and most agreements are concluded at that level. The Confederation of British Industry would like to consolidate plant agreements in undertaking agreements (the wave of mergers contributed to this parcelling out of agreements : the new large undertakings have frequently respected the special provisions and even the negotiating autonomy of the units absorbed. In Italy, bargaining takes place at undertaking, plant and departmental level. In France, although the agreement mainly concerns the undertaking, conflicts frequently concern specific plants (and they lead to unofficial bargaining).

Bargaining at company or plant level is not predominant anywhere except in the UK. In no case has it replaced or eliminated bargaining at sectoral level. But the trend certainly exists, although in different forms and with different aims depending on the country.

1. Agreements are signed within an undertaking for the main reason of protecting by collective agreement the employees of an undertaking which

does not belong to the employer's association of its branch. This is what the German DGB consistently attempts to do. In the main these agreements repeat the corresponding branch agreements with minor modifications. LO in Denmark proceeds in the same way but it also attempts to make undertakings suspected of trying to stand apart pay an additional price by imposing a single-union clause. Similarly in Belgium there are many company pay agreements where no branch agreement exists or where it has fixed poor rates.

Extension procedures, in countries where they are normally applied, often lead to very similar results by different means, forcing the recalcitrant undertaking to apply the branch agreement.

Perhaps one should include in this group the company agreements which have the effect of tying an undertaking to a fictitious branch agreement. In France, for instance, the unity of the metal-workers' union does not allow a separate national agreement for iron and steel. Regions with a large iron and steel industry are covered by a regional agreement instead. In the other regions the negotiation of a company agreement is a means of formulating clauses similar to those of the Moselle agreement and aligning them with it.

2. The company agreement may also supplement or adapt the branch agreement. It takes account of the special situation of an undertaking, adding advantages justified by local occupational habits or designed to help the company to recruit labour. This second type of agreement coexists with the first in the Federal Republic of Germany and Denmark. In the Federal Republic of Germany it reflects the DGB's attempts to extricate itself from the confines of the branch and sometimes to acquire more influence at the cost of the works council. In Denmark it indicates the presence and activity of the union delegate (or spokesman).

There is a whole range of possible methods from simply adapting the branch agreement (questions of payment for a special skill specific to the undertaking, of defining the institutions of staff representation, of deciding whether to close down on a public holiday) to formulating a new and original agreement. It should be noted that company agreements are usually found in large undertakings which often do not confine themselves to granting a few additional advantages in order to keep and attract their staff but also have a social policy often drafted by specialists employed by the management. In this case the company agreement acquires a fair degree of autonomy, quite apart from the fact that it also co-ordinates the establishments in the various regions of the country which may be covered by different agreements as a result of regional bargaining.

Apart from the Federal Republic of Germany and Denmark, this is also the case in France which has few company agreements but where such agreements do affect a great number of large and very large undertakings (and consequently affect quite a substantial proportion of the employees). The employers' associations often regard them with some distrust, fearing they might be a

method for the very large undertakings to free themselves from the collective rules. The small and medium-sized undertakings often regard them as a means of pressure to persuade them to agree to make further concessions.

3. Many agreements made by large undertakings in fact form part of the third type, the autonomous agreement. This does not mean an agreement which need not comply with the stipulations of the branch agreement, but one which regards these as minimum requirements and which is quite free to add additional or new clauses to it. Looking carefully at the dynamic of bargaining, it is clear that in France, Italy and the UK a large part of reforms (on paid leave, redundancy payments, supplementary pension schemes, early retirement, job protection, the right of association, disclosure of information) stemmed from company agreements (the branch or inter-trade agreements then followed their example).

One reason for this trend towards 'autonomy' is the growing importance of certain issues. Prosperity and inflation have made control of real wages an urgent issue, which is easier to discuss in the establishment or the undertaking (or in a branch comprising only a very small number of undertakings). It was primarily on this issue that the shop stewards in the UK increased their power and developed the 'second bargaining system' which came to predominate over the 'first' system probably as a result of the repeated constraints of incomes policy and wage restraints. It is also easiest to discuss the conditions of working life and its organization within the undertaking. The productivity agreements in the UK formalized (and thus made it possible to adapt) established industrial practices. Elsewhere, as in Belgium, the discussions held by works councils fostered company bargaining. Lastly, in Belgium, Italy and France, and sometimes in the UK, the new employment difficulties also gave rise to company bargaining, often with the participation of the public authorities, local or not.

Company bargaining on all these issues can be the more autonomous because it does far more than merely act as a relay of branch bargaining. It deals with issues which cannot or cannot easily be dealt with at branch level.

When it assumes this position, however, company bargaining is in no case very clearly linked to branch bargaining. In some cases this is because the delegates responsible for it, like the British shop stewards, have a very poorly defined position in the unions and make wide use of their independent powers in the major undertakings, especially when they are in committee, in some cases because neither the unions nor the employers are quite sure what the function of each bargaining level is. More generally, issues specific to the undertaking are sometimes not covered by formal bargaining in its proper form. This can be because unofficial agreements with many implicit clauses (and all the misunderstandings this can engender) and taking very untraditional forms (management reply to a question, minutes at the end of a dispute, internal 'unilateral' note from the management settling an issue after discussion) are current, as in the UK and France; or because bodies which are not really unions and not really responsible for bargaining deal with a large number of the issues. In the Federal Republic of Germany most internal questions are reserved to the works council and a careful line is drawn between the union contract and the

internal agreement. The growing importance of the works committee in France, although it is far from having the same responsibilities as the German works council, may partly explain why, in spite of the fact that similar disputes developed as in the UK and in spite of the major wave of large company agreements, company bargaining has not developed in the same way there as in the UK and has remained much more restricted and informal.

3.2.4 Contacts between the different levels

The changes in bargaining structures, such as the development of company bargaining, are not the outcome of any premeditated plan or the implementation of a programme. They are the result of taking given opportunities to settle an issue rather than based on any consistent resolve by one party or the other. Not surprisingly, therefore, there is no automatic co-ordination between the different bargaining levels and methods. It must also be pointed out that attempts to achieve such co-ordination have not been very successful. Relations between the various levels remain very unstable and there has been no systematic allocation of the issues involved to particular channels of discussion.

In 1971 in the UK the attempts to create order in this area were made by law, contrary to the British tradition of very reluctant state intervention (if not abstention), perhaps because the dual nature of bargaining methods was more established there than elsewhere. Without wanting to analyse the now defunct Industrial Relations Act, it may be said that its objective was to bring company discussions back under the authority of the unions, to increase union authority and the responsibility of the associations, and to make the contractual commitment of the agreement more explicit by enabling it to be endorsed legally. The failure of this law, due to the firm opposition of the unions and the lukewarm support of the employers, cannot be explained only in terms of loyalty to tradition and protest at any innovations inspired by the U.S.A. example, for some provisions which shift bargaining outside the purely private area of the gentleman's agreement were in fact also embodied in the 1975 law. What this failure does show is the difficulty of trying to discipline from above the trend towards decentralized action which leads to company bargaining, and of drawing into the contract an area which more than ever involves constant and dynamic relations between the two sides of industry.

In Italy, on the contrary, the attempt in the 1960s to organize bargaining at different levels, by the contrattazione articolata, or articulated bargaining, was reflected in the agreements themselves. The national agreements included 'referral' clauses which specified and demarcated the subjects which could also be negotiated in the undertaking (more precisely, the 'rinvio' was at first organized on three levels) and also comprised a 'truce' or 'union peace' clause. Today this system has practically disappeared in industry although in principle it still exists in trade and banking. The discussion may now take place in the undertaking again, at any time and on any subject, whether or not the issue is dealt with in the branch agreement. The bargaining takes place on all fronts and is no longer 'articulated' in the strict sense of the word. As we said earlier,

the unions rejected the recent Confindustria proposals on redefining functions and making the branch agreement responsible for laying down programmes and approaches. Similarly, in France the rather vague attempts to distinguish between 'perfect' (non-extendable) and 'imperfect' (which can be renegotiated in the undertaking) branch agreements have long been put aside. Bargaining takes place at three levels but is not organized among the three levels.

In other countries, such as Belgium, the inter-trade associations and the branches (the sector) have complex reciprocal relations (until early 1977 the branches tended to wait for the associations). The allocation of functions between the national and the regional level is often far from clear. Lastly, there is an evident lack of co-ordination between the joint and the tripartite national meetings. In spite of the great number of organizations and institutions, much vagueness remains. In Denmark there is only union representation at the various levels, as in Italy and especially in the UK. But the number of unofficial strikes (mostly on a small scale) shows that the co-ordination is far from perfect there either.

In Ireland, the radicalization of national trade unions has led them to concern themselves more and more directly in problems considered internal to the undertaking.

Without wishing to suggest any paradoxes, we could say that the case where least problems arise is where there is no co-ordination at all between the different levels, as in the Federal Republic of Germany, because of the separation between the area and methods of co-determination with the works council and those of bargaining with the union.

In the absence of any formal co-ordination, is there at least some evidence of a 'rational' allocation of bargaining issues between the various levels ? To some extent there is, as we noted in the context of inter-trade bargaining. In Italy and Denmark the guaranteed wage cannot be decided by the branch. Similarly it is more logical, if not necessary, to discuss the sliding scale (eg in Italy and the Netherlands) and unemployment benefits (France) at the highest level. Obviously, decisions on national pay policy, where this can be negotiated (Denmark, Ireland, Netherlands) clearly fall within the confederations' terms of reference.

Yet what remains most notable, apart from the small number of cases where the nature of the issues at stake demands it, is the arbitrary nature of the allocation of issues between the various levels.

Why is it that in the UK supplementary pension schemes tend to be formulated on a company by company basis with the result that a recent act proposes first of all to regularize these measures rather than to merge them again into a larger whole ? The deciding factor is not the desire for a reasonable allocation of responsibilities but company habits and the delay of the national unions in considering the question. Is it

necessary that the 'security of income' funds in Belgium tend to be funds specific to a branch of industry ? A system of inter-trade adjustment would surely seem preferable, especially during a period of high unemployment when unemployment strikes very unequally depending on the branch. The reason for this choice lies more in the vitality of bargaining by sectors. Is it natural that job evaluation should be incorporated in the Fiat company agreement ? Elsewhere it would be negotiated by the branch; but the decision to deal with it at this level primarily shows the resolve of the unions (accepted by the employers) to link this issue to the organization of work and to influence this organization and also to bring the weight of the workers' delegates to bear. Was it really necessary in France to spend two years negotiating an agreement on the conditions of working life at inter-trade level ? This subject could have lent itself well to talks close to the undertaking, but it is evident that the employers wanted to keep a certain distance in order to lay down guidelines.

From these and other examples it is clear that the choice of bargaining level is only very partially dictated by the actual nature of the subjects to be discussed. It is based far more on the strategic concerns of both parties. The unions are concerned to mobilize their forces as best they can, to arouse the employees' interest and to offer them tangible results. The employers want to avoid any overlap of measures or multiplication of pressures. Where can the two parties best find points of agreement and opportunities for joint progress ? Within each organization, who takes the initiative, relays it, supports it, controls it ? Among the organizations, is there any institutional means of coming to an arrangement or reaching agreement ?

We have pointed often enough to the emergence in the bargaining system of new issues which favour inter-trade discussions or company discussions for this to be clear. We do not mean that the allocation of issues to one or the other is merely a question of chance or opportunity. But this allocation can be explained less by any economic reasoning than by the logic of contact and confrontation, less by the 'rational' criteria used to allocate responsibilities on an organization chart than by the social movements which bring new subjects to the fore. The conditions of working life are largely a company question, not just because it is more convenient and practical to deal with them at this level but particularly because the movement which put them on the agenda was born within the undertaking and because in several countries the employers and/or unions have agreed or decided to respond directly to this movement and to draw their support from it. Wage restraints can hardly be discussed at anything but confederal level; what is more important is whether or not the confederations agree to assume actual political responsibility (ie a responsibility of the same nature as a decision by the public authorities, which takes the national interest rather than individual interests as its point of reference), or to help combat inflation (this responsibility is political in another sense too, since it is assumed in the well-defined conditions of a parliamentary and government majority).

The changes in powers (the militancy or support of the employees in the case of the unions, the capacity to deal with and respond to their problems in the case of the employers) and the changes in means of action therefore

have more influence on the change of methods used. This also explains the difficulties of co-ordination more clearly; they are related not only to the tangled nature of the issues or to the chance way in which issues attract attention but are due rather to the diversity of resources and approaches, to the fact that social events have led the organizations to adopt several strategies at the same time. For it is the strategies which must be co-ordinated or at least reconciled.

3.3 Bargaining procedures

We are not using the term procedures in its strict legal sense (formalities, necessary stages before the bargaining becomes valid) but in the wider and perhaps less rigorous sense of the approach and conduct of the two sides of industry during the bargaining. This cannot be examined in detail, for to our knowledge there is no systematic study comparing the bargaining procedures in the nine countries today. In the absence of any such study, which would be a very useful aid to understanding the practical scope of the rules of law and the extent to which the strategies of the two sides are based on them, we must confine ourselves to a few general remarks.

3.3.1 Determination of procedures

Bargaining procedures can be laid down by law, which at the very least fixes the general rules, with the more or less substantial participation of the tribunals (obviously more significant in common law countries). But they are also laid down in part by the two sides of industry themselves, either implicitly by the habits they have adopted, or explicitly by agreements in due form.

The role of the law is quite clear. Even in the UK the official doctrine has long been that of abstention by the public authorities; this neutrality, at first reserved then benevolent, was equivalent to approval of a number of basic bargaining principles. The tendency in all countries over the last twenty or thirty years to promote collective bargaining and to give it more autonomy has by an apparent paradox led instead to increased legislation on procedures, in order to give more facilities for meeting, mutual recognition and the development and conclusion of bargaining. Thus the 1975 Act in the UK conferred on a joint service the mediating function for recognition of the unions by the management. The conclusions of the Advisory Conciliation and Arbitration Service are not binding but if an employer rejects them the union is entitled to seek redress from the Central Arbitration Committee on the substance of its claims. In France the 1971 law obliges the two parties to meet if one of them so requests; it also enforces discussions at regular intervals (wages must be examined at least every year). In the UK the new rules which oblige the employer to provide the unions with the information necessary to the proper procedure of the bargaining have been specified by the same joint service, ACAS, in a draft code of practice (the scale and precision of the information that may be required are striking; the draft code has four headings : pay, conditions of service, employment, productivity and financial data). If the employer refuses to disclose the relevant information,

the bargaining issues may be submitted for arbitration, as in the case of union recognition.

