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**Low Union Density Amidst a Conflictive Contentious
Repertoire: Flexible Labour Markets, Unemployment, and
Trade Union Decline in Contemporary Greece**

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Low Union Density Amidst a Conflictive Contentious Repertoire: Flexible Labour Markets, Unemployment and Trade-Union Decline in Greece

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The first part of this paper briefly examines the merits of neo-classical arguments regarding the causes of the recent upsurge in Greek unemployment. It shows that the view according to which high unemployment in Greece is caused by high wages rests on a weak empirical foundation. Moreover, by examining features of the Greek labour market (especially the large and eminently 'flexible' informal sector) it suggests that the experience of Greece casts doubt on the view that labour-market flexibility can serve as a cure to unemployment. The second, and major part, examines trade union decline. Unlike the situation in most European countries, rising unemployment has not affected the mobilizing capacity of the Greek labour movement. More than a century after its emergence, however, this movement has yet to overcome its historically embedded low trade-union density. This does not prevent the outbreak of militant strikes, but hampers their effectiveness. In recent years union leaders have attempted to address this problem by trying to curb the movement's traditional penchant for confrontational action, in favour of a co-operative model of industrial relations. In the background of a weak and retrenching welfare state, however, this has led to concession bargaining which, instead of improving, has further worsened the problem of declining union credibility and density. The paper ends with some tentative suggestions on how to reverse this process.

INTRODUCTION

As are most other European nations, Greece is troubled by high and growing unemployment. In 1996 (the most recent year for which complete data are available) 10.34% of the economically active were unemployed, up from only 4.04% in 1981 and 7.65% in 1991. Along with Spain and, to a lesser extent Italy, Greece is now cited as a high unemployment country in the literature (see, e.g., Symes 1995). Of the total number of unemployed, the high rates of unemployment among youth (29.8% in 1995) and long-term unemployment (52.4% in 1995) have been particularly worrisome. In both these aspects, Greece ranks above the EU average, though still

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slightly below the other three southern European countries. However, whereas youth and long-term unemployment have been declining in Italy, Spain, and Portugal, in Greece they have been rising (Eurostat 1996:163).

The way most scholars and policy makers have interpreted growing unemployment has centred on short and medium-term developments in the labour market. The factors most usually cited include the contraction of employment in the agricultural sector, the increased participation of women in the labour force, and the restrictive monetary and exchange-rate policies adopted to meet the criteria for participation in the EMU (see, e.g., Petrinioti 1998; Demekas/Contolemis 1996). Since very little can be done about any of these factors, however, the argument which increasingly tends to dominate synthetic and prescriptive analyses is that unemployment is caused by inordinately high wages and structural rigidities in the labour market. According to the most recent European Commission report on the Greek labour market, 'real wage increases led to rises in labour costs, lowering competitiveness, reduction of profits and productive activity, and less employment creation'. Moreover, '[t]he existing employment protection legislation contributes to the protection of certain jobs but restricts flexibility, raises costs and reduces employment opportunities available to those who are out of work' (European Commission 1997:38, ix; see also OECD 1996a). Sometimes one has to read between the lines of mainstream argumentation, but the generally neo-classical orientation, venerated not only in Athens but in most European capitals, is quite clear: reduce wages, dismantle employment protection, and there will be jobs. The first part of this article proposes to briefly examine the merits of this contention. I will begin with an examination of the relevant data, showing that, since the mid-1980s, wages in Greece have not been growing, indeed, they have been falling. Moreover, by briefly

analyzing features of the Greek labour market (especially the large, and eminently flexible, ‘informal sector’), I will suggest that, contrary to the predominating orthodoxy, the experience of Greece casts doubt on the view that labour-market flexibility can serve as a cure to unemployment.

The issues raised in this first part of the article are, of course, extremely complex and variegated. No definitive propositions regarding the causes of Greek unemployment can be offered. Nonetheless, the data examined may prompt and assist the open-ended reflection needed in order to gain a better understanding of the precise nature of the problem at hand. This, in turn, can serve as valuable background for the second, and major, part of the article examining the effect of unemployment on trade unions.

Here, too, there is an orthodox view (both journalistic and scholarly) to grapple with. It can be summarized in just two words: union retreat. A recent issue of the influential weekly *Ίέέ ιί ιέέ üð Óά÷ ðāñü ιιð* [Financial Courier (FC)] painted the following gloomy canvas, replete with normative statements:

The decline of the trade-union movement both in Greece and internationally is beyond question. The relevant data on the number of unionized workers are overwhelming. What is even more remarkable is that the general influence of unions is dwindling. In other periods the movement could topple governments and enforce the introduction of legislation. Nowadays it is fighting not to lose its voice....Soon the trade-union movement will amount to nothing unless it changes orientation....The answers the trade-union movement gives to contemporary problems are outdated and, in practice, lead to its own decimation. Restructuring will continue no matter what, and trade unionism is unable to stop it....Until today, the movement has not succeeded in coming up with new ideas, neither internationally nor in Greece. If this continues, the trade-union movement will be forced to write on its own grave tombstone: ‘I died because I lacked imagination’. (FC 23 July 1998, my translation)¹

¹ Trade-union death is a favourite theme of serious European journalism. *The Economist* of 1 July 1995, for instance, suggested that unions have just one choice: ‘adapt or die’. In a similar vein, the European Commission Report cited above argues: ‘In recent years the labour unions have been facing a crisis of confidence among workers and have experienced losses in their member support and in their strength. Their partisan character and their use for political...purposes have disappointed their membership and have reduced their vigour’ (European Commission 1997:54).

The gruesome imagery of the last admonition notwithstanding, the prescription underpinning the analysis is, once again, unmistakable: either accede to policies of wage restraint and labour-market flexibility and thrive, or resist and perish. My goal in what follows will be to scrutinize both the analysis and its underlying policy prescription. Relying on a conceptual distinction between the institutional-organizational features of labour movements (principally trade union density) and their protest outlook (principally their propensity to strike), I will argue that, contrary to a widespread assumption, the low/declining membership of the Greek trade-union movement has not entailed a reduced propensity to strike. This, in turn, casts new light on the usual objectivist, environmental renderings of the problem of declining membership as a direct function of high unemployment. Are factors associated with capitalist restructuring and rising unemployment all we need to know to interpret shrinking union membership? What is the role of union tactics and politics (unions as strategic actors)? Finally, is the strategic dilemma facing unions ‘acquiesce and thrive *or* resist and perish’, or is it, perhaps, the other way around?

REAL WAGE DECLINE, INFORMAL EMPLOYMENT, AND UNEMPLOYMENT I

As mentioned above, a large number of scholars and policy analysts claim that the principal factor explaining contemporary unemployment in Greece has been the high wages enjoyed by the labour force.² Data from a variety of sources, however, present a considerably more complicated picture. Take for instance, OECD data concerning the real compensation of employees in the business sector appearing in

² See, e.g., Demekas/Kontolemis (1996); Oikonomou (1991); Alogoskoufis (1990); Pavlopoulos (1986). For an exhaustive review of the relevant literature, see Pelagidis (1997: 111-28).

