Program for the Study of Germany and Europe
Working Paper Series #1.5

Labor Parties and Labor Movements in a Post-Fordist Political Economy: The British, French, and German Cases*

by **Anthony Daley**
Dept of Government, Wesleyan University
Chris Howell
Dept of Politics, Oberlin College
and **Stephen J. Silvia**
School of International Service, The American University

This essay explores the relationship between labor movements and left parties in Britain, France, and Germany. It develops a model of bargaining that characterized union-party parties during the period of mass production. It then argues that changes in the nature of economic activity—in particular, the simultaneous decentralization of production and internationalization of ownership—have encouraged very different bargains in these three countries. The transition out of Fordism has placed enormous pressures on the aggregative capacities of mass movements. The paper examines the changes in the union-party relationship in the 1980s and finds it most enduring in Germany, least intact in France, with the British case falling in between. The durability of political and economic bargains between party and labor movement depends on both the strength and unity of organized labor and the strategy and maneuverability of political parties.

---

*Prepared for delivery at the Workshop "The Changing Place of Labor in European Society: The End of Labor's Century?," Center for European Studies, Harvard University, November 23-24, 1991. The Workshop was supported in part by the Program for the Study of Germany and Europe at CES.

the focus becomes the well-being of the economic unit and not empowerment of the worker him/herself.

The centering of the political left and the market pressures on the labor left have placed serious strains on the ties between unions and parties in the last decade. The so-called transmission belt for communist, socialist, or social democratic movements has worn thin at least partially because the environments in which unions and parties have acted have become more turbulent. An examination of those ties provides a window onto both the declining fortunes of trade unions and left parties as well as on the changing matrix of interest between the two since the late 1970s. Those ties have varied broadly from the close and institutional to the weak and informal. The relationship itself, however, has been consistently important because the constituencies of unions and left parties have historically overlapped and because the capacity to achieve the goals of one has depended on the involvement of the other.

The cases examined in this essay -- Britain, Germany, and France -- provide a range of types of union-party relationships (from close to distant), a range of recent union experiences (from stability to decline), and a range of recent left governance (from political exclusion to electoral dominance). While these cases exhibit important contrasts and the histories of these respective lefts are very different, however, they all experienced over the course of the 1980s a weakening in the relationship between the political and industrial wings of the labor movement.

This paper attempts to explain the crisis in the relationship between unions and left parties through an examination of the changing social and economic environments facing them, with particular emphasis on the acceleration in economic restructuring and the exhaustion of Fordist growth that have

The material bases of both bargains, however, began to crumble with both the crisis of Fordism after the late 1960s and the economic restructuring from 1973-1983. After the mid-1970s, advanced political economies experienced a double-shift in economic power away from the nation state, "downward" to the firm and "outward" to the international economy. This double shift had three important consequences for party-union relations. First, the profound economic restructuring associated with the exhaustion of Fordist mass production shifts fragments the social bases of both unions and left parties, shrinking the overlap and the commonality of interest between them. Second, the double shift alters the nature of the growth dynamic by weakening the links in the Fordist circuit of growth. Consequently, the interests of workers are no longer "universal" and states have less need to work with trade unions, who themselves become more "dysfunctional" for the economy. Third, as nation states lose the capacity to influence important aspects of economic policy, so the ability of left parties to maintain distinct policy packages and to deliver certain goods to unions declines as well.

The Economic Bargain. The Fordist growth dynamic rested upon a virtuous circle of productivity gains leading to higher real wages, feeding an expanding mass demand, permitting increased profits and investment, and resulting in higher productivity [Glyn, Hughes, Lipietz and Singh 1990]. The connection between expanding productivity and aggregate demand constituted the critical spark plug in this circuit. Some combination of regularized collective bargaining, Keynesian demand management, and state regulation closed the circuit [Boyer 1986]. This "intensive" growth dynamic was not a by-product of the political left as evidenced by its development in the United States and in Britain during the 1950s. However, it did "universalize" the interests of labor, thereby legitimizing an important role for the representatives of labor ability to control the trade unions and gain their trust. Political exchange could not take place without that trust.

The economic bargain became both more difficult to assemble and less relevant to the tasks of economic policy-making with the deterioration of the mass production paradigm. The bargain of the Fordist period is far more difficult to put together because both sides of the bargain become problematic. On the one hand, states are less able to deliver full employment and increased social expenditure because international competition makes Keynesian reflation in one country self-defeating in most economies [Stewart 1983]. On the other hand, the fragmentation and decentralization of bargaining make wage restraint even more difficult for national union confederations to orchestrate. The inability to deliver wage restraint, allied to the fact that firms are now more concerned to encourage flexible rather than fixed wages, means that the interests of workers are less clearly compatible with those of the economy as a whole. The special relationship between left parties and unions is more likely to be regarded as a liability than as an asset.

For our purposes, the movement towards the Single European Market by the end of 1992 can be seen as a dramatic acceleration of this process, insofar as it removes national control over key economic policies without recentralizing those policies at a European level, weakens the political resources of labor, exacerbates the pressures of competitive deregulation, and permits a mobility to capital which is denied labor by virtue of its only partially commodified status. As a result, the economic bargain of the Fordist period becomes more difficult to deliver and less valuable to economic growth.

The Political Bargain. In the Fordist period, a close relationship existed between class structure and left political power, mediated by trade unions, which provided a strong objective interest for both union and left needed some proportion of the white-collar vote, but the source of electoral stability for the left was the blue collar vote, and left political power rested primarily on its capacity to mobilize blue collar workers [Pontusson 1988].

Lipset and Rokkan [1967] described the party systems of Western European countries as "frozen" in the interwar and postwar periods. Where industrialization had been thorough and completed comparatively early, the structure of social cleavages tended to become "simplified," and class became the primary determinant of voting and the basis for the left-right dimension of party systems. During the Fordist period of economic growth, the size and homogeneity of the mass production sector, and its organization and mobilization by trade unions, provided the electoral raw material of left political power and prevented a thawing of party systems. The political bargain rested upon the high degree of overlap between the constituencies of trade unions and left parties, and hence the limited degree of conflict within and between those constituencies. The organization of mass production workers in trade union, in turn, permitted their electoral mobilization by left parties.

The erosion of the Fordist model shifted the constituencies of both trade unions and left parties. The relative homogeneity of the Fordist period, resting upon the weight of the mass production sector, gives way to more fragmentation. This permits greater conflicts both within and between each constituency.

Social structural shift is not new to the 1970s or 1980s. In most advanced capitalist economies the shift into greater public sector employment and from manufacturing to services, has been a long term one, although the recessions after 1974 accelerated that process. Still, the last twenty years have witnessed a decline in the absolute numbers employed in manufacturing, A related process has taken place within the constituency of left parties. Electoral dealignment and the unfreezing of cleavages, much remarked upon since the 1960s, pose particular problems for the left which had relied upon both strong class identification and a clear linkage between that identification and left party attachment. The sources of dealignment are complex and contentious [Crewe and Denver 1985; Dalton, Flanagan, and Beck 1984]. They include the failure of left parties to mobilize along class lines -- the fatal flaw of the catch-all strategy -- and the disillusionment of workers with the benefits provided by "their" party, and the rise of new social groups with new interests or values [Inglehart 1977; Offe 1987] Such electoral fragmentation has posed acute problems for left parties. As the old manual industrial working class declined in absolute and relative terms, the need to appeal to new social categories becomes acute. The interests and politics of new social groups -- predominantly young, well-educated, white collar, often public sector or decommodified groups -- are far from homogeneous. They occupy "contradictory class locations" [Wright 1978] and tend to be "class-aware" but not "class conscious" [Giddens 1973]. The nature of their interests has been hard to decipher despite assertions of "post-materialist values," post-industrial ethos," and "production politics" [Inglehart 1977; Oppenheimer 1985; Stephens 1979]. These interests, however, clearly diverge from those of manual, industrial workers.

