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

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Political and labor-market mobilization have taken strange twists over the last decade. One finds notable examples of countries where once dominant left parties have experienced long periods of opposition, but others where the 1980s have seen previously excluded left forces dominate government. Labor unions have experienced often dramatic declines in membership and suffered important political and industrial setbacks in some countries, while union density and organizational strength have held up well in others.

An exclusive focus on quantitative indicators -- union density, left share of power -- masks a crucial and deep-seated crisis of both the political and industrial wings of the labor movement. A qualitative shift has taken place in the scope of social change that unions and left political forces can contemplate. That scope is narrower now than at any time in the last seventy years. One has to look back to the 1920s for a similar set of "constraints" imposed upon the workers' movement. Even where the left holds power, its programs have become more cautious, less redistributive, less concerned with issues of economic power, and at times barely distinguishable from its electoral competitors on the right. Even where unions have survived the economic turbulence of the past two decades, their concrete gains have been much reduced, and unions have been forced onto the defensive as bargaining agendas are now dominated by the concerns of employers rather than workers.

The current debates surrounding employee participation illustrate the changed discourse within employer groups, governmental circles, and even many unions. Gone are the pre-oil crisis debates over worker power, revealed most starkly perhaps by the desuetude in which the concept of self-management (autogestion) has fallen. Instead, one finds either a neo-liberal strategy in which the market disciplines worker demands or participation schemes in which
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
affected the economics of the advanced capitalist world. We argue that the interests and constituencies of the two wings of the labor movement overlapped to a significant degree during the first three decades of the postwar period. The relationship between them was potentially harmonious and mutually reinforcing. The crisis of Fordism, beginning in the late 1960s, and the barely visible contours of a post-Fordist political economy today, encouraged a collapse in the material bases of the close relationship between unions and left parties. The sociological bases of both wings fragmented and developed multiple lines of conflict, interests began to diverge, and the virtuous nature of the relationship became increasingly problematic.

We proceed in five steps. Part one lays out in ideal-typical terms the relationship between unions and left parties under Fordism and post-Fordism. We point to economic and political bargains that bound unions and left parties together and suggest that those bargains have unraveled because of changes in the nature and locus of economic change. In parts two, three, and four, we explore in detail the contours of those bargains in Britain, Germany, and France. The concluding part attempts to explain the different national experiences, and to offer some prognosis for the future.

Political Exchange and the Transition out of Fordism

The relationship between unions and left parties has historically rested upon both a political and economic bargain, although they were rarely articulated as such. Instead, they were implicit in the left coalitions formed to achieve political power and to compensate for labor market weaknesses. In the Fordist period, the link between trade unions and left parties provided the potential of gains for both. The beneficial nature of those links was not coincidental in this period. It rested on the economic dynamic and social structural characteristics of Fordism itself.
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.
and offering the potential for a series of working class economic and social gains.

Nonetheless, the Achilles heel of the Fordist circuit quickly became the combination of full employment with relatively powerful trade unions. No "stop-rule" would prevent the increased market power of labor from pressing wage gains in excess of productivity increases, leading to both inflationary expectations and eating into profits [Offe 1984]. The Fordist growth dynamic rested at least partially on wage restraint by workers and their representatives. In the absence of such restraint, a tendency existed for inflationary wage increases and economic disruption from strike action, particularly damaging in the highly capitalized, interdependent Fordist sectors. This posed serious problems for trade unions whose membership bore the economic costs and for left parties in power who were saddled with political responsibility.