In this case, the trend in the law is clear : it is to produce the maximum amount of negotiation and to provide the means for this, to avoid where possible any settlement of questions of substance, and to associate the two sides in implementing the procedure. Although it does not go nearly as far, the French 1971 law was drafted in the same spirit (and, we repeat, consultation of the two sides of industry has assumed a form equivalent to agreement).

Many of the procedures may also be laid down in the agreement itself.

In Denmark, the main principles of bargaining, including that of industrial peace imposed by the agreements, were laid down in an agreement of 1910 ('the norms') between DA and LO. The principal rules of the actual negotiation originate from an agreement of 1936. This very firm stability does not exclude the possibility of flexibility, for the 1976 bargaining was based on derogating rules on which the two confederations had agreed informally. In Italy the main body of bargaining and dispute procedures is the result of practice. This applies to the introduction and then disappearance of 'articulated' bargaining and to the setting up of internal committees and their replacement by works councils to create a union bargaining unit within the undertaking (the 1970 law endorsed this innovation). In the UK the procedure agreements, whether tacit or formal, are more the work of the branches. In 1976 the engineering industry renewed its procedure agreement, after a break of a year, and introduced into it a status quo clause (eg regarding dismissals : if a dismissal is disputed, the contract of service remains valid pending the results of talks).

There are other, unilateral procedural codes. In the Federal Republic of Germany the DGB laid down the recommended rules of conduct which its members generally obey (with regard to calling strikes or approving agreements). Often these rules are tacit, for practices can vary widely from one branch to another in a same country. In France, the UK and the Federal Republic of Germany there are more similarities between printing industry bargaining than between the branch bargaining procedures in general within each country.

More generally, even when the law is fairly precise and detailed, the two sides of industry can apply it differently. In France, the law makes it possible to conclude fixed-term or indefinite-term agreements; the second system became dominant there as a result of practice, with the major consequences this implies. In Denmark it is customary for agreements to expire on the same date, thus making it easier for the confederations to exercise control. The law offers opportunities which some countries have made use of and developed according to custom (at times the law simply recognizes the custom, as has been the case in several countries with company agreements).

At a rapid glance and subject to the conclusions that may arise from a more detailed study, it is tempting to believe that this sharing of functions between the law and the decision of the parties themselves influences the very nature of the procedure followed. When the parties lay down a good part of the procedure, whether because of the relative abstention of the law and the importance of branch agreements (the UK), or because of the vague nature of the legislative texts which leave much room for the parties' own interpretation (France, Italy), surely they tend to give procedural rules priority over substantive rules and are more concerned with the possibility of discussing a question than with obtaining a definitive response to it ? And in this case, surely it becomes even more difficult to separate agreements over rights and agreements over interests, the interpretation (or management) of the contract from the determination of the contract. This theory may be open to question and certainly needs correcting. Perhaps Denmark is the country where the procedures are based most firmly on the terms of the agreement and where a rigorous distinction is made between disputes over rights and disputes over interests. No doubt the theory would seem more firmly based if it also covered the frequency of meetings and the flexibility of the arrangements. But such as it is, it seems to raise an important question.

Lastly, discussion of the origin of rules of procedure should not mask the fact that there are very profound differences between countries in the extent to which procedures are formalized. One of the most striking features of industrial relations in Italy is the completely informal nature of procedures, which leaves great scope for the imagination and even for improvisation. This is also true to a large extent in France; and in both cases, it is despite the long-standing legal tradition (and Roman Law) and the fact that specialists in industrial relations were and still are primarily lawyers. This informality can perhaps be traced back to the origin of this body of law, which stemmed from the two sides of industry rather than from the State, and the fact that the courts have had little share in its formulation (there is a very great difference compared with the Federal Republic of Germany).

This difference has important consequences on bargaining procedures (see 3.3.3.).

3.3.2 Typology : contractual bargaining and continuous bargaining (1)

A purely legal study would have to make a detailed comparison between the main procedural rules, such as recognition of the bargaining parties (and possibility of pluralist representation), obligation (or not) to bargain and content of this obligation, or methods of conciliation or mediation. And once a valid agreement had been concluded it would also have to consider whether it is of fixed-term or not, the nature of the obligations it involves (eg industrial peace clause), the procedures for

(1) The following section attempts to give a generalized account which deserves to be more fully developed and given more detailed demonstration. It might be well to recall in this connection that although I have borrowed many facts and ideas from my colleagues, I alone am responsible for the conclusions.

cancelling or renewing it, and so forth, to give only a brief and incomplete list. We shall leave this task to the legal specialists. What we shall concentrate on is showing the consistency between the various procedural methods by presenting two main types of bargaining procedure - at the risk of simplifying rather crudely.

In order to do so we shall employ the distinction Otto Kahn-Freund made, as regards industrial relations in the UK, between two types of bargaining, contractual (or static) bargaining and instituitonal (or dynamic) bargaining (1). We believe that with slight modifications this distinction applies to two fairly general types of procedure, for the UK is no longer an isolated case.

Otto Kahn-Freund characterized the British 'institutional' method as follows : In contrast to cases where the parties meet only to bargain and conclude an agreement and then separate until the next bargaining process, there exists a permanent institution where the two parties are represented, to which they have delegated their powers and which prepares the agreements (Otto Kahn-Freund notes that a similar institutional continuity exists in the Belgian joint committees). Secondly, the agreements thus formulated are not really contracts, for they do not have the same legal validity (until recently, collective agreements were not regarded as contracts in the legal sense of the term in the UK and the same applied in Belgium before the law of 5 December 1968 on collective agreements). Thirdly, since it is always possible to re-examine an issue, they tend to reinterpret a decision that has been taken earlier or to take a new decision, to be open-ended rather than of fixed duration. Fourthly, since the same institution often 'makes the law' and interprets it, plays both the legislative and the judicial role, it becomes difficult to tell the two functions apart so that the distinction between conflicts of right and conflicts of interest has little meaning. Fifthly, such talks are conducted in a very similar spirit to that of common law (although the writer notes that common law countries such as the United States and Australia make a careful distinction between the two kinds of dispute and that Belgium, which has a 'systematic' law, at the same time has 'institutional' bargaining).

Lastly, since the main aim is to settle issues as they arise, this method gives priority to procedural rules over substantive rules, to the bargaining machinery over its outcome, the contract or agreement. The writer notes that, as shown by the importance attached to custom and practice, this approach, like common law itself which is the product of the corporations of lawyers, is linked to the heritage of the medieval guilds.

We believe it is possible to generalize these features, which as a whole are particularly British (and some features of which have already been relegated to the past in the UK).

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(1) Otto Kahn-Freund, Labour and the Law, Stevens, London, 1972, pp. 56-59

The main feature is continuity. But this continuity can be relative. In France the joint committee must meet often because of the diversity of subjects to be discussed and the frequency with which it is called upon to interpret; this does not mean that it looks anything like the Whitley Committee, but it does have one of its characteristics, namely frequency of meetings, the presence (with some variations) of the same people and continuity of decisions and preoccupations. Although the intensity and frequency of conflict are greater in Italy, surely the same applies there, especially when the talks about renewing a three-year agreement are spread over several months, and sometimes nearly a year. American studies have shown the existence of a continuous bargaining process concealed behind administration of the contract, while the settlement of individual cases makes up a kind of jurisprudence and establishes new rules. In such a case, continuous bargaining plays a minor although not insignificant role. But in the cases we have just mentioned, where discussions are often reopened, if only as a result of the alternation between branch and company discussions, it may become central.

In France and Italy the agreement obviously does have a legal value (in both countries there is the same tendency to apply increasingly often to the courts and in Italy especially the judges have assumed an increasingly important role since 1970). But if one looks more closely, one does find major similarities. In France in many cases the two parties agree not to go before the courts (or where possible to lend a deaf ear to the judges' decisions). A kind of infra-law prevails in occupational practice, a local law which remains outside the courts' terms of reference because it is not subject to them and which deals with questions as important as the real definition of the right to strike or lock-out. This phenomenon is extremely common, if one interprets the reluctance to go before a court as due to the awareness of having a separate (or, more precisely, particularist) set of rules specific to the trade, occupation or branch concerned. It often becomes evident during the bargaining as some recent disputes in France and Italy clearly show.

In France, the preference for open-ended agreements is endorsed by practice and law (a number of rules forbid the expiry of a contract from cancelling out all its effects). For a long time the effect of this was to bring the agreement closer to the regulation (analogous to an act of public law) than to the contract and to make it more difficult to modify it since meetings were few and difficult. By contrast, if this preference is accompanied by a certain continuity of bargaining, the contrary occurs. What is most important no doubt is not the fixed term of the agreement itself but the industrial peace clause which accompanies it. If it is not forbidden to reopen the discussion at any time and on any subject so that the bargaining is open-ended, the agreement cannot have a genuinely contractual character. If moreover, there are frequent contacts, continuity can be ensured (naturally, failing any agreement between the parties; this can also mean a constant reopening of the question and lead to disorder).

French and Italian law make a formal distinction between conflicts of right and conflicts of interest which is important in theory. However, if the claimants. whether staff delegates or workers' delegates, no longer

make much distinction between a grievance (in application of a provision) and a claim (demand for a new right), if little appeal is made to the courts and that appeal is mainly limited to the parties' rights after separation, and lastly if it is not equally always easy to distinguish between renegotiation and interpretation of the agreements, especially if contacts between the different levels of bargaining are complex and poorly regulated, this distinction, valid in theory, loses much of its practical import. Here again, continuity of negotiation, where it exists, erodes it to some extent.

In our opinion, the priority given to procedural rules over substantive rules is one of the most striking, if least remarked, features of the bargaining trend in France over the last ten years.
This is not only because many clauses, presented traditionally in the agreements but little used in the past, have assumed a real importance (interpretation clauses) but also and above all because company practice, and especially company disputes, have made one of the main areas of concern of the two parties, unions and management, that of contacts, of ways and means of establishing contact with each other. The leitmotiv of the desire to bargain on the part of the unions and of the search for responsible partners on the part of the employers are sufficient evidence of this. Even the frequently irregular procedures employed are evidence of the priority attached to communication - perhaps one should add, direct communication between those concerned. The distrust of all institutional mediation procedures derives from the same reason (as does the acceptance of an ad hoc mediator who will not impose any external rules).

In Italy, reference has even been made in agreements at undertaking and branch level, particularly in these of 1976, to procedimentalizzazione : the main part of the agreements in which management undertakes, for example, in the chemical industry, to communicate their investment plans to the trade unions and from time to time review their implementation with them, contains a strict timetable for meetings, the details of information to be supplied, and the form of discussion. These regulated exchanges of views do not lead to a contract. But since they could always be settled by open dispute they are more than a consultation. If all goes well they do more than endorse the absence of conflict (this is sufficient for management), but they also exert a positive influence, probably mutual, by aligning the ideas of both parties and thus improve the chances of anticipating disputes. (1)

Lastly, the similarity between this practice and common law with its traditions specific to an occupational community seems most enlightening to us. It is not that France or Italy have abandoned the deductive rigour of Roman law to adopt common law. But surely one could regard this corporative tradition primarily as a means of protecting the rules and habits of an occupational group against outside rules and methods, above all those of the state and public administration ? This is clear-cut when the basic element is a craft, with its skills and secrets. But other sources of particularism exist : even if it involves no craft as such (no apprenticeship,

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(1) Umberto Romagnoli and Tiziano Treu, I Sindacati in Italia : storia di una strategia (1945-1976), Bologna, Il Mulino, 1977, pp. 273-278.

whether occupational or vocational), an occupation may have its own customs, rules and autonomy. Specialized glass-workers, the drivers, delivery-men and salesmen of food, railway employees whatever their grade, may form communities of this kind. As we said earlier, no theory of the particular communities of collective action has yet been put forward. But it is clear that whatever the nature of these communities, it is in the rules of working relations (and especially in the set of rules which often do not go beyond the verbal stage or at least are merely internal regulations), that they express their particularity, or rather their particularism, vis-à-vis the universal pretensions of state law. The links between the rules of industrial relations and those of common law do not derive from any historical continuity but lie rather in the approach, an approach from below which primarily reflects the habits and convictions of a community and asserts the irreducible nature of its experience, refusing to submit to outside criteria or be measured by an outside body.

Institutional or continuous bargaining is not therefore a British speciality or curiosity. It is one of the major types of bargaining. It is practised, though with major difference of detail, by the UK, Ireland, Italy, France and to some extent Belgium. On the other hand, the contractual procedure (periodic, limited-term agreements with an industrial peace clause and only exceptionally giving the possibility of reopening the discussions, making a clear distinction between disputes of right and of interest, giving priority to substantive rules and the contract over procedural rules and the 'machinery') is the model followed by the Federal Republic of Germany, Luxembourg, Denmark and the Netherlands. Here again, hawever, there are major differences, involving for instance the role of the government in the Netherlands or that of the confederations in the Netherlands and Denmark.

The two major types must be distinguished in order to make comparisons more intelligible and effective. Surely the failure of the 1971 law in the UK was largely due to measures of a 'contractual' kind (in this case measures very close to those found in the United States) being grafted onto an 'instituitional' system ? Surely the limitations of the French 'contractual policy' (especially the difficulty of making the undertaking more strict by imposing time-limits and procedures for denouncing it) have the same origins ?

