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Hrsg. von Prof. Dr. Susanne Lütz

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## Christine Gerber

Trade Union Responses towards Labour Market Dualization  
Comparing the Impact of the Varieties of Industrial Relations  
in Germany, Slovenia and Poland

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## Abstract

This paper analyzes the development of trade unions' adaptation strategies towards the new challenge posed by the dualization of national labour markets into a stable core of standard employment and a growing margin of flexible, often precarious employment. On the basis of the controversial discussion surrounding the theory of *Varieties of Capitalism (VoC)*, the main objective is to shed light on the question of how institutional frameworks shape unions' adaptation strategies. By comparing the developments and union strategies in Germany, Poland and Slovenia – identified as traditionally rather coordinated market economies – the paper aims to connect the still much separated debates on Western and Eastern European regional institutional regimes.

## Table of Contents

1. Introduction .....	1
2. Theoretical Frame: Varieties of Capitalism and Dualization Theory.....	3
2.1. Varieties of Capitalism: Theory, Shortcomings and Revisions .....	3
2.2. Labour Market Dualization in Coordinated Market Economies .....	6
3. Methodology: Comparative Design and Operationalization .....	9
4. Context: Introducing the Country Cases.....	13
4.1. Germany, Slovenia and Poland as Variations of CMEs? .....	13
4.2. Patterns of Dualization .....	14
4.2.1. Germany as Dualization Prototype.....	15
4.2.2. Slovenia's Neo-Corporatist Transformation and Recent Dualization .....	16
4.2.3. Poland's Divide and Pacify Transformation .....	17
4.2.4. Dominant Deviations from Standard Employment.....	18
5. Union Responses against the Expansion of Precarious Work.....	21
5.1. Campaigning and Bargaining for Better Wages and Working Conditions in Germany.....	21
5.2. Negotiating Security and Fighting Flexibility in Slovenia.....	24
5.3. Political Activism against Junk Contracts in Poland .....	26
5.4. Summary of Observations: Differences within Similarities .....	29
6. The Varieties of Industrial Relations.....	30
6.1. Industrial Relations Regimes in Comparison .....	30
6.1.1. Centralized versus Decentralized Collective Bargaining.....	30
6.1.2. Strong versus Illusory Social Dialogue .....	32
6.2. Erosion of Industrial Relations? – Comparing Recent Developments .....	34
6.3. Summary of Observations: Locating the Varieties of Industrial Relations .....	37
7. Shaping Trade Union Strategies: Institutions and Beyond .....	39
7.1. The Impact of National Industrial Relations on Union Strategies .....	39
7.1.1. Negotiated Strategies: Dancing within the Institutional Framework .....	39
7.1.2. Unilateral Strategies: Boxing outside the Institutional Framework.....	41
7.1.3. Summary of Results: Union Strategies Reflect the Effectiveness of National Industrial Relations .....	43
7.2. Institutional Transformation and Strategic Choice? - Prospects for the Viability of Varieties of Capitalism.....	45
7.2.1. Varieties of Capitalism and Change: Advancing the Theory.....	45
7.2.2. Empowerment through Disempowerment? - Beyond Institutions.....	46
8. Conclusion.....	49
References.....	52
Appendix 1: List of Interviewees .....	62
Appendix 2: Interview Material – Abstract and Guidelines .....	63
Appendix 3: Industrial Relations Systems in Comparison.....	67
3a) Industrial relations systems in selected EU countries .....	67
3b) Levels of collective bargaining in the EU.....	67
Appendix 4: Labour Market Statistics .....	68
4a) Unemployment rate, aged 15-64, all persons .....	68
4b) Unemployment rate, aged 15-24, all persons .....	68
4c) Persons employed part-time in the EU in 2011 (% of total employment).....	68
4d) Proportion of employees with a contract of limited duration, age group 15-64, 2011 (% of total employees).....	68
4e) Low-wage employment in 2010 in the EU .....	69
Appendix 5: Trade Union Density and Collective Bargaining Coverage.....	69
List of Figures and Tables	
Figure 1: Analytical Framework .....	10
Table 1: Industrial Relations in Germany, Slovenia and Poland .....	37

## 1. Introduction

The increase of global competition, the transnationalization of capital flows, the dismantling of trade barriers and expansion of post-industrial sectors during the last three decades have put national market economies and their established institutional arrangements under pressure. Scholarly and public debate over the future of European welfare regimes has tended to posit a simple choice between convergence towards the Anglo-American liberal market economies or protection of the continental European 'social model' (Albert 1993; Hall/ Soskice 2001). Observing trends towards liberalization and deregulation in Western European economies since the 1980s, convergence advocates draw the inescapable conclusion that capitalist economies will become more alike in their institutional make-up in order to compete successfully in a global economy. The austerity and deregulation regime of the EU seems to perpetuate these structural pressures on the national institutional regimes. The (neo-)liberal model is assumed to ultimately trump the more coordinated and frequently more socially oriented European welfare regimes (cf. Hancké 2009: 1).

Non-convergence advocates conversely stress that even though the core logic of capital accumulation is the same, cross-country variation can be observed in the way capitalism is socially organized. Against this background of continued differences in the face of shared structural pressures, a vast amount of political economy and social policy literature developed (Esping-Andersen 1990; Kitschelt et al. 1999; Schmidt 2002). It is however the much-cited work *The Varieties of Capitalism* (2001) by Hall and Soskice, which provided one of the central theories in comparative political economy. Instead of converging on a single liberal model, the authors argued that globalization would increase the differences between political economies, as they rely on the comparative institutional advantages associated with different socio-economic models. Hall and Soskice (2011: 7) distinguished in particular between "coordinated and liberal market economies" as two ideal types of capitalism. The Varieties of Capitalism (henceforth VoC) theory triggered a heated debate on the resilience of institutional arrangements in the face of global economic pressures. A body of research has developed that either refutes VoC theory or seeks to revise its weaknesses. Regarding the latter, a lot of research has focused on identifying more nuanced types of regional institutional regimes. Thereby, not only Western Europe but also the former 'socialist' Central and Eastern European (CEE) states have attracted increasing attention (King 2007; Lane et al. 2007; Bohle/ Greskovits 2007, 2012; Emmenegger et al. 2012).

Dividing the world up into different types of welfare regimes however runs the danger of over-simplifying and over-determining it. VoC theory is largely focused on differences between and similarities within particular types of market economies. Institutional diversity within similar regimes becomes a blind spot (Coates 2005; Boyer 2005a; Crouch 2005). This *intra-regime variety* is not implied in the original VoC approach and has received only little attention by subsequent research (Busemeyer 2011; Eichhorst/ Marx 2012). It thus constitutes the puzzle to be examined by this thesis. However, intra-regime variety raises not only a theoretical but also political problem. Ignoring within-system diversity is fatal since local actors and their strategies are first and foremost shaped by the national institutional context, which provides the

primary framework for action and shapes their opportunity structures. Thus, in the face of new challenges, the formulation of adequate adaptation strategies depends on an accurate assessment of the limits and opportunities within a particular institutional framework. The goal of this work is to assess the impact of intra-regime variety on local actors' strategies towards new challenges. It thereby hopes to provide insights on how useful intra-regime variety is as an approach to be further explored within VoC theory.

The concrete case of analysis is constituted by trade union responses towards the massive expansion of precarious work in Europe's traditionally more coordinated and social economies (Brinkmann et al. 2006; Birke 2010). In order to connect the still much separated debates on regional varieties of capitalism in Western and Eastern Europe, the thesis compares the developments in the two relatively successful post-socialist transformation cases of Slovenia and Poland with the frequently studied case of Germany. As will be shown, instead of a rapid and wholesale deregulation of the labour markets, deregulation spreads at the margins aside a still regulated core of standard employment. This so-called 'dualization' between the established coordinated and increasingly competitive labour market institutions confronts not only those directly affected with hardships. It also confronts trade unions, the 'collective associations for advancing the interest of employees in their workplace and in society' with new challenges (Ebbinghaus 2010: 200).

On the basis of the initial work of Hall and Soskice, one would expect trade unions within similar industrial relations to react similarly. Instead of stressing the similarities of union responses, this thesis seeks to make the differences visible in order to examine the impact of intra-regime variety on trade unions' adaptation strategies. *The research question guiding this work asks to what extent the varieties of industrial relations (independent variable) in the similar coordinated institutional regimes of Germany, Slovenia and Poland (context) explain differences in union strategies towards labour market dualization (dependent variable).* A number of research objectives are embraced by this question. First, the goal is to clarify an empirical observation, namely why trade unions pursue particular strategies in the way they address precarious work. The second objective is to investigate how strongly these reflect national institutional variety. Third, the work aims at assessing how sufficient the institutional approach is to explain trade unions' adaptation strategies and to draw conclusions for areas of future research for VoC theory.

In order to answer the research question and objectives, this work is organized as follows. The subsequent chapter elaborates on VoC and dualization theory, which inform the theoretical frame of the work. Thereafter, the third chapter specifies the comparative method as well as the conceptualization and operationalization of the variables (chapter 3). These two chapters form the basis for the comparative case study. Chapter 4 introduces the country selection and discusses the shared context. More precisely, it discusses to what extent coordinated institutional systems can be observed in these three countries and in which particular pattern dualization emerged. The subsequent two chapters analyze the dependent and independent variables. Chapter 5 outlines the most noteworthy trade union responses towards precarious work. Chapter 6 compares the core features of the industrial relations systems of the three countries.

Finally, chapter 7 discusses the research findings. It evaluates how the national institutional frameworks have shaped the observed union strategies and assesses the sufficiency of the institutional approach as explanatory approach. From this, a future outlook on union strategies and conclusions for VoC theory shall be drawn.

## 2. Theoretical Frame: Varieties of Capitalism and Dualization Theory

### 2.1. Varieties of Capitalism: Theory, Shortcomings and Revisions

Institutional factors have figured prominently in explanations of why countries pursued different responses to the common economic challenges since the 1970s and 1980s. Hall and Soskice make two central claims: first, even in a globalized era there are groups of national production regimes with distinctive institutional configurations; and second, these varieties of capitalism are resistant towards convergence (Hall/ Soskice 2001). The starting point for these assumptions is the consideration that firms' strategies to maximize profits and meet the challenges of the global economy are shaped by institutional configurations. Unlike previous works, Hall and Soskice do not focus on the coordination within a single institutional arena but on an integrated, systemic view that provides linkages across all of the major institutions defining capitalist political economies, including for instance industrial relations, vocational training and education, social policy, financial arrangement and corporate governance (cf. Thelen 2012: 138). This is captured in the concept of "institutional complementarities", according to which institutional subsystems reinforce each other and guarantee the efficiency and stability of the greater institutional framework (Hall/ Soskice 2001: 17). VoC theory argues that firms have organized their production strategies around these institutional complementarities and draw comparative advantages from it (ibid.). Thus, they allegedly tend to support and reproduce them. In times of economic crisis this allegedly deepens national differences instead of leading to convergence.

At the heart of VoC theory is the notion of variety *between* types of institutional systems. Hall and Soskice (2009: 27) distinguish two ideal configurations of institutional arrangements: "coordinated market economies" (CMEs) found in much of continental Europe (Germany, France, Austria) and "liberal market economies" (LMEs) of the Anglo-Saxon world (US, UK). Both "represent different ways to organize capitalism and, although operating on a different logic, are durable even in the face of new strains" (Thelen 2012: 138). LMEs are characterized by the prevalence of competitive relations between actors in its institutional sub-systems, including corporate governance, financial arrangements, industrial relations, inter-firm contacts and skills (re)production (cf. Bohle/ Greskovits 2012: 10f.). They display decentralized labour markets, which centre on mobile assets. Employment is thus more flexible, short-termed and deregulated. Their industrial relations display low levels of union density, company-level bargaining with limited extension to other workers, limited employers' coordination across firms and poorly functioning mechanisms of social dialogue (cf. Crowley/ Stanojević 2011: 270). Since this market-generated flexibility

is conducive for promoting innovation strategies, LMEs supposedly have a comparative advantage in high-tech, high-risk sectors (cf. Hancké 2009: 4).

Conversely, according to Hall and Soskice (2009: 35) CMEs display non-competitive but rather consensual and cooperative relations. Firms rely on specific assets, whose value depends on the active operation of others. High-value added and skill-dependent manufacturing industry relies on specific skills, which are imparted through a complementary training system. CMEs thus rule world markets in sectors, where incremental innovation is vital to success, such as manufacturing (cf. Hancké 2009: 4). Labour markets are therefore less mobile and employment is less subjected to competition. The industrial relations are characterized by strong trade unions with high levels of union membership. Important for this work: the industrial relations of CMEs display strong levels of labour inclusion through institutional mechanisms of coordination, primarily sector-level collective bargaining and social dialogue, which are also stipulated by law. These provide unions with relatively high levels of “institutional power”, which outlasts short-term fluctuations in the social balance of power and whereby unions can directly impact the working conditions of employees (Brinkmann et al. 2008: 25). Instead of open class conflict, organized labour thereby becomes part of the national institutional status quo. Employers are typically well organized too, resulting in collective agreements with a high coverage rate (cf. Crowley/ Stanojević 2011: 271).

The original VoC approach must be embedded into the theoretical school of New Institutionalism (Lowndes 1996; Immergut 1998; Hall/ Taylor 2006). Within this wide debate, Hall and Soskice brought forward a theoretical approach, which follows primarily rational choice institutionalism but also entails historical institutionalism. The assumption that coordinated institutions are created and used by firms to overcome collective action problems and to maximize their interests constitutes rational choice institutionalism. The original approach however also emphasises the importance of initial choices and anticipates that local actors stick to and reinforce existing institutions. This entails a notion of path dependency and historical institutionalism.

As outlined in the introduction, the initial work by Hall and Soskice has triggered an intense debate.<sup>1</sup> Although starting from a firm-centred assumption, the dichotomy between CMEs and LMEs and the idea of self-reinforcing institutional complementarities have been criticized for ignoring within-system diversity and for institutional determinism (Boyer 2005a; Coates 2005; Pontusson 2005). Treating nation-states as reified, sealed units disregards underlying power and class relations (Schmidt 2002; Crouch/ Farrell 2004; Pontusson 2005). In this context, in particular the argument that capital rather than labour has been central to the creation and continued viability of distinct institutional and production regimes has attracted much criticism. Neo-Marxian authors and power resource theory suggest that national differences do not result from national actors promoting ‘their’ national institutional complementarities but from differences in class relations and different mobilization-capacities of working-class organisations (Korpi 2006; Crowley/ Stanojević 2011).

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<sup>1</sup> Hancké (2009: 5-12, 273-300) provides a comprehensive overview.

Another complex of criticism argues that the original work is too static, status-quo-biased and thereby apolitical in its approach on institutions (Kinderman 2005; Pontusson 2005; Streeck/ Thelen 2009). Being too focused on permanency and path-dependence, it misses important dynamic elements of economic change and institutional transformation (Crouch/ Farrell 2004; Hall/ Thelen 2009; Streeck/ Thelen 2009). Thereby, VoC theory has supposedly ignored the recasting of national policies and institutions in similar ways since the 1970/80ies. This includes cuts in wages and social expenditures, the relocation of production towards the global periphery, increasing privatization and financialization, the deregulation of employment regimes, the decentralization of industrial relations and attacks on organized labour (cf. Hancké 2009: 6; Demirović/ Sablowski 2012: 11). Ultimately, Bohle and Greskovits (2012: 11) also remind that VoC theory derives many of its insights from the German, British and North-American forms of capitalism and draw attention to the limits of application to the 'new' CEE market economies.

Much of the criticism brought forward rightly reveals the weaknesses of the original approach. In the course of the debate surrounding capitalist variety, a lot of powerful contributions have been developed by other scholars, which advance the initial ideas of Hall and Soskice. One central theme constitutes the understanding of 'institutions'. Hancké et al. (2009: 277) argue that VoC theory can provide for a non-deterministic understanding of institutions, given its appreciation that institutions are subject to constant re-negotiation by the actors involved. Similarly, Streeck and Thelen (2009) emphasize the need for a more dynamic approach towards institutions. Defining institutions as "social regimes" emphasizes their "being continuously created and recreated by a great number of actors with divergent interests, varying normative commitments, different powers and limited cognition" (ibid.: 108, 112). Institutions come to be understood as 'stabilizations of social power relations between forces of capital, labour and the state', which regulate their relations in a certain mode 'across short-term cyclical deviations' to guarantee a historically-specific accumulation regime (cf. Urban 2014: 304). Institutions should be perceived as filters, which influence actors' preferences and power relations, shape and limit actors' strategies and goals, but also open options and resources for action (cf. Müller-Jentsch 1996: 46).

Understanding institutions as *dynamic, political and social regimes*, which are filled by *power relations*, allows taking account of institutional change. Change is not understood as major rupture caused by exogenous shocks and leading to full-scale convergence, but in line with Streeck and Thelen (2009: 115-125), rather as numerous incremental processes causing *gradual institutional transformation*. Policy-makers prefer reforms, which do not directly challenge the core of established institutions (Palier/ Thelen 2008; Eichhorst/ Marx 2012). According to Palier (2005: 131), they introduce liberalization policies mainly at the margins alongside the politically firmly established old institutions. Masked by stability on the surface, this allows for liberalization to proceed incrementally, without much rupture or resistance. The processes of incremental institutional change are diverse. Most famously, Streeck and Thelen (2009: 126) identified five types: "drift", "displacement", "layering", "conversion" and "exhaustion". "Drift" for instance takes place when institutions fail to be maintained by adapting to changing circumstances (ibid.). Established institutions can also become 'converted' through redeployment to new purposes. Or they become 'displaced' through simple defection of actors from established procedures. The last chapter illustrates

these transformational processes on the concrete cases. In a nutshell, many small changes in the operation transform the formally intact institutional framework in the long-run.

Much of the criticism of the initial approach by Hall and Soskice is acknowledged by this work. It is believed that if the outlined revisions are incorporated, VoC theory can nonetheless provide a valuable analytical tool to compare the complex processes to be observed in the institutional frameworks of European market economies. One such development has been the incremental expansion of precarious employment aside from the traditionally regulated and protected standard employment: the dualization of labour markets.

## 2.2. Labour Market Dualization in Coordinated Market Economies

Labour markets take up a central role in the discussion of capitalist variety versus convergence. In the face of economic global pressures, a number of scholars claim that in CMEs structural pressures have not led to a wholesale deregulation but to a dualization into a core and a peripheral labour market (Palier/ Thelen 2010; Emmenegger et al. 2012; Thelen 2012; Rueda 2012; Hassel 2014). In the *core*, the outlined arrangements of CMEs are maintained, including the less mobile standard employment relationship and coordinated industrial relations between employers, trade unions and the state (the so-called 'social partners'). The revival of corporatism during the economic and financial crisis beginning in 2008 illustrates that high-production employers requiring skilled workers continue to attach importance to these institutions.

*Outside* this core, features associated with LMEs spread, including the deregulation and flexibilization of employment, the decentralization of industrial relations and more competitive relations between labour market actors (Palier/ Thelen 2008, 2010; Haipeter 2011; Thelen 2012). The growth of post-industrial private services, which are more flexible either in terms of the skills of their workers or the production-site, adds a liberal, labour-hostile environment. Here, employers push for the deregulation of employment and defect from coordinated industrial relations. Linking back to the preceding debate on institutional change, dualization theory demonstrates how institutions are transformed not through a direct attack but through incremental transformative "change transpiring through the differential spread of market forces" (Thelen 2012: 147). According to Busemeyer (2011: 5), "no political actor would openly promote dualization". Instead, it is taking place by the outlined processes of institutional displacement, layering and drift. This new kind of institutional dualism is less egalitarian than before, but less harsh than in LMEs (cf. Palier/ Thelen 2010: 20).