The economic bargain resulted from this mutual vulnerability. On the one hand, it rested upon this mutual need to avoid damage to the competitiveness of the national economy and hence the electoral viability of left parties. On the other hand, it relied upon the capacity of trade unions to induce wage restraint on the part of their members. Trade unions offered wage restraint in return for full employment, and perhaps a higher social wage, along with other political gains -- union rights, labor market policy, nationalization of key companies, etc. [Cameron 1984] This bargain took various institutional forms -- from informal understandings in the United States to tripartism in Britain to more formalized corporatist bargaining in the Scandinavian context -- but everywhere it resulted from the fundamental dilemma facing unions and left parties in the Fordist period: labor's exercise of market power had self-defeating implications. The economic bargain enhanced the electoral viability of the left because it could claim a better
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
party to maintain close ties. This provided the opportunity for a political bargain in which trade unions could attempt to deliver the core electoral constituency of left parties. In return, the left party in power would provide a political environment and a legal framework favorable to union organization and collective bargaining. At a minimum, the election of a left government dependent upon union votes could provide neutrality on the part of the state in the conflict between capital and labor. At the most, it could begin a process of "decommodification" through active social policy [Esping-Anderson 1990].

The class structure under Fordism ensured the overlap between union and left party constituencies, and the relative cohesion of those constituencies [Hobsbawm 1989]. Fordist mass production privileged a certain kind of worker -- blue collar, semi-skilled, usually male, in the manufacturing sectors of automobiles, chemical, shipbuilding, electrical consumer durables, etc. This social group had a weight within the working class, and often a sense of solidarity resulting from the geographic and organizational concentration of Fordist mass production [Massey xxxx]. Trade unions tended to enjoy greatest organizational prosperity in these sectors and in the context of this work environment in the immediate postwar period.

Przeworski [1985] has argued that political parties operating in bourgeois democracies have an "individualizing" effect upon voters, minimizing forms of collective identity. Thus, for workers to vote for working class parties, they need to be organized, or pre-organized, along class lines. Trade unions are the principal class organizations in capitalist societies. The strength of trade unions among mass production workers was an invaluable source of pre-organization which enabled left parties to benefit from large blocks of working class votes. To win elections these parties certainly
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 industri-
alization had been thorough and completed comparatively early, the structure
of social cleavages tended to become "simplified," and class became the pri-
mary 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 mobi-
lization by trade unions, provided the electoral raw material of left politi-
cal 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,
and a rise in the numbers employed in services, particularly in the public sector. Some evidence suggests a polarization of skills, with the decline in the weight of the archetypal semi-skilled mass production worker, and the rise both in more highly skilled and more unskilled "junk" jobs [Harrison and Bluestone 1988]. Thus, workforces have consisted of increasing numbers of white-collar employees, women, and social marginals -- young people, minorities, and immigrants.

Economic restructuring has exacerbated the distributional conflicts that already existed. To some extent, unions may find organizing white collar workers and women more difficult than predominantly male blue collar workers, especially to the extent that women find themselves in business and consumer services [Myles 1990]. Workers in jobs with high turnover have also been historically difficult to organize. Thus, the unionized segment of the workforce will increasingly represent declining sectors. Union membership is also likely to shift as white collar and public sector unions expand in number, size, and weight in the labor movement. This has the effect of moving conflicts between public and private sector workers, blue and white collar workers, skilled and less skilled workers, and male and female workers inside union movements, thereby making the aggregation of interest and collective action more difficult [Offe 1985]. The easy solidarity of mass production work, borne of geographic and organizational concentration, will less likely be replicated in the newer sites of work [Jenson 1989]. A fragmentation of organized labor's interests tends to result, and new axes of conflict develop within the labor movement. In short, the capacity of a union movement to "deliver" memberships to a left party diminishes, and the range of interests and demands that a union movement may make in return for such support is expanded and complicated.
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-
stituencies tend to reject formal affiliation and avoid the "pillarized" linkages between traditional parties and their constituencies. For such reasons, one can speak of a logic of "organizational dealignment." The Fordist political bargain becomes more muddled because of multiple interests and conflicts within left parties, particularly when the linkage between left party and organized labor can be seen by important electoral constituencies as illegitimate. The tendency towards dealignment of party and electorate is clearly destructive of traditionally close party-union relationships.

Economic change and the shifting composition of the workforce which accompanies it have contributed to a crisis in the relationship between unions and left parties. This also contributes to an ideological crisis as the linkage itself comes under fire both within unions and left parties and without. A relationship that was once seen as natural and even beneficial, now comes to be deemed illegitimate, a concession to special interests, and an encouragement to "ungovernability" and destructive economic growth.