Such electoral shifts have either encouraged the creation of new political parties which force traditional left parties to compete in new ways or they have divided left parties which now seek to appeal both to their traditional blue collar electorate and the more diffuse new social categories [Offe 1987]. Kitschelt [1989] has identified some of the dilemmas involved in appealing to these new categories. "Left-libertarian" parties and con-

The Political and Economic Bargains in the Fordist Period. The relationship between the trade union movement and the British Labour Party has historically been an exceptionally close one. The party was founded by the trade unions as a political arm of the labor movement in 1900, and almost from the start the trade unions have had an institutional role in the constitutional structure of the party. The Annual Conference is the formal governing body of the party. At Conference unions wield block votes (which are intended to represent the membership of the unions) amounting to a total of about six million votes. This dwarfs the constituency Labour parties (CLPs), parliamentary Labour party (PLP) and the other affiliated organizations present at Conference, and it ensures that trade unions dominate voting. The National Executive Committee (NEC), which governs the party between Conferences, has 12 of 29 seats reserved for unionists, and the union block votes are also important in electing several other seats on the NEC.

During the first three decades of the postwar period a version of the political bargain described above operated between unions and the Labour Party. The British economy, having industrialized comparatively early, saw industrial employment peak at 48% of civil employment as early as 1955 [Rowthorn 1986: 5]. These jobs were concentrated in the core manufacturing mass production sectors. In this period the Labour Party was able to win around two-thirds (69% in the 1966 election) of the manual working class vote [Kavanagh 1990: 168].

It is important to note that significant numbers of manual workers did not vote Labour. Complicated historical reasons exist for the persistence of a strain of working class Conservative voter [Nairn 1966], but an important part of the explanation lies in the unevenness of unionization. Union density in Britain is in the middle range of European countries, rising from 38.6% in restraint was necessary, it was hard to operate. The problem lay in the fragmented, decentralized, craft structure of British trade unionism. The TUC is relatively weak vis-a-vis the individual unions, and the absence of a single, centralized confederal structure, plus the emphasis laid upon maintaining "differentials" between categories of workers, ensured that incomes policies tended to be short-lived, to weaken the authority of union leaders within their unions, and to end in inflationary surges as workers sought to recoup losses [Panitch 1976]. Some kind of incomes policy was in operation almost continuously from 1961 to 1979, but the success of these policies was always limited. Nonetheless, the more important wage restraint became (particularly from the early 1960s onwards), the more this enhanced the legitimacy of the Labour Party as the party most likely to be able to work with the unions.

The Crumbling of the Political and Economic Bargains. Both the political bargain, and the much more uneasy economic bargain, of the Fordist period became less effective and plausible from the early 1970s onwards. It is difficult here to distinguish the effects of long term economic change from the policies of the Thatcher government which was elected in 1979. The combination of a tight fiscal and monetary stance and the strong pound in the first phase of economic policy after 1979 dramatically accelerated the de-industrialization of Britain. Between 1979 and 1987 employment in manufacturing fell by 27% while employment in services rose by almost 14% [Wells 1989: 25-26]. The shift in employment from industry to services is obviously a long term one -- the employment share of industry peaked in 1955, and declined in absolute numbers after 1966 -- but the scale of the changes in the past decade is nonetheless remarkable.

This has had important structural implications for British trade unionism. First, overall union density has declined. Union membership fell servative [McIlroy 1988: 57]. The natural affinity of trade unionists for the Labour Party is much less natural among the fastest growing unions. Beyond a continuing drain on party finances and votes, this implies a growing divergence between the interests of the TUC and those of the Labour Party.

Third, the growing heterogeneity of the trade union movement has encouraged splits within the movement. Unions have tended to either leave the umbrella of the TUC or, in the case of newly formed unions, not to seek to join the TUC. There has also been talk of setting up a rival trade union confederation which would be explicitly apolitical and willing to talk to governments of any political stripe. In 1988 the TUC expelled the electricians union (EEPTU) for technical reasons having to do with the "poaching" of members from other unions [Kelly and Richardson 1989: 145-147]. The EEPTU is in the forefront of the New Realist unions and it is currently engaged in merger talks with the engineering union (AEU). In 1990 a rival to the TUC, for white collar workers only, was formed -- COMPS: Council of Professional and Managerial Services -- and was described by its president as "the new, acceptable, reasonable face of trade unionism" [Terry 1991: 100-101]. A broader, but still informal rival to the TUC is the grouping of unions called "Center Unity."

The likelihood of a serious split in the TUC is unclear. But it seems probable that even if ineffective as a functioning alternative trade union confederation, a significant number of important unions outside the TUC sets up three kinds of problems for the traditional party-union relationship. First, those unions outside the TUC do not have the traditional link to the Labour Party, and indeed are militantly apolitical. This reduces the flow of funds and votes to the party. Second, it creates an opportunity for the current government to break the TUC monopoly on the tripartite bodies which do

1970s in response both to Conservative legislation hostile to unions and the economic crisis following the first oil shock. During the 1970-74 Conservative government the TUC became more actively involved in the internal affairs of the Labour Party in order to avoid a repeat of the 1964-70 Wilson government's attempt to regulate union behavior (in the 1969 White Paper "In Place of Strife") and to ensure the repeal of the 1971 Industrial Relations Act. The Labour Party also wanted to be able to go to the electorate and argue plausibly that only it could ensure labor peace. Discussions took place through a new Liaison Committee with members of the TUC General Council, the NEC and the Labour Shadow Cabinet. The result was a radical program which committed a future Labour government to attempt to restore full employment, extend the welfare state, pass a package of legislation concerning working conditions, and expand state-directed investment. The new, more interventionist state machinery was to be run in a genuinely tripartite manner with extensive union involvement in policy-making.

When the Labour Party returned to power in 1974, it was able to meet some of labor's programatic aspirations, in particular the salvaging of firms in financial difficulties through the National Enterprise Board. Still, the overall result of this closer relationship between unions and Party was a disaster for both of them [Coates 1980]. As the economic crisis deepened, the Labour government turned to the one resource that it had that a Conservative government did not: its privileged relationship with the trade unions. Starting in 1975 the Labour government attempted to control inflation through a negotiated incomes policy which went under the label of the "Social Contract." The unions were thereby drawn into a closer relationship with the government and became an integral part, the centerpiece in fact, of the government's economic strategy. The Social Contract was a shambles because Labour was unable, and the Labour leadership saw themselves cast as a sectional party, in hock to the trade unions, and hence unfit to govern.

For the new Conservative government the unions were not simply an economic threat. They were also a political threat. The unions were blamed from bringing down the Heath government, and the quasi-corporatist notion of providing a role for important social actors in policy-making was deemed illegitimate [Mitchell 1987: 511]. The neo-classical ideology of the Thatcher government sought to reinforce the separation between the political and the economic spheres. This version of Conservative ideology wanted both a free market _and_ a strong state, and indeed the former required the latter [Gamble 1988]. The Thatcher government was explicitly concerned with the _political role_ of trade unions, and that inevitably focused attention upon the relationship between the trade union movement and the Labour Party.

The relationship between the Labour Party and the trade unions underwent a two-step shift in the 1980s. Initially, in response to the internal constitutional crisis of the party, the unions became much more influential and closely involved in the running of the party. Then, from 1983 onwards, both party and unions backed away from each other, and sought to reduce the saliency of their ties, for their own self-interest.

The period from the 1979 election defeat until early 1982 was one of intense conflict within the Labour Party. The central issue was the attempt by the "Outside Left," located primarily in the CLPs, to make the PLP, and particularly the party leadership, more accountable to Conference and the NEC [Kogan and Kogan 1982]. Given the weight of the unions at Conference and on the NEC, the votes of the trade unions were crucial to the outcome of this conflict and no reform could take place without union support. This drew the unions into the struggle, and into the intense lobbying which took place at a on the NEC at the 1982 Labour Party Conference. Finally, with the party in disarray, it was the TULV which played a major role in fund-raising and organizing during the 1983 election campaign.

Thus, in the four years after 1979, the trade unions were dragged into a much closer relationship with the Labour Party as a result of the need to mediate between the left and the right and the electoral needs of the party. In 1983 the unions were much more influential inside the Labour Party than they had been in 1979, by virtue of their share of the electoral college, the greater role of Conference and the NEC in party affairs, and the dependence of the party upon union funding.

From 1983 onwards, however, the party and unions drew apart. The 1983 election defeat permitted Neil Kinnock to become leader of the party and he has spent the past eight years attempting to make the party more electorally appealing [Hughes and Wintour 1990]. This has involved, among other things, demonstrating the independence of the party from the unions. The litmus test for party independence from the trade unions has been the future of the five packages of Conservative industrial relations legislation[3] [Coates 1989; Terry, 1991]. Until 1983 the party was committed to repeal all Conservative anti-union legislation. This was problematic because public opinion, and indeed many trade unionists, saw certain aspects of the legislation as legitimate and positive reforms [Taylor 1987: 160-165].