*Insiders* can be defined as workers in so-called 'standard employment'. This embraces protected and permanent jobs, which provide long-term stability, promotion prospects, salaries not considered as low-wage and incremental wage increase (cf. Tomlinson/ Walker 2012: 59; Rueda 2012: 521).<sup>2</sup> Working in the same and mostly big companies, they have better possibilities for collective action. They dispose over privileged access to the policy-making arena through powerful works councils, trade union representation

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<sup>2</sup> Low-wage work is defined as earning less than two-thirds of the average national net wage (cf. Bispinck/ Schulten 2011: 15).

and political parties. *Outsiders* are either unemployed or in atypical employment, this is non-standard employment including temporary and part-time employment, occasional jobs below the threshold of social security, low-wage jobs, solo self-employment and agency work (ibid.). While not all atypical and flexible jobs are precarious, most of these employment forms have a precarious potential. They imply material, social and psychological insecurity as they hardly provide for a living wage, long-term stability and only marginal social security (cf. Brinkmann et al. 2006: 19; Rueda 2012: 523; Schmeißer et al. 2012: 10). They dispose over less political voice than insiders as they are more marginalized and isolated. Holding different political preferences and political power, this dualization into insiders and outsiders apparently leads to political conflict and division within the working class (cf. Häusermann/ Schwander 2012: 42ff.). In the face of market competition, core workforces and high-value business form “producer coalitions” (Hassel 2014: 62) or “cross-class coalitions” (Hall/ Soskice 2001: 58; Hall/ Gingerich 2004: 28f.; Palier/ Thelen 2010: 120; Busemeyer 2011: 7), which apparently render dualization a stable equilibrium in CMEs.

Dualization scholars claim that the recent expansion of atypical and precarious employment stands out in comparison to earlier segmentation (cf. Emmenegger et al. 2012: 305ff.). First, the visibility of outsiders has increased. Traditionally, precariousness used to be rather reflected in low wages, irregular work schedules and work intensification (cf. Mrozowicki et al. 2013: 271). The inclusion and institutionalization of outsiders into the formal labour market through inferior employment statuses is however new. Second, the expansion and composition of people affected is unprecedented and has become more systematic and encompassing. The share of atypical employment in the overall workforce in the OECD has increased from an average of 10 percent to nowadays country-specific levels of 25-35 percent (cf. Emmenegger et al. 2012: 306). While low-skilled women and migrant workers have always been most vulnerable to precarious work, other groups of workers, in particular young people are increasingly affected. Under the so-called ‘Fordist class compromise’, outsiders were rather invisible to the political arena and left to the private sphere, where family arrangements provided protection (cf. Dörre 2009: 39-41; Müller-Jentsch 1996: 44). While marginalization to the invisible private sphere still holds for many migrant outsiders, the welfare risks of women and young people have become a salient issue on political agendas.

Dualization theory draws on insights from segmentation theory (Doeringer/Piore: 1971; Struck et al. 2008). While the latter focuses on theorizing firm strategies regarding the modus of employment in the face of market uncertainty, the former adds a macro-political dimension and emphasizes the role of *political choices*. Dualization theory examines how labour market dualization is politically promoted and institutionalized through labour laws, translated into social policy and also into political participation and representation through political parties and trade unions (cf. Palier/ Thelen 2010: 120; Emmenegger et al. 2012: 11f.). According to Emmenegger et al. (2012: 16):

“The translation of structural pressures into policies and outcomes has to be understood as a political process, in which politically and economically stronger groups are using their *power resources* to insulate themselves from the negative effects of these structural pressures, and in which governments make *deliberate choices* in favor or against outsiders. Thereby, changes in the labour market are *translated* into the social policy realm [...]. Feedback effects and vicious circles are likely to strengthen this effect because weak labour attachment and social exclusion are associated with weaker political representation” [emphases added].

Dualization theory claims that this perpetuation of insider-outsider divides through political choices into the realms of social policy and political representation is a phenomenon associated with CMEs (Häusermann/ Schwander 2012; Obinger et al. 2012).<sup>3</sup> Eichhorst and Marx (2012) also provide valuable insights on intra-regime variety within dualization. They show that employers and governments within CMEs face country-specific institutional constraints and have therefore used different but functionally-equivalent paths to bypass them. They identify “defection from permanent employment”, “defection from full-time employment”, “defection from dependant employment”, increasing “wage dispersion” and “government sponsored labour-cheapening schemes” as the most frequently used pathways of defection from standard employment (ibid.: 77f., 95).

Inter-and intra-regime variations do not only stress the importance of institutional pre-configuration but also of the actors and actor coalitions reinforcing or undermining existing institutions (Amable 2003; Obinger et al. 2012; Thelen 2012). It is in particular the role of trade unions, which this thesis seeks to discuss. They naturally oppose the deterioration of employment conditions and expansion of precarious work. Opposition has however frequently implied that unions exclude these groups of workers from their interest representation and thereby perpetuate dualization (cf. Gumbrell-McCormick 2011: 297ff). Furthermore, Thelen (2012: 154) suggests that where political economies continue to be dominated by skill-specific manufacturing industries, firms and their highly unionized workers jointly defend traditional institutions for their own good. As illustrated in more detail on the German case in chapter 4, these powerful manufacturing unions have often tacitly accepted the outsourcing of instability and insecurity to outsiders in order to protect the security of insiders (Palier/ Thelen 2010; Gumbrell-McCormick 2011; Thelen 2012; Hassel 2014). According to Palier and Thelen (2010: 124) “a divide has opened up within the labour movement between unions representing workers with different skill levels and different levels of organisation.” Being only weakly anchored in the private service sector, unions have less power to counter these trends and rely on their traditional routines in their member bastions instead, where they still enjoy a

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<sup>3</sup> Häusermann and Schwander (2012) provide insightful comparative data to show that LMS *reinforce*, Scandinavian market economies *compensate* and CMEs *perpetuate* these divides. For CMEs, they track dualisms between insiders and outsiders in the *labour market* (measured through gross earnings power, access to and quality of job mobility and training), in *social policy* (effects of taxes and transfers on net income differentials, pension policy) and in *political integration and representation* (gap in union membership and electoral participation). This does however not imply that outsiders are worst off in absolute terms in CMEs (cf. Emmenegger et al. 2012: 309). The German welfare system for instance accentuates the divides but is nonetheless more successful in preventing the onset of poverty than the British welfare system (cf. Tomlinson/ Walker 2012: 66).

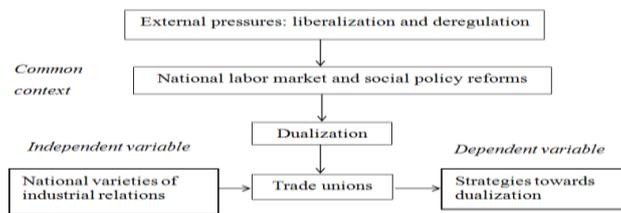
lot of influence. Hence, dualization theory tends to classify (in particular manufacturing) unions as promoters of dualization.

This work questions how stable this new pattern of cross-class coalitions in the core between insiders, their unions and employers really is. As elaborated in the next chapter, it is certainly true that mainstream trade unions in CMEs have for a long time and more recently during the crisis management privileged the interests of their core constituencies in the traditional (industrial) strongholds. Thereby, they neglected and tacitly approved the expansion of a precarious margin. However, one cannot ignore that during the last decade mainstream unions even in core industries have come to increasingly address outsiders (cf. Gumbrell-McCormick 2011: 297; Bernaciak et al. 2014: 4). This allows for the assumption that trade unions assume a more ambiguous role in dualization. Addressing the expansion of precarious work however confronts unions with severe challenges. After all, the competitive and more union-hostile rather than coordinated relations in this segment make union influence more difficult. As discussed at the beginning of this chapter, the industrial relations institutions equip trade unions in CMEs with relatively high levels of institutional power. Which adaptation strategies trade unions have developed to tackle this new challenge posed by labour market dualization and how they have been shaped by the country-specific institutional constraints and opportunities is the focus of the subsequent comparative study.

### 3. Methodology: Comparative Design and Operationalization

It must first be pointed out more generally that comparative studies are characterized by a trade-off between the level of abstraction and the depth of country-specific analysis (cf. Jahn 2007: 9). While comparisons with small samples are limited in generalizability, they can better find similarities and differences among the selected cases as well as specific patterns in which theories are materialized (cf. Landmann 2003: 29). A sound country selection is therefore all the more important to achieve control over external variance where statistical methods would usually include control variables.

The focus of this small-sample comparison lies on explaining a specific observation, namely union strategies towards dualization. The research interest thus starts from a “y-centred” approach (Gschwend/Schimmelfennig 2007: 21). In order to implement the research question (see introduction), the study follows the conventional comparative “most similar systems design” (MSSD) (Landmann 2003: 29; Lauth/Winkler 2010: 55). The market economies of Germany, Slovenia and Poland provide the common context of the comparison. They display more or less similar coordinated institutional systems, in which global pressures for labour market deregulation have translated into dualization. Chapter 4 discusses the country selection and limitations in greater detail. Although the unions under investigation in these countries have recently begun to address outsiders, the question to be raised is why they pursue particular strategies (dependent variable). As mentioned previously, the goal is to assess to what extent intra-regime variance in the industrial relations can explain these particular strategies (independent variable). *Figure 1* summarizes the analytical framework.



**Figure 1: Analytical Framework**

A number of clarifications regarding the conceptualization and operationalization of the dependent and independent variable must be added. Throughout the thesis, the reference to trade unions embraces mainstream unions, which regularly participate in the coordinated institutional mechanisms. More marginal, religious or explicitly political (e.g. anarcho-syndicalist) unions are excluded. In order to compare the influence of national industrial relations frameworks on unions' strategies, unions are investigated, which have a comparable degree of political and institutional power and societal impact. The focus in Slovenia and Poland is on the national trade union confederations, in particular the Association of Free Trade Unions of Slovenia (ZSSS) in Slovenia and NSZZ Solidarność (Solidarność), the All-Poland Alliance of Trade Unions (OPZZ) and Forum (FZZ) in Poland. In Germany, the focus is not on the Federation of German Trade Unions (DGB) but on the two largest single branch-unions IG Metall (IGM) and the United Services Union (ver.di). There might be a certain degree of distortion by looking at the encompassing confederations in Slovenia and Poland and on the branch-unions in Germany. However, the choice was deemed the best match since these unions concentrate institutional power at the most central level.

The analysis of the dependent variable concentrates on the period from the mid-2000s onwards, with the economic and financial crisis starting in 2008 receiving particular attention. Union responses are regarded twofold. Firstly, the work examines *what* unions have done to tackle the expansion and conditions of precarious work (chapter 5). This embraces unions' agendas, demands and principal strategies, including forms of cooperation, campaigns, actions or particular kinds of discourses promoted. Secondly, after having discussed the varieties of industrial relations, union responses are re-investigated under the frame of *how* they have addressed precarious work (chapter 7.1.). Here, the analysis of observations bases on insights by Mrozowicki et al. (2013), who distinguish between negotiation-based and unilateral trade union strategies. The former addresses union strategies based on coordinated mechanisms provided by and within the institutional framework, in particular tripartite or bipartite bargaining (see below). Unilateral strategies are conflict-oriented, mobilisation-and campaign-based tactics outside the institutional channels, which draw on mass media to raise awareness and build up public and political pressure for a certain problem on the local as well as on the national level (ibid.: 273). This is frequently linked to 'organizing', a proactive union approach towards the recruitment and activation of groups of workers traditionally under-represented in trade unions, in particular precarious workers.<sup>4</sup> It also implies the building up and

<sup>4</sup> Organizing in the context of trade unions describes a concept and practice, which was re-discovered by trade

empowerment of local structures of labour representation, where possible through works councils, and requires a shift of resources (Brinkmann et al. 2008; Wetzal et al. 2011).

Regarding the independent variable, the focus lies on industrial relations, unions' institutional framework for action and one of the five sub-systems examined by Hall and Soskice (2001: 24). Theoretical approaches of industrial relations vary from system-theoretical, Marxist, institutionalist, action-theoretical to economic approaches (cf. Müller-Jentsch 1996: 37-56). On the basis of the previous theoretical discussion, this work assumes a modified approach, which incorporates the current state of debate. This implies two angles of investigation. The first follows Hall and Soskice and investigates industrial relations from an institutionalist approach (ibid.: 45-49). Unions' preferences are assumed to be established by the institutional framework, resulting in strategies reinforcing it. To this end, the focus lies on *the formal institutions of industrial relations* in CMEs (chapter 6.1.). Trade unions in CMEs are included as social partner into the national institutional system through neo-corporatist institutions (Maier 1984; Hall/ Soskice 2001). Neo-corporatism is largely associated with so-called 'social dialogue' or 'tripartite negotiations'. Both describe institutional mechanisms for negotiation between the state, employers' associations and trade unions to agree on durable bargains regarding working conditions, social and economic policy (cf. Maier 1984: 40). Moreover, it is also associated with collective bargaining between employers and trade unions to regulate wages and working conditions, the so-called 'bipartite negotiations'. As mentioned in the previous chapter, these institutional channels are the source for unions' institutional power and to directly impact working conditions. The second angle of investigation adds a dynamic and more political approach towards these institutions, which takes account of underlying power relations and the possibility of transformative change (see chapter 2.1.). This provides a critical indication of the continued robustness of social dialogue and collective bargaining, which represent the central modes of labour market governance in the coordinated European 'social models'. This is operationalized by assessing their *effectiveness* and thus the effectiveness of unions' formal institutional power (chapter 6.2.).

Empirical data comes from three sources. Firstly, relevant literature, latest country reports provided by online observatories such as EWCO and EIRO on developments in the industrial relations as well as data provided by the OECD, Eurostat and the ICTWSS database were reviewed.<sup>5</sup> These sources informed the theoretical, conceptual and particular country analyses. Secondly, a low-level content analysis of the EIRO-database helped to compare and assess union activities. To this end, all reports on union activities in the three respective countries in the period from 2010 until 2014 were reviewed and clustered according to 'what' and 'how' topics were addressed. Finally, four expert interviews were conducted via telephone with two representatives from Poland (Jan Czarzasty, Adam Mrozowicki), one from Germany (Steffen

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unions in North America and thus reflects the particularities of US labour legislation and the union hostile environment there (cf. Krzywdzinski 2010: 280; Wetzal et al. 2011: 9-13). There is no universal approach and understandings differ from narrow interpretations, which focus on quantitative membership increase, to wider understandings, which imply grassroots-empowerment and political conflict. Brinkmann et al. (2008: 71ff.) provide an overview of the different interpretations.

<sup>5</sup> EWCO stands for European Working Conditions Observatory, EIRO stands for European Industrial Relations Observatory, ICTWSS stands for Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts.

Lehndorff) and one from Slovenia (Goran Lukič). Without the assessments and opinions of these local experts, it would have been difficult to receive an adequate impression and to draw conclusions. This is all the more the case because the lack of knowledge on the Polish and Slovenian language limited the literature review. All interviews were guideline based interviews with strong tendency to problem-centred interviewing (cf. Blatter et al. 2007: 61f.). They lasted approximately 40 to 80 minutes and were conducted between 18 April and 30 May 2014. More information on the interviewees can be found in *appendix 1*. The interview material, which was sent to the interviewees including an abstract and the interview guidelines, are provided in *appendix 2*.<sup>6</sup>

The previous two chapters served to introduce the theoretical frame and methodological approach, which inform the concrete comparative study. The subsequent chapter introduces the case selection and discusses the common context. Thereafter, the dependent and independent variables are analyzed.

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<sup>6</sup> The clustered overview of the content analysis and interview transcripts can be provided on request.

## 4. Context: Introducing the Country Cases

### 4.1 Germany, Slovenia and Poland as Variations of CMEs?

The common context of the comparative study is constituted by the presence of coordinated institutional systems and labour market dualization. Germany constitutes a CME prototype in the work of Hall and Soskice (2001) and also for dualization theory (Palier/ Thelen 2010; Eichhorst/ Marx 2011; Thelen 2012; Hassel 2014). The challenge therefore lies in assigning these attributes to the two Eastern European cases Slovenia and Poland. Bohle and Greskovits (2007, 2012) greatly contributed to removing a blind-spot in the discussion by identifying three main regime types in the CEE region, which emerged during the transformation period: the neoliberal market economies of the Baltic States (Latvia, Estonia, Lithuania), the embedded liberal market economies of the Visegrád states (Poland, Hungary, Slovak and Czech Republic) and the mixed South-Eastern states (Romania, Bulgaria, Croatia) with the exception of Slovenia. Based on their analyses, a number of crucial institutional features can be identified, which give reason to the country selection. They are mostly elaborated on in the second part of this chapter.

First, all three countries have traditionally displayed complex export-oriented manufacturing industries, requiring less mobile workers and more *coordinated labour markets* (cf. Palier/ Thelen 2010: 121; Crowley/ Stanojević 2011: 285; Bohle/ Greskovits 2012: 42, 46). Second, reminding of the German 'social market economy', in Slovenia and Poland *social compromise policies* and security systems emerged during the early 1990s including unemployment benefits, minimum wage regulations and massive early retirement schemes. These were relatively advanced and generous in comparison to the Baltic region.<sup>7</sup> Slovenia provided for a long time the region's most generous welfare system to mitigate transformation costs, while in Poland social compromise policies were only partially generous and depicted a strong logic of 'divide and pacify' (Vanhuysse 2006; cf. Bohle/ Greskovits 2007: 454; *ibid.*: 2012: 222). Third, a *coordinative and regulative role of the state* was present. Slovenia's policy-reformers pursued a gradual and shielded economic transformation path, whereas in Poland they secured quick neoliberal reforms and social cohesion by providing a range of public goods and welfare benefits (cf. Bohle/ Greskovits 2007: 453f.; *ibid.* 2012: 192f.). Fourth, coordinated *neo-corporatist industrial relations* emerged at least in Slovenia. Poland displays a mix of liberal and coordinated elements and thus constitutes an Eastern European modification (cf. Bohle/ Greskovits 2007: 452ff.; Glassner/ Keune 2010: 25, *appendix 3a*). Although extensively discussed in chapter 6, a short classification is useful to make aware of an important limitation in the case selection. Collective bargaining in Germany and Slovenia is dominant at the sector level, while in Poland it is dominant at the company level (cf. Glassner et al. 2011: 321, *appendix 3b*). Furthermore, social dialogue was formally institutionalized in Slovenia and Poland through tripartite councils. Nevertheless, Poland is a mixed case in so far as its industrial relations are characterized by decentralized bargaining and pluralism on the one hand and tripartite social dialogue on the other, though the latter is often referred to as "illusory corporatism" (Ost 2000: 503).

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<sup>7</sup> Bohle and Greskovits (2012: 35-41) provide comparative data on the levels of compensation for transformation costs, levels of social partnership institutions and levels of political participation in the first decade of transition.

Considering their specific socialist legacies, Slovenia and Poland can only to a certain degree be similar to Western European CMEs. Unlike Germany, their new economic and political institutions developed while already being exposed to the forces of globalization (cf. Bohle/ Greskovits 2012: 11). Against this background, Slovenia is an outstanding case in the post-socialist world. Until hit by the crisis in late 2008, the former Yugoslav republic was *the* post-socialist success story. A regulative pattern emerged, which mirrored the attributes of Western European small states: “economic openness, protective and efficiency-enhancing compensatory policies, macroeconomic stability and governance by established democratic and neo-corporatist institutions” (ibid.: 182). Academic literature thus classifies Slovenia as CME (cf. Hancké et al. 2009: 291, Crowley/ Stanojević 2011: 270).