Moreover, these two types of procedure perhaps reflect two major trends, the balance between which makes up the autonomy of the industrial relations system. If that system is to some extent a delegation of power by the state which allows the parties to make their own legislation, this delegated legislation will no doubt enable those concerned both to protect their particularity (which is why delegation represents more than a saving of energy by the public authorities but also respect for their particularism) and bring them within the general rules. The two parties do not play the same role as regards satisfying these two requirements. In general the union tends to represent the particularities of the community of employees (often of their traditions vis-à-vis economic pressures); its function is more that of expression, from below, of bringing to light the employees' needs, acquired values or habits, although it may of course aim for a much wider class solidarity. By reason of their job and their responsibilities, the

employers are more aware of external requirements although they are often reluctant to accept everything required by the public administration. So although neither party can be aligned entirely with either one of these requirements, the employees' unions place more emphasis on the first, the employers more on the second. For the same reason, the great waves of claims, especially those due to the shift of power towards the shop floor and to the easing of social and economic constraints, give priority to the first requirement. A more stable social balance favours the second requirement.

The fact that the three countries affected most severely by the crisis in industrial relations in 1968–1973 are also those where continuous bargaining has increased in importance is not a matter of chance, if this interpretation is correct. The assertion of special requirements goes hand in hand with more inward-looking bargaining which is more protected from outside influences.

Lastly if continuous bargaining is defined as a general bargaining trend, this will avoid any confusion between cases where it is firmly established such as the UK and cases where it is recent and fragile, not yet fully embodied in the rules of law, as in France and Italy. Frequent bargaining may be equivalent to a standing committee, but with one difference : it is far more vulnerable to the short-term economic and political trend and can easily (as happened in France) become less frequent or even rare. So it is fragile and liable to be eclipsed. What can be said - and this is the importance of the distinction - is that the crisis which would be engendered by blocking such a system is not of the same nature and will not call for the same remedies as the crisis of a system where the contractual element predominates.

In describing two types of bargaining we have sought to define two systems (with the inevitable simplification to demonstrate their internal logic). For the same reason our definition stressed the rules of the system, in particular the negotiating rules. But our more recent thoughts on the matter have revealed that the system of industrial relations and the political system of which it is a part have more than one specific feature in common, as also between the former and the national culture, particularly the political culture in which it is immersed.

3.3.3 Fixed or variable procedures

Another characteristic of the procedures has been inadequately studied in our view. A comparison between the nine countries reveals its importance. That is quite simply the fact, as far as the parties are concerned, of being forced (even if of their own free will) to follow a fixed procedure with very little option, or, on the contrary of being able to choose between various methods. Many excellent analyses of bargaining procedures made in the United States concentrate only on American, ie very rigid procedure, so they cannot easily be transposed to systems where various choices are possible.

What can these choices involve ? Firstly there is the choice of level of bargaining. Will the union which wants to raise an issue do so within the undertaking, the branch or at confederal level ? What level will the employer who replies accept ? In some countries the customs and rules leave very little choice. This seems to be the case in Denmark, and to some extent in the UK, where the branch agreement is tending to have less importance. By contrast, other countries seem to offer a wide margin of freedom, ranging from shop-floor strikes to inscription in a plant or company movement, from local to branch bargaining. That is certainly the case of France and Italy and sometimes of Belgium.

The choice may be between consultation (within the undertaking) and bargaining (external method). In France, for instance, a claim may pass via the staff delegates or, although this is not its legal function, via the works committee, or be processed by the bargaining machinery. But in the Federal Republic of Germany, the distinction between matters pertaining to the works council and the agreement (Betriebsvereinbarung) and those pertaining to the union and the contract (Tarifvertrag) is in principle a rigorous one and to a large extent it is equally rigorous in practice (although there are frontier disputes). In the first case there is a choice, in the second there is none (or at least very little).

The possibility of choice may derive from the coexistence of trade structures and company or industry structures in the employees' representation. In some sectors in the UK a claim may pass via one channel or another. Does this also apply in Ireland, and is the distinction not much more clear-cut in Denmark ?

Lastly, there may also be external alliances, support from other branches or public opinion. Certainly public opinion is always important to the bargaining parties, although only in the medium or long term and only indirectly. But there are wide variations between countries (and even between branches and between types of dispute within each country) as regards the immediate and short-term importance of public opinion. Evidently it is more important in France and Italy than in the Federal Republic of Germany and the Netherlands.

We could list other sources of variation and other possibilities of choice. Those we have mentioned at least suffice to show the consequences this factor may have.

No doubt the most simple consequence lies in variety of possible strategies open to the parties. In a rigid system, a party engaged in bargaining can take only a relatively small number of decisions. In some cases, all the strategies may be possible. The moment the number of choices increases, this is no longer the case and the range of possible methods and situations increases rapidly.

This increase in variety is based largely on a difference in the nature

of the choices. In the first case, the party chooses the cards he will play in a game which has well-defined rules. In the second he chooses the game he will play. In other words, the strategic decisions relating to dispute and bargaining are decisions on the very nature of the framework, on levels of discussion, on the nature and scale of the interested parties (an employer, a regional or national association; a group of craftsmen, a workshop, a plant, semi-skilled workers), on the external alliances that can be established (local popularity or regional, branch or trade solidarity).

So the predictability of the results varies greatly partly because the possibility of choosing the 'game' makes the results indeterminable and because the relevant resources are consequently much more variable. It is not very difficult to predict the outcome of pay negotiations within a traditional framework if one knows the basic data. It is impossible to predict the outcome of a company dispute which may be transformed into a symbol of the difficulties of a particular region (such as Wallonia or Brittany) or category of employees.

In some cases this procedural variety may have a specific result : the 'politicization' of the talks or dispute, which may draw support from public opinion or the local or national authorities. This means that in the public mind the discussions will be linked to divergent political directions and/or be based on a governmental or legislative decision. This case deserves to be considered separately since this is when the industrial relations system loses its autonomy.

Lastly, fixed and variable procedures probably do not involve the same type of negotiators or organizational leaders. The professional negotiator will find it easier to act within fixed systems as will the man whose main virtue lies in his in-depth knowledge of a trade, an occupation or a social environment.

This division into two opposing types is clearly a simplification, in extreme cases even a caricature. Yet we consider it most important to draw attention to these two trends in bargaining procedures in order to facilitate the exchange of views and experiences between experts and to establish a meaningful comparison.

4. NATURE AND ROLE OF COLLECTIVE BARGAINING

4.1 Worker participation in company decisions : bargaining and joint management

4.1.1 A new trend

Joint management or co-determination (Mitbestimmung) is of course not a new practice since in the Federal Republic of Germany it dates back to

the early 1950s. And of course there is nothing new in the idea of involving the employees in company decisions since this lay at the basis of the laws which set up works councils or committees in several countries in the aftermath of the Second World War. Yet it is also true that there has been a new surge of interest in the last ten years in the idea of participation and joint management, stimulated no doubt by the preparation of the EEC fifth Directive which was reflected in several countries by new laws, including the original country where the idea was born, and by new discussions and new projects.

The reasons for this renewed interest are not a question of fashion or simply of a new current of ideas. As we have seen, the workers' increasing interest in their working conditions and organization and their growing concern with job security posed questions which concern the company more directly than the branch and which relate not only to the results of the company decisions but to the decisions themselves. In many cases it was not economical or efficient or even feasible to intervene after the event in order to make corrections. So it seemed preferable to act a priori, before the decision. Moreover, the crisis in industrial relations produced more grass-roots initiatives on the shop floor and in the plant and thus also proposed the response : why not discuss matters with the employees themselves in their workplace ? During this difficult period, the Federal Republic of Germany seemed the country least disturbed by the crisis. To what extent could this success be explained by the original method of achieving this participation, by Mitbestimmung ?

This was not, of course, the only response. There are other, equally classical ones. The response to the emergence of problems specific to the undertaking and to claims originating on the shop floor can be to bring the bargaining closer to the undertaking (betriebsnah), a method which has appeared in most countries to some extent, although very unequally (cf. 3.2.3). The response to a priori participation in decisions can be bargaining, or consultation within the undertaking. It is clearly no chance that the second wave of legislation on works committees broadly coincided in time with the renewed interest in joint management (cf. 2.3). In industrial relations systems where the centre of gravity lies in the branch of industry (or even at a higher level as in Denmark and the Netherlands), the main concern was still to find methods of discussing at a different level, at company or plant level - and it is well known that such a change cannot occur without profound changes in the bargaining rules and system. Many of the special features of an industrial relations system, and in particular many of the procedural rules, are related to the main bargaining level used. (1)

So it is somewhat artificial to separate, as we have done, the discussion of works committees from that of participation on boards of directors or

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(1) The ILO book, mentioned earlier, Collective bargaining in the industrialized market economy countries, from which we have borrowed this conclusion notes, for instance, that company bargaining makes grievance procedure and union recognition rules more necessary and makes bargaining monopoly more natural.

supervisory boards. In the Federal Republic of Germany, both come under the heading of joint management and not of bargaining between trade union and professional association, although here the undertaking is regarded from two different angles (that of labour and social decisions and that of economic decisions). However, in Belgium, France, the Netherlands, both institutions are (or would be, since in the first two cases this is no more than an assumption) legally and theoretically distinct. It is also somewhat artificial to consider joint management in the context of collective bargaining. In the Federal Republic of Germany the two activities are separate, both in terms of the institutions performing them and of the law involved. But in some countries at least bargaining can perform the same functions which are attributed to joint management.

We shall confine ourselves here to participation in the major economic decisions of the undertaking. We must examine the different forms this participation has taken in the nine countries before trying to assess their consequences.

In using the term participation we are not presuming that this relates to an area of common interest where convergence of views is the rule. In some cases, on the contrary, there is a very clear opposition of interest and conflicting relations. We do not think this is a difference of substance (who would dispute that there may be divergence of opinion between management and workers on an employment policy ?) but one of approach, ie of the ways and means of asserting divergent points of view while yet retaining the possibility of reaching a decision.

4.1.2 Institutional solutions

The institutions allowing for a degree of participation in decisions are radically different and this difference tended to increase between 1968 and 1973, the years of the great wave of strikes. Have they become more similar since ? Certainly they have as regards discussions and exchanges of views, but their approaches still seem to differ profoundly.

The first type is the German system, backed by law, which has been applied since July 1976. Apart from participating in the formulation of various organizational or reorganization decisions, the employees in undertakings with more than 2000 staff (some 600 or 700 undertakings and nearly a quarter of all employees) are represented by delegates elected (in some cases put forward by the union) to the supervisory board (Aufsichtsrat), a high-ranking management body which appoints the board of directors (Vorstand). Their number is equal to that of the representatives of the shareholders but includes one representative of the senior executives (which is why the DGB does not regard this as parity representation). The rather complex voting system tends in fact to give the chairmanship to a representative of the employees. If there is a tied vote, the chairman has an additional vote in order to resolve the impasse.

Whatever the scale and bitterness of the discussions held there, and although on the whole it still remains to be seen how the system will work, the intention emerges clearly. While ensuring that a decision will always be reached and therefore giving greater weight to the shareholders' votes in case of a tie, the aim is to associate the employees, via their representatives, very closely in the major company decisions on a quasi-parity basis.

The laws of Luxembourg (May 1974) and Denmark (1973, implemented in early 1974) were directly inspired by the German example. They provide for minority employee participation (one third in Luxembourg, two representatives in Denmark) on the board of directors (these boards have wider powers than the German supervisory boards). In Denmark the law has a very wide scope since it covers all undertakings of more than 50 employees (the employees have already exercized their rights here in one thousand undertakings out of a total of some 1900 involved). When it is on this scale one may well ask whether joint management has the same meaning as in the German case.

At the other extreme is Italy where employers and unions are equally reluctant to sit together on the boards; the employers because they do not want to increase the unions' powers and fear lest their presence would make it impossible to reach any decisions, the unions because they are afraid to drop the substance for the shadow, exchange their real bargaining powers for a semblance of participation in decisions. For Italy - and this is why the case is interesting - is probably the country where investment decisions, the location and nature of investments, their effects on employment, on the restructuring of undertakings or the organization of work, are most widely discussed a priori. But this discussion takes place during collective bargaining, by the classical methods of bargaining and agreement. Access to these decisions or, to use union language, 'control' over these decisions is certainly a union objective, and an objective which they attempted to uphold throughout the crisis; and in their view this is one of the major innovations of the great contractual drive of the years 1968-1975. But this objective was pursued and achieved without the unions losing their 'autonomy of dispute', without committing themselves in company decisions other than in terms of the clauses of an agreement and thus without forfeiting their right to embark on dispute if a problem arises. At company level, the works councils adopt the same attitude of informal bargaining and not participation. The recent talks on the German model, the EEC directive and above all the scale of economic commitments assumed by the unions (why not turn this into joint management ?), do not seem likely to lead to very radical legislative changes (except perhaps as a result of instability in the political situation). At best they may lead to a law establishing a general obligation, embodied in various agreements, jointly to examine company investments and their effects on employment. (1)

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(1) In a system based on bargaining and which has also always given only a very small place to consultation and practically none to joint management, that of the United States, the institutional solution to this problem is identical : expansion of the area of subjects for negotiation. Conversely, the Federal Republic of Germany considers it contrary to the law (which includes working conditions among collective bargaining issues) that a collective agreement should cover investment matters.

Belgium, France and the UK semm very close to Italy.

In Belgium, one of the two big union federations, the CSC, is in favour of a formula with a works council similar to the Betriebsrat and a tripartite supervisory board. The other, the FGTB, is against this and instead aims at a formula of 'worker control' (it should be noted that this is the same term as is used in Italy) at all levels. The employers are also opposed to a formula which in their view requires a community of wiews between the parties which is still a distant goal.

In France, the Sudreau Report (March 1975) proposed a voluntary experiment with 'co-supervision' formulas (minority employee pariticpation; their representatives would be exempted from any real executive decisions; the terminology is not very precise here). Even this attenuated formula was not greeted very favourably either by the unions or the employers (apart from a small Catholic minority in both cases). It may find some favour among politicans, however, and may have a chance of success in years to come as a result of the likely fluctuations in the short-term economic trend. But even then, the two parties would probably only use this method as an additional channel of information.