Table 1. (The amounts are expressed in 1991 US dollars, and are calculated using the implicit price deflator of personal consumption expenditures.)

Table 1: Real Compensation per employee in the business sector (1991 US Dollars)

| | 1980 | 1985 | 1990 | 1994 |
|--------|--------|--------|--------|--------|
| Greece | 14,429 | 15,848 | 14,484 | 12,849 |
| OECD | 20,165 | 20,384 | 22,332 | 23,212 |

Source: OECD (1996b:42)

Real Compensation includes wages, salaries and benefits.

Although it is true that real wages grew between 1980 and 1985, the picture changes dramatically after 1985. Whereas in the period 1985-1990 and 1990-1994 employee compensation in the OECD countries increased by 9.56% and 3.94% respectively, in Greece it declined by 8.60% and 11.29%. All the same, unemployment continued to increase, especially after 1990 (1990-96 unemployment rise: 3.3 percentage points), when real compensation decline was even more pronounced than between 1985-90.

A detailed image of the annual percentage change in real compensation per employee comparing Greece and the EU in the period after 1985 is given in the 1994 issue of the European Commission's *European Economy*. The figures, which are calculated using as a deflator both purchasing power and the GDP, appear in Table 2.

Table 2: Annual percentage change in real compensation per employee (1986-1994)

| | | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 |
|--------|-----|------|------|------|------|------|------|------|------|------|
| Greece | (1) | -7.7 | -3.6 | 3.8 | 3.0 | -1.5 | -2.1 | -3.0 | -1.8 | 0.9 |
| | (2) | -4.1 | -2.4 | 2.6 | 5.0 | -2.8 | -1.3 | -3.2 | -1.8 | 0.7 |
| EU 12 | (1) | 2.2 | 1.7 | 1.7 | 0.8 | 2.5 | 1.5 | 1.2 | 0.2 | -0.2 |
| | (2) | 0.5 | 1.3 | 1.2 | 0.9 | 1.9 | 1.5 | 1.3 | 0.4 | 0.2 |

Deflator: private consumption (2) Deflator: GDP

Source: European Commission (1994:177)

Real Compensation includes wages, salaries and benefits.

Real compensation declines in all the years except 1988-89 are particularly striking in that they occurred simultaneously with increases in other EU countries.

A similar picture emerges from reviewing data on the evolution of real hourly earnings in manufacturing. Whereas between 1989 and 1995 they increased by an average of 1.1% in the EU, in Greece they declined by 0.5% (OECD 1997:100). Equally revealing is data on the evolution of real unit labour costs depicted in Table 3. The same table depicts also the evolution of relative unit labour costs against other EU member countries.

Table 3: Annual change in real and relative unit labour costs 1986-1994

| | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 |
|---------------------|-------|------|------|-----|------|------|------|------|-----|
| Real | -5.2 | -2.0 | -0.1 | 1.8 | -0.5 | -6.6 | -2.7 | -2.4 | 0.1 |
| Relative against EU | -17.6 | -4.2 | 5.4 | 3.9 | 1.9 | -6.8 | -1.4 | 0.9 | 2.6 |

Source: European Commission (1994:177)

Clearly, then, the orthodox thesis explaining unemployment in terms of high wages rests on a weak foundation.³ And though an adequate explanation lies beneath the scope of this endeavour,⁴ our skimpy perusal of the relevant data is sufficient to

³ A related pillar of neo-classical argumentation concerns reduced profitability. Though, indeed, the rate of profit fell in the period 1980-85, between 1985 and 1989 it stabilized. Moreover, as the table below shows, profit shares in Greece have been consistently higher than their counterpart in the EU and the OECD.

Profit shares in the business sector in Greece, the EU and the OECD (1974-1991)

| | Greece | EC/EU | OECD |
|---------|--------|-------|------|
| 1974-79 | 67.0 | 43.8 | 42.9 |
| 1980-86 | 61.9 | 45.5 | 43.4 |
| 1986 | 61.5 | 47.5 | 44.2 |
| 1987 | 62.6 | 47.5 | 44.2 |
| 1988 | 61.7 | 48.0 | 44.3 |
| 1989 | 60.4 | 48.3 | 43.9 |
| 1990 | 59.9 | 48.4 | 43.6 |
| 1991 | 59.6 | 48.6 | 43.6 |

Source: OECD (1989:124)

⁴ But see Ioakimoglou/Milios (1993), who, operating within a Marxist theoretical framework, claim that the crisis of the Greek economy stems from decreasing 'capital efficiency'. Although the decline in the surplus value observed in the decade 1975-1985 has been reversed since 1985, capital's inability to 'economize' continues to fuel crisis. Ioakimoglou (1993) and Georgakopoulou (1995) present a similar view. For a synthesis of recent efforts to explain unemployment in Europe (in terms of low aggregate demand, structural rigidities of the labour market, and capitalist restructuring), see Symes (1995:chapter 1). For a fascinating effort to ground analysis of the causes of unemployment in sociological theory and the long-term history of labour markets in Britain and the U.S., see Ashton (1986).

demonstrate that approaching the problem of unemployment in Greece along neo-classical lines is theoretically perverse. The real question, the data seem to suggest, is not how high wages have led to unemployment, but the converse: how low, decreasing wages have not been able to prevent the increase of unemployment.⁵

II

The second pillar of orthodox analyses, regarding rigidities in the labour market and the need for ‘greater flexibility’, does not fare much better. The issue, of course, is extremely complicated. Bewildering variation in labour-market structures and policies as well as in scholarly analytical approaches interpreting these policies make conclusive theorization exceedingly risky and cumbersome (Bamber/Lansbury 1998; Hyman/Ferner 1994; Baglioni/Crouch 1990; Boyer 1988;).

For practical purposes, however, it is possible to distinguish among three kinds of flexibility. *Numerical flexibility*, which denotes employer capacity to hire and fire employees in response to developments in the business cycle; *wage-level flexibility*, referring to a capacity to freely determine wages; and *working-time flexibility*, which gives employers the freedom to extend or shorten the workday (see Moody 1997b:95-6; Dedousopoulos et al. 1997, 1988; Rhodes 1997:2).

Often conflating the various aspects of the issue, the question has been recently posed in Greece: Is the labour market flexible or rigid? The answer, of course, can only be relative, partial, and inconclusive –flexible/rigid compared to

⁵ Further exploration of this issue may shed important new light on existing analyses about the likely effects of reduced wages on unemployment. Debates in the literature seem to diverge on the issue of whether or not the ‘virtuous circle’ posited by neo-classical economists (reduced wages leading to increased profitability, leading, in turn, to increased capital formation and productivity) is sufficient to outweigh the short-term negative effects of reduced wages (depressed consumption and investment despite the upturn in profitability and the balance of trade, hence moderate or non-existent productivity growth because of the under-utilization of productive capacity). The Greek experience would seem to suggest that it is not. On this issue, see Ioakimoglou/Milios (1993) and Ioakimoglou (1998, 1997).

which model? Even so, it is possible to start providing an answer where we left off in the discussion of wages. Though the proponents of further wage-level flexibility are correct in pointing out that the current system, determining minimum wages at the national level, could be reformed to allow lower, sub-minimum wages at the local level (presumably reflecting variations in the supply of and demand for skills), the fact of universally low wages remains. It follows that further wage-level flexibility is unlikely to contribute to any significant job creation. As one analyst put it, if high, inflexible wages were a factor in Greek limited competitiveness and unemployment, then Greece ought to have solved these problems long ago (Kouzis 1997:119).