Trade Unions and the Labour Party in Britain: Family or Just Good Friends?

The relationship between the British Labour Party and the trade unions has evolved considerably in the 1980s, a decade in which the Labour Party was excluded from power and a Conservative government with a particularly virulent anti-union agenda ruled. That relationship has deteriorated to the point that the political and industrial wings of the labor movement are now further apart than at any point in postwar British history. This reduced mutual dependence is more than the product simply of a hostile state, political exclusion, and the Conservative government's rejection of tripartism as a mode of policy-making. There are indications of more profound reasons, rooted in structural changes in the economy and the recomposition of the organized labor force, for believing that this new, more distant, relationship will endure.
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
1945 to a peak of 55.4% in 1979 [McIlroy 1988: 201-202]. Pontusson [1988] has pointed out that the inability to mobilize a larger proportion of manual workers for the Labour Party was related to lower levels of union density. Trade unionists voted heavily for the Labour Party -- for example, in 1964 almost three quarters of union members voted Labour [McIlroy 1988: 57] -- but the political "transmission belt" could only operate where trade unions were strongly implanted.

Nonetheless, the weight of manufacturing in the economy, the strength of trade unions, and the clear identification between the trade union movement and the Labour Party provided a stable base of Labour voters. Class remained the best predictor of voting in Britain.

The trade unions are also crucial to the financial health of the Labour Party. In 1983 47 of the 58 unions with political funds were affiliated to the Labour Party [McIlroy 1988: 33]. Through political levies from individual unionists, and other funds raised by the trade unions, the trade unions provided about 75% of Labour Party finances. In addition, individual unions sponsor members of parliament (which involves paying much of their election expenses). Somewhere between 150 and 200 Labour candidates are sponsored by unions. Finally, union influence at Conference time and on the NEC is an important resource for any faction of the Labour Party, a resource which has traditionally been deployed on behalf of the more moderate, or right-wing, elements of the party.

The economic bargain was more complicated in Britain. Some form of union wage restraint was certainly necessary. Britain's dependence upon manufacturing exports, the persistent balance of payments and currency crises, and the refusal of Labour and Conservative governments alike to contemplate devaluation, made wage costs of central economic importance. But while wage
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 deindustrialization 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
throughout the 1980s from 55.4% in 1979 to 43% in 1985 [McIlroy 1988: 201]. While the decline slowed in the second half of the 1980s it has nonetheless continued, and Trade Union Congress (TUC) membership declined by 2.9% in 1989 alone [Terry 1991: 99]. Insofar as trade unions helped to pre-organize workers to vote for the Labour Party, the decline in union organization is likely to have repercussions for the political identification of workers.

Second, there has been a rise in the number and influence of white collar unions. The fastest growing unions in the 1970s and 1980s were public sector and white collar/technical unions, while the greatest declines were in traditional blue collar manufacturing unions [Taylor 1987: 153-154]. Since 1982 a new principle has been used to determine union representation on the TUC General Council, one which grants automatic representation to unions above a certain number of members. This has helped shift the balance of TUC policy-making towards white collar unions.

The implications of this development are not entirely clear. Some white collar unions, primarily those in the public sector, are militant, political unions with strong ideological ties to the Labour Party (the National Union of Public Employees (NUPE), for example). For the most part, however, white collar unions are less likely to be affiliated to the Labour Party than blue collar unions, and less likely to contribute to the political levy [Coates and Topham 1986: 129-130]. A distinction might be useful here. White collar unions are often politicized in the sense that they recognize the political influences and pressures on their normal bargaining function, but they are rarely political in the sense of seeing a natural and automatic link between their action in the industrial sphere and a working class political party. This should come as no surprise given that, in 1987 for example, 52% of office and clerical workers and 59% of professional and managerial staff voted Con-
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
sill exist. Indeed the government has now appointed non-TUC representatives to both the Health and Safety Commission (HSC) and the Advisory, Conciliation and Arbitration Service (ACAS). Third, it makes any future attempt by the TUC to encourage voluntary wage restraint in conjunction with a Labour government even more difficult, as the already limited centralization of British trade unions is further weakened.