Lastly, in the UK the Trade Union Council's traditional lack of interest in joint management seems to have gradually evolved following the discussions provoked by the Donovan Committee until their position was completely reversed, as the Bullock Report (1975) was drafted in response to the wishes of the majority of the unions. This report proposes a single-tier board (instead of the two-tier boards of German and French company law), with two thirds of its members made up equally of the shareholders and the employees' representatives (the latter elected by the unions) co-opting the other third (2x + y). A minority of unions and all the employers are violently opposed to this system for very similar reasons. They fear that this project will bring confusion between bargaining and company decisions. The Labour Government White Paper, without settling all the outstanding problems, confirms a major trend in the report : the wage-earners' representatives will be trade union delegates or a direct offshoot of these delegates.

The Netherlands stands apart here. The 1971 law which was adopted unanimously by the Economic and Social Committee provided that the boards of directors whould henceforth co-opt their members upon proposals by the shareholders' meeting or the works committee and that these two institutions would have a right of veto (multinationals were excluded from this measure). More time is required before the effects of this measure can be assessed. The formula involves some difficulties hawever. The Hoogovens works committee refused to exercise its rights. The NVV Socialist unions wants the works committee to become a Betriebsrat, without the presence of the employer or his representatives and with the right of veto on certain decisions. The CNV Protestant union wants parity on the board of directors.

France, on the other hand, has long had a kind of joint management (although it has never called it by this name) in several large nationalized

undertakings. There the board of directors is divided into three tiers, representing the public authorities, the users and the staff. But these councils have very limited powers and the strict supervision of the state and unstable representation of the users have not produced any original pattern of shared management. The Left has prepared projects to renew these structures.

In 1977 Ireland enacted a bill designed to test a system of staff participation on the board (there is only one board) of seven large national undertakings (from lists presented by the unions, the staff elects one third of the board of directors). At present there is evidence that the hesitation and caution prevailing on both sides is giving place to growing confidence. The aim of this experiment is to serve as an example for the private sector.

More generally there exist many formulas to associate staff representatives and management representatives in some aspects of personnel management (promotion, discipline) in the public sector in France and Italy. In this case the unions do not feel that joint management threatens to 'integrate them in the system'.

4.1.3 Difficulties and trends

Obviously it is not possible to compare the effectiveness of the various institutional formulas. Firstly this is because some are too recent to enable one to assess their consequences. But above all it is because their consequences are far too diverse to lend themselves to any overall assessment. Lastly, it is because such a comparison would no doubt not be very meaningful. Industrial relations is too complex a subject for one to be able to transpose the legal provision or practice of one country to another with any ease, for example co-determination to Italy or autonomy of dispute to the Federal Republic of Germany.

So it is more interesting and more useful to try to discern the reasoning behind one or other approach (the elements which generally accompany it) and to note what advantages each involves in the eyes of those concerned and what difficulties it encounters.

4.1.3.1 The factors of choice

We shall not discuss in detail the doctrinal discussions which have and still do occupy an important place in union politics. Without wishing to dismiss them, (it is a fact that as a result of historical tradition one formula or one institution takes on a particular colouring and a meaning in unionist opinion which is difficult to change), we must reduce them to their correct scale. It is quite legitimate for some unions in France, Italy or Belgium to regard joint management as a co-operative practice contrary to the class struggle and therefore not in line either with their objectives or their methods of action. But no general statement can be deduced from this

view of the significance of joint management in a particular national context or historical tradition. In spite of its political neutrality, the DGB has roots which are as Socialist as those of the FGTB or the LO, just as the TUC has close links wth the Labour Party. One cannot regard collaboration versus class struggle, Socialism versus its contrary, as two separate paths. The change of attitude of most of the TUC vis-à-vis joint management, moving from opposition to urgent demand, is surely not the result of any weakening of militancy or Socialist conviction but in fact the contrary. So such schematic oppositions must be discarded. It must be pointed out again that America is a typical case of unions which prefer bargaining and consultation to joint management and that in France the moderate Socialist union of FO is of exactly the same opinion.

The discussions have often been warped by considerations of doctrine on the part of both sides which are hardly relevant. Joint management does not imply harmony of interests; otherwise why would such precautions be taken to determine the respective weights of the two parties ? And would so much importance be attached to their designation if there was no clash of powers ? In this context, the Dutch formula appears a bold one : the mutual right of veto may mean that those representatives are chosen who impress both parties most by their excellence or who do not disturb either party. Is it possible to leave so little room for the expression of divergent interests and points of view ? We shall be able to decide this on the basis of experience (as always, not forgetting the specific features of each national case). Even the term joint management is not entirely accurate. Did the DGB and the employees' representatives jointly manage the mines and iron and steel works in the coal and steel industry which had a 'qualified' version of Mitbestimmung ? The word co-determination is more faithful to the real meaning and more in line with reality, ie implying an influence on the decision. This method of influence can be compared to that opened by negotiation, but here again there are circumstantial factors. For this influence was won in Italy only after very great conflict and during a period of great political instability. In France it was won mainly as a result of several major disputes, some unofficial and many spectacular. The means by which it is established are not necessarily those by which this influence is maintained, however. Very strong bargaining powers may be accompanied by a very low dispute rate, as is the case in Denmark.

Do the Fiat employees have more influence on the choice of products, the location of investment or employment policy by their bargaining than the Volkswagen employees with their co-determination ? Are workers more able to protect their jobs and, in particular, are they more able to assert the criteria they consider appropriate for taking an employment decision by going on strike in the UK, Belgium and France or by Betriebsrat action in the Federal Republic of Germany ? Merely raising the question shows that one cannot answer it in terms of more or less. The differences between these methods of control over decisions are primarily qualitative differences. The possible objectives and probable results are not the same.

One could begin by asking what factors act in favour of one or the other method within the general framework of the industrial relations systems. It is most likely that a single union makes joint management easier. The element

of competition or at any rate of permanent comparison inherent in union pluralism makes it more awkward to participate in difficult decisions (on restructuring, staff reductions, etc). Conversely the kind of co-determination found in the Federal Republic of Germany works to the detriment of the minority unions, at least as regards their access to the undertaking. In countries where there is strong union competition (even if there is unity of action) such as France and Italy, it becomes even more difficult to establish participation. Perhaps the cautious system applied in the Netherlands was to some extent a reaction to the unions' traditional pluralism (although this has lessened since 1976).

Pluralism does not represent a decisive obstacle, as shown by the fairly satisfactory operation in France and Italy of the joint committees in the public sector. But it does create difficulties.

The overall power of bargaining of the unions may be another important factor. More precisely, the more members a union has, the more disciplined and consistent it is, the easier it will find it to introduce co-decision-making and the fewer dangers will arise. On the other hand, the more its power is based on its capacity of mobilization rather than its actual membership, on the militancy and the power of conviction of its officials rather than discipline, the more it will prefer the more limited commitment of negotiation (even when this negotiation becomes semi-permanent, it is only so because it is backed by a movement). The Federal Republic of Germany and Denmark belong to the first type, Italy and France to the second.

This is not a deciding factor either : a union as strong as the FGTB has reservations about joint management. But it is a favourable condition.

A political condition is often added to this, namely that the unions find joint management more acceptable if a political party close to them is in power. And it is true that the projects of the Left in France include proposals for 'relaunching' participation in the management of public undertakings (some unions have agreed to this proposal) and that any profound political changes in Italy would raise the question again there too. But it is doubtful whether this is generally true. One must not confuse the conditions which make it possible to adopt legislation on joint management (in the Federal Republic of Germany and perhaps in the UK) with those which make the formula more attractive to the unions; or the more general effects of the political situation with the very profound and basic choices of methods of action. A change of government majority in France or Italy may make the main unions more willing to adopt a 'policy of presence' and to accept economic responsibilities. But it would be surprising if this was enough in the short term to change their basic approach to bargaining.

4.1.3.2 The choice

So the factors of choice we have noted are very general ones. They are not very decisive either. By contrast, the choice between one or other method

seems quite clear-cut and leads to a specific style of action.

This appears clearly in one area, union representation and action in the undertaking. One exception apart, strong union activity in the undertaking does not seem to coexist with the participation of employees' representatives on the management boards. So it is worth asking whether the two are compatible.

An extreme case is the Federal Republic of Germany. The counterpart to co-determination, ie to the rights of the Betriebsrat and of the staff delegates on the supervisory boards, is the extremely restricted role of the union in the undertaking. Although the union now has its delegates who can form a union section and whose jobs, ie union activities, are protected, their functions are purely legistic. They ensure that union dues are collected and keep in contact with the rank and file. But they do not bargain or ensure implementation of the agreement, they are not involved in possible disputes nor do they present claims. All these functions are reserved to the elected representatives. Moreover, there is a careful legal distinction between agreements resulting from collective bargaining (the Vertrag) and those resulting from co-determination (the Vereinbarung). The spirit of these two agreements is not the same, in the one case there is dispute and bargaining, on the other concern for the common interest. And the means of settling disputes also differ in the two cases. On the one hand the strike, on the other conciliation and arbitration by the mediating board (Einigungsstelle) or tribunal. So although the large undertakings also have company agreements in the union meaning of the word (Vertrag), and although the unions have tried to assert their position in the undertaking, there remains a fundamental division between the outside (relations between the undertaking, or more often the branch association, and the union) and the inside, ie the two levels of co-determination, with the Betriebsrat and on the supervisory board.

The other extreme is Italy where, on the contrary the unitary union representation by the works councils (1) has in most cases eliminated any other body, in particular the 'parliamentarily' elected non-union bodies called internal committees. Inside and outside the undertaking, the union is the only employees' representative. It bargains, ensures implementation of the agreement, knows of the issues at stake, presents claims; all these functions come under the general activity of contrattazione, which includes the possibility of dispute (to adopt the terminology we suggested earlier (cf. 3.2.2) this is a typical example of continuous bargaining). For the time being at least, joint management does not exist.

The situation in the UK is very similar, in spite of two differences, the much wider autonomy of the shop stewards and the wider division, in large undertakings, into various crafts unions, or at least unions with limited terms of reference. This difference helps explain the TUC's new interest in

(1) We are describing the current situation (1978). It must be remembered that this system is fragile, based on the agreement between the three large unions and on a kind of political truce within and among the unions. Obviously the two conditions are subject to change.

worker-directors. But its interest is not strong enough to make it likely that this system will become general very soon.

In Belgium too the unions have considerable control in the undertaking where it is exercised as much by the union delegation as by the works committee. France has works committees which are more independent of the union sections, at least in cases where the rate of unionization is low; but on the whole there is much in common (origins, convictions and militancy) between the two representations and a fairly strong continuity (because of the characteristics of dispute and negotiation in France) between the two institutions. So it can be likened to the same model.

The Netherlands, however, is closer to the German model in the autonomy of its works committee (because of the traditional weakness of the union in the undertaking). In Luxembourg the same law (6 May 1974) set up joint works committees with various co-decision powers and introduced participation on the boards of directors. This is the same situation as in the Federal Republic of Germany.

Does staff representation by the union within the undertaking, whether it is exclusive or dominant, exclude participation on the boards ? Denmark seems to be an exception since there the union delegate (tillidsmand) is present and active in the undertaking in the same way as the shop steward. But has he the same powers, in a system which is highly centralized ? The rate of small unofficial disputes is much lower than in the UK. But does that domonstrate the internal discipline or the relative weakness of this union action ? It is difficult to tell. It will also be interesting to observe the experience in Ireland, although for the moment it relates only to the public sector (and even there only to some cases).

Collective bargaining is certainly one means of influencing company decisions of limiting the undertaking's freedom to base them on production factors. The 1973 agreement between DA and LO stated : 'The right of the employer to direct and allocate the work and to use the competent labour force must be exercized in compliance with the provisions laid down in the collective agreements and in co-operation with the employees and their delegates....' Why should this not apply to other economic decisions too ?

In general, then, there is surely a choice between two methods, even if the one does not exclude the other. The method of joint management is more compatible with unions outside the undertaking, at least as regards their responsibilities; the method of negotiating decisions with union action within the undertaking. Similarly one method coincides more closely, for the clear reason that it is supplementary to it, with what we have called contractual bargaining, the other with continuous bargaining.

4.1.3.3 Difficulties

Each method poses its own difficulties. Without trying to draw any general conclusions we shall attempt to present these.

The major difficulty in joint management is that of relations between bargaining and joint management. Leaving aside the difficulties of the relations between the union as negotiator and the union as partner in joint management on the supervisory boards, we can confine ourselves to relations between the union and the works council.

Firstly the separation between the two is not entire. In the Federal Republic of Germany, in all large undertakings the union corresponding to the DGB has enough influence to collect sufficient signatures to enable it to present a proper list of union claims in its name. It can also be invited to enter the undertaking and attend the council's meetings. Since three-quarters of the elected delegates are union members (77 % out of 191 000 elected delegates in 1975), it receives the information it needs. Lastly, it organizes the training of the delegates at the cost of the undertaking. So the separation is only entire in the case of minority unions. This scarcely affects the DGB itself.

Some collective agreements contain clauses protecting employees' representatives against discrimination - a principle laid down by law. On the other hand, in December 1978 the Federal Labour Court adjudged that the trade union was not entitled to demand that elections of representatives take place within the undertaking, even outside working hours.

Does this presence allow for union action ? In spite of the rigorous legal distinction, an overlapping between what is decided by an agreement (Vertrag) and what derives from the company agreement (Vereinbarung) is far from rare. In principle the law forbids the councils to deal with pay, but is it not inevitable that they should do so, if only to control the gap between real wages and agreed wages ? The wage drift offers an area of dispute between one side and the other. Working hours come under the Vertrag, but the time-table and especially flexible working hours come under the Betriebsrat. The ambiguity becomes even greater, as we have seen, in the context of the quality of working life. The connection between the norms of the agreement and the decisions of the undertaking can be very close. It has happened that the employers, with the co-operation of the councils, have trespassed into the area reserved to the agreements during company discussions. Conversely, the DGB has often tried (systematically in some cases) to bring the bargaining closer to the undertaking, and has succeeded in doing so in some large undertakings. It has even occurred for a company agreement to provide for equal pay in establishments in different regions, whatever branch agreement they come under. By contrast, the rubber industry undertakings refused their association the right in 1970 to conclude an agreement with I.G. Chemie providing for supplementary company agreements (a form of 'articulated' bargaining).