The issues surrounding the other two, workplace kinds of flexibility are considerably thornier. Though Greece has an exceedingly weak welfare state (Spyropoulos 1998; Stathopoulos 1996; Kritsantonis 1992), elaborate labour-market legislation regulating employment and working time (most of it introduced in the 1980s) remains in place. Law 1387/1983 sets limits for the maximum number of employees who can be dismissed (2-3% per month), while other pieces of legislation regulate overtime, weekly rest periods, holidays, night work, and firing compensations.⁶ This, in turn, has caused many to argue that removing this protective legislation interfering with employer freedom to hire and fire would contribute to job creation. Plant-level flexibility has been advanced as a panacea for curing unemployment. Is it?

Reflecting on the notion of workplace flexibility a decade ago, Robert Boyer stressed that it is, from its very definition, associated with productivity. Higher

⁶ Other relevant legislation includes law 1892/1990 regulating part-time work. For a recent synopsis in English, see (European Commission 1997:60-6). The perennial inability (or unwillingness) of the Greek state to enforce labour legislation, however, is a factor stressed by many analysts (see, e.g., Georgakopoulou 1995).

flexibility is aimed at stimulating overall productivity. Assuming that the contemporary unemployment problem facing Greece and other European countries stems from the inability of their labour markets to absorb technological change and adapt to increased international competition because of Fordist rigidities, flexibility ought to be associated with an increased capacity to modernize which, in turn, would have a positive long-term job-creating influence. The association, however, is not causal.

In the short-term it is the rate of investment, the growth of the market, and the skill of the work-force that condition the rate at which technical change is incorporated into the economic system. In the long term, it is only the emergence of a coherent technological system that will enable cumulative growth of productivity to be achieved. (Boyer 1988:230)

To the extent that investment remains timid, the market sluggish, and the labour force unskilled, no such technologically advanced system is likely to emerge. In that case, flexibility usually becomes but a euphemism for downgrading most of the rights of wage earners (Gilbert et al. 1992; Pollert 1991; Rubery 1989; Hyman 1988). Indeed, the danger looms large that approaching the 'need for higher flexibility' as part of a larger plan for reducing short-term costs of production may well end up being an obstacle to long-term changes in socio-productive organization, which alone offers the best chance for sustainable job creation (Shaikh 1996).

Boyer's argument is a good starting point for assessing the Greek experience, especially since it helps account for developments in that sector of the economy which is flexible *in extremis*, the informal sector. Pondering over issues associated with the nature of this sector requires a short detour.

As elsewhere in Mediterranean Europe, 'invisible' informal activities, absorbing low-paid labour, and avoiding the reach of the state with regard both to the

enforcement of labour legislation (safety, insurance, length of the workday, etc.) and the observation of collective bargaining agreements are extremely widespread in Greece, accounting for anything between 18 and 30% of the GNP (Hadjimichalis/Vaiou 1990; Lolos 1989, 1991; Pavlopoulos 1987). Informal activities usually have been considered as factors contributing to ‘unemployment relief’ (see, e.g., Leontidou 1993:62-6). Considering the enormous flexibility associated with them, however, they can, equally well serve as a laboratory for testing the promise of flexibility. Are informal activities *cum* flexible production associated with technological innovation and employment creation?

Informal work takes many forms (Skolka 1985). Hadjimichalis and Vaiou (1990) have suggested the following fourfold categorization: *criminal activities*; *profitably exploiting inadequacies of the formal regulatory system* (mainly denoting tax evasion); *reproduction of traditional forms of production* (involving activities such as petty-trade, illegal construction, tourism in summer, harvest of fruits and vegetables in summer and spring, t-shirt production in autumn and winter); and those generated by *specific restructuring strategies* of individual firms in agriculture, industry, retail, and services. Among all four, it is the last one that has been hailed as a model for overcoming Fordist rigidities, onto the road of ‘flexible specialization’. Relying on apparent success stories such as, most notably, Third Italy, the argument has been put forward that the internal, plant-level flexibility associated with this form of production will lead inevitably to technological upgrading on the basis of computers and other multipurpose machinery and the emergence of ‘economies of scope’. Relying on batch-production techniques, these will be able to penetrate market niches with just-in-time production, thereby increasing their productive utilization and creating the prerequisites for further investment and productivity-

increasing technological innovation. This, in turn, will lead to considerable job creation (see, e.g., Sabel/Zeitlin 1997; Sabel 1989; Wickens 1987; Sabel/Zeitlin 1985; Piore/Sabel 1984).

The 'flexible vision', Boyer's objections, and the Greek experience can now be fruitfully joined. Recent research on the evolution and intricacies of the Greek informal sector indicates that, contrary to the expectations of the flexibility theorists, plant-level flexibility has led neither to productivity-increasing technological upgrading nor to sustainable job creation. Pelagidis (1997:158-70, 216-17), who researched textile production in the Thessaloniki area, discovered that, despite the general dynamism and adaptability characterizing the sector in the late 1980s, the use of new technologies was conspicuously absent and that most comparative advantage was derived from low-paid work, especially piecework and outwork. Similarly, Lyberaki (1988), who researched flexible small-medium enterprises, discovered that

Their flexibility and responsiveness [were] not geared towards differentiation and product development but rather towards auxiliary activities....Flexibility and responsiveness [appeared] to exhaust their beneficial potential in a defensive/survival strategy; they [did] not appear capable of generating expansion and growth. (Lyberaki 1988:328)

Even more tellingly, Moschonas/Droucopoulos (1993:116, 118) discovered that in the period 1963-1990 the productivity gap between large (rigid) and small (flexible) establishments in Greece widened by no less than 23%. (Naturally, the gap also widened in terms of wages. Whereas in 1963 the annual remuneration per employee in flexible establishments was 75.9% of its counterpart in large establishments, by 1990 it had fallen to 67.1%.)

In their extensive research, encompassing flexible informal activities both in agriculture and manufacturing in northern Greece, Hadjimichalis and Vaiou (1997) reached largely similar conclusions. Once again, flexibility was found to be primarily

‘defensive’, increasingly failing to generate economies of scope and relying almost exclusively on low production and management costs. In the early 1990s, far from offering a way out of the employment crisis characterizing the official economy, informal activities were found to be in the midst of a severe crisis of their own. Especially after 1993, a large number of them were forced to close down (according to the researchers’ estimates, 30-40% of the textile units that had been founded between 1981 and 1988) and lay off their workers. To schematize a rather complex state of affairs, plant-level flexibility led not to flexible specialization, but to a growing *crisis of informalization*; not to sustained employment creation, but to a frustrating increase in the (informal/invisible) jobless rate.