All these factors have reduced the overlap in interests and constituency between the trade unions and the Labour Party. The starkest measure of these changes, and their electoral impact on the Labour Party, is that in the 1987 election only 50% of semi-skilled manual workers, 34% of skilled manual workers, and 22% of office/clerical workers voted Labour, and that, in comparison to the 73% of trade union members who voted Labour in 1964, in 1987, even of trade union members, only 42% voted Labour [McIlroy 1988: 57].

The economic bargain resting upon wage restraint was always an unstable and an uneasy one. It became more so, first as the decline of the British economy relative to its European competitors became more serious and more visible in the 1960s, and second as the deep recession after 1974 hit the British economy particularly hard. Keynesianism was declared dead even before Thatcher took power by Callaghan, the Labour prime minister, and the inability of the Labour government of 1974-79 to promise full employment and expanded social services made the material base of political exchange even more shaky than it already was. As will become clear, corporatism was never on the cards during the 1980s because of the hostility of the Conservative government, but even had some bargain been contemplated, the autonomy of the British economy, and of state economic policy, had eroded too far [Howell 1991].

Trade Union-Labour Party Relations. The historically close relationship between the Labour Party and the trade unions became a good deal closer in the
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,
due to the deep recession and IMF conditionality rules, to deliver on the promised radical program. Therefore, what promised to be a mutual exchange developed into a one-way bargain: labor gave so Labour could stay in power.

Nonetheless, the TUC went along with the policy for as long as it could because the alternative appeared to be a Conservative government. However, neither the TUC nor the leaderships of individual unions was able to sustain the wage restraint policy in the face of rising discontent from the rank and file. Wildcat strikes, a radicalization inside some unions (particularly the public sector unions), and finally, the infamous Winter of Discontent in winter 1978-79, threatened union leaders and pushed unions to the left [Coates 1989].

Meanwhile, the closeness of the Labour government’s relationship with the unions became a severe electoral liability to the party. The fact that the Social Contract was at least as illustrative of the weakness of the union leadership and confederal structure as of the strength of union power, was too subtle a point for most people, particularly as the television news was filled with pictures of uncollected garbage in the streets and unburied bodies in municipal graveyards. The party was seen as unwilling to confront the unions precisely because of its dependence upon, and close relationship with, the trade unions. In the 1979 election campaign the party-union relationship was held up by the Conservatives as a major cause of economic decline, and the Conservative leader, Margaret Thatcher, in reference to the trade unions, promised: "By God I’ll confront them" [Jenkins 1988: 23].

Thus, the experience of the 1974-79 Labour government, and in particular the party-union relationship embodied in the Social Contract, was perceived as a failure. Union leaders took as their lesson that wage restraint could only be a one-sided bargain that could only weaken them inside their own unions,
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
series of party conferences in 1979-81. The unions were, unsurprisingly, divided. The chaos of the last months of the previous Labour government, and the outcome of the Social Contract, made some elements of the left’s case plausible, especially to the public sector unions like NUPE and the National Association of Local Government Officers (NALGO), which had borne the brunt of the incomes policy. For this reason, and because of the lack of a common union front, NEC control of the election manifesto and mandatory re-selection of members of parliament passed quickly. But the issue of election of the party leadership (previously the exclusive preserve of the PLP) was more contentious. The relative balance between right and left in the PLP and CLPs meant that ultimately, at the January 1981 Special Wembley Conference, the compromise was an electoral college in which the unions had the largest share of the votes (40% for unions, and 30% each for the PLP and CLPs).¹

In the context of the split in the Labour Party, the creation of the Social Democratic Party (SDP), and the prospect of another Conservative election victory, several of the largest unions organized more aggressively in an effort to mediate between right and left inside the party. Several trade unions had founded Trade Unions for a Labour Victory (TULV) in 1978 with the express purpose of helping the party electorally.² In the context of the early 1980s this organization took on a central role in the affairs of the party. In principle TULV was non-partisan with respect to the continuing warfare inside the party, but in practice it favored the right because moderates stood a better chance of leading the Party to victory in an election [Taylor 1987].