So the balance is less stable than it might appear and it is based on pragmatic thinking rather than on any rigorous legal distinction. This system has the advantage, thanks to the integration of the various functions

in the Betriebsrat, of ensuring that the claims and the bargaining are well integrated (which is also no doubt a result of the council's extensive powers and its manpower and resources which are in no way equivalent to those of the French or Italian delegates). By contrast, it may change and it would require limited changes for it to end up like the Italian system.

Conversely, what are the advantages and drawbacks of having exclusive or almost exclusive bargaining ? One is, of course, that this makes it easier to establish communications between the rank and file and the machinery, between shop floor concerns and the decisions. In both Italy and France, the non-'contractual' style of bargaining reduces the internal tensions of the organization and has strong expressive powers. But France is a special case, for there the large number of institutions, each in principle with its distinct function, makes it more difficult to demarcate between claims, consultation and bargaining than in Italy and the UK.

The main drawback is a counterpart to this advantage. Communication is made easier because the bargaining is based on ease of mobilization. But when the union movement weakens or comes to a standstill, the control by bargaining also risks becoming weaker. So the control is not only necessarily less general (it cannot cover everything) but also less continuous. It is more sensitive to the short-term economic trend or the social 'temperature'; the Italian agreements on joint examination of investment decisions risk producing nothing but formal consultations, a risk increased by the serious crisis. This discontinuity is particularly flagrant if the mobilization results from dispute. In France the employment disputes often ensured that employees' rights were well protected, and even more often the possibility of dispute has led to effective bargaining. But in many cases the attempt at mobilization proved impossible or failed. In such cases the gaps in the system become blatant. No doubt this discontinuity and fragmentary nature can be corrected by more extensive negotiation and by increasing the power of the unions. But in Italy the increase in bargaining and unionism has far from filled the gaps. Even with a higher rate of union membership and a tighter-knit network of agreement, it is certain that frequent and semi-permanent negotiation would still remain a more fragmentary means of action than participation in the decisions of the boards.

Such participation is more sensitive to the economic and social trend. Perhaps one should add that it is also more sensitive to the political climate - maybe just because bargaining is here entering a new field where rights are not yet firmly established.

To resume the difficulties encountered, a union is unlikely to accept without reaction having no say over company questions. On the other hand, if it chooses 'autonomy in dispute', ie the priority of negotiations, it will find it difficult to intervene more than occasionally in company decisions. In both cases new trends are possible, and they may be speeded up by the pressures of the economic situation. But these trends would have to be on a major scale.

4.2 Place and scope of collective bargaining

We have discussed employee participation in the management bodies of the undertaking and more specifically forms of joint management because of their special importance and topicality. But they are only one aspect of a more general question which we must now discuss. What is the place of collective bargaining in industrial relations systems ? In what areas and on what subjects does it prove effective ? Does it leave any room for other procedures ? And, by the same token, what is the nature of the obligations contracted during the negotiations ?

Although bargaining is now a long-standing practice, backed by many, strong institutions, and although there has been time for industrial relations law to become established and well founded, it would be wrong in our view to regard it henceforth as a fixed or even stable procedure. On the contrary, pressing new problems often arise in it, the procedures are often modified with use and the relations evolve. The scale of human and material resources allocated to it is no guarantee that it will operate without friction. At best one may hope that the necessary changes can occur without any major break (naturally there is no guarantee of this).

We shall not examine in great detail the procedures and commitments but will try to be as objective as possible and attempt to pinpoint the major problems and trends.

4.2.1 Scope

Bargaining does not cover all branches of activity in all regions in the same manner or as effectively. Its effectiveness varies according to the size of the undertaking. It does not deal with all the subjects concerning relations between employers and employees. Yet from these four points of view (industry, region, size of undertaking, subject), the last thirty years have been characterized by progress in bargaining, especially in some countries and from 1968 to 1974.

We shall briefly recall the conclusions we have already drawn. In the Federal Republic of Germany, Denmark, Luxembourg (and probably Belgium), few branches or even undertakings of any importance are not covered by a bargaining system - which can leave out (and this in any case is true in Belgium) some small and medium-sized undertakings. However, in the UK and even more in France or Italy, there are still 'contractual deserts'; in commerce or the branches with a semi-crafts tradition, and sometimes in sub-divisions of branches which are not less favoured as such, whole areas are not covered at all or (more frequently in France and Italy) covered by provisions which add very little to the two sides' legal obligations and the effectiveness of which, though not insignificant, is strictly limited. If one combines the criteria of branches with that of sizes of undertaking, the picture looks even worse. In Belgium, the UK, Italy and France, there is sometimes a considerable gap between the largest undertakings, which could

not avoid bargaining and control if they wanted, and the smallest, some of whom do avoid it. The 'marginals' in bargaining, whether they are marginal by the nature of the branch in which they work, size of their undertaking or their particular status (homeworkers, intermittent or temporary workers), form a considerable mass which the long crisis risks increasing further. It is so considerable that in some cases this even affects competition (not only because 'slave' wages are paid but because the undertakings are outside any agreements).

If it is further swollen by all those who have long been searching for a job, especially the youngest unemployed, this marginal mass, without direction or means of action or adherence to an organization, can also become a major cause of social unrest.

Although a growing area is covered by bargaining, one must not forget the very grave dangers caused by its inadequacies.

As regards bargaining subjects, the main finding is the same. Especially over the last ten years, bargaining has covered new territory. It has proved no more than halfway successful in the most traditional area, that of pay, by only very partially controlling real wages. In the UK, thanks to the plant bargaining of the shop stewards and the policy of raising the minimum wage of several confederations, it manages to recuperate part of the wage drift. The accelerating pace of inflation transformed this task into a labour of Sisyphus. However, the crisis and the incomes policy have made it necessary to look at the subject afresh, and in a different way according to country.

Another major trend of the past few years is the introduction in agreements of supplements or substitutes to social security, a trend firmly backed by the recent establishment of unemployment benefits or security of incomes funds.

Even newer is the interest in continuous vocational training (incorporated into agreements in France), job protection, the quality of working life, equal status and conditions for manual and non-manual workers. In the two last cases, bargaining attempts to regulate phenomena which were formerly entirely at the mercy of technical (organization of work) or market factors (inequalities) - which also showed that in both cases behind the technical or market factors lay social factors, which lend themselves better to change. The productivity agreements in the UK formally introduced into the area of discussion the unilateral practices of the various trades; the discussions in Italy and France ended with an admission of the relative nature of what was until then a unilateral decision by the organization men.

The area which has opened up in the space of a few years is too vast to be controlled entirely. It would be easy to show the limits of what has been achieved. Employment policies are hesitant, the criteria of work organization uncertain, the positions of the various parties hesitant if not ambiguous.

But what must be stressed on the whole is the capacity of bargaining to deal with new problems, its capacity of innovation and its realism.

It is not extraordinary that to some extent bargaining resulted in extricating certain decisions from the play of market forces (and, more generally, preventing them from being taken on the basis purely of short-term economic criteria; nor is it extraordinary, for example, that the decision on staff cuts (ro recruitment) is more difficult to take if it must be adapted to the current economic situation. Bargaining is a kind of regulation and there would be no need to regulate if the market produced all the desired results. So the object of bargaining is to substitute rules accepted as more fair for the spontaneous play of economic forces (it certainly does not always succeed; the 'battle' against inequalities is neither quite whole-hearted nor very effective).

However, these regulations, especially if they concern payment by result or employment, also have the effect of amortizing or avoiding market sanctions for the individuals concerned. An inflation rate must rise dangerously high before its effects on employment become visible to the employees (so any corrective action tends to be tardy). Unemployment itself, since improved benefits have been paid, has fortunately produced less dramatic results; but that also means that disturbances of activity were felt less. In fact, since extensive compensatory means exist, the economic decision seems more arbitrary. When will the state stop giving aid to a deficit sector ? When will a large undertaking close or reorganize one of its unprofitable establishments (or workshops) ? It is becoming increasingly rare for there to be no way out of such a situation. The success of protective measures necessarily made the effects of some of the economic constraints more uncertain.

No-one would dream of seeking to abolish unemployment benefits or job protection. But it may be worth considering what substitutes our society finds acceptable for these out-dated disciplinary measures. One is certainly the disclosure of economic information, but even more important perhaps - and here we are not really going outside the subject - is the participation of the citizens in private and public decisions.

4.2.2 Official and unofficial bargaining

The term "unofficial bargaining" used here is certainly vague. However, we shall use it to designate everything below or outside formal bargaining and the agreement which allows for the expression of points of view and their adjustment or the exercise of an influence, even if not substantiated by a signature below a decision.

As an example we can take Luxembourg which recently (1974) introduced both certain joint management elements very similar to those in the Federal Republic of Germany and joint contacts to deal with employment issues. The collective agreement (in its strictly legal sense) seems to have only a

restricted place there; supervision of implementation of the agreement, safety, apprenticeship, social claims and the management of social welfare are matters for the staff delegation (and the board). Joint committees pave the way for bargaining, appraise the disputes (before embarking on conciliation where appropriate); the joint works committee is informed, consulted and co-decides on general working conditions; tripartite bodies which include the public authorities deal with employment difficulties.

In some other countries some of these elements would automatically be covered by collective bargaining. An American union would find it difficult to accept that management of the contract and grievance procedure should not be the normal consequence of the collective contract. And to some extent the separation between joint works committee and bargaining as such is arbitrary. But in spite of these reservations, and even assuming that all these forms of discussion, consultation or co-decision, whether those of the Belgian and French works committee, the unofficial bargaining of the Italian works council or the British shop stewards, are merely extensions of special forms of collective bargaining in general, it still remains true that the number and scale of the informal forms of discussion have changed the face of traditional collective bargaining.

1. Firstly, the development of unofficial bargaining has changed the nature of the contractual undertaking. We shall return to this point (cf. 4.2.4). We can say here and now that the 'agreements' resulting from discussions with a works committee and the staff delegates, even if they settle the issue permanently, do not have the value of a contract with its specific mutual obligations. New consultation, for example after encountering an unexpected difficulty, may amend its terms.

2. Moreover, communication within the organizations (between the rank and file and the permanent union officials, and also between undertakings and employers' association, or within the undertaking, between management and heads of department) has become crucial. The structures on which it is built may be more or less democratic, but they must allow for it. The time has probably passed, in undertakings as in unions, when the management made provision for everything and could unhesitatingly commit the subordinates or agents. Delegates are no longer given full confidence or free of the need to consult those they represent (whether this consultation is official or not); the management can no longer retain in its own hands alone the key to industrial relations. The increased number of forums of expression and action at various levels call for contacts and co-ordination. There is no need to demonstrate that the requirement of disclosure of information is extremely expensive and will absorb considerable resources in the organizations.

3. As a direct consequence, unofficial rules, 'internal' or tacit law which does not appear before the courts but often regulates workshop or office relations by tacit arrangement or trade practice, are becoming increasingly important. The jurists will have a major task if they try to deal with it (this will presumably be done more by the executives of the undertaking or by union advisers than by university professors).

It will be difficult to clarify this diffuse and no doubt contradictory network of regulations, while respecting its local and specific nature (why should what is true of printing apply for iron and steel or large stores ?). The continental countries surely have much to learn on this subject from British practice.

4. Lastly this variety of contacts and exchanges is bound to affect relations within the undertaking, as regards the definition of jobs and responsibilities and also the chain of command. The signature of a collective agreement fixing wages and working hours can in no way change the organization of an occupation. Frequent consultation on conditions of working life, the work load, job evaluation and work organization will, however, affect it. This is not a new phenomenon. In co-operation (sometimes without it) with the union, the craftsmen often imposed their concept of their trade. But they did it tacitly and often unilaterally because they had succeeded in being left to produce in peace. By contrast, frequent consultation makes decisions explicit and makes it more necessary to share them. So it will lead to more rapid changes, in line with the requirements of the two sides, to the forms of organization.

Consultation, participation and unofficial bargaining are certainly extensions of bargaining. But they also react back on it and change it. Because they were born of the resolve or need to bring the discussion and the decision closer to the level of implementation, because they were often generated by pressure from below, they affected contractual habits and rules. They have weakened the contract in the strict sense of the term, but in order to make room for further methods of expression and participation in the decision.

4.2.3 Bargaining and participation in the political system

Participation in company decisions may erode the traditional bargaining system from below, but the role of the two sides of industry in political life exerts pressure on it from above. A detailed analysis of this would involve an examination of the political systems themselves, which is outside our ability or context. We shall merely make a few general comments.

The manner in which interest groups (employees' unions and employers' associations are among the most important such groups) participate in political life varies very widely. In some areas which are considered specific enough to be able to be delegated without injury or at least to allow for wide involvement of those concerned without danger, they frequently participate in establishing guidelines and in management. This is true of social security, placement or training institutions. However, the national differences emerge clearly when one is dealing with more overall policies. In the Federal Republic of Germany concerted action takes great care to respect the autonomy of the participants (and above all that of the public authorities who do not commit themselves vis-à-vis the two sides of industry). At the other extreme, in the

Netherlands economic planning and management certainly rests on the 'pillars' of the interest groups. French planning, in spite of the fiction that there are no binding decisions, has for some time closely associated unionists and employers in the selection and examination of major objectives. Today this participation is more restricted again, especially on the part of the unions. The UK has tried various formulas of association in economic development and incomes policy. Belgium has set up a growing number of planning boards, both for economic planning and for a planned and concerted joint social policy.

There is too much variety here to make any analysis possible. Yet we may note the vicissitudes of these formulas which are generally as fragile and short-term as political arrangements. However essential it is for the two sides of industry to be associated in economic policy, the forms this takes are as fluctuating as the policies themselves. For example, the weakening of the concerted economy formulas in France can be explained primarily by the political and social climate.

Several countries also have stable institutions which form part of the parliamentary assemblies or have a different status and where the interest groups can be consulted. The Netherlands and France have an economic and social committee, Belgium a national labour council. The reform in France in 1969 which was rejected by referendum would have given the representation of interests voting powers.