Between 1983 and 1986 a joint TUC-Labour Party committee worked on the issue of industrial relations legislation under a future Labour government. At its 1986 conference, the TUC agreed to keep ballots before strikes, but still called for the repeal of the rest of the Tory legislation [Marsden 1987]. Discussion continued in the context of a Labour Party policy review set up after the 1987 election defeat. Finally, at the 1990 TUC conference, alternative relationship between Conservative government and trade union movement was extinguished.

One further point is worth making with respect to the Conservative government's policy towards the relationship between the Labour Party and the trade unions. The 1984 Trade Union Act regulated the creation and use of trade union political funds. These funds provide the bulk of Labour Party finances, and the 1984 Act was widely seen as a blatantly political attempt to cripple the Labour Party financially, particularly because no equivalent ballot of shareholders was anticipated for business contributions.

The 1984 Act called for periodic secret ballots upon the existence of political funds in each union[4] [Steele, Miller and Gennard 1986]. The subsequent campaigns waged inside each union to retain political funds, however, received overwhelmingly favorable votes. The result of the 37 ballots held in the first year of operation of the new law was that political funds were retained in every case, with an average vote of 83% in favor [Steele, Miller and Gennard 1986: 456]. Ballots held since have been equally favorable. Detailed studies have demonstrated that unions campaigned almost exclusively on the issue of the need to have political funds in order to have some political voice [Source???]. The issue of affiliation to the Labour Party was only rarely discussed. Thus, the outcome was indeed a slap in the face for the government, but it cannot be taken as an endorsement by ordinary trade union members of a link between their union and the Labour Party.

The most traumatic, and ultimately destructive, aspect of the relationship between the unions and the 1974-79 Labour government was the attempt to maintain an incomes policy. The Social Contract not only failed, but in the process weakened the unions, discredited the Labour government, and provided visible evidence of the Conservative claim that the party-union link was politically and economically damaging.

because of a TUC boycott of the government's Employment Training Scheme [Kelly and Richardson 1989].

Clearly these changes are reversible. A future Labour government could choose to return to tripartite negotiated policy-making. Indications are that, at least in the area of training, the Labour Party now envisages a major expansion in funding and the range of government intervention, and one can anticipate union and employer involvement [The Economist March 2, 1991]. Nevertheless, a sizeable chunk of the institutional framework of tripartism has gone and re-building it would take time.

The relationship between the trade unions and the Labour Party has changed during the 1980s. After a brief period in which the trade unions became more involved and influential within the party, mainly in order to mediate between warring factions in the party, the two have drawn apart. The memory and consequences of the Social Contract in the second half of the 1970s have led both party and unions to see the dangers of too close a mutual identification. Thus Kinnock now proclaims the independence of the Labour Party from the unions, and the unions refuse to contemplate any form of incomes policy with a future Labour government. The new relationship is captured by phrases like "fairness not favours" (Kinnock), and "influence not power" (John Edmonds of GMB) [London Times September 5, 1990], and the sub-title of Robert Taylor's recent musing on the party-union relationship: "time for an open marriage" [Taylor 1987].

One can question the durability of this particular kind of marriage. Clearly many trade unions still see a Labour government as a crucial antidote to Thatcher, and her less confrontational but no less anti-union successor. It is also likely that any future Labour government, if it gets into trouble, will attempt to play the union card and get some form of wage restraint. And means guaranteed to succeed, have repeatedly strained relations between the unions and the SPD throughout the 1980s and early 1990s. Nonetheless, the common dangers and uncertainties of the emerging post-Fordist environment that both face have also kept them together.

DGB - SPD Relations under Fordism. Although the relationship between the SPD and DGB has been close throughout the postwar era, it has remained informal, owing to labor's adoption of "unitary and nonpartisan unionism" (Einheitsgewerkschaft) as an organizing principle immediately after the war. The principle of Einheitsgewerkschaft called on the unions to maintain ties with all democratic political parties, while at the same time remaining politically independent. The creators and supporters of the Einheitsgewerkschaft principle, however, did not intend political independence to be synonymous with indifference or neutrality. On the contrary, unions were to engage actively in all political as well as economic efforts that would enhance the position of their members.

In practice, however, the shared commitment of both the postwar German labor movement and the SPD to the ideals of social democracy have actually helped to preserve their traditionally close ties, which date back to the late nineteenth century. Widespread overlapping memberships among top officials from both organizations in the postwar years have strongly reinforced this special relationship.[5] Still, the principle of Einheitsgewerkschaft precludes direct electoral aid and even an indirect endorsement of one party over the others [Braunthal 1983; Markovits and Allen 1984].

The postwar reorganization of the West German economy also placed the unions in an arm's length relationship. The organization of production remained only partially Fordist until well into the 1960s, largely for political reasons. Although the Federal Republic quickly established a centralized concept of state planning, but by defining it in Keynesian terms. For all practical purposes, however, this meant that Keynesian demand management became the new official policy of German labor. Most unionists favored Keynesianism for three reasons: it represented for them "the economic strategy best suited to the highly complex advanced capitalist society whose problems could not be solved by either Marxism or classical liberalism;" they found it far superior to the economic policies of the conservative Christian Democrats in power; and it opened an avenue for labor to participate directly in government. Thus, as a result of the Düsseldorf conference, both the West German union movement and the Social Democratic Party had adopted Keynesianism as their leading policy proposal [Markovits 1986: 101-107].

Still, it took the economic crisis of 1966-67 and the ascension of the SPD into government responsibility to usher in Keynesianism as the official policy of the Federal Republic. The German recession of the mid 1960s, although actually quite mild, unleashed a tremendous political shock wave. It shattered the reputation for economic competence of the Federal Chancellor, Ludwig Erhard (CDU), who had been heralded as the architect of the German "economic miracle" of the 1950s. Since the recession struck while Erhard was in office, many Germans concluded that the Chancellor's heavy reliance on market forces to create "prosperity for all" had become outmoded, and that Keynesian demand management akin to what the United States had successfully employed since the election of Kennedy represented a modern, superior alternative for managing an economy. All of the leading Keynesian economists, however, were in the SPD. Thus, the party needed to share power for the Federal Republic adopt Keynesianism [Bark and Gress 1989].

The recession also encouraged West German organizations and political parties to compromise in novel ways. Because the economic problems of the an alliance with two conservative, market-oriented parties. Its strong showing in the 1969 federal elections, however, enabled them to forge a governing coalition with the small liberal Free Democratic Party (FDP). During the campaign, the SPD's chancellor candidate, Willy Brandt, proposed a sweeping set of economic and social reforms under the slogan "dare more democracy." The formation of the social-liberal coalition in 1969 unleashed a burst of "reform euphoria" among German unionists and within the left [Lehrert 1983].

Between 1969 and 1974, Brandt and the SPD spearheaded a significant expansion of the welfare state and the revision of the Works Council Act in 1972. Demand stimulation kept the West German economy expanding at an annual average of over five percent and held unemployment at roughly one percent. This performance, in no small measure a product of the earlier bargain struck between the unions and Schiller, yielded rich political and economic rewards for both the SPD and the unions in the early 1970s. In 1972, the SPD obtained its largest share of the vote (45.2%) in the history of the Federal Republic. The party had succeeded in universalizing its appeal on the basis of its Godesberg program.[6] Real wages advanced by 6.3 percent annually between 1969 and 1973. Union density began to rise for the first time in the history of the Federal Republic, climbing from 30.0 in 1969 to 35.2 percent in 1983. Thus, although the SPD was unable to meet all expectations of the labor movement (due to the resistance of the FDP it could not extend parity codetermination to large firms outside of the coal and steel industries), German unions profited from their implicit bargain with the SPD [Markovits 1986; Hemmer and Schmitz 1990; Padgett and Patterson 1991; _Tageszeitung_, 28 May 1991].