The TULV called a meeting in January 1982 at Bishops Stortford and forced the various factions of the party to agree to a compromise which would limit open conflict. Later, trade union votes engineered a shift to the right
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 [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,
the TUC leadership narrowly defeated a motion which would have demanded the repeal of all Conservative industrial relations legislation. This was an important victory for Kinnock and those who wanted greater independence for the party from the unions. After a decade of Thatcher, the unions were no longer calling upon the Labour Party to return to the status quo ante.

At the same time, the trade unions had reasons for wanting to weaken their ties with Labour, or at least to diversify their political ties. The unions came to recognize the durability of the Thatcher government; they could not maintain contacts exclusively with the Labour Party and subordinate all activity to "praying for a Labour government" [Burgi 1990: 214]. The 1983 TUC conference saw the emergence of the doctrine labelled the "New Realism." This referred both to a more compromising attitude vis-a-vis employers, and to a willingness to talk to the government and to other opposition parties (such as the SDP) [Taylor 1987]. However, the New Realism was stillborn with respect to more harmonious relations with the Thatcher government. Thatcher displayed not the slightest interest in opening up discussions with the TUC. It is clear that for this Conservative government the issue was not the political orientation of the trade unions, but the very legitimacy (or rather, illegitimacy) of the quasi-corporatist form of interest group influence desired by the TUC.

This was most clearly demonstrated by an incident at the Government Communications Headquarters (GCHQ) when the government declared a staff union illegal at a security installation [Ewing and Gearty 1990]. Here the TUC, in the spirit of the New Realism, offered a compromise which would have allowed the union to remain, but given a no-strike pledge (the main stated concern of the government was the possibility of industrial action damaging national security). The government rejected the compromise and the brief flicker of an
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 [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.
Since 1979 the TUC has repeatedly rejected any form of wage restraint in discussions with the Labour Party, and has emphasized its commitment to free collective bargaining. A resolution at the 1980 TUC Conference forbade the TUC General Council from even discussing wage restraint, and a joint TUC-Labour Party policy document in 1985 re-affirmed the attachment to bargaining unhindered by voluntary or statutory incomes policies. While a few unions (NALGO in 1982, and the TGWU and GMBATU in 1986, for instance) have occasionally called for wage restraint during the first period of a future Labour government, the great majority of unions have rejected it in any form.

This poses serious problems for Labour. Its economic policy is now built around the extremely suspect notion that individual workers and their unions will voluntarily scale back wage demands in response to the anticipated fall in unemployment and expansion in public spending [TUC-Labour Party 1985]. It will take another election campaign to test how tenable the British electorate finds this attempt to square the circle of Keynesianism without an incomes policy in a market economy.

The past decade has also seen a significant erosion in the number and importance of tripartite bodies in Britain. The Thatcher government sought to dismantle the panoply of intermediary bodies which sprung up in the postwar period. The particular kind of negotiated policy-making associated with corporatism is unpalatable in a more market-driven economy. The weakening or elimination of tripartite bodies on which they sat has been particularly serious for the trade unions. In 1987 the government announced that the National Economic Development Council would meet only quarterly and that more than half of its regional development committees would be abolished [McIlroy 1988: 50]. The Manpower Services Commission was first renamed and the number of employer representatives increased, and then abolished in September 1988.
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
unions will be tempted to go along in order to avoid a change of government. The Labour Party and trade unions have promised to avoid incomes policies before only to introduce them in extremis.

But something has changed after a decade of radical Conservative governments and socio-economic restructuring. The trade union movement now has a much reduced capacity to provide wage restraint, even if it wanted to, and it is increasingly dominated by trade unions which are certainly apolitical, and often hostile to the Labour Party. Meanwhile, the Labour Party is less able to deliver full employment and expanded social services. Even before the completion of the Single European Market in 1992, and the Labour Party (and trade union movement’s) embrace of this development, Keynesian solutions were discredited within the party.