In the summer of 1998 the Greek government introduced new legislation in the direction of more working-time flexibility.⁷ Under the new law, employers are able to vary the length of the working week and the distribution of the hours worked during the year.⁸ As stated in the law’s preamble, the government expects the restructuring/ flexibilization of the labour market to ‘contribute decisively to the preservation of existing and the formation of new jobs, as well as to improvement in the overall competitiveness of the Greek economy’ (Elliniki Dimokratia 1998:23). By highlighting the problematic nature of the association between flexibility, technological innovation, and productivity growth, and illustrating with a brief reference to the experience of the Greek informal sector, however, I have suggested

⁷ This legal trend is international. The UNCTAD recently estimated that, of the 373 national legislative changes governing foreign investment between 1991 and 1994, only 5 were not in the direction of greater flexibility (cited in Moody 1997:43).

⁸ Employers will be able to extend the workday up to ten hours for a period of up to six months. Few failed to notice, however, that, anti-unemployment rhetoric aside, the law’s major short-term effect will be reduction in job creation. Moreover, the new law causes workers who in the past were employed for extra hours during peak seasons to lose their overtime pay.

why some of these high hopes, viewing flexibility as a panacea, may be misguided.⁹

The extent to which further flexibility will carry the day, however, depends largely on the stance of the labour movement.

LOW UNION DENSITY, PROTEST, AND PROSPECTS FOR TRADE UNIONISM

III

The prophets of trade union doom in Greece rely on some hard data. In the 1990s unions have come under increasing strain, membership has been declining and, as the quote from the *Financial Courier* cited at the beginning of this paper suggests, union discourse has been losing much of its erstwhile appeal. Indeed, largely due to unemployment, ‘power and initiative appear to have drifted from trade unions’ (OECD 1991:97). But does this mean, as some have suggested, that unions are in the process of dissolving? What is precisely the nature of the retreat? What causes it and how can it be reversed? Is it simply rising unemployment? Moreover, how does this retreat relate to the unions’ capacity to mobilize? Do the two co-vary? Answering these questions and specifying the exact nature of the retreat is extremely important, not the least because crucial policy prescriptions flow from the analysis that will be made.

Greek authors and commentators who evoke the ‘resurgence of labour quiescence’ theme (Shalev 1992) to describe long-term trends in the evolution of the labour movement and the effects of unemployment usually conflate two levels of

⁹ See, also, Georgakopoulou (1995, 1996). For a similar conclusion about Europe as a whole, see Martin (1998:36-8). Martin stresses the British experience, where increasing flexibility led not to employment creation, but to the loss of jobs. See also Nolan (1994), who, examining Europe and the United States, shows both that unregulated markets do not necessarily correlate with low unemployment and that the increased flexibility in employment has been brought about at the expense of technological dynamism. Authors such as Knudsen (1995), on the other hand, suggested that a likely condition of technological innovation is employee participation.

analysis, union membership and density on the one hand, and union mobilizing potential on the other (see, e.g., Toutziarakis 1997).¹⁰ But in Greece (and other countries of Mediterranean Europe), the correlation between density and mobilizing capacity implicit in the blending is spurious. Even if unemployment tends to drive down trade union membership, it does not also erode labour's capacity for job actions of all sorts.

Historically, the repressive labour environment, characterized by limited political-legal space, persistent state repression, and low living standards, effectively precluded the institutionalization of the labour movement. As a result, membership has been low and unstable, and overall organization precarious. This situation of limited institutionalization continued also after World War II, during the 'guided democracy' of the 1950s and 1960s and after the restoration of parliamentarism in the mid-1970s (I will return to these issues below). After some considerable gains in the period 1977-82, when union density grew from 35.8% to 36.7%, the traditionally low pattern set in again. Among 24 OECD countries Greece ranked 19th in 1988 (OECD 1991:101) and continued to experience declines in the 1990s, when union density fell from 34.1% in 1990 (OECD 1994:184) to 27% in 1995 (Koukoules 1998:104).

Low and declining union density, however, did not lead to a low propensity to strike. On the contrary, recent quantification of labour disputes revealed that

¹⁰ Of course, this tendency to extrapolate statements about trade union strength or weakness on the basis exclusively of union density is not particularly Greek. For instance, most of the recent comparative scholarship on the impact of globalization on trade union strength relies on figures of trade union density. For a succinct review of the main themes, see Lange/Scruggs (1997a). On the other hand, there is a large literature stressing that there is no automatic link between high unionization and militancy. For a review, see Visser (1992). The literature examining the factors explaining strike incidence is literally voluminous. For succinct reviews, see Franzosi (1995) and Edwards/Hyman (1994). One common theme that needs to be borne in mind for what follows, however, is that although economic conditions (unemployment, inflation, etc.) are not to be discarded, their effects on strike rates have been found to be limited and extremely unequal.

Greece is the country which, if anything, defies the pan-European ‘labour acquiescence’ trend. In a recent study covering the 15 member states of the European Union, plus the three members of the European Free Trade area (Iceland, Norway, and Switzerland), Greece, apparently unaffected by rising unemployment, ranked first in terms of most of the measures suggested, a slight variation of Shorter and Tilly’s (1974) conceptual scheme (Aligisakis 1997). These involve the *Strike Rate* (number of strikers by number of wage earners –SR); the *Rate of Days not Worked* (the ratio of days not worked because of strike action by the number of wage earners –RDNW); the *Mobilization Rate* (number of strikers by number of strikes –MR); and the *Striker Determination Rate* (days not worked by number of strikers –SDR). The first two measures comprise the *Relative Index of Propensity to Strike* (RIPS) and the third and fourth the *Structural Index of Propensity to Strike* (SIPS). Added together, they form the *General Index of Propensity to Strike* (GIPS). The data are summarized in Table 4.

Table 4: Strike Propensity in Greece and Other European Countries

| | 1980-85 | | 1985-90 | | 1990-93 | | 1970-93 | |
|-------|----------|------|---------|------|----------|------|---------|------|
| | GR/rank | EU | GR/rank | EU | GR/rank | EU | GR/rank | EU |
| SR | 0.30/1 | 0.12 | 0.49/1 | 0.07 | 0.68/1 | 0.05 | 0.40/1 | 0.10 |
| RDNW | 0.74/1 | 0.31 | 4.06/1 | 0.19 | 4.41/1 | 0.14 | 2.52/1 | 0.3 |
| MR | 0.76/7 | 1.30 | 2.33/3 | 1.25 | 4.06/2 | 1.40 | 1.35/3 | 1.18 |
| SDR | 2.46/12 | 2.50 | 8.18/2 | 2.60 | 6.46/3 | 2.61 | 6.20/6 | 2.91 |
| RIPS* | +2.56/3 | | +7.19/1 | | +7.89/1 | | +6.10/1 | |
| SIPS* | -0.99/10 | | +2.76/1 | | +2.80/1 | | +1.14/3 | |
| GIPS* | +1.57/4 | | +9.95/1 | | +10.69/1 | | 7.24/1 | |

* Figures for the RIPS, SIPS, and GIPS are recalculated so that the average for all countries equals zero. Propensity to strike increases where the sign is positive, and falls where the sign is negative. Source: Adapted from Aligisakis (1997); ILO (1990-95)

Whereas in the early 1980s Greece ranked low in terms of the mobilization and striker determination rates (respectively, Shorter and Tilly’s ‘size’ and ‘duration’), in the mid-late 1980s and the 1990s this was reversed. For the last decade

or so, strikes in Greece have been characterized by high frequency, long duration, and large average size. It also merits attention that, in terms of its General Index of Propensity to Strike for the period 1970-93 (7.244), Greece ranks far above second ranked Italy (4.813), the country usually cited as the hotbed of industrial unrest (Edwards/Hyman 1994).