Poland corresponds less to the category of CMEs. It exhibits a mix of liberalism and coordination, often labelled “liberal dependent” (Hancké et al. 2009: 297) or “embedded liberalism” (Bohle/ Greskovits 2012: 3). Despite the unique Solidarność legacy, organized labour was only weakly included. Corporatism is formally institutionalized but structurally weak as it was never fully consolidated. The “welfarist social contract” (ibid.: 152) was implemented from above on ad hoc basis by political elites to prevent social conflict in the face of neoliberal shock therapy. While Slovenia seems to have capitalized on the mutually reinforcing effects of complementary institutions reminiscent of the German CME, complementarities and coordination as understood in VoC theory are rather unstable and incoherent in Poland (cf. Bohle/ Greskovits 2007: 454; Hancké et al. 2009: 298). Although Poland must be perceived as an Eastern European modification rather than a full-fledged CME, it was chosen because unlike the Baltic area it displays some elements of coordination. According to Bohle and Greskovits (2012: 260), “the Visegrád area embraced the socialist industrial legacy and qualified workforces as foundations for successful reindustrialization, and the paternalistic welfare institutions as a means to ‘divide and pacify’ the feared opposition”. These countries embarked on less radical paths of socially sensitive forms of neoliberal capitalism. Ultimately, it is also believed that the categorical imperfections are compensated by the value of extending VoC theory and dualization theory from largely Western Europe to CEE states.

## 4.2 Patterns of Dualization

None of the three countries has followed the liberal path and entirely deregulated their labour market institutions. Yet, there is a variety of paths towards dualization by which local actors navigating within their country-specific institutional contexts have found functionally equivalent solutions to the common problem of deregulation pressures (Palier 2005; Marx/ Eichhorst 2012). Moreover, the developments in Slovenia and Poland must be examined in the specific transformation context from ‘existing socialism’ to capitalism during the 1990s and the consolidation of their market economies and institutions in the 2000s. In order to better understand the context of trade union strategies, the following sections briefly outline the country-specific developments.

#### 4.2.1 Germany as Dualization Prototype

The breeding ground for dualization was provided by Western Germany's post-war context, characterized by industrial manufacturing, "social corporatism" (Urban 2014: 309), an employment regime of "organized time" (Dörre 2009: 45) and relative class compromise enabled through high economic growth rates (cf. Sablowski 2004: 635; Castel 2005: 41ff.; Brinkmann et al. 2008: 26f.).<sup>8</sup> The first cracks of the employment model and influential calls for more liberalization emerged in the 1980s and became more pronounced after the German unification (cf. Haipeter/ Lehndorff 2014: 46). While LMEs and Scandinavian CMEs gave up on industry or invested in innovation (cf. Palier/ Thelen 2008: 5f.), in Germany early responses to the recessions in the 1980/90s were organized around saving manufacturing economy, "foundation for both the economic and the social model" (Palier/ Thelen 2010: 122). This was accomplished by increasing productivity (reducing size of and intensifying work for the remaining industrial workforce) and outsourcing of mainly low-skilled services (ibid.: 126). New types of flexible, deregulated and often precarious jobs were created and contributed to the emergence of a "second class labour market" (Brinkmann et al. 2008: 32). They were removed from manufacturing collective agreements and passed on to the weaker service sector unions. Consequently, the manufacturing core and the private service sector came to be governed by different institutional realities. The former continues to display established coordinated features, while the latter operates under conditions associated with LMEs (Haipeter 2011; Thelen 2012).

In particular the strong manufacturing unions, which used to set the standards for the economy, are co-responsible for this dualization. IGM is the central representative of the industrial core workforce. Its leadership sat back watching the massive expansion of precarious work and instead turned to cross-class coalitions and "competitive corporatism" since the 1990s (Urban 2014: 310). Company-level pacts for competition were increasingly negotiated with employers to secure the competitiveness of the German business location and to protect the workplaces of insiders (Palier/ Thelen 2010; Hassel 2014). The company-level concession bargaining during the 2008-2010 "crisis corporatism" to stabilize profits and protect a core of workplaces from redundancy reinforced this dualization (Urban 2014: 30). Similarly, the government's economic stimulus measures (short-time work schemes allowing for insider hoarding, car scrappage bonus), which were consulted with unions and employers before the adoption, protected insiders whereas outsiders were massively laid-off (Glassner et al. 2011; Lehndorff 2011).<sup>9/10</sup> Once economic growth kicked back in, companies employed even more flexible workers (cf. Dribbusch/ Birke 2012: 16).

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<sup>8</sup> "Social corporatism" describes the negotiation of a relatively symmetrical class compromise by equally strong social partners. The state acted as market-correcting welfare state and trade unions acted as distribution agent for all workers. "Organized time" coins the idea of life-long, (initially 35-hours) 40-hours week employment and mostly big enterprises.

<sup>9</sup> Short-time work was introduced during the crisis by many European countries. It implies a reduction of working time for a limited time, in Germany up to 24 months. During this period the employees receive compensation in height of the unemployment assistance instead of the normal salary for the missing working hours. In return, they keep their employment and the entitlements, which result from it.

<sup>10</sup> Glassner and Keune (2010) provide a list of emergency and employment packages.

Dualization was institutionalized and perpetuated in the course of several labour law and social policy reforms by both social-democratic and conservative coalitions.<sup>11</sup> Especially the Agenda 2010 and Hartz reforms of the Red-Green government acted as major catalyst for an unprecedented degree of labour market deregulation. The virtually complete deregulation of agency work, the institutionalization of marginal employment through ‘mini-jobs’ and the creation of the publically subsidized ‘one-Euro jobs’ systematically extended precariousness to large parts of the population (cf. Palier/ Thelen 2010: 27ff.; Dribbusch/ Birke 2012: 9-10; Hassel 2014: 68f.).<sup>12</sup> The reforms furthermore sharpened the line between contributions-based social insurance for insiders (unlikely to become unemployed for more than a year) and income-tested social assistance for outsiders for whom the state was asked to take responsibility (cf. Palier/ Thelen 2010: 37). This translated dualization into the realm of social security.

#### 4.2.2 Slovenia’s Neo-Corporatist Transformation and Recent Dualization

Slovenia could build on a wide array of favourable legacies. It was the economically most developed Yugoslav Republic and most intensively connected with Western markets (cf. Bohle/ Greskovits 2012: 452). It inherited high initial levels of social welfare and for a long time provided the region’s most generous welfare system to mitigate transformation cost (ibid.: 139, 222). The long experience of relatively autonomous self-management transferred participatory decision-making into the new institutional system and produced managers, unionists and bureaucrats, who appreciated coordinated relations (ibid. 2007: 452). The uprising of a powerful labour movement early into the transformation led to strong labour inclusion in the new institutional status quo and brought to power “leftist corporatism” (Obinger et al. 2012: 195f.). Political exchange between a hegemonic centre-left government and strong organized economic interests (multi-employer associations and union confederations) became a permanent feature and the key mode of interest concertation, which gave social legitimacy to market reforms (cf. Bohle/ Greskovits 2012: 261). Within the CEE region, Slovenia’s political elites adopted the least radical transformation path towards economic reconstruction and macroeconomic stabilization. Unlike the Visegrád and especially Baltic states, which quickly favoured foreign capital and promoted quick privatization, a strategic protectionism coordinated and limited early foreign takeover (ibid.: 192f., 203ff.). This reduced pressures to increase competitiveness and productivity through the creation of a secondary labour market of precarious work. Thus, during the 1990s the employment regime hardly changed and the standard employment model of relative social security remained dominant (cf. Mrozowicki et al. 2013: 268).

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<sup>11</sup> For an overview, see Palier and Thelen (2010: 27ff.), Birke (2011: 146f.), Eichhorst and Marx (2011: 74f.) and Dribbusch and Birke (2012: 9f.).

<sup>12</sup> Mini-jobs refer to marginal, low-level, part-time work, which is not fully covered by social insurance contributions (cf. Palier/ Thelen 2010: 128). One-Euro jobs were sold to the public as activation instrument for long-term unemployed persons. Rather than providing a way back into standard employment, it created another form of precarious employment without insurance entitlement and only limited labour law entitlements from which employers profit (cf. Brinkmann et al. 2006: 34ff.).

Slovenia's coordinated model has come under pressure since the mid-2000s, as "the swing of the ideological pendulum brought a neoliberal breakthrough in transformation strategy" (Bohle/ Greskovits 2012: 249). The EU and EMU accession (2004 and 2007) were accompanied by increasing pressures for competitiveness, deregulation and liberalization. In the run-up to the accessions, a series of social pacts were negotiated by the social partners, which slowly but gradually introduced flexibility and austerity elements (cf. Stanojević 2010: 13ff.). Moreover, the centre-right government, which came to power in 2004 after 12 years of centre-left hegemony, initiated sweeping neoliberal reforms in 2006 to dismantle the coordinated institutional system. These implied not only changes in the labour code promoting the expansion of atypical employment, but also trade union marginalization, welfare state and economic privatization (cf. Bohle/ Greskovits 2012: 249; Mrozowicki et al. 2013: 271). Many reforms failed, in part due to strong labour mobilization, and Prime Minister Janša's disregard for social dialogue was punished in the 2008 elections. Yet, this period marks the emergence of dualization tendencies (cf. Crowley/ Stanojević 2011: 284). It was however the crisis since 2008, which gave employers and the government the opportunity to accelerate these deregulation trends (cf. Mrozowicki et al. 2013: 269). These more recent and crisis-related developments are further discussed in chapter 5 with regards to union strategies.

#### 4.2.3 Poland's Divide and Pacify Transformation

Unlike Slovenia's labour inclusive and shielded economic reconstruction, the Polish transformation is characterized by neoliberal shock therapy and 'divide and pacify' social compromise policies. As mentioned before, organized labour was only weakly included into the new institutional order. This must be greatly attributed to the ideological division of Solidarność and OPZZ as well as their turning away from unionism and focusing on political participation instead (Krzywdzinski 2009; Ost 2009; Trappmann 2011a). Many unionists welcomed neoliberalism and radical liberalization programmes were implemented under the government participation of Solidarność.<sup>13</sup>

In contrast to the Baltic area's low and Slovenia's encompassing social welfare benefits, Poland provided strategically targeted benefits to groups of workers, who had acquired a satisfactory social status in the socialist labour market (cf. Bohle/ Greskovits 2012: 152). In the face of job destruction and rising labour market instability, these mostly better-educated and well-networked elderly workers were deemed to have the biggest capacity to mobilize against economic transformations. Especially the mining and steel industries received much attention by trade unions and politicians (cf. Spieser 2012: 9f.; Trappmann 2012: 154ff.). An array of particularistic exit schemes was negotiated, in particular generous early retirement schemes and disability pensions, which saved a lot of from falling into poverty but also led to a costly

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<sup>13</sup> A spectrum of right-conservative parties emerged from the Solidarność movement. OPZZ, successor of the state single trade union, participated in the foundation of the more social-democratic Democratic Left Alliance (SLD), which consisted of the reform-oriented rest of the communist party. Solidarność and OPZZ were for many years represented in the parliament and participated in government coalitions (Solidarność: 1990-1993; 1997-2001) (cf. Krzywdzinski 2009: 28f.). The ideological and political struggle between both confederations made cooperation almost impossible. As a result, the Forum FZZ was founded in 2002 as politically neutral confederation (cf. Trappmann 2011b: 2).

“great abnormal pensioner boom” (Vanhuysse 2006: 73).<sup>14</sup> According to Vanhuysse (2006), these social compromise policies served to “divide and pacify” and to avoid disruptive violent protest during the socially costly transition.<sup>15</sup>

Bohle and Greskovits (2007: 454) suggest that this “dual democratic” regime type allowed for the selective and limited inclusion of some at the expense of the remaining social actors, whose capacity for collective action was neutralized and disarticulated. Hence, dualization within the labour market, social policy and political representation was promoted throughout the transformation period. Like in Slovenia, labour policy came to be realigned in the course of EU accession. Since 2002, an increase in so-called ‘activating labour market policies’ implied a growth of atypical forms of employment and flexibilization of employment (cf. Trappmann 2012: 150ff.). The Polish trade unions promoted this institutional dualism. Throughout the 1990s and early 2000s, they mobilized almost exclusively for the defence of standard employment conditions or for favourable exit conditions when the declining industrial sectors, especially mining and steel, were affected. Conversely, they hardly ever lobbied for universal employment protection and social security or when new flexible forms of work in non-traditional and non-strategic sectors were concerned (cf. Spieser 2012: 19).

#### 4.2.4 Dominant Deviations from Standard Employment

With relatively low unemployment rates, outsiders in Germany, Slovenia and Poland must be located in atypical and in particular precarious forms of employment (cf. OECD 2014a: n.p., *appendix 4a*).<sup>16</sup> In Germany, part-time employment constitutes the biggest share of atypical employment. It is significantly high amongst women (45 percent of all women in the workforce in 2011; 9 percent of men) (cf. Eurostat 2013a: n.p., *appendix 4c*). Especially widespread and problematic are precarious marginal part-time jobs, for which the German tax and social security system offers considerable incentives (so-called mini-jobs) (cf. Haipeter/ Lehndorff 2014: 49). According to Haipeter and Lehndorff (2014: 49) this segment now accounts for circa one fifth of all employees. As argued earlier, there is a strong sector-bias: while more than 80 percent of marginal employment can be found in the private service sector, only about 10 percent is in manufacturing (cf. Hassel 2014: 68). In the latter, temporary agency work has become increasingly popular. With the abolition of its maximum term by the Hartz reforms, agency work rose from 330.000 to 878.000 between 2003 and 2012 (cf. Dribbusch/ Birke 2014: 11). It accounts for between 30 percent and 50 percent of employees in some companies and thereby undermines the traditional company structure,

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<sup>14</sup> This “great abnormal pensioner boom” is manifest in the increase of pensioners (including early retirement) by 46 percent between 1989 and 1996 (Bohle/ Greskovits 2012: 155). Vanhuysse (2006: 74-88) provides extensive empirical data on welfare programmes in Poland. He shows for instance the large differences between welfare expenditures for families, unemployment and pensions: while the expenditure shares for pensions increased from circa 40 percent to 50 percent between 1990 and 1993, expenditures for families and unemployment remained below 10 percent (*ibid.*: 80).

<sup>15</sup> Discontent was channelled into less disruptive forms, especially into anti-incumbency (cf. Vanhuysse 2006: 123, 136). No incumbent government returned to office between 1990 and 2010.

<sup>16</sup> Unemployment is a greater topic for Southern European countries like Greece, Italy and Spain, where youth unemployment is particularly high (cf. OECD 2014a: n.p., *appendix 4b*).

according to which all persons working in a company are also employed by it. Agency work levers out structures of interest representation and collectively agreed standards. It is not only used to overcome staff shortage but to replace regular dependent employment in order to deviate from higher wages and to put pressure on permanent staff (cf. Bispinck/ Schulten 2011: 10, 22; Gumbrell-McCormick 2011: 296).

In Slovenia and Poland, the dominant form of deviation from standard employment is fixed-term employment. In Slovenia it increased from 4 percent in 1996 (cf. Schmeißer et al. 2012: 134) to 17 percent in 2013 (cf. Eurostat 2013b: n.p., *appendix 4d*). In Poland, the share is even higher. This can inter alia be attributed to the 2009 anti-crisis legislation, which allowed for the conclusion of an unlimited number of fixed-term contracts for a period of up to 24 months (cf. Mrozowicki et al. 2013: 273). While only at circa 12 percent in 2001, by the end of 2010 Poland had with 27 percent the highest share of fixed-term contracts in the EU27 (average 14 percent) (cf. Pańków 2012: n.p.; Eurostat 2013b: n.p., *appendix 4d*). Problematic in both countries is the strong affectedness of young people. In Slovenia, almost 75 percent (2011) of 15 to 24 year-old persons are employed on a fixed-term contract; this is the highest among all EU27 countries (average 42 percent in 2011) (cf. Guardiancich 2012: 106). In Poland, the prevalence is with 62 percent (2009) also highest in this age group and was only beaten by Slovenia (cf. Zieleńska 2012: n.p.). In both countries, the expansion of atypical work accelerated during the crisis. Mrozowicki et al. (2013: 271) show how fixed-term work increased especially in the retail sector: in Slovenia from circa 12 to 20 percent and in Poland from 7 to 34 percent between 2000 and 2011.

Dualization in Slovenia and Poland is furthermore characterized by the striking growth of new types of highly precarious contract work. In Slovenia, the high rate of fixed-term employment among the youth is related to so-called 'student work' managed by student employment agencies (cf. Kajzer 2013: n.p.). In Poland, 'civil law contracts' are commonly used and together with fixed-term employment, they have come to be termed 'junk contracts' (cf. Pańków 2012: n.p.). In 2010, approximately one-fifth of all employees were active on the basis of such a civil law contract (ibid.). Both types of contract works are highly insecure and abuse-prone. They are very attractive for employers as they are cheaper and more flexible. They circumvent higher labour costs associated with minimum pay regulations, collective agreements binding for a respective sector and social security contributions. As they are not governed by labour law, these workers are excluded from minimum labour standards and basic social security rights.

Moreover, in all three countries, dependent employment and the higher standards and costs associated with it, are increasingly circumvented by contracting out to bogusly solo-self-employed persons. Their poverty risk is rather low in Germany but high in Poland. In the latter, the precarious civil law contracts are often used for this and the lower tax wedge favoured their widespread diffusion (cf. Guardiancich/ Pliszkiwicz 2012: 80). Finally, low-wage employment and in-work poverty have increased in all three countries, with Germany at the forefront. Here, stagnating real wages, mini-jobs and government-sponsored labour cheapening (e.g. one-Euro jobs; also short-time work) have resulted in the expansion of the low-wage sector to almost one-fourth of all employees in 2010 - the second highest in Europe and closely followed by Poland (cf. IAB 2013: 1, 3, *appendix 4e*). Poland continues to have one of the highest

in-work poverty rates in Europe (in 2007 with 11 percent the 2nd highest in the EU) (cf. Hanzl-Weiß et al. 2010: 3). Finally, despite the existence of a national minimum wage in Slovenia, the share of low-wage work is also growing and was in 2010 with approximately 16 percent above the European average (15 percent) (cf. IAB 2013: 3, *appendix 4e*).

In sum, this chapter served to substantiate the discussion on dualization by examining the country-specific patterns and by locating the outsiders on the labour market.<sup>17</sup> In Germany, deregulation and liberalization pressures must be traced back to the global economic crisis in the 1970s, the subsequent recessions and transformation of the global production regime. Deregulation along the periphery of the labour market therefore emerged earlier than in Poland and in particular Slovenia. Especially marginal, low-wage and agency work have pushed an increasing share of the working population into poverty and precarity. Slovenia and Poland were thrown into a global context of neo-liberal reconstruction and took different transformation paths. Dualization was “delayed in CEE countries, where standard full-time employment was [...] the norm as a result of their socialist legacy” (Mrozowicki et al 2013: 268). Unlike in Germany but like in many other peripheral European countries, the institutionalization and expansion of precarious employment must be linked to the EU and EMU accession and liberalization and deregulation pressures exerted by the EU (cf. Trappmann 2012: 141). In Slovenia and Poland, fixed-term and new types of contract work are most problematic.

The increasing affectedness of young people by precarious employment underlines the new quality of the current developments. Trade unions have contributed by privileging the protection of their core constituencies instead of lobbying for universal employment protection and standards. This is only true to some extent in Slovenia, where unions successfully mobilized against the Janša government’s neoliberal offensive (cf. Crowley/ Stanojević 2011: 284). The expansion of the precarious margin pushing into the centre of the labour market increasingly demands a rethinking in trade unions’ strategies. The subsequent chapter turns to analysing trade unions’ recent efforts to address these outlined groups of outsiders.

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<sup>17</sup> The analysis is far from exhaustive. Bohle and Greskovits (2012) discuss in greater detail the impact of particular socialist economic and political legacies on Slovenia’s and Poland’s institutional transformation. Moreover, the OECD’s Employment Protection Legislation (EPL) and European Working Conditions Observatory (EWCO) Indices provide further labour market data. Häusermann and Schwander (2012) provide data on labour turnover and income gaps.