Thus, many of the mutual benefits which came from the close relationship between party and unions are unattainable or problematic. The traditional ties between trade unions and a social democratic party seem less natural and less useful. Under these circumstances the utility of the relationship is likely to be increasingly questioned.

**Labor and Social Democracy in Germany: The Forward Retreat**

By the end of the 1970s, the mutually advantageous and largely harmonious economic and political relationship established a decade earlier by between the Social Democratic Party of Germany (SPD) and the predominant labor confederation in the Federal Republic, the German Trade Union Federation (DGB), began to crumble. As the Fordist model frayed in the 1980s and the traditional distributive politics of the postwar era became less viable, officials from both the SPD and the DGB unions came to believe that they had no choice but to experiment with fundamentally new organizational forms and external alliances in order to survive. These departures, which are by no
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. 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
system of industrial relations that generated regular real wage increases, the political dominance of the conservative Christian Democratic Union (CDU) and its Bavarian sister-party, the Christian Social Union (CSU), precluded the introduction of Keynesian demand management to complete the Fordist circuit. Besides, throughout the first decade of the Federal Republic, the SPD and the trade unions officially championed nationalization, state planning, and worker control of major industries rather than Keynesian demand management.

After the electoral drubbing of 1957, the SPD initiated a comprehensive renewal of the party’s original postwar program because of its limited appeal outside of the working class. The Bad Godesberg party conference of November 1959 sought to transform the SPD from a "workers’ party" into a "catch-all party" (Volkspartei) that would attract the growing class of professional white-collar employees without undermining the party’s core of working class support. It quickly became clear that the SPD could best accomplish this end by adopting a new party program that embraced Keynesian demand management as its centerpiece. This new program would allow the SPD to justify in universalist terms the provision of tangible benefits such as of full employment and a comprehensive welfare state to its core constituency, the working class. Simultaneously, the party could portray itself to white-collar professionals as the political force best suited to manage the West German economy along "modern," Fordist lines [Padgett and Patterson 1991; SPD, n.d.].

Coterminously, although not without considerable organizational turbulence, the DGB initiated a renewal of its program in 1960 [Markovits 1986: 97-98]. Three years later, the member unions of the DGB held an extraordinary congress in Düsseldorf to complete a programmatic renewal for the labor movement. The final text of the 1963 Düsseldorf Basic Program struck a deft compromise between the Keynesian and Marxist factions of the DGB by retaining the
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
1920s and 1930s helped to undermine democracy in the Weimar Republic, many Germans feared that the reappearance of difficult economic conditions in the 1960s might have similar effects. This fear impelled the minority left-wing force within the unions that had remained critical of the transition to Keynesianism to submerge its reservations and show solidarity, both to preserve German democracy and to avoid marginalization. The crisis conditions also facilitated the formation of a "Grand Coalition" between the CDU/CSU and the SPD palatable for the first time to all three political parties involved and acceptable to the unions. Thus, by the close of 1966, the SPD had become a governing party again for the first time since 1930.

At this juncture, the unions and the Social Democrats struck an implicit political and economic bargain. The SPD pledged that while in office they would use demand management to maintain steady growth and full employment. The new federal economics minister, Dr. Karl Schiller (SPD) crafted an economic "stabilization law," that granted the government substantial new powers to intervene in the economy to maintain strong growth and full employment. By agreeing to participate in the new tripartite economic forum that Schiller had assembled ("Concerted Action"), the unions, in turn, demonstrated their willingness to fulfill their end of the bargain. Restraining wage demands would be necessary within the artificially tight labor market that Keynesian policies generated. The heads of the DGB unions, the employers' associations, and key government ministries met periodically to discuss economic trends and exchange information in order to improve the functioning of the economy. More important, the forum enabled the government to set informal targets for wage, price, and growth rates without infringing on the autonomy of employers to set prices and unions to bargaining collectively [Markovits 1986].