The Collapse of the Political and Economic Bargains. Despite its obvious successes, the implementation of the Bad Godesberg program had also generated deleterious side-effects for the SPD. The reforms created an bination of these factors made the Social Democrats' defeat in the March 1983 federal election hardly surprising. The SPD garnered less than 40% of the vote for the first time since 1965 in a lackluster campaign led by Hans-Jochen Vogel [Armingeon 1989a: 322-23; Grafe 1991; Koelble 1991: 84].

Over the course of the 1970s, the bargains between German labor and the Social Democrats began to deteriorate, as each side found it increasingly difficult to uphold its end of the deal. Helmut Schmidt, who served as Chancellor from 1974 to 1982, bore the brunt of this problem for the SPD. On the one hand, DGB officials could no longer credibly assert that they could provide for any wage restraint because an explosion in worker militancy, tight labor markets, and accelerating inflation made the management of collective bargaining far more difficult for the union leadership. On the other hand, rising friction between the SPD and FDP -- in particular, over the expansion of codetermination rights -- hampered the SPD's ability to fulfill any demands made by labor on the party. As a result, a growing proportion of unionists felt that they were being "held hostage" by their own government, while SPD officials came increasingly to believe that the unions would inevitably leave them in the lurch whenever tough economic times arrived [Klönne and Reese 1990; Koelble 1991; Padgett and Patterson 1991].

By the early 1980s, then, the capacity of the government to use Keynesian demand management to insulate the Federal Republic from fluctuations in the world economy had come to an end. The internationalization of the economy and fiscal limits made the guarantee of full employment and steady economic growth increasingly tenuous for the social-liberal coalition. Consequently, the SPD's Bad Godesberg Basic Program, which explicitly embraced Keynesianism as the essence of the party's economic program, had suddenly lost its validity. The SPD recognized the declining utility of national macrostep of publicly siding with the employers, the member unions of the DGB were divided over the issue [Silvia 1988: 164-165].

The accommodationist wing of German labor led by IG Chemie preferred an early retirement scheme to shortening the workweek as a means of lowering unemployment. The government made the most of this division within the ranks of labor by providing public funds to support early retirement plans. Still, IG Metall remained firm and waged a successful 6-1/2 week strike in 1984 that achieved a reduction of the workweek from 40 to an average of 38-1/2 hours. At first, the SPD stayed out of the dispute because of the split within the labor movement itself over weekly working time reduction and opinion polls indicating weak support for IG Metall among workers. Yet, once the strike began, the vast majority of workers supported the union, in large part owing to the government's blatant anti-union actions. The SPD and all of the other unions also rallied behind IG Metall once the strike began, narrowing the rift within the labor movement and bringing about a reconciliation between the unions and the SPD. Once IG Metall had proved that weekly working time reduction was attainable, all the other unions -- both activist and accommodationist -- began to negotiate for it in their sectors [Markovits 1986: 437-41; Vogel 1988: 388].

From Fall 1985 to Spring 1986, the German labor movement fought a second battle that seemed to extend the 1984 strike to the political sphere. The government, at the insistence of German industry, altered Article 116 of the Arbeitsförderungsgesetz (Employment Promotion Act) to deny unemployment benefits to workers in other bargaining districts who were laid off in the event of strike actions.[7] While not affecting wage disputes, the language of the Act increased the difficulty in striking over "qualitative" issues, such as working time or investment decisions, because unions could not differentiate

Lafontaine entitled, The Society of the Future. In his book, Lafontaine called on the unions to accept working time reduction without "full compensation in the wage rate for the hours lost" (voller Lohnausgleich) as a solidaristic means to lower unemployment. Lafontaine also called for an expansion of the notion of work to include child care and housework. As a result, he called for regular public payments to those who work in the home.

Lafontaine cleverly timed the release of his book to establish himself as the SPD's next candidate for chancellor. In contrast to Rau's traditional campaign strategy of 1986-87, Lafontaine took a "post-left" approach. His call on the unions to renounce wage increases appealed strongly to business and raised his reputation for "economic competence," while his proposal regarding income for "reproductive labor" was popular among feminists and the young "Aufsteiger" (upwardly mobile) who had been leaving the SPD in large numbers for the Greens. Lafontaine continued to pursue a "post-left" approach. This included an appeal to "post-materialist" values, despite his own relatively luxurious personal lifestyle, which offended many traditional SPD members.[8] The absence of a viable alternative, however, ensured that Lafontaine would become the SPD's candidate for chancellor in 1990, despite the reservations that many party members had about the choice [Wirtschaftswoche, 9 September 1988; Spiegel, 19 December 1988; von Winter 1990].

The unions reacted sharply to Lafontaine's book. They denounced the suggestion regarding working time reduction as "intentional obfuscation" and nothing more than a blatant campaign maneuver. Lafontaine's proposal especially perturbed labor leaders because several unions found themselves in the midst of, or about to begin, negotiations over weekly working time reduction with full compensation as the main demand. The SPD establishment, which supported labor's position, quickly moved to make peace by meeting with DGB offithe contact that the German union movement maintains with all parties under the system of Einheitsgewerkschaft substantially helped to limit labor's political vulnerability since the change of government in 1982. The CDU has maintained an official wing for union members -- the Christian Democratic Employees -- that has acted as a counterweight to the forces within the party interested in weakening trade unions [Markovits and Silvia, forthcoming].

Despite their resilience, the unions did show some weaknesses in the 1980s. First, although unions made significant advances at the bargaining table, the mass unemployment that marked much of the 1980s weakened their relative position vis-à-vis capital. Labor's share of the national income declined from its peak of 74.4% in 1981 to 67% in 1990. The collective bargaining success of the 1980s resulted more from the remarkable prosperity experienced by German capital during that decade than from particular prowess in collective bargaining [Gewerkschaft Textil-Bekleidung 1991].

Second, despite a growth in membership, German trade unions remained largely unable to recruit workers from outside their traditional pool of skilled and semiskilled male, blue collar workers. Thus, the occupational distribution within the DGB matches the profile of the German economy from 1960 rather than 1990. During the 1980s, the DGB unions compensated for this failure by increasing their density within labor's traditional manufacturing strongholds. This approach, however, represented more a short-term holding action than a long-term solution. The performance of the unions has held up far better than the SPD's electoral results. Still, many unionists fear that they have only staved off temporarily the effects of social and demographic trends in ways that were unavailable to the SPD [Armingeon 1989b; Armingeon 1991b].

A new generation of labor leaders began to rethink the unions' traditional positions and policies in light of these dilemmas. In 1988, the Public

(Streitkultur) and arrive at internal decisions through collective discourse and persuasion instead of passing down "orders" through a strict chain-of-command. Finally, these labor leaders stress that unions should decentralize authority and become far more reliant on local initiative [Hoffmann 1991; Schabedoth and Tiemann 1989; Strasser 1991].

Neither IG Metall nor ÖTV have managed to implement these reforms successfully for several reasons. First, collecting and synthesizing the wide variety of opinions found among the membership into a process that generates workable decisions would invariably overtax the organizational capacity of any union. Second, the economic, and ultimately political, strength of a union is based on its control over regional and sectoral labor markets. Any "opening" that undermines this control would invariably weaken a union. Third, the political culture of trade unions is tailored above all to the staging of successful collective bargaining rounds and, if need be, labor disputes. Any opening that weakens a union's resolve or sows dissension in a union would disrupt this core activity. Fourth, in the postwar era, German unions have thus far limited themselves to contests over the distribution of income. Any attempt to expand beyond this realm may turn the government and the employers against organized labor. Fifth, union leaders are attempting to promulgate openness and decentralization from the top down, reminiscent of the failed efforts at reform in Eastern Europe during the 1970s and 1980s.

Moreover, as the 1988 dispute with Oskar Lafontaine and clashes with rank-and-file militants have revealed, labor leaders still have a narrow definition of the types of openness and decentralization they tolerate. Any dissent that exceeds the leaders' carefully prescribed boundaries has been denounced rather than encouraged, particularly if it threatens the political stability of the leadership itself. Moreover, union officials at lower levels ment. Yet, the common organizational problems and external opponents faced by the unions and the SPD have both helped to preserve the old linkages and led them increasingly to borrow directly from each other to forge new directions.