## 5. Union Responses against the Expansion of Precarious Work

Trade unions' growing attention for labour market outsiders must be embedded into the greater debate on the 'crisis of unionism', which is held by scholars from both liberal and coordinated market economies (Frege/ Kelly 2004; Brinkmann et al. 2008; Birke 2010). Basing on the power resource approach by the Jena Working Group on Strategic Unionism, it can be argued that unions have since the 1980s/90s tremendously lost structural, organisational and institutional powers (cf. Wright 2000: 962; Silver 2005: 30ff.; Brinkmann et al. 2008: 24ff.). *Structural power*, emerging from a particularly strategic position in the production process, has declined due to the expansion of the post-industrial private service sector, which exhibits more liberal features such as flexible, replaceable workers without industry-specific skills (see chapter 2). This has undermined the respective unions' capacity to directly impede the production process through strikes. Declining *organisational power* is manifest in the declining membership and union density rates, implying not only decreasing financial resources and mobilization potential but ultimately decreasing political weight and bargaining power. *Institutional power*, arising from unions' inclusion through neo-corporatist institutions, has partially become ineffective. This means that the fragmentation and undermining of collective bargaining and social dialogue (see chapter 6) has increasingly limited the capacity of trade unions to pose demands and negotiate improvements on wages and working conditions. *Appendix 5* displays the decline of trade union density and collective bargaining coverage.

This loss of power resources is closely related to the structural changes in the labour markets towards the growth of post-industrial sectors characterized by flexible and frequently changing staff, higher competition, atomized workplaces and lower unionization (cf. Gumbrell-McCormick 2011: 299; Hassel 2014: 62). Although some trade unions (private service sector) are earlier and more directly confronted with low power resources than others (manufacturing), "most have come to understand that the increase in atypical work undermines their power resources and weakens their capacity to act" (Bernaciak et al. 2014: 4). Their increasing interest in the precarious margin is therefore motivated by a good portion of survival logic. The following sections highlight some of the most noteworthy efforts undertaken by trade unions in the respective countries.

### 5.1 Campaigning and Bargaining for Better Wages and Working Conditions in Germany

The publically most comprehensive and visible campaign in Germany has been the campaign against low wages and for a statutory national minimum wage. The debate was already initiated by the Food, Beverages and Catering Union (NGG) in 1999 and joint by ver.di in 2006; both increasingly too weak to secure higher wages through collective bargaining (cf. Palier/ Thelen 2010: 124f.; Dribbusch/ Birke 2014: 24f.). Shortly afterwards, also the DGB adopted the demand. Since then, the DGB unions have, supported by the Left party, publically scandalized 'dumping wages' and brought the demand for minimum wages on the political agenda. It is part of a greater agenda of the DGB since 2006, which propagates "good work" as counter-model against precarious work (Bispinck/ Schulten 2011: 35; Bernaciak et al. 2014: 17). On the

basis of employee surveys, the DGB annually publishes the “good work index” with which it tries to influence the political debate and raise awareness for the deteriorating employment conditions (ibid.). With success: the introduction of a national minimum wage was agreed in the 2013 coalition agreement of the current SPD/CDU government.

Except for the minimum wage campaign, most unions pursue their own strategies to address particular groups of precarious workers, with which they are predominantly confronted. The most noteworthy shift in agenda of IGM has been its continuous efforts to organize agency workers and the demand for equal wages as for core staff. Agency work strongly spread within IGM’s branches since 2003 and experienced another boom in the aftermath of the 2008 economic and financial crisis (Dribbusch 2011a). It became clear that the crumbling margin could become problematic for the union and the core workers, since agency work levers out collective agreements and the union’s influence over working conditions in a company. Consequently, it launched the “equal pay for equal work” campaign in 2008 to target agency workers, to raise public attention for their situation and to lobby for their interests in collective bargaining rounds (Dribbusch 2010: n.p.; Urban 2014: 313).<sup>18</sup> Works councils were asked to approach agency workers and to jointly discuss their situation. The goal was to activate and involve them as well as to convince them to organize and struggle with the union for an improvement of their situation (cf. Dribbusch/ Birke 2014: 24ff.). Initially, numerous works agreements were concluded. The collective bargaining breakthrough was achieved in 2010 in the steel industry, where equal pay for agency workers was regulated for the first time in a collective agreement (cf. Dribbusch 2011b: n.p.; Lehndorff 2013: 194).<sup>19</sup> Including agency workers in a collective bargaining agreement is an important first step towards including them under works councils’ competences, since they secure the agreement’s implementation (cf. interview Lehndorff). Moreover, on the basis of this, agency workers could be granted a national minimum wage in 2012 (cf. Stettes 2012: n.p.).<sup>20</sup> Another highlight according to Lehndorff (interview) was that IGM made the re-regulation of agency work a top demand in last year’s bargaining round. In other words: outsider interests were expanded to a mobilization issue for all. This was an unprecedented mobilization regarding the issue of agency work (cf. interview Lehndorff). By means of this encompassing strategy which combined campaign- and collective bargaining elements, IGM succeeded in raising credibility amongst both insiders and outsiders. This is manifest in the unions’ organizing success: the number of organized agency workers rose from 13.000 in 2010 to 44.000 in 2012 (cf. Urban 2014: 314).

Most studies focus on the traditional insider union IGM. This is somewhat surprising, since it is ver.di, which is overwhelmingly confronted with precarious employment in the private service sector and low power resources. From its foundation in 2001 onwards, Ver.di has pursued an outsider-oriented agenda, which raises attention to the various facets of precarious work. It has typically pursued public and

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<sup>18</sup> See also <http://www.gleichearbeit-gleichesgeld.de/> (last accessed 17/06/2014).

<sup>19</sup> It must be mentioned that IGM chose the sector as pilot case, anticipating that employers were more likely to concede to this provision as wage levels for agency workers were already similar to those of the core workers (cf. Bispinck/ Schulten 2011: 45).

<sup>20</sup> The Posted Workers Act provides for the possibility, that a collective bargaining agreement can be declared binding by the Federal Ministry of Labour and Social Affairs.

relatively political campaigns either in the context of or independent from collective bargaining (cf. interview Lehndorff). Its campaign in the supermarket chain Lidl since 2004 for instance targeted the precarity of the mostly female employees and the widespread use of intimidation tactics by employers (cf. Brinkmann et al. 2008: 120ff.). In the “health is not a commodity” campaign in 2008, ver.di tried to prevent the privatization of Hamburg’s state hospitals with a larger coalition from civil society (Greer 2008).<sup>21</sup> In 2013/4, in the context of bargaining rounds in the retail sector and at the Charité hospital in Berlin, ver.di scandalized the increasing work intensification, flexibilization of work schedules and the expansion of low-wage and agency work. At the Charité, ver.di and works councils fought for almost one year for the introduction of a minimum staff quota (ver.di 2014). This demand was innovative and assertive as it tried to introduce workload as new element into collective bargaining and demanded involvement in the hospital’s economic and administrative matters. The campaign under the slogan ‘more of us is better for everyone’ stressed the broader negative consequences of precarious care work for patients (ibid.).<sup>22</sup> However, the fact that Verdi could not secure significant achievements through collective bargaining comparable to IGM’s equal pay agreement underlines its weaker bargaining position (interview Lehndorff).

Both ver.di and IGM have put efforts into developing innovative revitalization strategies to overcome the dwindling power resources. IGM has increasingly placed emphasis on and shifted resources towards developing organizing perspectives, which address and activate groups of workers in branches and companies typically underrepresented (Wetzel et al. 2011). Ver.di has earlier and more comprehensively than IGM pursued organizing campaigns, which not only seek to recruit and activate precarious workers and promote the creation of works councils, but which also raise broader political questions. To this end, ver.di has unlike IGM pursued close cooperation with NGOs, social movements or other civil society groups (Brinkmann et al. 2008; Greer 2008; Birke 2010; Wetzel et al. 2011). A noteworthy example is the 2006 campaign to organize security guards in Hamburg for which ver.di cooperated with the North-American Service Employees’ International Union (SEIU) (cf. Dribbusch 2010: n.p.; Birke 2011: 161).<sup>23</sup> During the disputes in the retail sector and at the Charité in Berlin, ver.di tried to strengthen its structural and organisational power by organizing local support from political activists and persons affected such as patients or consumers.<sup>24</sup> The group of self-employed has also been placed high on ver.di’s agenda. Its separate consulting firm “Mediafon” offers direct support and has become an important recruiting instrument (Bispinck/ Schulten 2011: 48).

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<sup>21</sup> Greer (2008) assesses the cooperation of ver.di with civil society groups as first instance of “social movement unionism” in Germany. This is another concept from the revitalization studies and draws on insights from the joint social and political struggles of civil society and trade unions in the Global South, in particular South Africa and the Philippines (cf. Brinkmann et al. 2008: 84f.; Birke 2010: 89ff.).

<sup>22</sup> The insights stem from personal participation in the supporting coalition. In June 2014, an agreement was concluded, which observers perceive critical (cf. Behruzi 2014: n.p.).

<sup>23</sup> SEIU has played a significant role in the development of revitalization strategies in the US. Its’ “Justice for Janitors” campaign is reference point for many European trade unions (Brinkmann et al. 2008: 87).

<sup>24</sup> A recent example is the organizing ‘Blitz’ in shops of the clothing company H&M in Berlin. Unionized H&M employees, ver.di members and supporters disseminated in small groups on a strike day to talk to non-striking workers and strike breakers about their working conditions and to make them aware of their right to strike.

In sum, IGM and ver.di have lobbied for the re-regulation of precarious work and for improving outsiders' working and living conditions. They have successfully campaigned for some major policy projects, such as the introduction of a statutory minimum wage and equal pay for agency workers. These campaigns have been underpinned by organizing efforts on the company level and by placing the issue of precarious work in collective bargaining rounds. Regarding the latter, IGM has been far more successful than ver.di. This must greatly be attributed to the dualized institutional regimes under which both unions operate.

## 5.2 Negotiating Security and Fighting Flexibility in Slovenia

While the sector level has been a major venue for Germany's unions to address precarious work, in Slovenia no significant strategies or campaigns have been pursued at this level (cf. interview Lukič). Instead, sector- and company-level collective bargaining have focused on insider protection; this is on preserving rights and the level of protection rather than on introducing demands that address outsiders (cf. Bernaciak et al. 2014: 5). Lukič (interview) names the metalworking sector as exception, where the well-organized respective union managed to guarantee the transition of workers from fixed-term to permanent employment through a collective agreement. Except for this, precarious work has been predominantly addressed on the national level by the trade union confederations. They however proved to be very successful as they contributed to tipping government reforms that would have significantly expanded precarious work.

Early into the crisis in 2008 under the social democratic Pahor government, the social partners negotiated an anti-crisis package in the national tripartite Economic and Social Council (ESS), which entailed poverty alleviation measures and greater spending on most social transfers (cf. Guardiancich 2012: 107).<sup>25</sup> However, the crisis did not abate but hit Slovenia hard. In addition, pressure by the EU and OECD to introduce austerity measures and labour market reforms increased (ibid.: 111). The government pressed ahead and crafted a number of reforms on which social dialogue ultimately collapsed. Amongst those, it was especially the reforms on minimum wage, mini-jobs and pensions, which were highly opposed by Slovenia's union confederations. They made these issues a priority on their agenda and launched country-wide campaigns; with some outstanding results.

Regarding the "Minimum Wage Act", the unions addressed not only the final amount but also whether it would be tied to other more flexibility-oriented reforms of the government's reform package (ibid.: 112). In autumn 2009, the confederations, backed by student and pensioner movements, staged mass protests in Ljubljana with some 30.000 demonstrators. They demanded the immediate increase of the minimum wage and threatened to interrupt all social dialogue. As several structural reforms were negotiated at that time (pensions, Mini-Jobs Act, Employment Relationship Act) the government gave in to the confederations'

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<sup>25</sup> The temporary anti-crisis measures were relatively generous and included for instance an increase of the national minimum wage, special supplements for socially vulnerable groups or higher unemployment benefits (cf. Guardiancich 2012: 107ff).

threat. The National Assembly approved the Minimum Wage Act in January 2010 with the higher level and disconnected from the other reforms, as demanded by the confederations (ibid.: 112f).

The second and probably most impressive initiative was the campaign in 2010 against the “Mini-Jobs Act” (ibid.: 113). After no compromise could be found in the ESS, the government unilaterally sent it together with two other reform proposals to the National Assembly where it was approved in October 2010 (Skledar 2011a).<sup>26</sup> The Act provided for the introduction of a new type of marginal fixed-term employment aimed at students, unemployed, retired and other inactive persons. The union confederations feared that institutionalizing such form of employment would promote work without workers’ rights and gradually oust regular forms of employment (ibid.). They requested information on the effects of this type of employment from the DGB and German labour market experts (cf. interview Lukič). Their results underlined the precarious potential of mini-jobs and helped to turn public opinion against them. Together with student groups, they organized some of the largest protests since the independence of Slovenia (cf. Lužar 2013: n.p.). The Student Organisation of Slovenia initiated a national referendum, which the confederations supported. Collecting over one million signatures, the referendum was granted and took place in April 2011. The result was memorable: the Mini-Jobs Act was defeated with 80 percent of votes rejecting the new law (cf. Skledar 2011b: n.p.). Similarly, a triple referendum was held in June 2011 and struck down three other vital laws of the reform project, including the centrepiece pension reform raising the retirement age and pension qualifying period. Thus, the confederations took up a decisive role in averting the government’s neoliberal offensive by pushing for security elements (minimum wage; Labour Market Regulation Act extending unemployment rights) and striking down elements of flexibilization (mini-jobs). Their campaigns raised public awareness for precarious work and the importance of quality rather than exclusively quantity of jobs.

The Pahor government collapsed over the defeated reforms and a centre-right government came to power in 2012. Having experienced their sanctioning potential, the Janša government restored social dialogue and the confederations have returned to the negotiation table since then. Between 2012 and 2013, the social partners negotiated changes in the labour code to reduce the ‘rigidity’ of permanent employment and tighten the rules on fixed-term employment (cf. Curtarelli et al. 2013: 13; interview Lukič). Although having had to accept some concessions (e.g. lower severance pay for permanent workers), the confederations succeeded in preserving some basic protection for outsiders, such as the introduction of severance pay for fixed-term work and access to unemployment benefits for two months for people under 30 after six months of formally recognized work experience (cf. Skledar 2013a: n.p.; interview Lukič). It remains to be seen whether, as hoped by the confederations, this will encourage the use of permanent instead of fixed-term contracts and overcome the increasing dualization between both.

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<sup>26</sup> The “Labour Market Regulation Act” was less controversial as it extended protection rights for unemployed persons, such as eligibility and fruition of unemployment benefits (Guardiancich 2012: 115). It is now in force. The “Employment Relationship Act” was supposed to be bound to the Labour Market Regulation Act and increase the flexibility of individual dismissals (ibid.). It was quietly withdrawn not due to failed agreement but inadequacy which shall not be further discussed at this point.

Finally, recruiting and activating new groups of workers has also entered unions' agendas since the crisis. However, organizing strategies are quite diffuse and largely left to company unions (cf. Lužar 2010: n.p.; Mrozowicki 2014: 7f.). Only ZSSS, the largest confederation with more resources at its disposal, takes a more centrally-led and proactive organizing approach offering solutions and simultaneously gaining more members (cf. Lužar 2010: n.p.; interview Lukič). ZSSS cooperates for instance with the Student Organisation of the University of Ljubljana and participates at their yearly "Student Arena" (Lužar 2010: n.p.). By providing career coaching and raising awareness for the advantages of union membership, the goal is to become publicly more accepted and break the stereotype of unions being "male, pale and stale" (interview Lukič). ZSSS also created the special trade union "Young plus" for persons under the age of 35 to organize young people, to provide them with an own platform and to encourage them to become actively involved in unionism (Lužar 2013: n.p.). Furthermore, ZSSS also started to target migrant workers in 2007 by offering legal advice through counselling offices and info points throughout the country (cf. interview Lukič). With some success: "there is evidence that more migrant workers are aware of their rights and are turning to ZSSS for help" (Lužar 2010: n.p.).

In sum, in Slovenia labour market dualization and precarious work have almost exclusively been addressed at the national level by the union confederations. They have mainly tackled these issues within the ESS. But for a brief period, when social dialogue was disregarded by the government, they also assertively campaigned outside of the ESS. Organizing efforts are in general in the early stage, but efforts by ZSSS are showing first successes.

### 5.3 Political Activism against Junk Contracts in Poland

The withdrawal of Solidarność and OPZZ from party politics and emergence of a generation of unionists growing up under the hardships of neoliberalism and perceiving unions as chance rather than useless impediment led to the 're-emergence' of somewhat like an organized labour movement since the mid-2000s (Ost 2009; Krzywdzinski 2009; Trappmann 2011b). Since then, OPZZ, Solidarność and the smaller FZZ have targeted outsiders not only more frequently but also more vehemently. They were remarkably successful in highlighting the problem of precarious problem and labelled the term "junk contracts", which was picked up by the public discourse (Bernaciak et al. 2014: 6; interviews Czarzasty and Mrozowicki). The confederations have increasingly opposed government policies, such as pension and labour market reforms in 2012 and 2013, which they accuse of externalizing crisis costs to the whole society and of using the crisis as excuse to flexibilize and extent precarious work (Mrozowicki et al. 2013; Czarzasty 2013). They have repeatedly criticized the disregard of social dialogue and have demanded negotiation on junk contracts in Poland's Tripartite Council (TC), the introduction of obligatory contributions to the social security and pension systems for all forms of employment (including the very precarious civil law contracts) as well as the regulation of temporary work to avoid the abuse of social security rules (cf. Curtarelli et al. 2013: 64).

According to Pańków (2012: n.p.), the union confederations became radicalised over the issue of junk

contracts in the course of the elections in 2011, when the main coalition party, the Civic Platform, announced Labour Code amendments to include measures on renewable seasonal contracts. Solidarność launched a campaign against the expansion of junk contracts in 2012, inter alia providing an online, interactive “junk contracts map” and promoting research on the issue (ibid.). The campaign attracted support by celebrities from the media, sports and politics. FZZ launched the “Commission Contract Generation” campaign in 2011 together with a grassroots organisation of young people to draw attention to the high vulnerability of young workers and to provide advisory structures (Trawinska 2011a: n.p.). The first visible highlight was the Euro-demonstration in 2011 in Wrocław - the biggest union demonstration in Poland since 1989 with 20.000 to 50.000 participants - where the term junk contracts constituted a central theme (ibid. 2011b: n.p.).

The level of protest steadily increased since 2012, when the Tusk government unilaterally passed a pension reform and provoked unions’ unanimous opposition by disregarding social dialogue. In summer 2012, the three confederations organized numerous protests against the raising of retirement age, the expansion of junk contracts and the lack of social dialogue. They set up protest camps, held demonstrations and advertised their campaign through websites and in the nationwide media. Moreover, they collected almost three times more than necessary signatures for a national referendum (cf. Mrozowicki 2012: n.p.). Despite these massive protests the government unilaterally passed the pension reform to the parliament, which accepted it in June 2012. Social dialogue reached another stalemate, as a result of which the three confederations moved closer together (Curtarelli et al. 2013; Czarzasty/Mrozowicki 2013). They became more assertive and showed surprisingly high mobilization potential. In March 2013, the three confederations and two other trade unions organized the first general strike with 85.000 workers in Silesia (cf. Mrozowicki 2013: n.p.).<sup>27</sup> A climax was reached in June 2013, when the confederations jointly decided to suspend participation in the TC in protest of changes to the labour code by the government without consultation (cf. Gardawski 2014: n.p.). In this context, they organized the largest national street protest in decades with approximately 100.000 people; “an unprecedented concerted union action” (Czarzasty 2014: n.p.).<sup>28</sup>

Despite the increasing institutional marginalization of the confederations, their highly visible actions raised public support for them. According to Gardawski (2014: n.p.), “for the first time since 1989, unions were perceived to be expressing the concerns of all Polish workers, not just their own members”. Both interviewees assess the new political activism with which the union confederations jointly campaign for the interests of those most vulnerable on the labour market as remarkable. Ten years ago, unionism was characterized by political rivalry and the phenomenon of precarious work was not much of a topic in public discourse. Today, the outlined concerted actions have succeeded in making the issue of precarious work publically visible and shifted the discussion from “having any job and fighting unemployment to the quality of jobs” (interview Mrozowicki). This is reflected in public statistics: the newest labour statistics

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<sup>27</sup> Mrozowicki (interview) comments that the strike was rather symbolic as it was held so early in the morning that it did not cause much economic harm.