Perhaps, however, regardless of the standing of these institutions, when it comes to the crunch they tend to be superseded. Difficulties are often resolved at ad hoc meetings : in Belgium at "summit conferences" rather than by the national labour council; in France in May 1968 at meetings with the Prime Minister at Grenelle rather than in the established institutional framework.

Lastly, one current means of access to power and influence over the public authorities' decisions is the link between trade associations and political parties. There are strong links, taking very different forms which we cannot analyse here (the relations between the French Communist Party and the CGT are clearly not the same as those between the Labour Party and the TUC or those between the Italian Christian Democrats and the CISL), between union and party in Italy, the UK, Belgium, Denmark and France. They probably loosen during a good economic trend and period of political calm, and tighten in times of crisis or possible change.

This is the only justification for this brief summary : as we showed in the case of employment and wage policy, the crisis which began in 1974 led not only to increased and more open government action during the collective bargaining but also meant that the unions and employers' associations were brought into public debates on a national scale in which decisions inevitably refer to political criteria. This reference may not be explicit if the parties and interest groups manage to find a common position in face of the crisis or easily reach agreement. It is explicit if the dabate is prolonged or the disagreement continues.

Concerted economic action may remain outside the political realm so long as the decisions are not too difficult to make, either because they can be taken gradually and empirically step by step, or because the possible replies to these difficulties are not too different one from the other (one could even regard this as the definition of planning 'à la française' in the sense Jean Monnet used it). By contrast such action becomes involved in the troubles and stresses of political life if these conditions are not satisfied. Without excluding the possibility that they may be satisfied, the crisis makes it less likely. Certainly, an emergency situation can impose the need for agreement, but it may not be a lasting one.

Strengthening the confederations and the influence of political decisions, tightening the links with the parties (which may of course produce tension), establishing more frequent contacts with the governments, and possible involvement in political debates (in the sense of debates between the parties) - all these effects of the crisis weaken the professional autonomy of the two sides of industry by giving priority to their political responsibilities. They reduce the autonomy of the industrial relations system as a whole (and especially of collective bargaining) vis-à-vis the political system.

In two countries, Italy and France, the possibility of a change in the political majority after a long period without change also weighs on the bargaining. Some bargaining issues have entered the electoral debate : wage structure, level of the guaranteed minimum wage and the upgrading of manual work are now party political programme points (to such an extent that, especially as regards wage structure, the unions wish they were left to settle their own affairs). Conversely, most of the trade associations openly express their views on the choice they wish.

4.2.4 The scope of bargaining

The pressure exerted 'from below' on traditional collective bargaining and the pressure 'from above' have at least one consequence in common : they weaken the contractual nature of the agreement as a firm undertaking for a fixed term with precise clauses which can be revised only in very exceptional circumstances. The conditions of working life or job protection are areas in which the employees want to act upon the decision without necessarily taking responsibility for this and also where the complex local situations require too much movement to and fro, the diversity of interests requires too many centres of action, for the undertaking to be a simple and firm one. Conversely, where there are exchanges of views with the public authorities or political parties, any agreements and undertakings that have been made can only be qualified as contracts by analogy (and the debates can only be called bargaining by analogy). For they can have neither the duration nor the definitive quality of a contract. Because of the unstable economic situation and the high number of factors to be taken into account, in short because of the unpredictability of the future (including political alignments or coalitions), such joint resolves are radically different from a contract because they are necessarily subject to revision.

In face of this double pressure and its effects, which to some extent converge, there are two possible policies. One consists of expanding the bargaining and making it more flexible, at the cost of a possible profound transformation, in order to integrate the new procedures; the other, by contrast, consists of separating the two areas which adjoin it as widely as possible in order to maintain the strictly contractual nature of the agreement.

The first policy is what we have called institutional or continuous bargaining. Here the agreements are flexible in the sense that revision is always possible. Procedure clauses take priority over the substantive clauses, which ensures continuity of revision. The refusal or omission to make any distinction between disputes of rights and disputes of interests make the legal value of the commitment more vague and set it apart from the contract. At that price, the bargaining may without harm absorb unexpected factors or risks or fluctuations of the economic trend and different situations. In fact that is the principle of this type of relations. Instead of one or other of the parties having to bear the risk (too bad for the one who made the wrong provisions or, more generally, the one for whom things turn out badly; it is up to him to deal with the unforeseeable), this risk is made a subject for joint discussion and adjustment on a parity basis.

This procedure is neither simple nor convenient because the discussion and adjustment are achieved by whatever means of pressure are available and are thus the outcome of the play of forces (and of very heterogeneous forces). It can leave room for abuses on both sides and requires much good faith. But no contract with strictly laid down clauses can do without it, as Shylock learned to his cost.

The other policy consists of separating the bargaining from what happens in the undertaking (for example by reserving it to other institutions and giving it other rights) and from political life (by avoiding where possible any formulas which officially involve the trade associations in the public authorities' decisions). Where this proves successful, the contractual nature of the agreement may be preserved fairly strictly. The purity of the bargaining can be maintained if the area in which bargaining as such operates is carefully demarcated.

There is no point in trying to compare the value of the two policies. The choice is not only or even mainly one of criteria of efficiency or utility. Rather it is a choice of the manner in which the two sides of industry can intervene in industrial relations in political and economic life. In the one case, priority is given to the views of social groups which attempt together to establish the limits of their respective wishes and powers by means of discussion, dispute and compromise. In the other, there is an attempt to distinguish methods of action according to the issues to be dealt with and to reserve a more restricted and better defined area for the trade associations. These are two different methods of giving expression to and dealing with social demands. The difference also relates to the very machinery of expression and action and the organization of the public authorities.

Even if we consider it impossible (if not meaningless) to make any overall judgement, it is still essential not to interpret one policy in terms of the other. Institutional or continuous bargaining is not a bastardized version of contractual bargaining in which the commitments are less strict and the parties show less good faith. Although it often came about as a result of conflict and because it brought in new problems and new measures, it is not equivalent to disorderly or unbalanced contractual bargaining. Conversely - a criticism that has been made more rarely - contractual bargaining does not mean an institutional bargaining that is more rigid, more limited or more blind to the problems of the time.

Yet in both cases the balance achieved is precarious and fragile. No one would dispute this in the case of the UK, Italy or France (and many changes may occur in these three countries). Perhaps it is also true of those countries which have emerged from the industrial relations crisis of 1968–1974 without major changes and which managed most successfully to resist the 1974 economic crisis.

If our analysis is correct, the re-emergence of unemployment and the economic crisis after thirty years of growth cannot be regarded as a 'return to order'. Heavy as they are, the new economic constraints are not the same as those of 1930. Above all, the pressure of problems to be dealt with in the undertaking has not disappeared. For pressures from above do not cancel out pressures from below but merely add further pressure. That is one reason why one cannot predict an easy or harmonious future for collective bargaining.

5. FUTURE OUTLOOK

There is no method of determining the future outlook of a social practice as complex as collective bargaining. On the contrary, as soon as one goes beyond the short term, one can be sure that the major developments or changes will be due to circumstances (whether these are defined as conjunctions of events, accidents or breaks), ie to factors which by definintion are unpredictable. Quite apart from the likely but vague proposition that things do not change overnight, even the broad lines of the future, ten years from now, are uncertain.

So should we not attempt to predict ? There is one main advantage in doing so, quite apart from the merit of making us very aware of the limitations of our knowledge and imbuing us with a healthy sense of modesty, and quite apart from the fact that it forces us to assess what we know much more carefully. That is that although we may not be able to predict actual events, we may learn to understand their scope and novelty when they arise; failing the ability to predict the future, we may understand the unexpected better when it happens.

So our only object in attempting to outline the future outlook is to offer an aid to reflection and to make people more attentive and alert. In the main the prospects follow on from what we have suggested throughout this study. Here we will merely connect up the ideas more systematically.

5.1 Trends

5.1.1 The outcome of thirty years of growth

The aim of collective bargaining is to lay down rules established jointly (or on a tripartite basis including the public authorities) for industrial relations, to achieve a compromise between different requirements, points of view and arguments, thus producing a balance which depends on the available resources of the parties. Any factors that modify these requirements and resources also affect the outcome of the bargaining and sometimes the bargaining itself. The thirty years of economic growth between the end of the Second World War and the sudden crisis in 1974 are therefore to be regarded in this context as a period of major change. These long-standing changes found expression in the crisis of industrial relations in 1968-1973. (1)

It appears paradoxical that the rise in the standard of living, the improved flow of information and even the development of bargaining should have resulted between 1968 and 1974 not in industrial peace and a decline in strikes, but on the contrary in an increased frequency of disputes, and of unofficial disputes. This could be explained by the transformation in industrial relations caused by the easing of economic constraints and the increased aspirations and requirements.

1. The easing of economic constraints is primarily an effect of full employment policies. In most European countries the thirty years from 1945 to 1974 were a period of full employment, probably for the first time in history (although often it was also a period of shortage of manpower which called for a large immigrant labour force), or at least of continued improvement of the employment market (2). Even if one does not accept the theory that bargaining is strictly determined by the labour market situation it is clear that when there is a 'seller's market' those who offer work are generally in the stronger position (Lord Beveridge was the first to foresee this). Certainly this alone does not give everyone easy access to employment; there are regional difficulties, industries lose impetus, skills become obsolescent, there are handicapped people. But overall, the balance is more favourable to the employees and they are therefore becoming

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(1) This paragraph is based on the research of Henry Phelps Brown and in particular, 'Quelques remarques en guise de conclusions à la conférence sur la détermination des salaires' in Détermination des salaires, Paris OCDE 1974 (the conference was held in July 1973).

(2) From this point of view, the Republic of Ireland is a case apart.

somewhat less dependent on the employers. In particular, it is not so essential for them to act as a compact whole and strikes can be called even if they are not unanimous or on a large scale. A small group can press its claims and its point of view with some success.

The rise in real wages contributed to easing these constraints. Whatever the pressure of consumption (and it has often been noted that demand tends to increase in available resources thus often increases the dissatisfaction), the nature of this pressure is different once basic needs are better satisfied. The ambition to improve one's standard of living is a strong motive force; it does not, however, have the same power of constraint as poverty or hunger. The freedom of choice, the freedom to refuse a job or wait for a job is greater for those who have least responsibilities, greater during periods of life which involve fewer responsibilities (young people before marriage, couples after the children have left home). Although it is no doubt increasingly difficult to exploit this freedom as age and habit reinforce the individual's social integration in our consumer society - which is another reason why this freedom is most manifest among the young - it is encouraged by economic factors.

The improvement in the standard of living contributes to greater security. The individual has more protection against the hazards of economic life (and life itself) because it is easier for him to call on the solidarity of others, parents, friends or members of a same community and in particular because national or private insurance and social security systems are more secure. Economic risks are thus reduced or better covered. As a result too, economic constraints affect the individual less directly, are less directly reflected in private suffering or privation (as we noted earlier, this also makes the economic constraints less obvious : the closure of an establishment which is part of a large group does not seem as incontestable as the bankruptcy of a small undertaking).

Lastly, inflation has also helped ease these constraints, though to very different degrees and over a very different period of time according to country. Inflation makes it easier for employers to make concessions on wages, disturbs established habits and price or income structures, and makes the requirements and expectations more vague by blurring the terms of reference. It also leads to anomy. It has even been suggested that it has been as much the result as the cause of anomy. At any rate no-one would dispute that from this point of view it has some of the characteristics of a vicious circle.

The outcome of this easing of constraints has been a shift of power towards the shop floor, an increased opportunity for expression and action at grass roots level, whether through or separate from the organizations representing the rank and file, and sometimes by small groups on the basis of their diverse interests and prospects.

2. This diversity is actually increased by the spread, without precedent in history, of information and education. There is no need to show the importance of the extension of secondary education until the age of 18 years and of higher education. Although education is spread very unequally by social group, especially

as regards higher education (which is why the mechanisms of this inequality have become a focus of study in the last fifteen years), it no longer concerns only a small elite but covers a high proportion of the younger generation. Similarly, there is no need to discuss further the importance of the spread of the mass communication media and their effects. The 'parallel school' as it has been called may use methods which surprise the traditional teachers but serves as a powerful means of information, of contact between social groups and of comparison.

To judge by the work done over the past ten years, this development has not greatly improved the inequality of social opportunities nor brought much greater democracy of access to the most desirable jobs. On the other hand it has certainly increased not only information and reflection but also the aspirations and requirements relating to occupational life, to the job or task performed, or to social relations, where it has made comparisons more acute and produced doubts about the foundations of inequalities and differences. In fact it has increased people's aspirations and expectations of life in general, by giving them more means of controlling their future and above all a greater capacity to predict and understand their life. Perhaps the school, whether in the usual form or parallel education, is not very well adapted to economic life and gives a poor preparation for it at times; but the requirements it generates also influence this economic life (for example, they may lead to an 'improvement' in the jobs offered). No doubt this is hardly a direct factor of equalization, but perhaps it is an indirect factor since it lies at the source of the general sense of impatience and questioning.

These requirements are fostered by growth and the habit of growth. At the end of thirty years, everyone expects his income to increase at the end of the year, expects new products to be available, expects the state, the public agencies and the local authorities to offer new services or new forms of protection. This continuous progress forms part of the obligations of the public authorities, of the contract between the elected and the electors - and the elected who do not assume such obligations are very likely to be penalized, as is often demonstrated by the fate of the outgoing majorities in times of crisis.

3. The result of the easing of economic constraints, and the change and increase in requirements (or levels of aspiration) is to disturb or change a number of social balances. The institutions of social control also become less rigid. This is probably true of society in general (the family, the political system, the means of repression), but this subject is outside our field of study. It is particularly true of the hierarchy, authority and discipline of the undertakings (and more generally the organizations; although discipline is not the union's main source of power, they too may find it more difficult to achieve consensus among their members). Every trade, every organization and every occupation has its own constraints. But which of these are necessary and which arbitrary ? Since 1967 or 1968 there has been a general review of this subject. The whole balance of traditions and rules which make up occupational life have been discussed : working hours (night work, rigid timetables, the length of working days performing different jobs), the work load, pollution (even if habitual, can it be eliminated ?), organizational rules, the allocation of jobs. Sometimes this was because the technological

upheavals made their contingent nature clear, sometimes because productivity required changes, sometimes because the employees no longer accepted certain inconveniences (at times worsened by the more rapid pace of production and new requirements).