This remarkably high propensity to strike subsided after 1993, but the trend is by no means unambiguous. Although the number of strikes, strikers, and hours lost declined abruptly between 1993 and 1995, 1996 (a year when there an upsurge in unemployment) was marked by increases in all three measures. This was especially so in terms of the hours lost because of strikes. Compared to 1995, the hours lost in 1996 increased by 70% (Koukoules 1998:111). Though it remains to be seen whether this new upsurge in labour militancy will continue, it is nonetheless evident that to speak of 'labour acquiescence' in Greece is, to say the least, premature.

Moreover, regardless of short-term developments, the prediction that strikes will somehow wither away in the future seems inconceivable on historical grounds. As Franzosi (1995:347-48) argued, since strikes are ultimately caused by conflict over the distribution of scarce resources, long-term prosperity is an absolute prerequisite of a society free of conflict and such a state of affairs nobody dares to predict. Instead, in 'each European country sudden eruptions of new conflict have appeared at several moments in history and there is no reason why they may not recur in the future' (Leisink et al. 1996:14).

Challenging as it may be, adequate explanation—and possible theory building on the basis— of Greek striking patterns lies beyond the scope of this paper. (Any future effort, however, must be based on Franzosi's (1995) superb blending of economic, organizational, institutional, and political explanatory factors.) But the

extreme nature of the divergence between unionization and mobilization rates in the context of rising unemployment, flying in the face of the usual assumptions in the political economy literature, Franzosi's findings (who discovered that 'union organizational strength and strike activity [go]...hand in hand' —p. 345), as well as resource mobilization theory (see, e.g., Adam/McCarthy/ Zald 1996), certainly calls for an explanation. This too, however, is exceedingly complex to be fully pursued in the context of a short paper. All I can aspire to do here is suggest what I think may be prerequisites for an adequate explanation. For that we must turn to history.

In particular, I want to suggest that the Greek labour movement's contemporary crisis of low union density *without* a simultaneous crisis of mobilizing capacity (and despite rising unemployment) cannot be adequately explained unless we take into account the historically learned patterns of labour activation. These we may provisionally dub 'historically cumulative labour strategies' (see Lipsig-Mumme 1989; see also Crouch 1993). This notion bears important parallels with Charles Tilly's (1978) notion of 'collective action repertoires', and refers to the ways in which labour movements learn to turn their resources into collective action. Profoundly interactive and relational (Tilly's subsequent studies of 'contentious repertoires' stress that the concept refers to pairs of politically constituted actors, one of whom is the state —see, e.g., Tilly 1998), these ways depend a great deal on the legacy of what Valenzuela (1992) termed 'mode of a labour movements' political insertion' into the socio-political system (see also, Collier and Collier 1991; Seferiades 1998a). Below I will attempt to sketch what I think are the crucial features of the Greek case.

IV

The workers' movement in Greece never knew a period of genuine legality. The things which a lot of people of diverse social backgrounds experienced in the course of the last military dictatorship [of 1967-74] were to [the interwar] workers...a permanent condition under all the regimes, republican, monarchist, or military. Arbitrary arrests, house searches without a warrant night and day, beatings, torture, humiliation, detention, exiles. And when the workers, badly beaten and bleeding would bring a charge to court, or publicize their predicament in the press, the cliché reaction was: 'typical communist lies'. (Stinas 1985:145, my translation)

Because of late industrialization, a labour movement emerged relatively late in Greece, only in the last quarter of the 19th century. The economic behaviour of the Greek elites, largely an outcome of the country's semi-peripheral articulation into the world system and the structure of economic opportunities that this articulation entailed, created an environment conducive to the exclusion of the new collective actor. Excessive elite reliance on trade with a concomitant hesitance to invest in industry, and a strong penchant for financial speculation and economic adventurism, produced a fluid labour market and made projects for the strategic incorporation of the labour movement appear both relatively expensive and useless (see Hadziiossif 1993:447; Liakos 1993:174-76).

This does not mean, of course, that no political will for such an incorporation existed. Especially during the first period of the Venizelist rule in the early/mid-1910s, exceptionally progressive labour legislation was introduced only to be stalled by acerbic employer resistance (Mavrogordatos 1983). During the interwar period, repression returned to centre stage. It has been tellingly argued that, unlike the situation in western Europe, where the evolution of state-labour relations could be described by the scheme 'prohibition → tolerance → recognition,' in Greece the evolution has been distressingly Sisyphian: 'prohibition → tolerance → prohibition' (Liakos 1993: 163).

The extremely narrow political-legal space allotted to the labour movement, the constant intervention of the state in the internal life of trade unions, and the coercive presence of the police and army in virtually all forms of labour protest precluded the ideological incorporation of the labour movement and produced an intensely conflictive political culture. As a result a vicious circle was set in motion: the more coercive the state became, the more coercion was needed (Seferiades 1998b).

These structural features had two important consequences. First, the labour movement was characterized by the strong role that politics and party organisations played in its operation. Unlike the situation in western Europe, such organisations had a longer history than trade unions and, as a result, trade-union discourse developed not as a forerunner but as a sub-species of political discourse. Even more crucially, by precluding genuine union autonomy, the constrictive political environment made it appear that having a well-defined political goal was a prerequisite for undertaking meaningful trade-union action. Playing by the rules of the game was largely untenable, so the game had to be changed.

Second, as mentioned earlier, the labour movement was characterized by intense segmentation and an almost permanent organizational fluidity. Although trade unions and the outer marks of a generally robust trade union life existed, they had only limited functional content, concealing a constantly low union density, membership instability, and a broad array of organizational irrationalities (such as the inability to hold regular conferences, collect union dues, etc.). This had contradictory consequences regarding the political sociology of trade union leaders. Whereas it was relatively easy for them to rise to the leadership (especially when they were linked to the state), the bureaucratic structures they were erecting were exceedingly weak,

unable to control the movement and, much less, ensure its incorporation into channels of vertical communication with the state. This, in turn, precluded the institutionalization of the movement, giving it an informal, intermittently convulsive dynamic, which, though explicable, was usually unforeseen.

Itself a reflection of limited institutionalization, this convulsive dynamic tended to spread to society at large through informal communication networks, not through the industrial shop floor. It is not surprising, then, that its relationship with unemployment was neither direct nor predictable –contextual and political considerations were always of paramount significance.

Unions had a low membership, but, whenever they called militant action, the response was likely to be significant. An important instance of this convulsive dynamic characterizing the labour movement was the way that small confrontations would snowball to engulf entire regions, quite irrespective of local unemployment rates. Dynamic as they may have been, however, these confrontations would not bring about much in the way of solid organizational gains for the official trade union movement. Though a constant source of anxiety for the state, labour militancy was organizationally intractable.