<sup>28</sup> It must be stressed that this emerging anti-government protest movement is politically diffuse and embraces right-wing nationalist and conservative forces as well as left movements and organisations.

for 2012 (out in January 2014) provide data on the number of people working on civil law contracts for the very first time (cf. interview Czarzasty). Furthermore, the fact that the government is now working on a new legislation regarding social security contributions for all workers is the result of unions' mobilization.<sup>29</sup> Mrozowicki (interview) believes that "the government and Prime Minister would not talk about junk contracts if unions had not followed this kind of agenda; so this is a sign of effectiveness of union action."

The second principal outsider-oriented initiative on the confederations' agenda has been to expand full workers' rights to self-employment and civil law contracts. Both statuses are currently not covered by the Polish Trade Unions Act, which according to the confederations contradicts the ILO Convention 87 and 98 and the Freedom to Assemble guaranteed in the Polish Constitution (cf. ILO 2012: n.p.). OPZZ and Solidarność demand that all 'employee-like' persons should be granted the same comprehensive rights and be able to unionize (cf. Trappmann 2011a: 15). Solidarność filed a complaint to the ILO in 2011, which was approved and resulted in recommendations to the Polish government (ILO 2012). Similarly, OPZZ complained to the Constitutional Court of Poland to review the Trade Unions Act (cf. Trappmann 2011a: 15). The result is still pending.

Aside from these two key initiatives, labour market outsiders have been targeted through organizing campaigns. Like in Slovenia, the confederations dispose over few resources for organizing and mostly leave this to the company unions.<sup>30</sup> Solidarność has however "uniquely in CEE, systematically adopted the American organizing approach" and similar to ver.di, there have been contacts between Solidarność and the SEIU (Krzywdzinski 2010: 277). In 1999 it created the Union Development Office (UDO), through which it conducted some major organizing campaigns of security guards, in large super- and hypermarkets as well as in the automotive industry (Krzywdzinski 2010; Trawinska 2012; Mrozowicki et al. 2013, 2014). In the security sector, Solidarność carried out a nationwide organizing campaign to build up an inter-company organisation in Warsaw, organizing 4.000 people (of circa 26.000 employees) from eight security companies by 2008 and completing frame contracts with six of these companies (cf. Krzywdzinski 2009: 33f.). In super- and hypermarkets, a number of company unions were established, organizing circa 5.000 members (of circa 150.000 employees) (ibid.). Solidarność's campaigns also succeeded in negotiating pay increases and transforming temporary into permanent jobs (e.g. Kaufland campaign 2010) (cf. Mrozowicki et al. 2013: 274). Moreover, Solidarność used mass media to disseminate and publicize the working conditions in super- and hypermarkets. In 2011 it launched a webpage "hyper-exploitation", which allowed retail sector employees to anonymously voice their concerns over employment conditions in their companies (ibid.).<sup>31</sup> There are also noteworthy organizing activities in the regional structures, in particular campaigns targeting automotive companies (cf. Krzywdzinski 2010: 283).

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<sup>29</sup> The government proposed to introduce obligatory social security payment for civil law contracts to the pension fund but not to health security. Mrozowicki (interview) states that this should be unacceptable for unions.

<sup>30</sup> OPZZ seeks to organize precarious workers through its member union "Confederation of Labour" (Krzywdzinski 2010: 287). According to Mrozowicki (interview), it failed however to develop into a trans-sectoral union within OPZZ in part because of opposition of smaller unions' leaders who perceived it as competition.

<sup>31</sup> Homepage available under <http://hiperwyzysk.pl/handel/> (last accessed 17/06/2014).

In sum, Poland's confederations have assertively pursued an outsider-oriented agenda, which introduced the issue of junk contracts in the public and political debate and made this precarious work visible through campaigns and mobilizations. They have also advocated for expanding full labour rights to self-employed or civil law workers. Furthermore, Solidarność has launched some impressive and successful organizing campaigns.

#### 5.4 Summary of Observations: Differences within Similarities

One should not be overly enthusiastic and interpret this increased attention for precarious workers as step towards the romantic Marxist idea of trade unions serving as organizing centres for the working class and lobbying for societal transformation. Often, unions' strategies have been much more controversial than could be presented in this limited overview. Tensions between rank and file unionists, works councils and a structurally conservative leadership are excluded from the discussion. Similarly, everyday running business and location policy, which continues to promote dualization, are excluded too. Nevertheless, the previous analysis allows for the conclusion that trade unions in all three countries have during the last ten years become aware of the problem constituted by the expansion of non-standard and particularly precarious work and have started to address it. Ten years ago they focused almost exclusively on their traditional core business with organized insiders in mostly industrial or public sectors. Most of the respective unions did not recognize the problem, not even to speak of making it their political practice.

Secondly, while a tendency towards the greater use of public campaign and organizing strategies can be observed in all cases, a closer inspection reveals important peculiarities. For instance, Poland shows almost exclusively political activism and public campaigning at the national level. Furthermore, country-specific problems such as the exclusion of particular groups of workers from unionism are high on the agenda. To the contrary, mobilization and public campaigning only briefly flamed up in Slovenia and quickly returned into the institutionalized arenas of especially social dialogue. Outsiders are hardly addressed in sector-level collective bargaining in Slovenia. In Germany conversely, precarious work is, except for the minimum wage campaign, predominantly addressed at the sector level. Here, strategies differ between the different sector unions, reflecting the dualization between the core manufacturing and outsider service sector. In Poland and Slovenia, the confederations' opposition against the deregulation of employment is accompanied by a more fundamental political dispute with the governments. In Germany, it seems that disputes rather centre on the relationship with employers. Finally, organizing practices have entered the agendas of unions in all three countries. However, they diverge in comprehensiveness and quality. Solidarność and ver.di seem to have developed comprehensive organizing campaigns, which are informed by the North-American experiences. The organizing efforts of IGM and ZSSS seem more recent, more membership-oriented and more strongly embedded in the local context.

Variance might have been expected in Poland, the weaker case in the comparison due to the presence of more liberal features and weak neo-corporatism. Differences in union responses between and within the two similar neo-corporatist cases of Germany and Slovenia were not to be expected on the basis of VoC

theory and would have remained invisible by its focus on inter-regime variety. This reconfirms the importance of taking a closer look at the variation within similar institutional regimes. In the words of Eichhorst and Marx (2012: 95) “variation [in union strategies] is best understood if country-specific institutional constraints are included in the analysis as well as the creative (and destructive) behaviour of economic actors to overcome such constraints”. The next chapter examines the particularities within the industrial relations of Germany, Slovenia and Poland.

## 6. The Varieties of Industrial Relations

Industrial relations regimes give direction to the actions of trade unions and to a great degree impact their opportunity structures. In other words, they define the stable or non-stable characteristics of the institutional system, which shape their power resources and affect the conditions, which impinge on their strategic decisions (cf. Della Porta/ Diani 2006: 17; Glassner/ Keune 2010: 5). VoC theory attributes great importance to such institutional frameworks and assumes that local actors act by them and thereby reproduce them. As mentioned in Chapter 4, CMEs are assumed to regulate their labour relations through corporation, coordination and negotiation. Neo-corporatist institutions of collective bargaining and social dialogue include organized labour into the national institutional system and thereby provide institutional power to them to directly impact the conditions on the labour market. However, the previous chapter posed the question as to what extent differences in union strategies even within coordinated industrial relations systems can be linked to country-specific institutional arrangements. Therefore, this chapter points out to finer differences, which are ignored by an exclusive focus on inter-regime variety. Thereby, it is believed that examining solely the formally fixed institutional arrangements provides an insufficient picture. As outlined in chapter 3, it is vital to understand institutions as dynamic and contested. Established power relations were challenged during the last decades and these dynamics regained momentum in the context of the recent global economic and financial crisis. This chapter first compares the industrial relations systems and thereafter examines the recent developments underlying the formal institutional frameworks.

### 6.1 Industrial Relations Regimes in Comparison

#### 6.1.1 Centralized versus Decentralized Collective Bargaining

The industrial relations of Germany and Slovenia must be located on the centralized side of the continuum. To begin with, the obvious similarities may be pointed out. The strong system of sector-level collective bargaining between single trade unions and multi-employer associations to set pay and working conditions as well as the co-determination rights of works councils constitute important institutional anchors of union influence in both systems (cf. Lehndorff 2013: 189; Skledar 2013b: 6, 11). Collective agreements count for all employers that are members of the signing employer-association and embrace all their employees. Similar extension mechanisms allow for a collective agreement to be extended by the

Minister of Labour to the entire industry (cf. Skledar 2013b: 6f.). As a result, the collective bargaining coverage rates are relatively high in both countries. In Germany, the coverage through collective agreements was at 61 percent in 2010 (cf. ICTWSS 2013: n.p.; Bernaciak et al. 2014: 1, *appendix 5*). In Slovenia, circa 92 percent of all employees were covered in 2009 (ibid.).<sup>32</sup> This high coverage rate must be linked to the fact that until 2005, almost 100 percent of employers were organized due to compulsory membership in the Chamber of Commerce (cf. Crowley/ Stanojević 2011: 273).

Even though Germany's and Slovenia's industrial relations are traditionally very coordinated on the sector level, there are a number of particularities as regards the union landscape and allocation of institutional power. The strength of the German industrial relations lie in the existence of industry-wide organized, large and single trade unions, which enjoy a great degree of autonomy and concentrate institutional power. The German trade unions have traditionally been organised on an industry basis, but through merges many have developed into "multi-branch unions" (Dribbusch/ Birke 2012: 2).<sup>33</sup> The largest single unions are IGM and ver.di. In Slovenia, single unions are not only organized on an industry basis but also on the basis of region, profession or individual status (e.g. unions for pensioners and young people) (cf. Guardiancich/ Pliszkiwicz 2012: 98f.). In Germany, these single unions are organized in three main confederations, of which the DGB with its eight member unions is the principal one. In Slovenia, there are eight confederations at the national level, of which the ZSSS is by far the largest (cf. Guardiancich/ Pliszkiwicz 2012: 98f.).<sup>34</sup> ZSSS alone affiliates twenty-two single unions. The union landscape on the sector level is thus more fragmented than in Germany. Moreover, while the DGB only holds representative and political power, Slovenia's confederations are also vested with institutional power through tripartite bargaining (see. 6.1.2.). In Germany, only the single trade unions have the right to collective bargaining and to organize labour disputes. They thereby concentrate institutional power and conflicts on working conditions are largely kept at the sector level between the unions and the employers' associations.

Since Poland was identified as mixed case, it comes as no surprise that it differs in many respects to the German and Slovenian cases. With respect to bipartite bargaining, its industrial relations must be located at the decentralized side of the continuum. Even though Poland had one of the strongest labour movements in Europe, organized labour was weakly institutionalized in the new capitalist system.<sup>35</sup> Collective bargaining is highly decentralized and mostly takes place at the company level between single-employers and company unions (cf. Gardawski et al. 2012: 23). A country-specific institutional feature is the provision that a union can be founded in every company with more than ten employees. As a result, a

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<sup>32</sup> Data embraces both the public and private sector. Examining only the private sector, the bargaining coverage was at 58 percent in Germany (2010) and 90 percent in Slovenia (2009) (cf. ICTWSS 2013: n.p.). Data for Slovenia in *appendix 5* is missing.

<sup>33</sup> Ver.di and IG BCE (mining, chemicals and energy) are good examples for multi-branch unions.

<sup>34</sup> ZSSS organizes with the "Confederation of Public Sector Trade Unions" (KSJS) and "Pergam" roughly 90 percent of Slovenia's union members (cf. Guardiancich/ Pliszkiwicz 2012: 98f.).

<sup>35</sup> The reasons are diverse and include the political and ideological cleavage between Solidarność and OPZZ, the welcoming of neo-liberalism by especially Solidarność and strong identity of skilled craftsmen. For an elaborate discussion, see for instance Krzywdzinski (2009) and Ost (2009).

myriad of company unions exist. The extreme fragmentation makes multi-company collective bargaining difficult. Moreover, in large companies often several unions must negotiate, which may be a challenge.<sup>36</sup> While negotiations could be facilitated by allowing one union to gain “representativeness”, “competitive pluralism” has impeded the development of further-reaching bargaining structures (ibid.: 19, 37).<sup>37</sup> Consequently, noteworthy company collective agreements are rare (cf. Trappmann 2011b: 3; interview Czarzasty).

Aside from promoting union fragmentation, the legal requirement of ten (dependent) employees to create a union makes it impossible for workers in Poland’s many micro-companies with less than ten employees to form or join a company union (cf. interview Czarzasty). Furthermore, unlike for instance in Germany, unemployed, pensioners, students and self-employed workers are not eligible neither and thus virtually excluded from unionization too. The extremely low trade union density of 14 percent in 2010 must be considered against this background (cf. Bernaciak et al. 2014: 1, *appendix 5*).<sup>38</sup> Similarly, in comparison to Slovenia’s and Germany’s high coverage rates, only 29 percent of employees were covered by collective agreements in 2010 (ibid.).<sup>39</sup> More generally, all three countries have in common that the collective bargaining coverage is generally higher and trade union organisation stronger in manufacturing than in the private services (cf. Glassner et al. 2011: 317). This reflects the translation of labour market dualization into the industrial relations.

### 6.1.2 Strong versus Illusory Social Dialogue

Aside from collective bargaining, tripartite negotiations between the social partners (state, employers and trade unions) constitute another important pillar of neo-corporatist industrial relations institutions. Here, the three countries differ considerably. In Germany, tripartite concertation is found in the social security system and its institutions (e.g. statutory unemployment, health, pension insurance). There are several committees (e.g. vocational training) or initiatives (e.g. “Coalition for Work, Training and Competitiveness” by the Red-Green coalition in 1998; “Konjunkturgipfel” during the crisis) featuring tripartite structures. However, there is no national pact and council institutionalizing tripartite concertation like in Slovenia and Poland (cf. Vogel 2013: 8).

This is a crucial difference between the German and Slovenian industrial relations regimes. Institutional power in Slovenia is not only concentrated in sector-level collective bargaining, but also on the national level of tripartite negotiations through the eight confederations. Slovenia stands out as the only CEE country with a fully functioning system of social dialogue, deserving of the neo-corporatist label (cf.

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<sup>36</sup> Trappmann (2011b: 5) illustrates this on the example of the coal company Kompania Węglowa, which has circa 63.000 employees and 177 single unions (status 2011).

<sup>37</sup> For elaboration on the representativeness criteria at the local and national level, see Gardawski et al. (2012: 23).

<sup>38</sup> Because most employees in companies were without union representation, works councils were introduced in 2006 in the course of an EU-Directive and became mandatory for companies with more than 50 employees (cf. Bernaciak et al. 2014: 12). Unlike in Germany and Slovenia, these have however only an informative and consultative function and trade unions continue to represent the major institutional form of employee interest representation.

<sup>39</sup> Most existing agreements often only repeat existing labour law (cf. interview Czarzasty).

Crowley/ Stanojević 2011: 273). The ESS at least once a month brings together representatives from the government, employers and the national union confederations to deal with a range of labour and social issues (cf. Skledar 2013b: 10). It has an advisory function and the National Assembly traditionally only discusses socio-economic legislation that was debated by the social partners in the ESS. It also plays an active part in the preparation of legislation by cooperating in their drafting and giving recommendations (cf. Guardiancich/ Pliszkiwicz 2012: 100). Moreover, the ESS has a “quasi-bargaining function”, negotiating almost every year “social pacts” (Skledar 2013b: 10). These have a long tradition in Slovenia and specify the partners’ mutual obligations, including prospective reforms, which are crucial to set the agenda for an incumbent government (cf. Guardiancich/ Pliszkiwicz 2012: 101; Bernaciak et al. 2014: 13).

In Poland, unionism on the company level was shown to be extremely fragmented and collective bargaining decentralized. At the same time, like in Slovenia social dialogue is institutionalized at the national level. Political and institutional power must thus be attributed to *Solidarność*, *OPZZ* and *FZZ*.<sup>40</sup> Only they are considered as nationally representative confederations and as such participate in the TC.<sup>41/42</sup> In the face of extreme fragmentation, these three nationally organized, encompassing multi-sector confederations can be considered as the main organisational pillars of the contemporary union movement in Poland as they affiliate three-quarter of all company unions (cf. Trappmann 2011b: 2). Like in Slovenia, the TC plays an advisory role and should be consulted on legislation concerning the labour market, state benefits and employment rights. The social partners can also reach tripartite “social agreements” and set the minimum wage within its framework (Czarzasty/ Mrozowicki 2013: 11). However, the fundamental difference to Slovenia is that social dialogue has not been consolidated and is structurally weak (Ost 2000; Avdagic 2005; Gardawski/ Meardi 2010; Bohle/ Greskovits 2012). Since its foundation there has been a persistent disregard of the social partners’ opinion by the government. “Only when the governing coalitions [faced] critical circumstances [...] which required broader societal legitimation, there were some sporadic [...] attempts for forging tripartite social pacts” (Guardiancich/ Pliszkiwicz 2012: 71).<sup>43</sup> Thus, while neo-corporatist institutions are formally in place in Poland, their actual impact is limited and described as “illusory” (Ost 2000: 503) or “PR-corporatism” (Bernaciak et al. 2014: 21). Pollert (1999: 146) describes the Polish system as a combination of “national tripartite arrangements at one extreme and decentralized workplace relations at the other [...] what is strikingly absent or weakly developed is the intermediate level of industry-level bargaining”.

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<sup>40</sup> *Solidarność* is not a confederation but a unitary union, meaning that the company-level member unions do not have a separate legal status (cf. Gardawski et al. 2012: 34). Throughout the thesis however, all national unions are referred to as confederations due to simplicity and because most reports do so too.

<sup>41</sup> See footnote 37 for representativeness.

<sup>42</sup> There is also a regional and sectoral dimension of tripartite social dialogue. For further information, see Czarzasty and Mrozowicki (2013: 10).

<sup>43</sup> For a summary of attempts to negotiate social pacts and reasons for collapse, see Gardawski et al. (2012: 22) and Guardiancich and Pliszkiwicz (2012: 74ff.).

## 6.2 Erosion of Industrial Relations? – Comparing Recent Developments

The outlined institutional frameworks represent a fixed image, which is no longer entirely applicable. As a consequence of the previously outlined structural changes to the labour market, the industrial relations of all three countries have been transformed through many small changes in the operation of the underlying institutional framework.

Amongst the three cases, the forerunner of these developments is Germany. Streeck (2009) argues that the German model is no longer the highly coordinated social market economy that figures so prominently in VoC theory. Similarly, Haipeter and Lehdorff (2014: 45) find that “from the 1990s [onwards], decentralization has become an important element of German industrial relations”. Exposed to globalization pressures as well as more competitive and decentralized industrial relations in Eastern Germany promoted through outsourced subsidiaries and newly privatized firms, the export-oriented manufacturing industry experienced an “inward-turn” (Palier/ Thelen 2010: 123). Trade unions and the state confronted a strengthened capital-side, which increasingly left or refrained from joining employers’ associations. These shifted power relations according to Urban (2014: 309f.) explain the shift of trade unions’ role from representing the interests of all employees and in particular the role of manufacturing unions to set the standards for the whole economy (“social corporatism“) towards becoming managements’ partners in securing competitiveness and only focusing on the interests of a core of workers (“competitive corporatism”). Competitive corporatism not only promoted labour market dualization by protecting insiders and using outsiders as flexible buffer. It also undercut industry-wide collective agreements and promoted a decentralization of collective bargaining (cf. Lehdorff 2011: 345). These decentralization trends in the coordinated industrial relations institutions in connection with the growth of a more liberal private service sector have resulted in a steady but significant decline of trade union density from circa 30 to 19 percent and a decline of coverage by collective agreements from circa 70 to 61 percent between the early 1990s until 2010 (cf. Bernaciak et al 2014: 1, *appendix 5*).