It is important to draw attention, as we did in the first part of this study, to the change in regulations and their content. But in order to assess the scope of this change, it is equally important to note the change of controls and constraints, of institutions and powers. The ensuing readjustments in social relations, both as regards the chain of command and in terms of co-operation, cannot be reversed overnight. The emergence of at times poorly defined and at times conflicting procedures of discussion, bargaining and consultation in the undertaking is the direct result. The introduction of joint management in the undertaking and the new forms of continuous or institutional bargaining are a direct response. They are means of dealing with and controlling the current major social change.

For a correct evaluation of national situations, the analysis must be taken further : for instance, to what extent has law or practice, by endorsing these new social controls, by opposing or amending existing controls, affected the balance of forces ? British employers for example, tend to consider that the major developments in UK legislation have reinforced trade union power. There is no doubt that labour law has evolved very rapidly almost everywhere in the last ten years. But the effect of this development on the respective power of the two sides of industry remains to be assessed. That effect is certain to differ considerably from country to country.

5.1.2 The economic crisis and its effects

The crisis which struck the countries of Europe in autumn 1974 can almost be contrasted point by point with the preceding period. The outbreak of speeding up of inflation made it seem a great danger (whereas hitherto it had been accepted fairly easily). Massive unemployment, at rates which had not been seen since the crisis of the 1930s, followed full employment. Growth slowed down or came to a halt (at times became negative). International competition became more acute, especially with the advent on the scene of the developing countries in some areas.

These phenomena may prove lasting. Even taking an optimistic view and on the basis of resolute action, no country expects to restore full employment for several years. So high unemployment rates, or at least rates much higher than in previous years, can be expected beyond 1980. Inflation may be reduced, but apart from the significance of the inertia theory, inflation too has long-term causes. In the short term, cheap energy will be scarse (there are many very pessimistic prognoses for the future) and in spite of possible fluctuations it is unlikely that the price of raw materials will fall. The increased competition in steel, textiles, clothing or electronics will be more likely to increase (expanding to the car industry next, for example). The industrialization in sudden bursts of the developing countries may end by producing a new international division of labour (the optimists call it a new international economic order). For Europe in particular, which has few raw material or energy resources, this would imply a 'restructuring' of industry and the whole economy on a scale which is difficult to foretell at present but will certainly require far more than marginal adjustments.

Faced with this picture, which is of course uncertain but which cannot incorporate any more favourable elements, one may well ask whether the effect of the crisis may not be (or is already) to cancel out the achievements of the years of growth. These years could be regarded as a historical exception, as a happy combination of circumstances without future. In spite of its special features, for the combination of inflation and unemployment is very different from the depressions of the usual economic cycle, the crisis could be regarded as a return of the economy to the fixed order. By eliminating the opportunities of growth and full employment, it restores the traditional economic constraints.

But if our earlier analysis is correct, this interpretation cannot be accepted. Certainly the emergence of unemployment changes the positions of buyers and sellers on the employment market. But what is more striking is that it changes them relatively little. As we noted, it produces only a slight fall in industrial disputes, nor does it erode demands regarding the quality of working life. It has brought a considerable increase in benefits and guarantees, which have led to an unprecedented employment policy. But this alone cannot reverse the trends we have described, partly because certain factors of the economic and social situation still operate (the standard of living has not gone back twenty years, the universities are not empty although their growth has been halted), partly because the inertia of the social balances is much greater than that of the economic climate or the employment market. Certainly these balances are not immutable and a very serious upheaval would no doubt destroy them. But such an upheaval would have to be fairly drastic, probably sufficiently large to carry with it a large part of society.

So in spite of adverse circumstances, and although there are now fewer economic resources with which to respond to it, we should regard the shift of powers and the changing nature of demands as an established fact. Both are now an integral part of the social fabric. It is true that they can be expressed and appear in very different fashions. But they cannot be cancelled out except by a major economic and social disaster.

Does this mean that the crisis has not brought any long-term change to occupational life and bargaining, apart from the immediate difficulties ? On the contrary, in our view two major changes can be seen.

1. The first is the new priority attached to overall policies, to decisions on a national or international scale, to summit action. The main decisions, or at any rate the framework for taking secondary decisions, is at the least national (and there is sufficient reason to think that it could profit by being supra-national and that the Community of the Nine has a vast area of possible action here), whether these decisions relate to overcoming inflation by a policy of credits, incomes or wages, to restricting unemployment and increasing employment by making it easier for young people to find jobs, to early retirement, to reducing working hours, to distributing the very heavy burden of allowance payments, or lastly whether they relate to industrial policy as such. By contrast with the preceding period when it was easier to give free rein to localized action and when it was often advantageous for wage increases or social benefits, the opening or conclusion

of bargaining, to be decided locally according to circumstances and by means of talks, with relatively little prior co-ordination, and when the forces of change could be decentralized, the new situation once again gives priority to outline decisions and power to the top-level organizations (ie the confederal organizations). Incomes policies and employment policies are not drafted piece by piece, nor can they be merely the result or sum total of local decisions. (Of course, recognition of the need for overall action does not mean that it will be easily achieved not that it will be easy to agree on the means to be employed).

The pressure of social readjustments at the workplace, as opposed to the traditional bargaining framework which was the branch, contributes to the development of industrial relations within the undertaking and the establishment. By contrast, the general policy problems contribute to, or in countries where this was already current practice, reinforce the intervention and importance of inter-trade discussions and of the organizations responsible for conducting them.

As in the previous case, this is not a new phenomenon. The confederations have always had great power in Denmark and the Netherlands. Italy and France have long had the habit and practice of bargaining and inter-trade agreements. The Netherlands and the UK have a long history of co-operation between the government and the two sides of industry, in spite of the difficulties and ups and downs. But in all these cases, the crisis gave new vigour to the traditional institutions, restoring the wages policy in the Netherlands and the UK, making the two sides of industry in Denmark and Belgium accept government intervention in areas which are specifically occupational - and intervention of a fairly dictatorial character - impelling Ireland towards centralized bargaining. Although some of these procedures were a question of circumstance and more easily because they were presented as exceptional, it is unlikely that they will not be followed up, because the difficulties to which they respond are of a lasting kind. So a different level of bargaining has certainly taken over or at least acquired new importance.

The consequences are easy to see. The development of inter-trade bargaining increases the authority, prestige and power of the confederations. Although there are great differences from country to country (the DGB and the TUC are not as centralized as the LO in Denmark, or the BDA in the Federal Republic of Germany as centralized as the DA in Denmark or the Italian Confindustria), the trend is the same everywhere. The weak co-ordinating bodies have acquired greater authority; the policies of the national unions (or federations) are more carefully guided or structured from above. Branch decisions are subject to greater control.

In Belgium since 1977, and in France since 1978, there has clearly been a return to branch bargaining (and in other places too, the failure of central controls has given rise to centrifugal movements). Experience has made it clear that it is impossible to deprive local bodies (branch or region) of all initiative and decision-making powers. The question is how much freedom should they be allowed ? In France, the framework is sharply defined. In the United Kingdom, the upsurge of sectoral demands and strikes would seem to call into question the future of "free" bargaining.

The second consequence is that the governments are involving themselves more directly in industrial relations. Again this is not a new phenomenon as such. Even in countries like the Federal Republic of Germany where the parties are very jealous of their autonomy and take most care to preserve it, there have been more contacts between the two sides of industry and the public authorities and more place has been given to legislative intervention which has established new rules of co-determination. More generally, over the past ten or fifteen years much of the large-scale bargaining has involved three rather than two parties (the third party, the government, often intervened rather discreetly; however it could make use of very varied methods). It is clear that the crisis has also made such intervention more open and more influential, sometimes more dictatorial, as regards both wages and employment.

Tripartite bargaining is not only more difficult and more binding because of the extra party which can, where appropriate, use its own methods of imposing its wishes. It is also different by nature because it imposes different procedures of discussion and agreement. It differs from branch bargaining, in spite of the analogies (primarily the use of the same vocabulary). It too occupies a different area from the contract.

The third consequence is that it almost inevitably leads to general policy debates, and therefore often politics as such, entering into industrial life. It reduces the gap between the area of the trade associations and that of political organizations such as the parties because it refers to criteria which are no longer of interest to a single industry or satisfy the needs of a particular occupation but relate to the general interest or the requirements of the national economy; in other words it refers to criteria which have a purely political definition. As we noted earlier, this intrusion of industrial life into political life is less obvious where there are fewer political debates and where it is easy to reach agreement on objectives and methods; it becomes far more apparent if this is not so. But it is not a chance phenomenon, a product of the wishes of the parties and governments; it is a direct result of the nature of the issues at stake.

2. The second change, which is already becoming apparent and is likely to become more important is the return to or increase of the constraints of efficiency.

It would of course be absurd to pretend that these constraints had been forgotten in the past thirty years. On the contrary, there had never before been so much talk of organization, productivity and efficiency. The gradual establishment of the EEC contributed a great deal, by means of trade, to increasing the pressure of competition (within and outside the EEC). More than one dispute or bargaining was motivated by this pressure, whether it was pressure to compensate for the competition and correct its social consequences or to adjust its effects.

It is in face of these pressures and their daily expression on the shop floor or in the office that over the last ten years the unions' policy has been to attempt to organize protection, which they sometimes succeeded in

doing. The movement against payment by results in Italy and France reflected much more than mere discontent at work rates considered excessive; it reflected the attempt to change the priniciples of organization. Although this same tendency appears only to some extent in the UK, the manner in which productivity agreements tried to 'atone' for the abandonment of traditional practices (which were often restrictive) also indicates the presence of protection, in this case organized by the skilled workers. The German trend seems quite different, but this is no doubt because organization there is based on very different principles, especially as regards the acquisition of skills.

Can one generalize ? Part of the malaise of the executives stems from the fact that criteria of efficiency are being applied to them too.

Is a reversal likely in this area ? It is unlikely that France and Italy will revert on a large scale to the more individual forms of payment by results. But it seems certain that the requirements of productivity and efficiency will come to the fore there as elsewhere. They may take on new, less individual forms, they may evaluate the expenditure on labour on a less short-term basis and become less dictatorial. This is probably the area in which it will prove most necessary to make an effort of imagination if new forms of organization and pay are to be introduced.

All in all, it is easy to see that economic constraints have acquired a new severity; this applies both to overall economic policies and to policies of efficiency within the undertaking.

5.2 The future

5.2.1 Uncertainty

There is much uncertainty about the future of collective bargaining. We shall confine ourselves to a brief summary of the factors involved.

1. The economic uncertainty is the most evident of all. Early in 1979, during the revision of this paper, it is a daunting task to hazard a medium-term forecast. Even on the most optimistic assumptions, there is little likelihood that the economy will recover rapidly; so the present difficulties can be expected to continue. Conversely although the possibility of an abrupt deterioration in the crisis cannot be discounted, it is extremely difficult to foresee what the social consequences would be. How would the systems of allowances and payments face up to a marked rise in unemployment ? What would happen to the procedures of protection against dismissal ? What would the unemployed masses say and do, and what would the political and social consequences be, of an increase in the number of people who would thus remain for a long time on the fringes of working life ? Clearly there are no simple answers to these questions.

It is therefore wiser to keep our eyes on the medium-term outlook.

Still more serious is the uncertainty with respect to the actual goals. Even though today the partisans of zero growth carry little weight, economic growth, because it is accompanied by many conditions, no longer evokes enthusiastic support. The energies of management are engaged in industrial reorganization, but it arouses little response from the masses, which only see the drawbacks (the decline of traditional sectors of employment, closures and unemployment).

Yet it should be noted in this context that the collective bargaining system is surely only capable within certain limits of responding to economic fluctuations. Because it is a decentralized system working by delegation, it is not certain that it will prove equally effective if it becomes urgent to take decisions on a national scale and if local interests can no longer serve as a guide to understanding the national interest. The decentralization and delegated autonomy which are its virtues are also perhaps its limitations. So bargaining would find it difficult to respond to a very serious crisis. Moreover, a serious crisis could disturb it severely or even destroy it.

Freedom of negotiation has been considerably reduced in a number of countries (as in France, where the framework set up by the public authorities was given the most authorisation form) whilst there are grounds for pessimistic views as to its future (the breaking of the social contract in the United Kingdom led a number of observers to adopt bleak views of the future). There is widespread uncertainty in regard not only to the legitimacy and the long-term beneficial effect of freedom to express one's interests but also to the viability of the actual rules of the game.

2. The uncertain political situation must also be mentioned. In nearly every case the crisis weakened the established majorities. In two countries, France and Italy, more important changes may occur and this may arouse more emotion because people are not accustomed to an alternation of majorities and because the opposition between the two groups of electors is very marked.

Here we touch upon another limit of the bargaining system. Much of its legal framework is accounted for by political bodies so that when political movements acquire greater importance the bargaining institutions are likely to reflect them. Whatever happens, the results of the March 1978 elections in France will certainly have profound effects on the industrial movements (on the scale, form and object of disputes and bargaining). The possible political changes in Italy are already strongly influencing the parties' behaviour. In both cases a change of majority might alter the rules of bargaining and overthrow the procedures. In both cases it can be seen that the industrial relations system is in part a political system so that it necessarily reacts to political changes. More precisely, when major changes occur it becomes clear that industrial relations are subordinated to the political system.

But once again, although this dependence is obviously real, what is more striking are its limits. In France at least, in spite of the strong feelings aroused by the political campaign and the hopes or fears about its outcome, in our view it is more likely that numerous conflicts will arise than that there will be any major social crisis, and more likely that bargaining will be revived and renewed than that any major changes will occur in the rules of the game. Certainly the industrial relations system is not fully autonomous. Yet its autonomy is fairly wide. Events will show whether this is true.