A related feature was that popular demands and representations (often with a markedly pre-industrial hue) were prominent in trade-union discourse and the opposite, a situation in which trade-union practices tended to influence phenomenally innocuous popular activities (such as, most notably, around popular housing). This informal mode of communication between unions and their potential membership rendered labour's mobilizing capacity largely immune to unemployment's adverse effects, and became particularly evident during the years of the German occupation in the 1940s, when the labour movement played a decisive role in the national resistance

movement. The eruption of a wave of political strikes in 1942-43 (when more than 100 of them broke out) and the emergence of new participatory institutions despite the coercive presence of the German occupation forces, essentially abolished the old state and created hopes for the development of rational organizational structures. These, however, were viciously crushed in the 1946-49 civil war.

As trade unions were denied all autonomy by the repressive state in the 1950s and 1960s, the problem of trade union under-representation increased. At a time when genuine labour activists were persecuted, a

caste of leaders developed who were ironically known as *ergatopateres* (workers' fathers). Sustained by patronage relations with the government, they also confected a spurious legitimacy by convening rigged conferences, de-registering troublesome branches, and similar stratagems. Since their income was received from the government rather than from members' [dues], they were under no real pressure to act effectively as workers' representatives. (Kritsanonis 1992: 613-14)

This period further crystallized the Greek labour movement's contentious repertoire. If union autonomy was severely compromised by the actions of a repressive state, then the response would have to be similarly political, albeit organizationally erratic and intractable. The eruption of labour militancy that marked the mid-1960s took place at a time of low unemployment. Judging by the labour movement's history and the fact this militancy developed largely outside union organizational channels, however, it is very unlikely that labour activism would have been deterred if unemployment were higher. It is also telling that the militancy of the 1960s was spearheaded by political, not narrowly economic, developments (Seferiades 1998c). The major goals pursued were also political, involving the liberalization of the post civil-war regime and an end to royal interference into the workings of the political system. As in the past, politics was understood not as the culmination of economic demands, but as a prerequisite for their meaningful

articulation. This being the case, it is not surprising that membership in the trade unions was relegated to secondary status and union density remained low as usual, below the 20% mark.

After 1974 there was considerable liberalization and efforts were made for the institutionalization of the labour movement. Union autonomy remained compromised, however, and union affairs open to government intervention despite the formal guarantees of Article 12 of the 1975 Constitution (Zambarloukou 1996; de Roo/Jagtenberg 1994; IRS 1991:25; Mavrogordatos 1988). As a result, the Greek workers' traditionally low propensity to organize along with their strong penchant for plebiscitarian political action remained, this time in the context of progressively rising unemployment. This helps explain both the outbreak of intermittent strike waves in the background of continually low union density and the enormous political factionalism that beset the trade union movement in the late 1970s and 1980s. It also lies at the core of contemporary union dilemmas.

V

If, as seen, low union density and general organizational feebleness does not reflect a reduced willingness and/or capacity to act (Offe/Wiesenthal 1985), it does however, limit this action's effectiveness. As Visser (1992:23-4) argued, high union membership may not be a prerequisite of labour militancy, but it is necessary if this militancy is to become a truly 'strategic resource', capable of being used in a conscious and purposeful manner. Both in the recent and the more distant past, the Greek labour movement waged titanic battles, but most of them ended in defeat. Despite the momentous eruption of May 1936, the movement was unable to stop the imposition of the Metaxas dictatorship in the interwar period. And though the 1964-

66 strike wave has tellingly been described as the prelude to the pan-European 1968 (Vernardakis/Mavris 1991), the labour movement was subsequently so numbed that scholars have naturally concluded that the colonels' dictatorship had little need repress it further (see, e.g., Bermeo 1995). The strike waves of the late 1970s and 1980s were successful in gaining economic concessions and opening up labour's political-legal space in the short term, but were unable either to end state intervention in internal trade union affairs or, as seen above, effectively address the problems of low wages and informal labour markets.

In the 1990s the defeat involves what Lipsig-Mumme (1989:230) called 'qualitative decline', a lessened ability to influence the political, social, and economic agenda. This, in turn, is manifested in a variety of ways, including a large number strikes lost, the inability to influence legislation, and the increasing distancing of PASOK, the ruling socialist party, away from union influence. Moreover, unions may be losing their ability to influence the 'general public' and create a favourable ideological climate. Data on this issue are difficult to come by, but according to survey 1.3b of Eurobarometer 48 (Commission Européenne 1997:B.5), more Greeks 'tend not to trust' trade unions (49%) than those who do (45%). (On the other hand, the percentage of positive attitudes is considerably higher than the EU15 average of 38%).

The irony of the matter is that all this is happening at a time when, at long last, the movement has been granted the status of an official 'social partner', especially after the introduction of Law 1876/1990 establishing free collective bargaining at the peak level, and laying the grounds for what Crouch (1994:210) aptly called 'a very loose neo-corporatism'. Although, as seen, unemployment has been rising, nowadays the General Confederation of Labour (GSEE) enjoys not only the freedom its quasi-

clandestine predecessors lacked, but has its own research institute (INE/GSEE), the opportunity to assess and evaluate contemporary trends in the labour market, and the chance to reflect on international experience.

Developments in the spring of 1998 represent a meaningful condensation of contemporary labour movement dilemmas. Reacting to policies of welfare-state retrenchment and privatization, teachers and bank employees came out on strike and confronted the police on several occasions. Though they were able to demonstrate to the privatizing state and the elites that the route to labour-market flexibilization is going to be long and thorny, their strikes, unable to spearhead a larger movement, met with defeat. What is worse, unionists estimate that in their wake union membership seems to have further declined (Balaouras 1998).

This being so, it would appear that the biggest challenge facing the labour movement in the end of the 1990s is to overcome its historical organizational feebleness precluding the strategic and purposeful deployment of worker militancy. What are the prospects?

VI

In light of the continually high strike propensity of the labour movement, it is clear that any search for solutions to the present crisis must avoid the pitfalls of environmental determinism, and approach unions as organizing agencies, or strategic actors (Leising et al. 1996). After all, recent research in political economy has amply demonstrated that environmental factors such as unemployment are, by themselves, extremely unstable and weak predictors of union decline (see, e.g., Visser 1994; Lange/Scruggs 1997a, 1997b; Richards/Polavieja 1997). Unions in Greece are not facing a crisis because capitalist restructuring and high unemployment have made workers too afraid or too segmented to fight. The strike data we examined indicate

that workers are anything but tamed. Neither are unions the victims of the much discussed ‘free rider’ problem suggested by rational choice theorists –as a rule, militant strikes are far more costly to the individual than deciding to join a union. It is, rather, because unions have failed to convey to their potential membership why it is important to belong to a union in a manner sufficiently strong to overcome the labour movement’s historically embedded plebiscitarian contentious repertoire and its landmark low propensity to organize. That is, to convince workers that union ‘goals matter to them, that their own participation makes a difference, that others will join, and that together they stand a chance of success’ (Klandermans cited in Visser 1994:85).