Labor, the Left, and German Unification. The response of the West German left to unification represented a collective political failure. The unions initially shared in this failure. Since mid 1990, however, they have been the only progressive institutions that have established a strong presence in eastern Germany. The momentous economic problems facing the citizens of the former German Democratic Republic (GDR) left western German unions with little choice but to intervene in eastern Germany if they wished to maintain the unitary and centralized system of collective bargaining throughout an expanded Federal Republic. The intervention of the western unions into the East has proven successful in the short run. By the end of 1990, approximately half of the eastern work force belonged to a union [Fichter 1991: 30]. Still, the long-term prognosis is not as sanguine. Most eastern workers have joined unions in a desperate bid to save their jobs. A sizable share of the workers currently counted by the unions as members in the east are either already unemployed or on short-time work. When the unions inevitably prove incapable of fulfilling the employment expectations of their new recruits, many workers will undoubtedly allow their union membership to lapse, just as western workers did under similar circumstances in the early 1950s.

The absence of a significant SPD east of the Elbe has also hampered the unions' eastern activities. This precludes drawing on an available pool of organizers and outside support. Throughout 1990, there were only 25,000 members in the newly reestablished eastern party (vs. over 900,000 SPD members in western Germany and western Berlin). Moreover, the existing eastern SPD members have been of little help to the unions in the five eastern states because the same calls for openness, diversity and decentralization found in the future programs of the more activist unions. Unlike the Bad Godesberg document, however, the Berlin Basic Program contained no underlying strategy and expressed no coherent vision of the future. Instead, it simply encapsulated the party's rather uneasy internal tensions. Moreover, the core of the Berlin program did not take into account the dramatic changes introduced by unification because the SPD completed it before the events of Fall 1989 unfolded. In December 1989, the Social Democrats inserted last-minute references to unification into the Berlin program, but they looked out of place, clashing with the ambiguous but distinctly post-material document [Padgett and Patterson 1991; Potthoff 1991; Müller 1990: 63-64; SPD 1990; Winter 1990: 350-58].

As a result, the Berlin Basic Program proved ineffective as an electoral tool in the first postwar all-German election in December 1990. After the election, even SPD parliamentary party chief Hans-Jochen Vogel conceded that the Berlin Program had been "somewhat stillborn" [Handelsblatt, 29 May 1991]. Unfortunately for the SPD, the Berlin program was not the only problem the party had during the 1990 campaign. When party officials selected Lafontaine as the SPD's candidate for Chancellor in the spring of 1989, they hoped that his post-modern approach would make Helmut Kohl appear old-fashioned and out-of-step to West German voters. Unification completely altered the campaign because it made material and high political concerns paramount. Consequently, both eastern and western voters preferred Kohl's seizing the moment to Lafontaine's warnings about the costs and problems of unification, regardless of their accuracy. Consequently, the conservative coalition won the first postwar all-German election in a landslide.

The SPD's share of the vote in western Germany fell to 35.4% -- a level comparable to the party's pre-Bad Godesberg era -- and the party's eastern within the SPD. Could the SPD pursue a recognizable political line by "subcontracting" its activities out to a wide variety of specialists from the ranks of unions, employers, civic associations, new social movements, sports clubs, and churches? Nonetheless, the proposals demonstrate that the SPD and the German labor movement are coalescing around proposals for a new organizational framework that were largely inspired by the activist wing of the German labor movement.

Both the SPD and organized labor have recognized that the economic foundations and political conditions that supported their activities have crumbled beyond repair. German reunification has only served to accelerate this fragmentation. As a result, both have searched for a suitable replacement by seizing upon a plan to emulate the new social movements in order to to regain organizational strength. This risks dissolving the remnants of the social bonds that both hold the two organizations together internally and connect them with one another without any assurance that this new approach will allow for a successful reconfiguration of the institutions and their alliances. The tattered political and economic bargains remain in flux.

France: Organizational Pluralism and Difficult Bargains

If the economic and political bargains have shriveled in Germany and Britain, they proved difficult to establish in the first place in France. The absence of strongly institutionalized unions and weak employer federations combined with the interventionist state to make bargaining between labor and capital -- mediated by political forces -- less compelling throughout the entire postwar period. The political and economic bargains typically forged during the Fordist period did not bind together the unions and left parties. One can speak of an implicit acceptance of productivity bargaining by both ministries assumed responsibility for the terms of economic change. Left parties sought to influence the course of the growth regime through the capture of state power. All political parties, of course, seek to influence economic policy. Yet, the French left showed a singular desire to re-orient capitalist growth. More than in any other European country, then, the ideas and actions of the political left in France presupposed the autonomy of the national state in the international arena and the dominance of state institutions in the domestic arena.

Because the political left did not hold power until 1981, bargains did not have to be articulated between party and unions to regulate the economy. The right presided over economic growth (delivering some goods) and acquiesced to authoritarian workplace practices which treated labor not as a junior party but as a social outcast. Unions never assumed responsibility for the terms of economic growth. They could barely control memberships, let alone the entire workforce [Daley 1988]. The economic dilemma facing unions was never tested.

Relations between French unions and the Left parties had always suffered from ambivalence. Since the Communist Party (PCF) split from the Socialist Party in 1920, the two political forces have sought the loyalties of workers and the leadership of the left. Political disunity fostered division within the trade union movement. Union competition has led to outcomes ranging from joint action to outright hostility. Since the mid-1960s, unions have been affiliated to five separate confederations, reflecting deep historical divisions expressed in contrasting ideological traditions. These range from statism to syndicalism, Catholicism to secularism, Leninist anticapitalism to business unionism. Frequently competing for members or less formalized support within the same establishments, the unions have typically been weakly organized at the level of the firm. In practice, they have depended on state local levels, while the CGT was hegemonic within the labor movement. The confluence of sheer organizational resources enabled the union and party to maintain a large mobilizational effort. The tight linkage between union and party gave the PCF-CGT relation an important grounding in working class culture. As an oppositional political force, excluded from governing between 1947 and 1981, the PCF provided strident critiques of French capitalism and state-led modernization. Its articulation of working-class positions helped sharpen the expression of class conflict among French workers.

In order to capture state power, both the Communists and Socialists realized that they had to join forces. With its unswerving loyalty to the Soviet Union and its program narrowly workerist, the PCF remained isolated from other political actors until the early 1960s. The non-communist left had split into numerous parties, and had been seriously compromised by the colonial debacles of the 1950s with the SFIO losing membership, voters, and vitality. The logic of political institutions of the Fifth Republic, however, pushed the two left forces together. The double-ballot majority electoral system rewarded cooperation. The presidential campaign in 1965 showed the extent to which de Gaulle was politically vulnerable and a united left had the potential to reach power. Left unity in legislative elections two years later brought the combined left within striking distance of a majority in the national assembly. The recomposition of the PS with François Mitterrand as its leader in 1971 furthered the process of left unity.

Nascent unity of the political left encouraged joint action in the labor movement. In 1966, the CGT and the CFDT began over a decade of cooperation in strike actions and collective bargaining. While the two confederations could agree on policies to confront a business community jealous of its prerogatives and a state which held the reins of industrial change, ideological and

1970s consisted of erecting market barriers and extending subsidies to firms which suddenly found themselves in deficit. Socialist industrial policies after 1981 sought to revive the national champion policies through the development of vertically integrated companies (filières). Both the Chirac government in 1974 and the left after 1981 sought to inject purchasing power into the economy. Not surprisingly, real wages continued to rise until 1983. Still, manufacturing jobs began declining after 1974. The manifest inability to create new jobs necessitated state labor-market intervention [Daley 1990]. It also eroded the organizational capacities of the divided unions.

Alliance strategies of the political left developed within the context of Fordist destabilization and state obfuscation. The Common Program of Government, signed by the Communists and the Socialists in 1972, promised a mix of nationalizations and worker control designed to revive the flagging fortunes of the competitive sector and establish the political and economic bargains missing from the Gaullist model. These were easy to digest for the CGT and for part of the CFDT who sought not only political inclusion but protection by the state from capricious employers and unfriendly markets. They were bitterly rejected by employers.