This decentralization was at first characterized by the informal defection from industry-wide arrangements through companies’ opting out of employers’ associations and pushing for company-level pacts for competition negotiated by managements and works councils (cf. Lehdorff 2011: 357; Haipeter/ Lehdorff 2014: 55f.).<sup>44/45</sup> However, Lehdorff (interview) finds that since IGM’s “Pforzheim Agreement” in 2004, coordinated decentralization prevailed again in the metalworking sector. This implies that the negotiating partners agree on opening and hardship clauses and thereby control them (cf. Lehdorff 2011: 357ff.; Haipeter/ Lehdorff 2014: 56f.). In fact, Lehdorff (interview) finds that this even had the positive side-effect of attributing greater responsibility and thereby activating local unionists and works councils. Ver.di tried to introduce similar standards in the aftermath. Moreover, the economic crisis sparked a reactivation of corporatism, so-called “crisis corporatism”, between equally weakened

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<sup>44</sup> This was enabled on the basis of the revised Works Constitution Act of 1972, which empowered works councils in their negotiations with management and their autonomy vis-à-vis the trade unions (cf. Palier/ Thelen 2010: 24).

<sup>45</sup> In correspondence with this, the coding for opening clauses in the ICTWSS database (2013: n.p.) changes from “limited use” until 1999 to “widespread, including pay” onwards.

social partners to address the emergency situation (Urban 2014: 311). Although this largely applied to the manufacturing unions, coordination ranged from bipartite emergency coalitions at company level to tripartite consultation on economic policy during a number of “Konjunkturgipfel” (Zagelmeyer 2010: 5).

Although more recently than in Germany, similar trends of erosion and decentralization can be observed in Slovenia since the mid-2000s. Krašovec and Lužar (2013: n.p.) find that although the main framework of bipartite and tripartite negotiations has remained in place, there have been many breaches of procedures. With respect to bipartite bargaining, negotiations on new collective agreements have slowed down and over five times more instances of collective agreement breaches were recorded than in the pre-crisis period (cf. Bernaciak et al. 2014: 16). Once employers were no longer compelled to organize themselves in the Chamber of Commerce, they began to push for the end of sector-wide collective bargaining (cf. Crowley/ Stanojević 2011: 286). This is highlighted by the decline of membership in employers’ associations to 40 percent (in 2011) and increase of opening clauses in collective agreements (cf. Crowley/ Stanojević 2011: 273; ICTWSS 2013: n.p.).<sup>46</sup> Lukič (interview) adds that in 2013, two powerful employers in the construction and chemical sector left the respective collective agreements, which he assesses as a powerful signal to trade unions and other employers. Although the bargaining coverage is still extremely high (92 percent in 2009), the parallel trend of declining union density (26 percent in 2010) constitutes an alarming trend with major implications for the bargaining power of unions (cf. interview Lukič; Bernaciak et al 2014: 1, *appendix 5*).

Things do not look much better with respect to social dialogue, the second important source of organized labour’s institutional power in Slovenia. Governments seem to have used the pretext of the crisis to terminate the tradition of national social pacts and the established coordinated procedures that prevailed since 1993 (cf. Glassner et al. 2011: 310). This is highlighted by unilateral government attempts in 2006, 2011 and 2012 to push through reforms. Moreover, since 2007 no new encompassing social pact has been negotiated (cf. Krašovec/ Lužar 2013: n.p.). Stanojević (2010: 11ff.) suggests that the power relations underlying tripartite dialogue have become more asymmetrical: social pacts are negotiated by trade unions with decimated membership, by less disciplined employers and by embattled governments. Lukič (interview) adds that priority has shifted towards reporting to the EU and if there is time, governments talk to the social partners.

Unlike in Slovenia, economic slowdown has not left as deep of a mark in Poland as far as industrial relations and the overall shape of collective bargaining are concerned (Czarzasty 2013). The long-term trends of the pre-crisis period have continued: single-employer bargaining still dominates and multi-employer bargaining stagnates (no new agreements have been concluded), collective bargaining continues to play a marginal role and no single case of extending a collective agreement has ever occurred (ibid.). Social dialogue on the national level entered a deadlock phase. While in 2008 the social partners negotiated the anti-crisis package in the TC at the outset of the economic crisis (expired 2011), the climate changed

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<sup>46</sup> Opening clauses increased from “exceptional use” until 2007 to a sudden “widespread use, including pay” since 2008 (ICTWSS 2013).

again once it became obvious that the crisis would have less severe effects than expected. Since 2010, the Tusk government increasingly disregarded social dialogue and unilaterally turned towards austerity measures, legislated budget cuts and obstructed discussion in the TC (e.g. unilateral rise of the national minimum wage and pension reform) (cf. Czarzasty/ Mrozowicki 2013: 3f., 11; Curtarelli et al. 2013: 18). Social dialogue reached a critical junction in June 2013 when the three confederations suspended participation in the TC in protest of the government's unilateral labour code changes. The confederations prepared a joint proposal on a reform of social dialogue, which demands obligatory tripartite consultation on changes in labour and social policies (Gardawski 2014).

This overview of the recent developments underlying the formally intact institutional frameworks complements the previous comparison in important respects. It shows that unions' institutional power through coordinated institutions is not only weak in Poland, but increasingly fragmented and undermined in Germany and Slovenia too. However, there is much diversity and ambiguity within this common trend. In Germany for instance, the recent crisis corporatism has ambivalent effects. On the negative side, it was short-lived and lost ground with the stabilization of profits and economic conditions (cf. Lehndorff 2013: 192). While social corporatism implied welfare distribution and concessions towards employees' demands, Urban (2014: 311) finds that crisis corporatism reduced unions' role to moderating the crisis costs. Even the interests of core workers remained largely subaltern as displayed in the concessions on remuneration, working time and working conditions; not to mention the massive lay-off of outsiders. On the positive side, Lehndorff (2013) reminds that after two decades of decline, the "renaissance of social partnership" implied a comeback of trade unions in terms of attention by employer federations and the government (ibid.: 191f.). Moreover, their public reputation has risen, as manifest in the increased sympathy of the public during the long Kindergarten strike in 2009, a sector not associated with the crisis (ibid.).

In Poland and Slovenia, the marginalization of trade unions is much more accompanied by a political dispute with the government. This must be attributed to the fact that the undermining of social dialogue takes centre stage rather than collective bargaining. The political escalation of this situation can be observed in Poland. The concerted withdrawal from the TC constitutes a new dimension in many respects. On the one hand, it underlines the institutional marginalization of organized labour by the neoliberal political elites. The government has ignored the withdrawal from social dialogue for over one year already. This provides for poor prospects regarding changes of the institutional framework towards more labour inclusion. Ultimately, it also provides for poor prospects concerning the improvement of outsiders' working and living conditions, at least in the short-run. On the other hand, the withdrawal symbolizes the possibility of empowerment through institutional disempowerment and underlines the unifying effect.

Evaluating the situation in Slovenia is most difficult, since the crisis set in motion the most recent and severe dynamics of institutional transformation. Krašovec and Lužar (2013: n.p) find that thus far, the situation is one of increasing tension without major formal changes. The direction of developments depends on the contents and form of implementation of future policies. But despite being weaker today

than in the 1990s, unions in Slovenia still possess a high level of institutional power and sanctioning potential, which has to be respected by any future government (cf. Stanojević 2010: 17).

### 6.3 Summary of Observations: Locating the Varieties of Industrial Relations

On the basis of the previous discussion, *table 1* summarizes some of the central features of the three countries' industrial relations.

Indicator	Germany	Slovenia	Poland
Union Density (%)	1990: 31 2010: 19	1990: 69 2010: 26	1990: 37 2010: 14
Bargaining Coverage (%)	1990: 72 2010: 61	1991:100 2009: 92	2000: 42 2010: 29
Union landscape	Dominance of few powerful industrial unions; representative function of the DGB	Numerous industrial unions; several confederations with institutional power	Myriad of fragmented company unions; three important confederations with institutional power
Collective bargaining	Sector level	Sector level	Company level
Tripartite bargaining/ social pacts	Not institutionalized	Formally institutionalized; until recently very effective	Formally institutionalized but structurally weak
Major channel of institutional influence	Collective bargaining	Social dialogue	Social dialogue
Trends and crisis impact	Two decades of decentralization; crisis corporatism	Severe crisis impact: erosion and crisis of social dialogue	Continuous decentralization and illusory corporatism; social dialogue deadlock since crisis

**Table 1: Industrial Relations in Germany, Slovenia and Poland**

Closer inspection of the three countries' industrial relations revealed that Slovenia and Germany depict relatively strong institutions of neo-corporatism, while Poland was reconfirmed as mixed case. Slovenia's sector-level collective bargaining and national social dialogue represent one extreme end in terms of institutionalization of organized labour. The other end is represented by Poland, which is characterized by decentralized company-level bargaining, competitive pluralism and illusory corporatism on the national level. The German system must be located somewhere in the middle. Unlike in Slovenia, where encompassing union confederations hold a lot of institutional power too, in Germany institutional power is concentrated in a small number of large, single trade unions. There is no institutionalized tripartite social dialogue as in Slovenia or Poland, which formally attributes institutional power to the few confederations. This renders collective bargaining all the more important.

As a result of these country-specific institutional configurations, the focus of organized labour's strategies against precarious work in Slovenia and Poland lies more strongly on the disputes in the tripartite councils, on government reforms and on social dialogue. Here, strategies have a more political character. Vice versa, in Germany the focus on collective bargaining shifts the focus of organized labour's strategies against precarious work to the conflict with employers and exposes more clearly the tension between the industrial and the private service sector. The different institutional realities come to be more strongly reflected in the respective unions' strategies. These institutional variations even between the more likely cases of Germany and Slovenia reveal that simply distinguishing between the absence and presence of coordinated industrial relations more generally is insufficient.

The crisis impacted the institutional regimes to various degrees. Slovenia's strong neo-corporatism has significantly been weakened since the crisis although formal mechanisms are still intact. In Germany and Poland, organized labour was already weakened before the crisis. In Germany, crisis corporatism reinforced long-term trends of decentralization and dualization between the manufacturing core and the private services. However, it also increased unions' public reputation. Similarly, in Poland the crisis itself had no severe impact as such. Yet, the withdrawal of the confederations from the TC constitutes a new quality of the previous developments. Overall, an undermining, decentralization and fragmentation of formally intact institutional powers can be observed, despite varying in degree and stage of development. To put it pointedly, it may be argued that the prospects for trade unions to effectively counteract the massive expansion of precarious work through their formal institutional power and the established coordinated strategies seems to be low. *How* trade unions have adapted to these developments in the national industrial relations institutions is discussed in the subsequent chapter. The goal is to assess the impact of the country-specific institutional frameworks on union strategies and to draw conclusions for the VoC debate.

## 7. Shaping Trade Union Strategies: Institutions and Beyond

### 7.1 The Impact of National Industrial Relations on Union Strategies

The previous chapter discussed the variation between the institutional frameworks and the recent processes of erosion taking place within these national variations. This has far-reaching consequences for trade unions and implies that they must address the problem of precarious work from a position of weakness rather than a position of strength. Instead of remaining passive however, it was shown that all trade unions have during the last decade started to adopt the issue on their agendas and to address it. In order to understand, how their strategies reflect the country-specific institutional constraints and opportunities as well as the recent developments within them, the analysis builds on insights provided by Glassner et al. (2011) and Mrozowicki et al. (2013). They argue that negotiated responses in form of collective bargaining are frequently pursued by trade unions in multi-employer bargaining systems, whereas in single-employer systems, they pursue unilateral strategies. As revealed in the previous chapter, the multi-versus-single employer dichotomy is too simplified. Both the *variety within* and the *effectiveness* of coordinated industrial relations institutions must be considered. However, their insights and distinction between *negotiation-based* and *unilateral strategies* (as defined in chapter 3) forms the basis for the subsequent analysis.

#### 7.1.1 Negotiated Strategies: Dancing within the Institutional Framework

Elements of negotiation are present in all three countries under investigation. However, the form, frequency and intensity vary greatly. Poland is certainly the weakest case as regards negotiated responses. At the same time, it is probably the most-straight forward case as regards the impact of the institutional framework on union strategies. Decentralized collective bargaining, competitive pluralism and high-inter-union competition, strong fragmentation, difficult access to companies, low bargaining coverage and union density and the fact that outsiders (often in non-dependent or civil law employment relations) are mostly excluded from the institutional mechanisms of interest representation provide little scope to effectively address precarious workers on the company level (cf. Krzywdzinski 2010: 290; interview Mrozowicki). On the national level, coordinated channels of negotiation are mostly absent too as social dialogue is only illusory. It might be available in times of crisis (e.g. 2009 negotiation of anti-crisis package), but not with regards to limiting and re-regulating precarious work. In the face of these country-specific institutional constraints, which render institutional power ineffective, and increasing marginalization, Solidarność, OPZZ and FZZ have resorted almost exclusively to unilateral strategies.

In Slovenia, seemingly the other end of the extreme, strong bipartite and tripartite bargaining and extensive collective bargaining coverage seem to provide unions with remarkable institutional leverage and opportunities. Especially the institutionalization of social dialogue through social pacts opens the confederations efficient and coordinated channels on the national level, which are not even present in Germany. This institutional and also political power proved itself very successful at several points. For

instance, in 2012 the government gave in to higher minimum wages as the confederations' threatened to interrupt all social dialogue. Similarly, they managed to separate the negotiation on the 'flexicurity' package in 2012, whereby they could avert some flexibility elements and safeguard security elements. Moreover, since averting the Pahor government's attack on social dialogue in 2011/12, the confederations have largely returned to the negotiation table. Showing that they would not give up social dialogue easily, the institutional power proves to be working again (at least temporarily). This is highlighted by the negotiation of (at least) a number of concessions favourable for outsiders in the 2013 labour market reform.

In Germany, the conflict lines run differently than in Slovenia and Poland. In the latter two, the confederations' strategies are greatly shaped by the question whether social dialogue is available and efficient or not. In Germany, the institutional power of organized labour centres on collective bargaining through single industrial unions. Since the effectiveness of institutional power therefore depends on the *position within* the production regime, the approaches of ver.di and IGM differ and reflect the dualized labour market. Even if more decentralized than a few decades ago, IGM still operates in a "coordinated world" (Haipeter 2011: 2). The traditional insider-union usually focuses on what can be implemented institutionally. Although becoming less and less during the last decades, IGM has nevertheless continued to pursue its established strategies. This explains why IGM for a long time (competitive corporatism) and even recently (crisis corporatism) concentrated on the established business in the core. Issues and demands that exceeded the scope of what was possible within the coordinated institutional framework were of no interest (cf. interview Lehndorff). IGM frequently opposed the campaigns of outsider-unions like ver.di or NGG, not to speak of even addressing outsiders themselves (cf. Hassel 2014: 73).<sup>47</sup> Lehndorff (interview) states that the strong institutionalization of rights and effectiveness of traditional channels of influence have a retarding effect on organisations like IGM. It has taken years to realize that the expansion of agency work undermines the effectiveness of its formal institutional power if left unaddressed. Moreover, mobilizing support of members and union officials has also delayed adaptation strategies. However, once institutionally strong organisations such as IGM learn that they must address a problem, they have far greater possibilities at their disposal. The conclusion of equal wages for agency workers through an industry-wide collective agreement probably constitutes the most intriguing example of embracing precarious workers through established coordinated mechanisms. Institutional strength is increasingly used politically to pick up new issues such as agency work and make them part of collective bargaining (cf. interview Lehndorff). Thus, in a still "coordinated world", IGM's strategy makes use of the country-specific institutional opportunities and aims at revitalizing and developing them (Haipeter 2011: 2).

Comparing Germany and Slovenia, it becomes obvious that the resource of institutional power to address precarious work is located on different levels. This attracts attention to the absence of outsider-oriented strategies on the sectoral level in Slovenia. Unlike IGM in Germany, collective bargaining in Slovenia has

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<sup>47</sup> For instance, its leadership opposed to join protests with ver.di against the Hartz reforms and initially opposed the national minimum wage.

remained focused on insider protection (Bernaciak et al. 2014; interview Lukič). This is even more surprising considering the extremely high bargaining coverage, which suggests high institutional power. Time-lag is an insufficient explanation to explain this defensive strategy. The far-reaching cancellation of compulsory association of private employers dates almost ten years back and although the more systematic expansion of non-standard employment is a rather recent phenomenon, it is not entirely new. The quiescence of Slovenia's trade unions on the sectoral level can better be explained institutionally by looking at the underlying power relations. Institutional power (extremely high bargaining coverage) is rendered ineffective by low organisational power (rapidly falling union density) substantiating it. Lehndorff (2014: 328) describes this as "Münchhausen effect". In the face of such shifted power balances underlying formally intact collective bargaining, trade unions have refrained from introducing new demands and practices that include outsiders (cf. interview Lukič). The fact that only the metalworking union has managed to secure improvements for outsiders by credibly threatening with strike provides a reverse example to highlight the importance of substantiating institutional power with organisational and structural power (ibid.).

### 7.1.2 Unilateral Strategies: Boxing outside the Institutional Framework

The Slovenian example powerfully demonstrates the impact of the presence or absence of effective coordinated channels on union strategies. The confederations addressed precarious work through social dialogue when this channel was effective. After all, as pointed out, it provides them with tremendous institutional power. When the government attempted to dismantle this coordinated institution, the confederations switched to unilateral channels. The wave of campaign- and mobilization-based initiatives against mini-jobs in 2011/12 highlights the importance of looking beyond formally intact institutions and at the underlying power relations. The confederations chose to not accept the undermining of their formally intact institutional power and resorted to unilateral mobilization. Thereby, they benefited from the presence of a larger anti-government and anti-austerity movement. Similarly, the introduction of mini-jobs in Germany ten years earlier provided a template of what could be expected. By joining a broader protest movement to prevent the government's deregulation attempts, the union confederations demonstrated their "sanctioning potential" (Stanojevič 2010: 17). So far, social dialogue has been restored and the confederations returned to the negotiation table. However, its quality has deteriorated. It remains to be seen how the confederations will react to this incremental transformation. The move towards unilateral strategies in 2011/12 signaled that they will not give up the coordinated institutions easily.

The Polish confederations' unilateral strategies at first seem to resemble the events in Slovenia. However, the development and position out of which they pursue them greatly differ to the brief activism of Slovenia's confederations. This comes as no surprise, since unions in Poland are in a weaker institutional position than in Slovenia and Germany. Yet, they possess more power resources than in the Baltic and South-Eastern European states. According to Bernaciak et al. (2014: 5), "this both requires and enables them to adopt a more proactive approach, with [...] openness to a broader set of societal interests".