The way the union leadership has been trying to address this problem over the last few years has been characterized by an effort to cherish the unions’ recently earned ‘social partnership’ status, albeit at the expense of their traditional social-movement outlook. The GSEE has prepared elaborate proposals for purposes of conducting ‘social dialogue’ (see GSEE/ADEDY 1997), which, though well documented and critical of neo-classical policies, are based on the assumption that the solution to the Greece’s economic and social problems lies in co-operation and consensus-building. Employers and the state must be made to understand why low wages and further informalization of the labour market offer no solution to the problem of unemployment, it is argued, but this can be achieved merely through competent argumentation. Concurrently, the movement’s traditional politicization is silently abandoned in the name of an increasingly technical discourse (*vide* GSEE’s otherwise excellent proposals about the promise of the 35-hour week –INE/GSEE 1996) and the goal of ‘union autonomy’. Although party factionalism inside GSEE

bodies continues, unions increasingly abstain from offering informed commentary on political issues. In short, the union leadership has sought to address the problem of low membership by attempting to curb the labour movement's historical confrontationalism and politicization. It is reasoned that this will create the conditions for the organizational rationalization of unions, and will allow them to play an important role in Greece's advancing social and political 'modernization', the rhetorical buzzword of the late 1990s (see, e.g., Protopappas 1997, 1998).

This stance has earned the GSEE a good name with employers and European Commission analysts,¹¹ but has done nothing to arrest declining density, or lead the quasi-wildcat strikes which broke out to success. As elsewhere in Europe, worker 'collective willingness to act' has been light-heartedly squandered and this has contributed to a net decline in 'union power' (Offe/Wiesenthal 1985: Hyman 1994:128). In the summer of 1998, GSEE officials could not conceal their profound disappointment with the evolution and prospects of the 'social dialogue' (Linardos-Rylmon 1998). George F. Koukoules (1997:70) described the situation as follows:

The present crisis...embroils the trade union movement into the following contradiction: on the one hand, because of the several favourable institutional reforms that have been put in place in recent years, it is a privileged interlocutor in negotiations with employers and the state. On the other hand, neither the employers nor the state show any willingness to grant any concessions to the unions but, on the contrary, keep asking unions to concede more and more (my translation).

Koukoules concludes tellingly that 'unless the union movement finds ways to overcome this contradiction, it will suffer its most decisive defeat'.

The problem, of course, is not particularly Greek. In the hard economic times of the 1980s and 1990s, governments and employers the world over can be expected

¹¹ Take, for instance, the following appraisal by the European Commission: 'On the whole, labour unions seem to have become more mature and responsible and this has been reflected in their behaviour in recent years' (European Commission 1997:54)

to sustain the regimes of consensual industrial relations established in the post-war era ‘*only* to the extent that unions underwrite policies of retrenchment and restraint’ (Hyman 1994:115, emphasis in the original) –even in cases where the state does not seek the liquidation of the welfare state, but merely its replacement with what Rhodes (1997) aptly called ‘competitive corporatism’. All the same, union leaderships have tended to cling to the paradise lost of societal corporatism, even when struggles break out. Kim Moody (1997a:54) gave a fine description of the process:

A fight is called for and sometimes waged by these...leaders. Typically, it is waged in the name of the old stable relationship. For the top leaders there is no contradiction. There is, however, an underlying contradiction between the new demands of capital and the unions’ old line of defence. Stability is gone, but the paradise lost of stability and normal bargaining continues to inform the actions of the leaders even when they are confrontational. Their actions sometimes push forward even though their eyes are focused clearly on the past. That this contradiction is likely to limit the effectiveness of the unions is obvious...

What is particular (and ironic) about the Greek case is that the societal-corporatist ‘past’ Moody is talking about has never existed. And, evidently, it is not likely to come about in the 1990s.

On the other hand, concession bargaining, increasingly seen as ‘conceding defeat without attempting to wage a fight’ (Balaouras 1998), has eroded union credibility. If, historically, workers were unwilling to join unions because of state repression, in the 1990s they are sceptical because of continually limited union effectiveness (compounded, of course, by low density and rising unemployment). In an environment of continual concession bargaining the ‘free rider’ dilemma is reversed. If no benefits are to be won by collective bargaining, the theoretically challenging task ceases to be explaining why the outsiders refuse to join a union, but why the insiders have not yet left.

VII

It is appropriate, therefore, to conclude by offering some tentative thoughts on how the problem may be overcome. I propose to do so along the six complementary dimensions for conducting research on union strategy in the era of rising unemployment and declining union membership recently suggested by Leisink et al (1996). The authors believe that, though not exhaustive, these dimensions are essential for unions to examine if they want to overcome contemporary crisis and organizational dilemmas. They involve the following: *mission of unions, solidarity, items on the bargaining agenda, relations with the state, relations with the employers, and internationalism*. Though some of the remarks below read like a manifesto, they are to be seen also as summary of a future research agenda.

(1) *Union mission*: Economic stringency and rising unemployment put in doubt the post-war mode of union representation relying on sustained GNP growth and relatively tight labour markets (Hyman 1994:114). If this is the case for countries of the European core, it is much more true for countries such as Greece where a long heritage of political repression and ‘an unusually autocratic set of employers never made free collective bargaining an option’ for trade unions (Kritsanonis 1992:619). Clinging to notions of ‘social partnership’ (new in Greece, but, for practical purposes, also hopelessly outdated) at a time of rising unemployment can only lead to concession bargaining and, through that, to further erosion of union credibility and strength. Greek unions cannot overcome their problem of low density unless they actively re-politicize their discourse, transcending the immediate implications of work relations at the enterprise level and exposing social forces behind economic phenomena, which lie at the core of the problem of rising unemployment. This is especially true in the era of globalization. As

Hyman (1988:59) put it, 'the *what* and the *why* as well as the *how* of production decisions [are] of key relevance'. In the 1990s and beyond, 'the labour movement's old demand that production should be determined by social need rather than profit assumes new meaning'. In keeping with the historical traditions of the Greek labour movement, Greek unions must seek a contentious, encompassing, social-movement kind of unionism. According to Moody (1997b:4-5), this means a movement that will be deeply democratic, militant in collective bargaining, political in acting independently of the retreating forces of social democracy, and universal in terms of the scope of the demands that it puts forward.

(2) *Solidarity*: Both in Greece and internationally authors have long suggested that union decline in the context of rising unemployment is causally linked with a crisis in traditional working-class values (see, e.g., Koukoules 1997; Visser 1994). What most of these analyses fail to point out, however, is that solidarity is, and has always been, constructed –no golden era of organic labour unity has ever existed (Moody 1997b: chapter 7; Hyman 1992, 1994: 117-19). It follows that declining solidarity is not so much a cause of declining union density, as it is an effect. As in the past, unions can and must address the problem. In Greece special emphasis must be placed on five categories of workers. Those employed in the informal sector, women, youth, immigrants (see Baldwin-Edwards 1998; Petrinioti 1993), and, of course, the unemployed. Thoughts on their particular demands and how they can be articulated with those of the rest of the union movement already exist (see Hadjimichalis/Vaiou 1997:218-19; Sianou 1997:164; Katsoridas 1998:85-88, 1994:36-8.), but need to be developed further, not no much by scholars as by union leaders.