After the narrow defeat of the left in the legislative election of 1973 and the presidential elections of 1974, the left seemed on the verge of power and all predictions pointed to an overwhelming victory in the 1978 legislative elections. The PS, however, appeared to be growing at the expense of the PCF and the latter, in an apparent tactical maneuver, demanded the renegotiation of the Common Program in light of the economic crisis. The talks broke down into acrimony in 1977, aborting the left victory the following year.[11]

The Common Program renegotiations seriously divided the unions, crystallizing those ideological differences that had been buried in public hand-

By 1981 both the political left and the labor movement were profoundly divided. The victory of the left in the presidential elections resulted more from divisions within the right than a popular mobilization dependent upon tight linkages between the political left and the labor movement. In the three years preceding the elections, relations between the two parties had degenerated into bickering reminiscent of the worst stages of the Cold War. Increasing unemployment and internal division served to demobilize the labor movement. Only the attempts by the right government of Raymond Barre to restructure the economy through a strengthened currency, thereby choking off investment, and an inability to contain inflationary pressures divided the business community and split the previous presidential majority.

With the election of Mitterrand as president and the overwhelming left majority in the subsequent legislative elections, the left could put into practice the policies developed while in opposition: the nationalization program promised more political control of the economy and labor law reform would democratize industrial relations, offering at least the opportunity for "industrial governance." Against the current of the other advanced countries, the left government sought to stimulate the economy by raising incomes and consumption. Ironically, the reform push found mixed reviews in the trade union movement. The CGT supported the Keynesian push most vociferously for it dovetailed with the confederation's own economic policy of nationalization and industrial relations strategy premised upon strong wage demands. The FO maintained a staunch antagonism to much of the action of the "Socialo-Communist" government, opposing the initial appointment of Communist ministers, denouncing the nationalizations as overly expensive and unnecessary, and arguing against most of the Auroux Laws, believing they would strengthen the other confederations at its expense. The CFDT offered cautious support for the

Political Centrism and Post-Fordism. The story of the Socialist U-turn is well known [Cameron 1988; Hall 1986]. In an uncertain international environment, demand stimulation quickly backfired, fueling the consumption of imports over domestically produced goods, thereby failing to provide enough purchasing power to fuel an industrial recovery, and putting pressure on the franc. The underlying weakness of French industry in general contributed to the high import elasticity. Already in mid-1982, the government froze wages and prices, later de-indexing public sector wages. Devaluation sought to slow the run on the franc in October 1981 and June 1982. Another round of measures in early 1983 transformed the "pause" into austerity: wage-price guidelines effectively reduced purchasing power, budgetary retrenchments stemmed the increases in transfer payments, and another devaluation sought to restrict consumption of foreign goods.

Still, as drastic as they were, such measures might have been viewed as temporary had they not been accompanied by a new discourse on economic change [Ross 1990]. Between 1983 and 1986 the Socialists embraced the firm as the generator of wealth, the spearhead of competitiveness, and the source of creativity in society. Economic "realism" meant the toleration of increasing levels of unemployment. It implied the search for European market norms in the place of French ones in the belief that French firms could not meet the challenges of the Japanese and the Americans without Europe-wide organization.[13] This distanced national political struggles from market outcomes, putting organized labor at a further disadvantage. It implied the retreat of the state, not in its interventionist capacity, but as the guarantor of working class welfare.

The new competitiveness campaign and the PCF's departure from government in 1984 transformed an uncomfortably plural left into a fratricidal one. The introduced by the Auroux Laws had little practical effect in offsetting the weakening labor market. Employers used the direct expression groups to circumvent the unions. The combination of membership declines and newly created (or strengthened) representative institutions meant that labor leaders would become increasingly enmeshed in administrative jobs and divorced from their members. Finally, the unions could not alter the increasing labor-market flexibility sought by employers since 1981 and the Socialists after 1983. The Auroux Laws had permitted the attainment of more local wage-setting. The loi Delebarre in 1986 permitted more flexible time schedules.[14]

The period between 1986 and 1991 can best be characterized as centrist consensus building between the Socialists and parts of the parliamentary right. The Right government's initial "anti-reform" push in 1986 sought to undo much of what the left had put in place.[15] All three confederations saw these electoral promises as undercutting the state's compensation for the organizational weaknesses of the labor movement. Yet, they did not provide the glue to bond them together. The CGT reacted vigorously in line with both its economism and its linkage to the PCF, while the FO accepted some of the arguments -- never having been a fan of nationalization, for instance -- and argued for concrete steps to improve the labor law. The CFDT wavered between its own collective bargaining mode and a critique of the stridency of the right's proposals. Thus, the unions saw to varying degrees the right's push as changing their environment, but each pursued those alliance strategies that had been set in place by 1984: the CGT pushed for the PCF, the FO remained neutral, and the CFDT provided lukewarm support for the PS.

Prime Minister Chirac could only implement half the privatizations, for the stock market crash of 1987 and the presidential elections of 1988 slowed the initiative. The right government did abrogate the administrative authorchy. A strong currency facilitated the coordination of European economic policy, enabling French firms to diversify within Europe. This disinflationary policy was accompanied by reductions in income and value-added taxes to prevent a slide into rapid deflation. French economic policy -- forged by the Socialists in 1984, strengthened by Chirac in 1986, and continued by Michel Rocard between 1988 and 1991 -- has won accolades from the business and financial communities [Financial Times, April 14, 1990; OECD 1990, 1991].

The unions have not been well-placed to challenge this centrist consensus. The job hemorrhage in traditional industry continued into 1987, further eroding a weak union base. In spite of job growth, unemployment has remained high at around 9%, thereby weakening wage claims. Militancy has been difficult to generate as indicated by annually declining strike rates: by 1990 France would be among those countries with the lowest rates. Union membership has continued to slide such that the percentage of the non-agricultural workforce organized hovers between 6 and 9%, lowest among the OECD countries. Discreet categories of workers have resisted the new environment for labor -- railway workers, air controllers, postal workers, nurses, and civil servants (tax collectors!). Yet, the most effective actions have been led by coordinations, extra- and frequently anti-union assemblies of workers, which have secured isolated gains in the face of wage restraint. The unions have taken contradictory positions on these activities. The CFDT expelled several postal locals for cooperating in one coordination. The CGT has sought with very mixed success to assume control of strike action.

Such ad hoc action highlights the trajectory of the French labor movement. The CGT hardened its stance against the Rocard government to the point of disillusioning Socialists within the confederation, and a number of purges have sought to ensure organizational conformity. It has pursued a go-it-alone

Much to its chagrin, the PS has not become the hegemonic party of the left similar to its social democratic counterparts elsewhere in Europe. The development of a cross-class catch-all party has been stillborn. Working class votes have migrated from the PCF and the PS but not to the extent expected by the latter. While the PCF's vote has dropped from 20% to under 10%, thereby trailing the National Front as the fifth political force, the Socialists have not recuperated all the lost votes. Considerable evidence suggests that disillusioned working class voters are now abstaining at a rate higher than the national average. The Socialists have seen their vote fluctuate between a high of 38% in the 1981 legislative elections to 24% in the European elections of 1989. The stubborn resistance of the parliamentary right suggests that the PS will have difficulty capturing the center. The claim fifteen years ago that the left enjoyed a "sociological majority" has a hollow ring in the 1990s. Most voters do not see a major programatic difference between the PS and the right [SOFRES 1990], translating into weak partisan identification.

The PS has flirted with circumventing the materialist compromise of social democracy in favor of a national appeal based on rights and opportunities. Here the argument is that the changing nature of French society has already pulled apart class-based constituencies and modifying old voting patterns [Nouvelle revue socialiste 1991] and that the party should gauge its appeal to the broadest possible spectrum of the electorate. (Michel Rocard, for instance, was more popular among senior managers than among workers and held the confidence of the former more than the parties of the right!) However, the PS entered the 1990s extraordinarily fragile as an organization. Membership and militancy have declined steadily over the last decade, as they have for other French parties. The struggles over succession cleavages that rocked capitalist societies. That economic affluence engenders political moderation appeared to have been refuted in the late 1960s and 1970s by the evolution of Eurocommunism, the radical break foreseen by the Common Program in France, and the growth of the Labour left in Britain. Even the development of an extra-parliamentary opposition that would eventually transform itself into the Greens in Germany suggested that social democratic parties could be seriously challenged on their left wings. Such challenges argued forcefully against long-term trends toward political moderation. The rise in strike volume in the late 1960s and early 1970s implied that economic change and political accommodation were not easily reconciled.