Therefore, Solidarność, OPZZ and FZZ must “[retain and expand] their capacity to collectively mobilise workers, [to overcome] the historical legacy of fragmentation and [to reinvent] themselves as political, civil society and economic actors all at the same time” (Gardawski et al. 2012: 59). This is reflected in the confederations’ agendas; most notably in the nationwide campaign against junk contracts and the attempts to alter the legal framework to guarantee full workers’ rights to self-employed and civil law workers. Mrozowicki and Czarzasty (interviews) stress that the confederations’ political activism through which they managed to initiate a discussion on the quality of jobs in a society, which suffered high unemployment, must be greatly appreciated. Furthermore, while it might be too early to speak of a systematic turn to organizing, the confederations seem increasingly aware of the need to rebalance low institutional power by actively attracting new members and building up organisational power and mobilization capacity (cf. Bernaciak et al. 2014: 6). According to Gardawski et al. (2012: 20), successful organizing campaigns by especially Solidarność contributed to building up a surprisingly strong wave of labour mobilization with respect to the recent protests.<sup>48</sup> The adaptation strategies of the Polish confederations thus reflect quite well the country-specific institutional constraints. Yet, in the absence of effective institutional leverage, their activism has not yet provided any quick and concrete successes, such as the negotiated achievements by IGM (equal wages for agency workers) or by Slovenia’s confederations (safeguarding security and preventing flexibility elements in social pacts).

Germany provides a different picture to Slovenia and Poland as it displays more internal diversity with respect to union strategies. Unilateral elements were present in the outlined responses to precarious work by both IGM and ver.di. However, their application differed and reflected the different institutional position, from which they were pursued. As mentioned in the previous section, the still largely coordinated environment within which IGM navigates channelled the focus onto re-activating and widening these coordinated channels to include new outsider-related demands. Therefore, IGM learned to use unilateral tactics in addition to and in the context of traditional bargaining. These include the raising of public attention through mass media and campaign-elements. Organizing also entered IGM’s agenda, but displays a stronger degree of modification and localization of the concept towards the coordinated context (cf. Wetzel et al. 2011: 13-21).

Conversely, the outlined strategies by ver.di reflected considerations for the institutional constraints in Germany’s private service sector, which provides a more liberal and union-hostile environment. Its unilateral campaigns were to build or consolidate coordinated institutions like works councils and collective bargaining (cf. Haipeter 2011: 2). IGM was hailed by employers and the government for its “sensitive approach” during the crisis, whereas ver.di “was blamed periodically for its partly more conflict-prone approach” (Lehndorff 2011: 342). Unlike IGM, ver.di had to learn early on how to complement weak institutional power through unilateral, conflict-prone strategies both within and outside the context

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<sup>48</sup> Mrozowicki (interview) stresses however that even though unions began the debate, it does not necessarily imply that people, who are affected or oppose precarious work, care for unions. As mentioned earlier, the emerging opposition movement within the Polish society against austerity and deregulation is politically undefined. There is a real danger that this opposition is channelled into a nationalist discourse and taken over by right-winged parties or groups.

of collective bargaining. To this end, it was the first union to proactively engage in revitalization strategies. Ver.di developed some memorable political and public campaigns and advanced comprehensive organizing strategies, which established coalitions with civil society and social movements. But despite these continuous and innovative efforts of ver.di, concrete results have been meagre (cf. interview Lehndorff). This reconfirms the detrimental impact of altered power relations in the private service sector on the formally intact coordinated bargaining mechanisms and provides for poor prospects that ver.di can tackle the problem of precarious work by itself.

### 7.1.3 Summary of Results: Union Strategies Reflect the Effectiveness of National Industrial Relations

From the analysis of observations it can be inferred that *if they were available and effective, unions favoured the coordinated channels provided by the institutional framework to negotiate bilaterally or trilaterally* for better working conditions of precarious workers and a re-regulation of non-standard employment. This could be observed in the cases of IGM and Slovenia's confederations. They still navigate in a coordinated institutional environment and predominantly use the institutional power at their disposal. However, they increasingly mix their strategies and add unilateral to the still largely negotiation-based tactics. Thereby, they seek to widen the coordinated channels to include outsider-related demands and ultimately to defend their still effective but crumbling institutional power. In contrast, the Polish confederations and ver.di in the private service sector navigate in a rather liberal and union-hostile environment despite the formal presence of neo-corporatist institutions. The absence of effective coordinated channels to tackle precarious work explains their focus on unilateral strategies. They aim at building or consolidating coordinated institutions like collective bargaining or social dialogue. These conclusions reconfirm a number of initial assumptions.

First, VoC theory provides a valuable analytical tool insofar as it draws attention to the *importance of institutional preconfigurations*. They constitute actors' framework for action and determine their opportunity structures, whereby they shape their preferences and strategies. Alternative theoretical approaches seem less appropriate to explain the particular union strategies. For example, because of the historical East-West divide, it seems plausible to place variation in cultural legacies rather than institutions at the core of the comparison (Hamann 1998; Polletta/ Jasper 2001). Obviously, unionism in the two former 'socialist' states is shaped by a different cultural legacy than in Germany. Without going too much into detail, the former two can look back at strong, more assertive and political labour movements. Germany's unions in contrast allegedly display a 'culture of legalism' and perceive themselves as 'guarantor of social peace' (cf. Dribbusch/ Birke 2012: 12). A comparison based on cultural legacy might explain why unilateral tactics in Poland and Slovenia more frequently display mass mobilization (e.g. demonstrations, general strikes). However, it is less adequate to explain particular union strategies, for instance why the confederations in Slovenia largely stick to negotiation-based channels whereas in Poland this is obviously not the case.

Neither can it explain the rapid switch of Slovenia's confederations between negotiated and unilateral mobilization strategies depending on the quality of social dialogue.

Second, the findings reconfirm the importance of taking a closer look at differences in union strategies and *looking inside similar institutional regimes*. As predicted by VoC theory, the presence of coordinated institutions plays a great role. The unions under investigation preferred using negotiation-based mechanisms to address precarious employment as they are source for institutional power and provide for direct influence on employment conditions. Since Poland has been reconfirmed as mixed case, VoC theory could have accommodated the exclusively unilateral strategies of the Polish confederations due to the presence of liberal features and weak corporatism. However, focusing on inter-regime variety would have only seen the presence of formally intact neo-corporatist institutions in Germany and Slovenia and would have predicted similar, mostly negotiated union responses. This institutional determinism would have ignored the outlined country-specific patterns and lines of conflict between and within Germany and Slovenia. They only became visible by looking deeper into the country-specific institutional features.

Third and correspondingly, the analysis of observations powerfully reconfirmed the importance of adopting a modified understanding of institutions. Union strategies were not only shaped by the logic of whether or not coordinated channels existed, but more specifically and maybe more strongly by their *effectiveness*. VoC theory's focus on the formal presence of coordinated institutions would have failed to see the emergence of unilateral strategies in Germany and Slovenia. These can only be explained by looking at how the introduction of liberal features in the labour market has affected the effectiveness of these coordinated institutions and thus of unions' institutional power. It was shown that the form, frequency and intensity of unilateral strategies differ and very much reflect the different institutional positions and motivations (defending or re-establishing coordinated institutions) out of which they are pursued.

Returning to the research question, it can be replied that the country-specific varieties of industrial relations have very much shaped trade unions' adaptation strategies towards the new challenge of dualization. Thereby, considerations for the effectiveness of national industrial relations institutions have played a major role. Of course, the more attention is paid to institutional specificities, the more difficult it becomes to draw generalizable conclusions and analytic leverage. Nevertheless, research on intra-regime variety should be expanded within VoC debate. This is not only theoretically but also politically important since it provides for a better understanding and development of adequate adaptation strategies for trade unions to effectively counteract the deregulation of the labour market, the erosion of industrial relations and ultimately the precarization of work.

## 7.2 Institutional Transformation and Strategic Choice? - Prospects for the Viability of Varieties of Capitalism

The discussion so far focused on explaining differences in union strategies. However, it would be fatal to ignore the obvious common trends. The declining institutional power of trade unions through *changed power relations underlying the formally intact industrial relations* and the *adoption of unilateral strategies* constitute recurring themes. This firstly raises the question in how far VoC theory can grasp and include the possibility of institutional transformation. Thereafter and in light of this, the common trends in union strategies shall be discussed.

### 7.2.1 Varieties of Capitalism and Change: Advancing the Theory

The rational choice and historical institutionalism, which underlies VoC theory, provides insights on the *emergence* of coordinated institutions (key word: skill-specific production) and their *stickiness*. After all, it was shown that trade unions preferred negotiation-based channels where possible. Moreover, high-value added production continues to attach importance to a core of stable, skilled employment and of coordinated relations with the social partners. Conversely, employers and governments seeking to remove the coordinated institutions faced strong protest when they directly attacked them. Hence, initial choices have proven to matter. Institutions cannot easily be removed and external pressures for deregulation and liberalization have not led to full convergence.

However, VoC theory overstates the resilience of initial choices for coordinated institutions and actor preferences. The prediction that employers in general strive to protect institutional arrangements, resulting in a “lock-in effect” or “stable equilibrium of coordinated institutions” has not been confirmed (Crowley/ Stanojevič 2011: 286). The preferences of employers and also governments can and do seemingly alter, as displayed by the deliberate defections (of some) from coordinated institutions. Captured in the notion of effectiveness of institutional power, the analysis illustrated that processes of institutional transformation (see chapter 2.1.) have shaped unions’ strategies in all three countries. For instance, social dialogue in Slovenia and Poland has been undermined through informal obstruction and deliberate disregard by the governments. This explains the brief swing of Slovenia’s confederations to unilateral strategies. In Poland, the confederations themselves withdrew from social dialogue to signalize its continuous illusiveness. In Germany and Slovenia, industry-wide collective bargaining has been hollowed out through defection by employers deliberately opting out of employers’ associations (cf. Hall/ Thelen 2009: 262). Institutional drift can explain the choice by IGM and Slovenia’s confederations to add unilateral elements. Even though both are still acting in a largely coordinated environment, their institutional power becomes obsolete if they fail to maintain it. Collective bargaining for instance increasingly erodes as agency employment and the private service sector grow and come to proportionally outweigh the shrinking coordinated core (cf. Thelen 2012: 147). The widening of the established coordinated mechanisms to new contents such as agency work therefore constitutes an adaptation to the changed circumstances.

These transformative developments within coordinated industrial relations institutions have undoubtedly shaped unions' strategies. This shows that opposing the idea of full convergence to a single type of neoliberal capitalism cannot have the opposite effect of preaching institutional resilience. *For VoC theory to survive as a viable theory in a complex globalized world, it must overcome the institutional determinism and open up for incremental transformative change.* This requires two adaptations. First, VoC theory must adopt a modified approach towards institutions, which understands them as social and political constructs or structures and thereby takes account of the underlying power relations (see discussion chapter 2 and 3). These power relations are not fixed but alter in the face of economic accumulation and crisis dynamics. The thesis adopted such a dynamic approach and thereby showed that accounting for institutional transformation is possible and necessary. It thereby built on the many contributions and insights, in particular by Streeck and Thelen, which have already greatly enriched this theory. Second, the result of these transformational processes seems to be neither institutional convergence nor divergence as predicted by Hall and Soskice. The entrance and expansion of liberal institutional features from the margins alongside established coordinated features through such processes of drift or displacement suggest a mixed outcome of hybrid institutional systems. "Hybridization" describes the import of institutions and their transformation via their interaction with domestic institutional forms (Boyer 2005b: 368). Thus, accounting for transformation within VoC theory breaks with the functionalist idea of institutional complementarities, which reproduce themselves as they provide a source for competitive advantage. Instead, the theory must incorporate a certain degree of freedom within institutional regimes and recognize that the fit among institutions is always only partial and transitory (ibid.).

### 7.2.2 Empowerment through Disempowerment? - Beyond Institutions

It seems appropriate to end the discussion by returning to the core problem, which this thesis investigated: how do trade unions respond to the expansion of a precarious labour market? It was found that their strategies are heavily shaped by the institutional framework and whether or not it provides for effective channels to negotiate concrete improvements for precarious workers. However, the analysis also showed that unions' strategies are more than one-to-one reflections of the institutional framework, which endlessly repeat themselves. They neither stick to one practice only, nor do they jump infinitively between the same strategies depending on the condition of the institutional framework.

Instead, the analysis revealed that trade unions possess a certain scope for action and are able to learn and adapt their strategies to processes of transformation within the institutional framework. Of course, the selection of strategic options and the ability to innovative practices depends on a realistic analysis of the institutional context, which limits and opens up resources for action (Müller-Jentsch 1996; Urban 2014). The transformative processes associated with dualization undermine unions' institutional power in all three countries. This has ambivalent political consequences. On the one hand, it marks the disempowerment of trade unions vis-à-vis capital and implies deteriorating prospects to effectively and directly counteract the expansion of precarious work. On the other hand, this situation simultaneously

provides room for empowerment and innovation, as it motivates trade unions to rethink the established strategies and to examine new approaches. It seems that the protection of coordinated institutions “will rest on the mobilization capacity of labour rather than on a functional equilibrium based on a cross-class coalition led by employers in leading firms“(Crowley/ Stanojević 2011: 284). In other words, unions are urged to revitalize other power resources, in particular organisational power. As illustrated by sector-level bargaining in Slovenia and IGM in Germany, high bargaining coverage and protection emanating from formally intact bargaining structures and legal rights have a retarding effect and produce a much weaker sense of organisational crisis among union leaders (cf. Frege/ Kelly 2004: 17). The degree and immediacy of considerations for organisational power are therefore interlinked with the institutional framework. VoC theory could explain these considerations for organisational power if it looks beyond the formally intact institutional frameworks.

However, VoC theory cannot explain the choice by unions in traditionally coordinated institutional frameworks to draw on organizing strategies, which were developed by unions in the neoliberal North-American context. Instead, this is an intriguing example for “strategic choice” and organisational learning (Child 1997: 46f.; Brinkmann et al. 2008: 23; Urban 2014: 304).<sup>49</sup> The cooperation by ver.di and contacts of Solidarność with the North American SEIU to gain insights on the latter’s organizing practices captures that unions are not locked in the national institutional context but that global diffusion and learning processes are taking place. Thereby, new hybrid strategies emerge via the interaction with domestic institutional forms. ‘Translating organizing’ to the German coordinated institutional environment has even resulted in different approaches by IGM and ver.di, reflecting the different institutional conditions (cf. Wetzal et al. 2011: 14). More generally however, Haipeter and Lehndorff (2014: 63f.) regard the mobilization and activation of members and outsiders in collective bargaining and local conflicts over the derogation from industry standards as strategic unionism, which takes advantage of the German institutional feature of collective bargaining in a situation, when this same architecture has been destabilised.

“Hard times can often result in strategic paralysis, but can also be a stimulus for the framing of new objectives, levels of intervention and forms of action” (Hyman/ Gumbrell-McCormick 2010: 327). *Despite eroding institutions, trade unions are able of learning processes outside the established paths and of adapting to a transformed capitalism. They are not locked in determined paths or defensive situations but possess some scope for action and strategic choices.* There is nothing like a fate for unions to only negotiate regulations that employers want to have because they solve their coordination problems and to put up with institutional exhaustion once employers and governments lose their interest. The analysis of observation revealed that even unions with relatively effective institutional power such as IGM or Slovenia’s confederations are able to realize that the widening of a labour-hostile precarious margin, which ‘stabilizes instability’ constitutes a problem for them too (cf. Brinkmann et al. 2006: 62). Yet, it was also shown that organisational learning and strategic innovation are not a necessity either. The brief mobilization period of Slovenia’s confederations was not a

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<sup>49</sup> This idea bases on the work of the Jena Working Group on Strategic Unionism.

necessity. They *chose* not to wait or restore the governments' interest for social dialogue through compliant or diplomatic behaviour. Poland's confederations demonstrated until the mid-2000s that institutional marginalization, expansion of precarious work and declining membership rates do not necessarily need to trigger union activism. Similarly, Slovenia's sector-level unions also illustrate that the ineffectiveness of institutional power to address new challenges must not necessarily result in unilateral strategies, but that they rather do not address the issue of precarious work at all.

It is unions' own strategic understanding of their role, which decides whether they recognize and address the challenge posed by labour market dualization and institutional transformation or whether they accept their defensive situation. In order to play an active role in the national conflict over welfare redistribution and for a more social order on the labour market, trade unions are demanded as "autonomous political actor" (Lehndorff 2013: 193) and must assume the self-perception of a "constructive veto-player" (Urban 2014: 321). This requires strategic innovation and sufficient mobilization of other power resources to rebalance institutional power (cf. interview Lukič). It includes in particular a bottom-up approach, which activates and empowers a large and inclusive organisational basis. Ultimately, all this requires trade unions to overcome insider-outsider divides within their own logic and to be open to broader sets of societal interests. The comparative analysis traced initial points of learning and innovation processes in the respective trade unions. In the face of institutional transformation, there seems to be a window of opportunity for the reflection on and the re-definition of trade unions' role within capitalist society. It remains to be seen what the outcome of the current developments will be. It may well be that for instance the adoption of organizing elements is only a brief trend, which will be abandoned again once high membership rates or institutional power are re-established. For trade unions to remain a powerful actor in these transformational processes and to tackle the increasing labour market dualization, they should however follow this path of innovation and intensify their current efforts.

## 8. Conclusion

The study at hand aimed at contributing to the complex and controversial discussion surrounding the impact of external pressures for liberalization and deregulation on national institutions. VoC theory has so far largely focused on differences between types of institutional regimes and similarities within them. The main objectives of the thesis were to overcome the invisibility of variance within similar institutional regimes and to highlight its importance for trade unions' adaption strategies towards the challenge posed by labour market dualization and precarization of work. Moreover, the country comparison aimed at connecting the still much separated debates on Western and Eastern European regional institutional regimes. The following summarises the most important findings and conclusions.

*Trade union strategies to address labour market dualization are greatly shaped by the institutional framework for action. More precisely, their strategies reflect both the country-specific variations in the formal industrial relations institutions as well as their effectiveness.*

A shift of trade unions' agendas towards addressing outsiders and tackling the expansion of precarious work can be observed in the three countries under investigation. The comparative study showed that their strategies towards this new challenge greatly reflect country-specific variation within the industrial relations. Thus, rather than distinguishing exclusively between the presence or absence of coordinated institutions as postulated by VoC theory, the comparison revealed the importance of looking at variance within coordinated institutional systems. This counts in particular for the two more similar cases of Germany and Slovenia, while different union strategies in the Polish mixed case could have probably been accounted for by a focus on inter-regime variety. Moreover, it was also reconfirmed that this must imply considerations for the effectiveness of these national institutions. The work included important contributions to the original theory by scholars, who sought to overcome its initial determinism. This implied a dynamic and political understanding of institutions as social regimes, which are substantiated by power relations. Despite country-specific variation in form, duration and intensity, it became obvious that the emergence of a flexible and competitive secondary labour market has severely undermined the effectiveness of established and formally intact institutional mechanisms for union influence in the three countries under investigation. This provides for poor prospects that trade unions can counteract the precarious working conditions of outsiders through the established strategies.

In sum, on the example of trade union strategies against precarious work this work confirmed that institutions still matter. More precisely, before anything else unions tried to use the institutionally provided channels of negotiation with employers and governments. If these were ineffective, they mostly resorted to unilateral strategies, in particular campaign-and mobilization-based tactics. The increasing undermining of institutional power also explains the growing considerations for organisational power. Again, only a closer inspection of the national institutional context revealed the different positions out of which unions and confederations pursued particular strategies. IGM in Germany and the Slovenian confederations still dispose over a lot of institutional power and try to defend the effectiveness of coordinated mechanisms. IGM successfully managed to open collective bargaining to the outsider topic of agency work. Slovenia's

confederations addressed precarious work when possible through tripartite bargaining and tried to defend the quality of social dialogue. Conversely, ver.di and the Polish confederations have been confronted with ineffective channels for negotiation for a long time and have learned to adapt to the more liberal and competitive environment. The Polish confederations tackled the expansion of junk contracts almost exclusively through political activism and public campaigns. Ver.di addressed the several facets and political implications of precarious working conditions in a similar way either independent of or in the context of bargaining rounds, hoping to make the latter more effective.