3. A third, less obvious but nevertheless important source of uncertainty

relates to the interests, concerns and objectives of the various social groups and above all their identity. Which groups will be the motive forces tomorrow, which groups will affect the social debates most ? How will they be defined, how will they be demarcated and structured ? In view of the experience of the last ten years some caution is indicated. Very few of the new groups which have asserted themselves since then were foreseen.

We shall confine ourselves at this stage to posing a few questions.

What is the future of the group of executive employees ? In some cases they are united with the other employees in the same organizations, in other cases they are separate; sometimes they openly appear on the management side during discussions in the undertaking, sometimes on the other side, sometimes too they are tempted to take on the role of mediator or intermediary; they are threatened by 'malaise' but guard their privileges. Will they form an autonomous social force in bargaining ? Or rather, since this is already the case in several countries, how much autonomy will this group have compared to the traditional bargaining parties and how much influence ? Will it act as guide or at least as point of reference for the mass of employees ? With its rapid growth in numbers and skills, will it affect the balance of the negotiations ?

Will the transformations of the labour market make any profound changes in the opportunities and powers of the various employees, in their respective wages and in their social status ? Will not the rise in the social scale of manual workers, which is sometimes the object of a concerted policy, be greatly helped by the employment situation (which is less unfavourable to them in the immediate future) ? As regards skilled workers, will not the reversal of their position in relation to that of the employees (or in countries where this reversal has already occurred, the reinforcement of their advantages) be speeded up by the short-term economic trend ? No doubt these groupings are too simplified and a distinction should be made by branches of industry and qualifications : many diplomas or degrees, which have now become commonplace acquisitions, will no longer entail the same privileges or have the same sales value; some trade skills will acquire greater importance. The gap between declining branches and expanding branches will widen. It is still very difficult to assess the overall effects of this.

Will the respective positions of the private and the public sector remain the same ? Certainly the security of the public sector and the capacity of the private sector to avoid centralized constraints will become more established. On the other hand the criteria of efficiency may be applied more equally to both and in a more similar manner. Will the third employment network of which there has been some talk in several countries, ie a sector that is neither subject to market requirements and advantages nor linked to the public services as such, develop with its own characteristics and problems ?

Will the impetus of the women's movements, which are backed by the massive entry into work of women and which react to the burdens and constraints that weigh them down as a result of the organization of economic life and also of

industrial organization and cultural tradition, disturb the composition, procedures and objectives of the trade assiciations and bring a more equal division of responsibilities between men and women, a new concept of militant (and occupational) life and a transformation of relations between the sexes ? This is one of the least uncertain cases and there is every likelihood that this movement will gather force.

Certainly the likely medium-term changes are limited and in recent years too much emphasis has been laid on the discovery of new groups (the new working class, the new managers, the new communications specialists, etc). The trade associations and more generally the interest groups exert a strong stabilizing influence. In recent years they actively absorbed the new claims and new issues and gave due attention to the new categories of employees. There is no reason why they should not continue to do so. As a result they will muffle the shock of innovation, reduce possible antagonisms, anticipate any divisions or breaks and integrate the newcomers or new ideas. This integration will not result in immobility. The new social patterns do not upset the picture of the trade associations, but they are reflected in new types of organization, new doctrines and new programmes.

5.2.2 Prospects

Many of the prospects for the future can be deduced from an examination of the tendencies at work now. If we assume that these tendencies will not be reversed by any economic, political or social upheaval (this assumption is very uncertain in the first case, likely in the second, probable in the third), they will outline the future. At most we can attempt to add some precision to the picture, although obviously this involves some theorizing and therefore uncertainty.

Much of the bargaining system will remain based on the same foundations and the same procedures. Although branch bargaining now has a more limited scope and deals only with some of the issues that arise, and although this trend is likely to continue, it will probably remain an important means of decision wherever it is already so. The stability of the organizations will contribute to the stability of the institutions.

This stability aside, it is also useful to point to the probable changes. They will automatically occur in two directions, indicated by the two tendencies at work : relations within the undertaking and the relationship between collective bargaining and political life.

5.2.2.1 Relations within the undertaking

If the trend towards participation continues (meaning the fact that the employees and their representatives can influence a priori the company decisions on matters such as organization and employment), it is conceivable that as regards procedures and institutions an increasingly wide gap will

emerge between issues connected with production (organization of work, work loads, work rates, qualifications, quality of the product) and commercial and financial overall questions (choice of product and market, choice of investment, job creation). The first group of issues are a matter for the plant or shop floor; the second, for the undertaking. There are already indications of a similar division of tasks in the new two levels of co-determination in the Federal Republic of Germany, that of the works council and that of the supervisory board (the same would apply to Luxembourg). In other countries too, a similar distinction could emerge, on the basis of existing institutions; for example there could be an increased division of labour between the plant council and the works committee (Belgium, France) or between the co-operation committee and the board of directors (Denmark). The question is : would this be enough ? Is there not a need to develop means and methods of participation in the production or work unit ? And, in this case, how would it mesh with the normal intervention procedures of the hierarchy on the one hand and the representative institutions on the other ? These problems have been encountered in more than one experiment.

As regards the operation of workshops and offices, ie to ensure the protection of goods and services, two forms of decision (and association in the decision) must be distinguished. Production questions (at least in the sense of work organization and efficiency of production) can at most be partially delegated to the operatives within the production unit, whether establishment or workshop, ie to the working team, provided they are given the necessary technical and operational services and that the economic framework is defined.

This could give the production units, which are often the working teams, a fairly extensive autonomy. There could be close co-operation between workers and management as regards starting a new manufacture, defining jobs and responsibilities or solving technical difficulties, with a tendency towards less management and more autonomy for the working teams. In this area, 'participation' could take on very varied forms depending on the technological requirements (cost of plant and equipment, degree of flexibility or technicality) and the requirements of the product (quality requirements and production costs), with a wide range of possibilities from traditional management to delegation pure and simple to the production team. But if such participation took shape, its forms would differ from that of bargaining.

The trend towards delegating production responsibilities, the need to allow for the development of individuals and groups (development of their skills and concerns), and even more the need to avoid making a technological situation static by crystallizing it once and for all, could contribute to encouraging forms of organization that are flexible and capable of change and adjustment to economic changes or changes of development, rather than rigid organizations (in the long term this would also affect the choice of equipment). No doubt the preference for 'flexibility' is both a condition and a consequence of increased participation.

Determining the economic framework of production (how much should be

produced, at what cost and what wages ?) could be a question of bargaining in the real sense of the word, using the traditional resources of the unions but in a very decentralized way. On the assumption that dictatorial fixing of work rates and the constraints of payment by individual output are becoming less and less acceptable, it will become necessary gradually to replace them by a contract on objectives and by pay linked to this contract, both of which will most often be collective. This 'contractualization' of economic requirements will no doubt become even more necessary when, as we noted earlier, economic requirements assume a much less simple, indisputable or unequivocal form.

So one could conceive of a trend towards self-organization within the framework of production contracts, although they would also reflect the diversity imposed by equipment and markets.

No doubt the major economic decisions of the undertaking will be based on quite different procedures. It would be reasonable to expect that in future the staff representatives, whatever their doctrinal stand on joint management, will demand more and more information and consultation. Failing joint management, there would very probably be a form of self-supervision. The question involving most uncertainty is how much direct influence the employees' representatives will demand and obtain and how much effect indirect influences will have, ie the influences of general economic policy or planning decisions.

Of course, formulas for small and medium-sized undertakings have still to be worked out. The formulas obviously cannot be the same as for the large groups, but it would be highly ill-advised to let it be thought that small size alone would solve all problems.

5.2.2.2 Industrial relations system and political life

As we said earlier, the crisis has reinforced the power of the confederal organizations and brought increased government action and the introduction of political criteria. In addition, the scale and urgent nature of the likely economic changes, eg changes in the respective importance of branches of industry resulting from a new international division of labour or the massive transfers of resources and manpower required by these changes, makes it unlikely that they will occur gradually as a result of market forces. Lastly, the degree of solidarity needed for retraining and transfers also goes beyond the local scale or that of the branch of industry and will mean that other decision-making criteria have to be added to the economic criteria.

One could even ask whether economic movements on such a vast scale and requiring such extensive solidarity can occur at all except on the basis of strong convictions, of social movements which are also political movements.

As regards job protection, retraining, occupational or geographical mobility where appropriate, compensation for loss of job and total or

partial dismissal, wage restraints and, consequently, wage structures and their differences between branches and regions - collective bargaining, which will continue to deal with all these matters, will frequently be oriented, guided and structured by political constraints, by the decisions taken by the public authorities and by the debates on the major national options.

The consequences of this will probably differ greatly from country to country because each national political system (and political balance) is so different. The point should also be made that they are particularly difficult to foresee because one of the effects of politization is to increase the variety of possible coalitions and consequently enlarge the range of options open to organizations. We shall confine our discussion to the two extreme cases.

1. Contacts between economic and political life, between the undertaking and its social environment, have already assumed more importance at local level, in towns, districts and small regions. This contact is important because it gives general questions of employment or protection of the environment a more concrete form so that reciprocal requirements can be pinpointed more clearly. If non-economic criteria also play a role in the undertaking's decisions, it may be preferable for the undertaking to consult on them at local level; since the employees' new demands are backed by local opinion and interests, it may be in the union's interest to strengthen its social position and its contacts with local life in general. So it is quite useful for both sides of industry to look towards their immediate environment, and that if a third party intervenes in their debates it should perhaps be the local authorities.

The increased emphasis on regional life in most countries is a lasting trend of the political system. It should act in the same direction as the other trends.

Decentralized contacts with political life are also important in that they make it possible to compensate for the centralizing effect of overall policies (and perhaps avoid the simplifications inherent in national debates).

This trend presupposes that the establishments will be relatively autonomous in relation to the main company. In several countries union organization is already tending to strengthen its local representation. In the case of both types of trade association, new responsibilities are falling to the share of the inter-trade bodies.

2. Perhaps a new channel of Community action is also opening.

Industrial relations systems are specific to the particular country. Both in practice and in law, bargaining has rules which do not go beyond

national frontiers. There has been an increased exchange of information and communication between countries. Yet joint action would encounter redoubtable obstacles because of the differences of law and the differences of spirit we noted earlier.

Perhaps the present economic trend has opened up a new area on the fringes of the traditional branch bargaining system and, more generally, of bargaining in the strictly legal sense. This area, on the confines of the occupational and the political area, is that of employment policies in the wider sense (stimulating employment, retraining and transfers, training and mobility). There is little doubt that a Community policy is more effective than a national policy in this context as experience has already shown. Is it impossible for the two sides of industry to be associated more closely in a more positive common economic policy ? Their common interests should be clear enough for this to encourage co-operation between the national organizations. And because this co-operation would cover an area which is legally less well demarcated and defined, it would not be inhibited by the weight of each nation's specific rules.

In view of the difficulties of the situation, it is of course just as likely (in terms of probability alone it is even more probable) that national reflexes will win the day, especially protectionist reflexes. But one could also conceive of Community action being greeted favourably and creating a supranational field of action for the two sides of industry. Certainly this area would be situated on the borderlines of collective bargaining, but it would have some possibility of acting upon the bargaining and influencing it in order to bring the countries closer.

The two preceding paragraphs should be viewed as an essay or work of the imagination (we are well aware that in this area as in others imagination is generally less bold or innovating than reality will turn out to be). At best they may serve to give a more striking picture of problems that will probably arise.

At any rate, the prospects we have outlined are based on the conviction, which should be stated openly, that in spite of its limitations, weaknesses or inequalities, the virtues of collective bargaining are such as to make it an instrument of economic distribution and social adjustment or transformation that would be difficult to replace; it is democratic because it is based on the adhesion and wishes of those involved (although it certainly does not represent all the interests); it is decentralized because, by its very structure, it responds to all the diverse local factors and can settle many issues locally (although it evidently does not settle them all and does not collect all the relevant information); it is flexible because it is based on the vast machinery of trade associations and joint institutions which allow for frequent encounters and confrontations between different points of view and interests (although it can also be bogged down in procedures). Our brief survey of its results show that bargaining goes far beyond the mere determination of wages. But even in that limited field, it has proved far superior, overwhelmingly superior, in spite of its defects, to any other method of wage allocation.

There is good cause for pessimism. In several countries, the usual channels have become blocked or negotiations have broken down. More than one perspicacious analyst has prophesied the end of free bargaining : because it too crudely reflects the inequality of forces, it reinforces social inequalities; because it gives free rein to the expression of interests, in a difficult period it would unleash conflicting desires - in other words, it could lead to a vicious spiral because it is too squarely opposed to an industrial policy essential to the survival of Europe, it should be kept strictly under control; because public intervention is more influential and varied today than ever before, free bargaining through demands for subsidies and for protection against competition could bring about a corporate State by which it would ultimately be absorbed.

Far from being unfounded, these critisms indicate very real and even very present dangers (although to a varying extent depending on the country). No one would maintain that direct relations between employers and wage earners' unions alone, could constitute the entire social policy. The war of all against all, even in the attenuated form of one group outbidding another in respect of wages and salaries, is one of the perverse effects that could be provoked by inflation. There is no mechanism to make sure automatically that consideration of immediate interests will lead to long-term reasoning and an overall vision. And, as mentioned above, the dividing line between effective industrial policy and uneconomic subsidies is clear only on paper.

In simple terms, is this not another way of saying that the results of industrial relations cannot replace an economic and social policy ? One aspect of the political system cannot claim to be the entire political system, nor even to guide or regulate it. To appreciate its solidity, and adapt ability, and to rely on it, does not imply that it should provide the solution to all problems. It simply means that political decisions and social measures would be much more difficult to adopt and apply without the procedures and mechanisms of collective bargaining, or if the relative autonomy of collective bargaining were not recognized and respected.

Perhaps, to conclude, we should be more explicit about this conviction. Much of our study and especially its conclusion was designed to point out the difficulties facing collective bargaining today, the new problems with which it has to deal, the need it has experienced to change its methods, procedures and even spirit. But our aim was less to show the fragility and limitations of bargaining than to indicate the problems that remain to be solved. The picture we have drawn of the results achieved during the very varied circumstances of the past ten years and of the changes which have already taken place suggests that these problems can be resolved.

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