By the 1990s, however, radicalizing politics had shriveled. Unions have been disciplined by market forces, and the political left has accepted a new "realism." The Labour Party has struggled on the terrain of Thatcherism and has accepted some of the pro-market policies. The French Socialists engineered a policy U-turn that embraced economic orthodoxy. By the end of 1990 the Greens were out of the Bundestag, and the SPD has still unwilling to challenge the German model.[16]

Once again we are forced to explore the sources of left party political moderation. The modernization theorists suggested that parties would become more heterogenous in electoral appeal -- the end of the mass-class party -- and that unions would become more functional to "industrial governance." The former has happened for reasons other than those suggested and the latter has come undone because of the mobilization of capital.

Unlike Kirchheimer [1966] and Lipset [1964], therefore, we do not argue that a changing class structure has been the motor force of political moderation.[17] Rather, we look to the market and electoral sources of interest linkages -- i.e., the connection of the citizen to political party via the sions within the left, the divided union movement, and opposition from the business community. With the demise of French Communism the linkages between left and labor have been broken in France.

Sources of variation. The resiliency of the labor-left relationship is most obviously influenced by the nature of the linkages under Fordism. Here the bargains between party and union were least developed in the French context, most organic in Britain, and strong (although subtle and informal) in Germany. However, we should be careful in post hoc ergo propter hoc explanations: the existence of previous configurations does not necessarily imply continual evolution. "History matters" but the present is more than simply the product of the past. We need to explain both the sources and the degree of change in the labor-left nexus.

The durability of political and economic bargains between party depends on both the strength and unity of organized labor and the strategy and maneuverability of political parties. These two broad factors -- the coherence and strategic orientation of the labor movement and the political left -- depended to some extent on what we might call the "timing of Fordist transition." We can operationalize those factors in terms of five sets of variables that affect the bargains between labor movements and left parties: the social composition and previous electoral appeal of the party itself, the relative homogeneity of left mobilization, the governing possibilities of the left party, the relative homogeneity of the labor movement, the economic space available for the inclusion of organized labor in corporatist-styled bargaining networks.

The social composition of left parties has changed considerably in the postwar period. Leaders tend to be recruited increasingly from the professional middle classes and less from the working class. However, this is a national lines. Therefore, electoral appeal and governing possibilities have become inextricably mixed at least in France and Germany.

Inglehart [1977, 1990] has shown the extent to which the ideational orientation of the left electorate has changed since the 1960s. Since the 1960s, perhaps because of its Bad Godesberg compromises, the SPD has had considerable pressure from non-materialist voters. It has actively sought to enlarge its social base, especially since it can no long take even the union vote for granted. Given the existence of a strong Communist rival, the French Socialists had opposite electoral pressures -- attracting working class votes which it has done quite impressively. While it infringed on the PCF's constituencies, however, it sought entrenchment both among new categories of workers and even the old middle classes. In Britain, party identification has been declining for the last two decades, and Labour since Harold Wilson has explored new social bases.

Electorates have become fractionalized and the left has had to cope with a decrease in homogeneity. Still, political cultural explanations have difficulty in explaining the mobilization of those values. Mobilization depends on the capacity of social movements and political parties to pull together various interests and devise programatic appeals that can bind them together. Britain, Germany, and France have witnessed very different types of coalition building. For our purposes we need to explore the extent to which such coalition-building has affected the relationship to organized labor. In other words, to what extent have left political coalitions and labor linkages been zero-sum or positive sum?

The relative homogeneity of the labor movement seems to explain the largest amount of variation in party-union relations. Organizational cohesiveness is the sina qua non of a stable durable nexus. Such sures for active employee involvement. The precise nature of that involvement, of course, can vary enormously. The costs to organized labor for such bargains, however, may be the sacrifice of the organizational needs of the union for the benefit of the economic unit.

Still, we should not imply that learning has not taken place within unions and left parties. The problems we have suggested are more evident to the actors themselves than to interested observers. One can find numerous examples throughout Europe of local political coalitions involving left parties, unions, and new social movements which have surmounted the centrifugal tendencies created through competing interests. They have provided competitive environments and industrial governance precisely because unions, employers, and political elites have targeted human capital development [Kern and Sabel 1991].

A new political bargain may take longer to negotiate. The future of union-party relations in the midst of the "double shift" will ultimately depend on new forms of political mobilization and labor-market coalition-building. Historically, labor organization has followed the development of the market [Polanyi 1957]. As new market arenas develop, we should expect parallel attempts to create new institutions to represent the interests of working people. Although the European Trade Union Confederation has had difficulties coordinating labor market actions [Silvia 1990a], Europe-wide organization will take place eventually. A Europe-wide political bargain would depend upon the extent to which power shifts from the European Council and Commission to the European Parliament as well as the ability of national left parties to act in a unified fashion within a single European organization.

In spite of the stresses and strains facing unions and parties, the two still need each other. Unions can no more afford to view left parties in a

ENDNOTES

[1] In fact, so crucial were union votes that the electoral college system only passed because of the misguided abstention of one union, the Amalgamated Union of Engineering Workers (AUEW), which refused to vote for any system which did not give the PLP at least a 75% share of the vote.

[2] The unions most involved in this effort were: the General and Municipal Workers Union (GMWU), the Transport and General Workers Union (TGWU), the AUEW, and the National Union of Railwaymen (NUR).

[3] Plans for a sixth package of trade union reforms was announced in July 1991.

[4] It is worth noting that a Tory demand for contracting-in instead of contracting-out, was avoided by the TUC's acceptance of a voluntary code of conduct.

[5]. For example, roughly ninety percent of all full-time union officials are members of the SPD and a similar percentage of SPD *Bundestag* delegates are union members.

[6] Sixty-seven percent of all manual workers and fifty-three percent of all white-collar employees voted for the SPD in 1972.

[7] Workers do not receive unemployment benefits if they are from the same sector as the strikers, if they have raised a similar demand in their district, and if the final result of the labor dispute will most likely be copied in the contract of the region not in dispute.

[8] Traditional SPD members refer dismissingly to the affluent post-materialists within the party as the "Tuscany faction," because of their penchant for, among other things, taking frequent vacations to Italy.

[9] At the national level, the secretary general of the union typically sits on the Political Bureau of the party, and a number of other union officials have party responsibilities. Perhaps ten percent of union members belong to the

from the failure of collective bargaining to reach a similar set of policies.

[15] The right's electoral platform had called for the privatization of the banking sector, the insurance companies, television networks, and those industrial groups nationalized in 1982. It promised to revise employment law ending the administrative authorization of layoffs in the private sector and to revise the laws democratizing the public sector. The right coalition wanted to spur competitiveness through entrepreneurial energy and flexible labor markets.

[16] The addition of other cases suggests a more universal trend. The Italian Communists, for instance, felt more comfortable with social democrats and by 1990 had even changed their name. Spanish Socialism under Felipe Gonzales has given new meaning to the term "market socialism." The Swedish Social Democrats, in applying for membership to the European Community, have accepted the "fatality" of unemployment.

[17] The arguments on post-industrialism are themselves rather obscure. See Block 1990.

[18] While the country sketches will introduce some order here, we are suggesting that the German economy has been better able to build flexibility into the process of industrial adjustment than have the French and the British.

[19] Recent events in Sweden, for instance, suggest that union and party agendas can be separated even with a high level of party-union power resources.