(3) *New items on the bargaining agenda*: The most direct way unions can enhance solidarity is by reconsidering and substantially innovating the bargaining agenda in ways that will have a positive effect on the working class as a whole, especially the unemployed. This, of course, means taking to heart the interests of unorganized workers, especially those belonging to the five categories mentioned above. Unions must frame and pursue the interests of their own membership in ways which do not 'exclude and oppose those of other constituencies' (Hyman 1994:120). Employment creation can and must be immediately put on the bargaining agenda. The problem is particularly thorny in Greece, however, because of the unequal density of public and private sector unions (the famous 'insider-outsider' issue), a problem compounded by the rising numbers of the unemployed. Scholars have long noted that this situation has tended to bias the bargaining agenda in favour of the public sector (Fakiolas 1985), tying unions to a core and ageing workforce and making them unable to defend the interests of the rest (either because they are not unionized or because they work in the black market). Many have also argued that, for the sake of protecting the interests of private sector workers and the unemployed, public sector workers ought to moderate their demands (see, e.g., Manos 1998). However, the conclusion does not flow from the premise. By compromising their typically militant stance,¹² however, public sector unions will not help private sector unions solve their low-density problem. One can hardly expect a smashed backbone to help a meagre body gain weight. On the contrary, international experience and social movements theory (see, e.g., Tarrow 1998: chapter 9) suggest that by extending their demands and flexing their mobilizing muscle, so-called elite union

¹² Precise data are lacking, but it is widely known that, as elsewhere in Europe, public sector

organizations (such as the public sector workers in Greece) have lowered otherwise high costs of participation and collective action and opened precious new space to previously unorganized workers and other strata, thereby improving their aggregate density (Moody 1997b:278-79; Lipsig-Mumme 1989). Unless unions undertake extensive campaigns to address the issues in a comprehensive manner along the lines suggested above, however, a contentious mobilizing strategy might be misunderstood, threatening to turn once sympathetic people against unions. These campaigns must stress that new items are being put on the bargaining agenda and hammer home that the old maxim, ‘an injury to one is an injury to all’, remains.

(4) *Relations with employers*: Leising et al. (1996:23) have argued that nowadays it is pointless to try charting beforehand a good-for-all industrial relations’ practice, *either co-operative or conflictive*. Instead, unions must ‘master the whole repertoire of union-employer relationships and be able to choose whichever model seems appropriate’ (see also Olney 1996). This is probably true, but what *will be* appropriate depends to a large extent on the nature of the demands unions put forward. For instance, considering economic crisis and unemployment to be quasi-natural phenomena and ossifying the notion of a positive business climate can only lead to concession bargaining. In times of economic strain, versions of ‘business unionism’ and ‘productivity coalitions’ essentially mean an end to unionism. In the 1990s and beyond, genuine flexibility in union industrial relations practice presupposes clearly demarcated lines and an aggressive program of requisitions. ‘Institutional commitments to labour peace, the avoidance of non-economic issues, and reduction of strike militancy...[have all been found to] do

workers have been the lead group of most strikes (Kritsanonis 1992:625-26).

workers a...disservice' (Cohn 1993:226). Even in cases where advanced demands put forward cannot be won, unions can gain a great deal by approaching the issues in a politically provocative manner, exposing specific social interests behind given proposals (taking special care to demonstrate how specific business practices fail to alleviate unemployment), and campaigning to show why the existing balance of social forces prevents a better outcome. Especially during the time of negotiations for a National General Collective Agreement, these can be transformed into highly successful union recruitment campaigns.

(5) *Relations with the state*: If, as has been pointed out above, societal corporatism is gone, there is no point in daydreaming about it. The sooner union leaders realise this, the better. As 'oppositions that never become governments, unions must fight from the outside' (Moody 1997b:285). Of course, this does not mean that unions must stop talking to the state. But unions, more than scholars, must, once again, come to grips with the fact that, particularly in the 1990s, the state's role has been to guarantee 'control of the major means of production, distribution, communication, and exchange by private, inherently undemocratic banks and corporations' (Panitch 1996:108). It follows that negotiations can no longer exhaust themselves in the effort to solidifying an imaginary social partnership with 'socialist monetarism'. Instead, unions must seek to clarify to the workers the nature of the issues involved including the state's and the unions' respective positions, and use the publicity associated with peak-level negotiations as a fulcrum for establishing a relationship both with other social movements and workers' movements in other countries. As with many other items on this agenda, however, here too the problem is one of agency. As Moody (1997a:54) argued, the step from a merely symbolic to an ideological or even institutional 'social

partnership' between the labour bureaucracy and capital's bureaucracy and the state is not always a big one. In Greece, the current Under-secretary of Labour, Evangelos Protopapas (particular agile in promoting the 'accede or die' ideology), was GSEE's last president. Will future labour leaders be prepared to forfeit their potential political careers? No answer can be given, of course, but the outcome will depend to a large extent on whether or not unions combine their drive to grow in numbers with one for greater internal democracy and leadership accountability. Contrary to earlier assessments (Streek 1988), we now know that the two can be compatible (see Moody 1997:275-77; Hyman 1994:124-25).

- (6) *Internationalism*: Much in the logic of concession bargaining rests on the notion of national competitiveness. The argument runs something like the following: Workers must accept further wage cuts and the dismantling of labour legislation, because otherwise the national economy will lose whatever competitive edge it possesses. The questionable technical merits of this argument notwithstanding, its common-sense prowess is, nevertheless, depressingly evident. It can be addressed only if one takes into account that it is being monotonously repeated the world over. This requires the international co-operation of union forces, internationalism. Though scholars are just beginning to discuss the issue, noting the enormous opportunities and difficulties involved (e.g., Moody 1997ab; Goetschy 1996; Hyman 1996), it seems warranted to suggest that an international orientation can in the short-term recast the terms of the national debates and help unions grow.

SUMMARY

The first part of this paper briefly examined the merits of neo-classical arguments regarding the causes of the recent upsurge in Greek unemployment. I showed that the view according to which unemployment is caused by high wages rests on a weak empirical foundation, and suggested that at least the Greek experience casts doubt on the view that labour-market flexibilization can serve as a sustainable cure to unemployment. The focus in the second, and major, part of the paper has been on unions. Unlike the situation in most European countries, rising unemployment has not affected the mobilizing capacity of the Greek labour movement. More than a century after its emergence, however, this movement has yet to overcome its historically embedded low union density. This may not prevent the outbreak of militant strikes, but hampers their effectiveness. In recent years union leaders have attempted to address this problem by progressively abandoning the movement's traditional politicization, and by trying to check its penchant for confrontational action, in favour of a co-operative industrial relations model. In the context of economic crisis and rising unemployment, however, this has led to concession bargaining which, instead of improving, further worsened the problem of declining union credibility and density. I have suggested that, contrary to orthodox prescriptions, the way forward for unions is not to undo militant traditions, but to enrich, deepen, and enhance them.-

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