*The Theory of Varieties of Capitalism must overcome institutional determinism and account for incremental institutional transformation as a result of dynamics in the underlying power relations.*

VoC theory has greatly contributed to the academic debate by offering an alternative to simple globalization claims associated with neoliberal convergence. However, the demarcation from convergence to a single, neoliberal type of capitalism cannot have the opposite effect of preaching institutional resilience and determinism and ignoring transformative dynamics. By adopting a modified approach towards institutions, which took account of their effectiveness, the study shed light on the dynamic transformation processes and power struggles underlying the formal institutional arrangements. Institutions must be historically embedded as they only stabilize a certain power balance for a certain period of time. The re-organisation of global production, the shift of power towards mobile capital and the rise of neoliberal ideology amongst political elites has set in motion processes, which challenge the established balances and social contracts as well as institutional foundations in the three countries.

The result might neither be institutional convergence nor institutional divergence, as predicted by VoC theory. Instead, the idea was raised that this might lead to hybridization of institutional regimes. VoC theory has many weaknesses but nevertheless, the theory should not be abandoned too easily. A widened approach, which loosens the institutional determinism and idea of institutional complementarities, can take account of institutional change transpiring along the periphery without a direct attack on core institutions. What this does to these core institutions in the long-run represents an important area for future research, which could greatly advance the viability of VoC theory.

*Union strategies are shaped but not determined by the national institutional frameworks. Defensive situations can also promote organisational learning and strategic innovation.*

It was found that national institutional frameworks cannot easily be removed and greatly shape local actors' preferences and strategies. As discussed, there is important national variance, which shapes trade unions' particular adaptation strategies and should therefore not be ignored. Simultaneously, there are also some obvious common trends in union strategies, which should not be ignored either. Seemingly, in times of crises - and the eroding institutional power constitutes such an instance for trade unions - the established habits of actors open up for new considerations. While it is far from prescribed whether and how trade unions adapt to their increasingly defensive situations, it was shown that they are capable of organisational learning and strategic innovation. Most of the studied unions have come to try new things, to mix new elements with old ones, to learn from others and translate their practices into the national

institutional context. The precise form, intensity and timing are again linked to the institutional context and depend on the institutional position out which particular strategies are pursued.

Exciting but also ambivalent times seem to be ahead. On the one hand, business seems to be running as usual in coordinated market economies. In comparison to liberal regimes, employment is still mostly regulated and its conditions are repeatedly negotiated by established trade unions, employers and the state. In the context of the crisis, coordination between the social partners took place in all three country cases and they jointly negotiated anti-crisis packages. At the same time, these established procedures seem to be in turmoil. Slow but steady, the core of established standards and institutions is becoming marginalized, while the margins are increasingly gaining centrality. The “return of the proletariat” seems to challenge the pacification of class conflict through neo-corporatist labour inclusion (Birke 2011: 148). Trade unions assume an ambivalent position in this. Through institutionalization, they have come to be part of the national status quo. They unlearned to pose far-reaching demands, which exceed the frame of the legally and institutionally provided bargaining; they unlearned to be social and political opposition rather than ‘social partners’. Yet, this work attempted to revive interest in trade unions and raise attention for the strategic position and active role, which they *can* assume in the intensifying conflicts over working and welfare conditions. In a situation, where trade unions must defend their own position within the institutional system and are open to adopt a more proactive approach, there seems to be an opportunity for broader sets of societal interests to gain entrance into unions’ agendas.

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## Appendix 1: List of Interviewees

**Czarzasty, Jan**, PhD (Warsaw School of Economics) is Associate Professor at the Department of Economic Sociology at the Warsaw School of Economics. He has been active in industrial relations and social dialogue research since the early 2000s. He has been a national correspondent of the European Industrial Relations Observatory (EIRO) for the past nine years. Further information available under <http://www.celsi.sk/en/people/person/76/jan-czarzasty/> (last accessed 15/06/2014).

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## Appendix 2: Interview Material – Abstract and Guidelines

All Interviewees received the following abstract and interview guidelines. Each interviewee received guidelines, which were adapted to the country-specific context and to the state of research.

### **Abstract: Trade Unionism in the Face of Labour Market Dualization in Germany, Slovenia and Poland**

The conceptual background of the thesis is informed by the debate on Varieties of Capitalism (VoC). Against the widespread assumption that advanced capitalist economies would converge starting in the 1980s on a single neo-liberal type, the thesis builds upon dualization theory. This theory argues that in Europe's coordinated market economies (CMEs), labour relations are not entirely deregulated but segmented into relatively well protected 'insider' markets on the one hand and deregulated and increasingly precarized 'outsider' labour markets on the other hand. This has been a political choice and segmentation has been translated into social policy and political representation dualisms. While dualization theory has been mainly developed on the cases of Western capitalist economies, the thesis argues that dualization can (in different variations and degrees) be observed in some Eastern European political economies too. Thus, the thesis seeks to expand the debate by comparing dualization in Germany, Poland and Slovenia. The choice of country selection, the similarities and differences, will be extensively discussed. But to mention shortly, it is based on the work of Bohle and Greskovits (2012), who identify a welfarist social contract in Poland despite embedded neoliberalism and characterize Slovenia's transformational capitalism as neo-corporatist type. In all three countries, the expansion of atypical and in particular precarious work alongside the still dominant standard employment during the last decade will be examined.

The above mentioned forms the conceptual background on the basis of which the research question is posed. It asks how trade unions respond to dualization (dependent variable) and how the country-specific industrial relations systems (independent variable) shape their reaction. As I am still in the process of researching and since the expert interviews will constitute a crucial element to gain information and assessments, it is difficult to name tentative findings at this point. Regarding the dependent variable, the preliminary research hypothesis reads that trade union policies in Germany, Poland and Slovenia have since the mid-2000s increasingly addressed the issue of precarization (for instance in Poland the campaign against junk contracts, in Slovenia the campaign against mini-jobs). However, union strategies in coping with the issue show some variation. I attribute this variation to the differences in the industrial relations systems within these coordinated market economies. Thus, I argue that the strong or weak institutionalization of organized labour, the degree of (de)centralization and fragmentation, level and strength of collective bargaining and existence of institutions of corporatism have shaped the paths through which trade unions can address outsider issues.

Reviewing the relevant literature and data to receive an idea of the 'local picture' is one thing. However, I

find it extremely difficult to assess and evaluate the situation. Therefore, I hope to gain valuable insights, opinions and assessments from you, an expert on the issue and in the national context. The goal of the thesis is to contribute to the debate on precarization by understanding how trade unions' policies are formed and how much potential can be attributed to them to address the needs of labour market outsiders. In addition, I believe that it is important to move beyond the convergence or divergence dichotomy and discuss how the process of dualization incrementally transforms institutions in the long-run without a direct assault on established institutions, thereby evading protest.

## Interview Guidelines

*At the beginning of the interview, the interviewees were asked whether the conversation could be recorded and whether I could refer to them by name in the work.*

I base my questions on the assumption that in the German/ Polish/ Slovenian labour market, one can observe an increasing dualization between core workers in standard employment ('insiders') and precarious workers in deregulated employment ('outsiders'). I am mainly interested in two aspects: firstly, your assessment of how the major unions in your country have responded to this increasing dualization; and secondly, how the institutional features of the national industrial relations system has shaped unions' responses.

In Germany, the focus lies on the sectoral but highly autonomous unions (ver.di and IGM), in Poland and Slovenia the focus is on the national-level confederations (in Poland: Solidarność, OPZZ and FZZ; in Slovenia: ZSSS).

### 1. Unions and labour market dualization

**Question:** How have unions responded to the increasing spread of atypical (in particular precarious) forms of employment (roughly during the last decade)?

**Hypothesis:** all respective unions have since the mid-2000s increasingly addressed precarious work and pursued a more outsider-encompassing agenda. For example:

- *Guidelines for Interviewee from Germany:* IG Metall und Leiharbeit; Ver.di schon von Anfang an durch z. B. Forderung nach Mindestlohn, Mobilisierung gegen Hartz Reformen, Organizing Kampagnen etc.
  - *Guidelines for Interviewee from Slovenia:* lobbying for universal improvements (e.g. higher minimum wages and against the pension reform), lobbying against mini-Jobs and spread of temporary work
  - *Guidelines for Interviewees from Poland:* campaign against "junk contracts", "Euro-demonstration"; general strike 2013; organizing in unorganized precarious retail and security service sector
- Do you share this impression?
  - How do you assess the respective unions' agendas?

- Can you name highlights? What are successes? How were successes achieved?
  - Examples for sectoral collective bargaining?
  - Examples for national tripartite negotiations?
  - Role of organizing campaigns?
  - Cooperation with social movements?
  - Provision of particular offers for precarious workers, e.g. consultation offices?
  - Demand for particular participation rights for precarious workers (e.g. for temporary workers in works councils?)
- Do you deem them sufficient? What is missing?
- Where are contradictions and tensions? (e.g. leadership, rank and file)

## 2. Main industrial relations institutions constraining or facilitating union policies towards dualization

**Question:** What are the main institutional characteristics of the industrial relations system and how do they constrain, enhance and shape unions' strategies to respond to precarization?

*Guidelines for Interviewee from Germany:*

- Wie bewerten Sie den Effekt der relative starken Institutionalisierung von organisierter Arbeit durch Institutionen des Korporatismus in Deutschland?
  - Führt sie zu einem starken Legalismus und Benutzung von 'Verhandlungskanälen' (bsp. Kampagnen nur im Rahmen von Tarifverhandlungen aber nicht außerhalb) um das Problem zu thematisieren und Forderungen zu stellen?
  - Erleichtert oder erschwert sie einen Umgang der Gewerkschaften mit dem Thema der Prekarisierung?
- In Deutschland ist ein starker sektoraler Unterschied zu erkennen. IG Metall besitzt eine relative hohe strukturelle, organisatorische und institutionelle Macht. Ver.di hingegen verfügt über schwache Machtressourcen und ist in hohem Maße mit der Prekarisierung der Arbeit konfrontiert. Wie schätzen Sie diese unterschiedlichen Positionen in Bezug auf die Umgangsstrategien ein? Zugespitzt formuliert: bleibt IG Metall am Verhandlungstisch während Ver.di mit sozialen Bewegungen auf die Straße geht?
- Es ist oft die Rede von der Erosion des deutschen Korporatismus und einer "unkontrollierten Dezentralisierung". In Bezug auf Gewerkschaftsstrategien, wie bewerten Sie diese Entwicklung und was ist in Zukunft zu erwarten?

*Guidelines for Interviewee from Slovenia:*

- How do you assess the effect of the relatively strong institutionalization of organized labour through neo-corporatist institutions in Slovenia?
  - Does this lead to focusing on negotiated channels (tripartite and bipartite negotiations) to

address the issue and pose demands? With which outcomes?

- How can unilateral and more assertive campaigns as for instance against mini-jobs be explained?
- Since the crisis, social dialogue is increasingly deteriorating. Can you assess whether and how this changes unions' agendas? Are they becoming more assertive and search for coalition partners outside the tripartite system, for example with social movements?
- How does neo-corporatism in Slovenia constrain or facilitate unions' scope of action to respond to deregulation at the margins of the labour market?

*Guideline for Interviewees from Poland:*

- How do you assess the effect of the weak institutionalization, the fragmentation and decentralization of organized labour in Poland?
  - On the basis of the work of Adam Mrozowicki, I argue that this has led unions to resort to other, non-negotiated, non-institutional channels (e.g. public campaigning, organizing)
  - Less need for compromise, less pacification, more urged to come up with innovative, powerful unilateral actions is that what can be observed in Poland or would that be too much of a romantic image of the Polish union confederations?
- Can you think of alternative explanatory factors explaining Polish unions' stance towards precarization, and shift from mid-2000s onwards?

## Appendix 3: Industrial Relations Systems in Comparison

### 3a) Industrial relations systems in selected EU countries

System	Pluralistic bargaining	Contestation	Corporatism weak	Corporatism strong	Post-communism
Countries	UK	France, Italy, Spain, Greece	Germany, Netherlands, Slovenia, Austria	Norway, Sweden, Denmark, Finland	Poland, Hungary, Slovakia, Czech Republic, Latvia, Lithuania, Estonia
Relations unions-employers	Liberal-voluntarist Strong unions Decentralised 'Free' bargaining Fair play Short-term	Politicised relations Weak unions Fragmented Class conflict Short-term truces bargained	Segmented unions, limited membership Strong articulation Consensus, long term	Centralised organized interests, high membership and compliance. Self-regulatory, bi-partite, long term	Segmented unions, low membership. Decentralised. Short term
Role of the state	State largely absent Market rules	Etatist traditions State interventionism	Limited state intervention, sets framework of rights, extensions	Supportive social democratic state Consults unions and employers	Limited state intervention, sets framework of rights

Source: Glassner and Keune 2010: 25

### 3b) Levels of collective bargaining in the EU

	Inter-sectoral	Sectoral	Company	Predominance of MEB <sup>a</sup> or SEB <sup>b</sup>
Austria		XXX	X	MEB
Belgium	XXX	XX	X	MEB
Bulgaria		X	XXX	SEB
Cyprus		XX	X	MEB
Czech Republic		X	XXX	SEB
Denmark	X	XXX	XX	MEB
Estonia		X	XXX	SEB
France		X	XXX	MEB
Finland	XXX	XX	X	MEB
Germany		XXX	X	MEB
Greece	XX	XX	X	MEB
Hungary	X	X	XXX	SEB
Ireland	XXX		X	MEB
Italy		XXX	X	MEB
Latvia		X	XXX	SEB
Lithuania		X	XXX	SEB
Luxembourg		XX	XX	MEB
Malta		X	XXX	SEB
Netherlands		XXX	X	MEB
Poland		X	XXX	SEB
Portugal		XXX	X	MEB
Romania	X	X	XXX	SEB
Slovakia	X	XX	XX	SEB
Slovenia	XX	XX	X	MEB
Spain		XXX	X	MEB
Sweden		XXX	X	MEB
UK		X	XXX	SEB

Note: XXX = most important level, XX = important level, X = existing but marginal level; 'Blank' = level is non-existing.

<sup>a</sup> Multi-employer bargaining.

<sup>b</sup> Single-employer bargaining.

Source: Glassner et al. 2011: 321

## Appendix 4: Labour Market Statistics

### 4a) Unemployment rate, aged 15-64, all persons

Country	2010	2011	2012	2013
Germany	5.4	5.6	5.4	5.4
Greece	12.7	17.9	24.5	27.5
Italy	8.6	8.5	10.8	12.4
Poland	9.7	9.8	10.2	10.5
Slovenia	7.4	8.4	9.0	10.3
Spain	20.2	21.6	25.2	26.5

Source: OECD 2014a

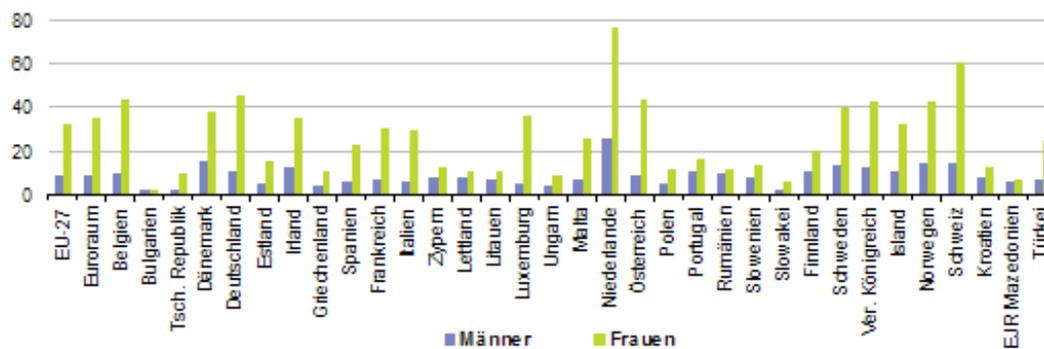
### 4b) Unemployment rate, aged 15-24, all persons

Country	2010	2011	2012	2013
Germany	7.2	6.0	5.6	5.4
Greece	12.7	17.9	24.5	27.5
Italy	8.6	8.5	10.8	12.4
Poland	9.7	9.8	10.2	10.5
Slovenia	7.4	8.4	9.0	10.3
Spain	20.2	21.6	25.2	26.5

Data extracted on 20 Jun 2014 16:43 UTC (GMT) from OECD.Stat

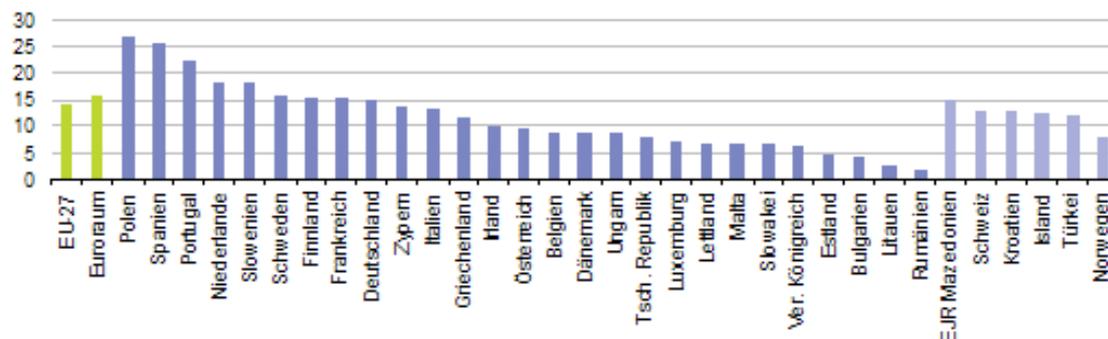
Source: OECD 2014b

### 4c) Persons employed part-time in the EU in 2011 (% of total employment)



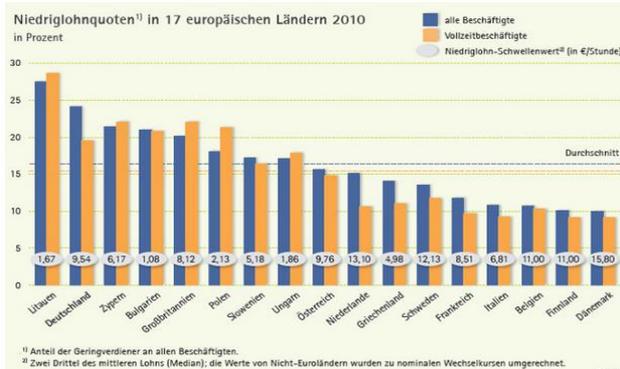
Source: Eurostat 2013a

### 4d) Proportion of employees with a contract of limited duration, age group 15-64, 2011 (% of total employees)



Source: Eurostat 2013b

#### 4e) Low-wage employment in 2010 in the EU



Source: IAB 2013: 3

#### Appendix 5: Trade Union Density and Collective Bargaining Coverage

	Union Density				Bargaining Coverage			
	1980	1990	2000	2010*	1980	1990	2000	2010*
FI	69	73	75	70	77	81	86	90
DK	79	75	74	69	72	69	80	85
SE	78	82	80	68	85	88	91	91
NO	58	59	54	55	70	70	72	74
BE	54	54	49	52	97	96	96	96
IT	48	39	35	36	85	83	80	85
IE	64	57	40	34	64	60	55	42
RO	100	80	40	33				70
AT	57	47	37	28	95	99	99	99
UK	51	39	30	27	70	54	36	31
SI		69	42	26	100	100	92	
EL		39	34	24		65	65	65
ES	19	13	17	20	76	82	83	73
BG	98	81	28	20				18
DE	35	31	25	19	78	72	64	61
NL	35	24	23	19	79	82	86	84
PT	55	28	22	19	70	99	92	90
CH	28	28	23	17	48	44	42	49
CZ			27	17			41	47
HU	94	83	22	17			47	34
SK			32	17			51	38
LV			26	15			21	22
PL	65	37	17	14			42	29
LT			17	10			12	14
FR	18	10	8	8	85	92	95	92
EE		94	15	8			29	25

(a: For some countries, 2008 or 2009)

Source: Bernaciak et al. 2014: 1 (based on ICTWSS database)