Caron, François 1979: An Economic History of Modern France, trans. Barbara Bray (New York: Columbia UP)

Carré, Jean-Jacques, Dubois, Paul, Malinvaud, Edmond 1972: La croissance française: Un essai d'analyse économique causale de l'après-guerre (Paris: Seuil)

Coates, David 1980: Labour in Power? (London: Longman)

_____ 1989: The Crisis of Labour (Oxford: Philip Allan)

Coates, Ken and Topham, Tony: 1986: Trade Unions and Politics (Oxford: Basil Blackwell)

Crewe, Ivor and Denver, David, eds. 1985: Electoral Change in Western Democracies: Patterns and Sources of Electoral Volatility (London: Croom Helm)

Daley, Anthony 1988: "Labor and Industrial Change: The Politics of Steel in France," Ph.D. Dissertation, University of California, Berkeley

_____ 1990: "All Worked Up Again: Employment Policy Under Mitterrand II," Paper presented to the Annual Meeting of the APSA, September

_____ 1991: "Labor and the Left in Mitterrand's France," Paper delivered to the Annual Meeting of the American Political Science Association, Washington, D.C., August

Dalton, Russell, Flanagan, Scott, and Beck, Paul Allen, eds. 1984: Electoral Change in Advanced Industrial Democracies: Realignment or Dealignment? (Princeton: Princeton UP)

Engholm, Björn 1991: "Sozialdemokratie und Gewerkschaften -- ein neuer Frühling für ein altes Paar," Gewerkschaftliche Monatshefte 42, 4 (April)

Esping-Andersen, Gosta 1990: The Three Worlds of Welfare Capitalism (Princeton: Princeton UP)

Ewing, K.D. and Gearty, C.A. 1990: Freedom Under Thatcher (Oxford: Clarendon)

Fetscher, Iring 1991: "Die Politischen Parteien im vereinigten Deutschland," Gewerkschaftliche Monatshefte 42, 4 (April)

Fichter, Michael 1991: "From Transmission Belt to Social Partnership? The Case of Organized Labor in Eastern Germany," German Politics and Society, 23 (Summer)

Gamble, Andrew 1988: The Free Economy and the Strong State (Durham: Duke University Press)

Gewerkschaft Textil-Bekleidung, Hauptvorstand, Abteilung Tarif 1991: Tarifrunde '91. Forderungen, Fakten, Argumenten (Düsseldorf: GTB)

_____ 1990: Culture Shift in Advanced Industrial Society (Princeton: Princeton UP)

Jenkins, Peter 1988: Mrs Thatcher's Revolution (Cambridge: Harvard UP)

Jenson, Jane 1989: "The Talents of Women, the Skills of Men: Flexible Specialization and Women," in Stephen Wood, ed. The Transformation of Work? Skill, Flexibility and the Labour Process (London and Boston: Unwin Hyman), 141-155

Kavanagh, Dennis 1990: Thatcherism and British Politics, 2nd ed. (Oxford: Oxford UP)

Kelly, John and Richardson, Ray 1989: "Annual Review Article 1988," British Journal of Industrial Relations (March)

Kern, Horst and Sabel, Charles F. 1991: "Trade Unions and Decentralized Production: A Sketch of Strategic Problems in the West German Labor Movement," January

Kesselman, Mark 1983: "Socialism Without the Workers: The Case of France," Kapitalistate, 11

Kirchheimer, Otto 1966: "The Transformation of the Western European Party Systems," in Joseph LaPalombara and Myron Weiner, eds. Political Parties and Political Development (Princeton: Princeton UP)

Kitschelt, Herbert 1989: The Logics of Party Formation (Ithaca: Cornell UP)

Klönne, Arno and Reese, Hartmut 1990: "Zeiten des Umbruchs -- Die Gewerkschaften unter der Grossen Koalition," in Hans-Otto Hemmer and Kurt Thomas Schmitz, eds., Geschichte der Gewerkschaften in der Bundesrepublik Deutschland. Von Anfängen bis heute (Cologne: Bund)

Koelble, Thomas A. 1991: The Left Unraveled: Social Democracy and the New Left Challenge in Britain and West Germany (Durham: Duke UP)

Kogan, David and Kogan, Maurice 1982: The Battle for the Labour Party (London: Fontana)

Lafontaine, Oskar 1988: Die Gesellschaft der Zukunft. Reformpolitik in einer veränderten Welt (Hamburg: Hoffmann and Campe)

Lehnert, Detlef 1983: Sozialdemokratie zwischen Protestbewgung and Regierungspartei, 1948-1983 (Frankfurt/Main: Suhrkamp)

Lipset, Seymour Martin 1964: "The Changing Class Structure and Contemporary European Politics," in Stephen R. Graubard, ed., A New Europe? (Boston: Beacon)

_____ and Rokkan, Stein 1967: Party Systems and Voter Alignments (New York: Free Press)

Lösche, Peter 1988: "Ende der sozialdemokratischen Arbeiterbewegung?" Neue

Oppenheimer, Martin 1985: White Collar Politics (New York: Monthly Review Press)

Organization for Economic Cooeration and Development 1990: Economic Survey, France 1989/90 (Paris: OECD)

_____ 1991: Economic Survey, France 1990/91 (Paris: OECD)

Padgett, Stephen and Patterson, William 1987: "The Rise and Fall of the West German Left," New Left Review, 186 (March-April)

Panitch, Leo 1976: Social Democracy and Industrial Militancy (Cambridge: Cambridge UP)

Piore, Michael J. and Sabel, Charles F. 1984: The Second Industrial Divide: Possibilities for Prosperity (New York: Basic)

Polanyi, Karl 1957: The Great Transformation: The Political and Economic Origins of Our Time, first pub. 1944 (Boston: Beacon)

Pontusson, Jonas 1988: Swedish Social Democracy and British Labour (Ithaca: Cornell Western Societies Paper, 19)

Potthoff, Heinrich 1991: "Aufstieg und Niedergang der SPD," Neue Gesellschaft/Frankfurter Hefte 38, 4 (April)

Przeworski, Adam 1985: Capitalism and Social Democracy (Cambridge: Cambridge UP)

_____ and Sprague, John 1986: Paper Stones: A History of Electoral Socialism (Chicago: University of Chicago Press)

Rosanvallon, Pierre 1989: "The Development of Keynesianism in France," in Peter A. Hall, ed. The Political Power of Economic Ideas: Keynesianism Across Nations (Princeton: Princeton UP), 171-193

Ross, George 1979: "The Confédération Générale du Travail in Eurocommunism," Politics and Society, 9, 1

_____ 1982a: "The Perils of Prosperity: French Unions and the Crisis of the 1970s," in Peter Lange, Ross, and Maurizio Vannicelli, Unions, Change and Crisis: French and Italian Union Strategy and the Political Economy, 1945-1980 (London and Boston: George Allen & Unwin)

_____ 1982b: Workers and Communists in France: From Popular Front to Eurocommunism (Berkeley and Los Angeles: University of California Press)

_____ 1990: "The French Left and the French Intelligentsia," Paper presented to the Intellectuals and Labor Workshop, Center for European Studies, Harvard University, November

Rowthorn, Bob 1986: "De-industrialization in Britain," in Ron Martin and Bob Rowthorn, eds., The Geography of De-industrialization (Basingstoke:

Communications)

Vignaux, Paul 1980: De la CFTC à la CFDT: Syndicalisme et socialisme, "Reconstruction" (1946-1972) (Paris: Éditions ouvrières)

Vogel, Hans-Jochen 1988: "SPD und Gewerkschaften," Gewerkschaftliche Monatshefte 39, 7 (July)

von Winter, Thomas 1990: "Die Parteien und die Zukunft der Arbeit. Arbeitsgesellschaftliche Probleme in der Programmatik von SPD und CDU," Leviathan, 11 (Special issue)

Wells, John 1989: "Uneven Development and De-industrialization in the UK Since 1979," in Francis Green, ed., The Restructuring of the UK Economy (London: Harvester Wheatsheaf)

Wright, Erik Olin 1978: Class, Crisis, and the State (London: Verso)

Wulf-Mathies, Monika 1988: "Fortschritt und Wandel. Die Zukunft des öffentliche Dienstes Neue Gesellschaft/Frankfurter Hefte 35, 6 (June)

The Minda de Gunzburg Center for European Studies

The Minda de Gunzburg Center for European Studies is an interdisciplinary program organized within the Harvard Faculty of Arts and Sciences and designed to promote the study of Europe. The Center's governing committees represent the major social science departments at Harvard and the Massachusetts Institute of Technology.

Since its establishment in 1969, the Center has tried to orient students towards questions that have been neglected both about past developments in eighteenth- and nineteenth-century European societies and about the present. The Center's approach is comparative and interdisciplinary, with a strong emphasis on the historical and cultural sources which shape a country's political and economic policies and social structures. Major interests of Center members include elements common to industrial societies: the role of the state in the political economy of each country, political behavior, social movements, parties and elections, trade unions, intellectuals, labor markets and the crisis of industrialization, science policy, and the interconnections between a country's culture and politics.

For a complete list of Center publications (Working Paper Series, Program for the Study of Germany and Europe Working Paper Series, Program on Central and Eastern Europe Working Paper Series, and *French Politics and Society*, a quarterly journal) please contact the Publications Department, 27 Kirkland St, Cambridge MA 02138. Additional copies can be purchased for $4. A monthly calendar of events at the Center is also available at no cost.