During the three years of the Grand Coalition, the SPD was only able to enact a small portion of its Bad Godesberg program given its junior status in
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. 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
environment within the party conducive to internal fragmentation and external division. The opening of the SPD toward white-collar employees and students attracted whole new classes of voters, but it also turned what was once "the party of the workers" into "the party of public servants and students." In 1958, blue collar workers comprised 55% of the SPD's membership; white-collar employees (predominantly from the public sector) on the other hand accounted for only 21 percent. By 1982, however, the percentage of blue-collar workers had fallen to 21.1% (i.e., roughly half the percentage of blue-collar workers found in the adult population), whereas the combined share of student and white-collar employees in the party had reached 45.9%. Furthermore, by the mid 1970s, current and former public-sector employees held more positions within the SPD than any other group [Grafe 1991; Michal 1988: 278; Padgett and Patterson 1991: 49].

This occupational shift created serious splits within the party: one "sub-party" for workers and another for students and public servants. Over the past decade, these two have disagreed, often vociferously, over the major issues of the day (e.g., economic growth, security, and ecology). This has greatly complicated the efforts to aggregate opinion within the SPD and to develop a coherent and convincing program for the party to guide its members and to sway the electorate.

Moreover, the failed grass-roots effort of the student new left to take over the SPD in the late 1960s and the 1970s left both internal and external scars. The party leadership, which has always been closely allied with the unions, preserved its power by centralizing authority and stifling democracy within the party. The costs of this strategy were particularly high. It made the SPD increasingly sterile and immobile. It also sparked the creation of a rival left-wing alternative to the SPD in the form of the Greens. The com-
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 [Klöne 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 macro-
economic policies faster than its labor ally. The resulting gap in perception quickly fueled tensions between the two. These came to a head in 1981 over the sudden return of mass unemployment and a government plan for sharp cuts in the next federal budget. The subsequent collapse of the social-liberal coalition on 1 October 1982 over the introduction of medium-range missiles to Europe marked the formal end of the Social Democratic Party's "prosperous, and in many ways quite glorious, Bad Godesberg era" [Markovits 1986: 428; Koelble 1991: 2; Padgett and Patterson: 54; Silvia 1990: 448-49].

Trade Union - Social Democratic Party Relations in a Post-Fordist Era. Although the transition to opposition undoubtedly represented a traumatic defeat for the Social Democratic Party, relinquishing the responsibilities of government gave the SPD the breathing space that it desperately needed to reestablish its bearings. The party used the years immediately following the "Wende" (reversal) of 1982 to start healing internal divisions, assess the changing inclinations of its ever more heterogeneous membership, reflect on its future course, and improve relations with the unions and other social groups traditionally close to the party.

The change in government in the early 1980s also led the unions to reassess their strategies. They began to shift away from their traditional heavy dependence on the state, which had become particularly pronounced after 1969, and back toward "relying on our own power" to make gains [Markovits and Allen 1984: 171-172]. Soon after the 1983 election, a battle developed within the confines of collective bargaining. The metalworkers union, IG Metall, began pressing for a "qualitative" (i.e., non-wage) demand -- shortening the workweek to 35 hours -- in an effort to reduce unemployment. The intensity of this bargaining round quickly became overdetermined, as it increasingly became a test of strength for the union. While the new government took the unusual
step 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. 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
such demands sufficiently enough across bargaining districts to allow for the payment of unemployment benefits to indirectly affected workers. Thus, the revision of Article 116 effectively prevented unions from taking advantage of the increased economic leverage that the sensitivity of post-Fordist flexible manufacturing gives them to expand the scope of collective bargaining beyond the classic repertoire of wages, benefits, and other immediate terms and conditions of employment. The unions and the SPD united in opposition to the revision of Article 116 and mobilized against it for months. The Greens also worked against the passage of Article 116, but the wide social and ideological gap between the Greens and labor prevented them from forging a more enduring coalition [Silvia 1988: 165-170].

Reconciliation between the Social Democrats and labor did not help the SPD in the January 1987 federal elections in part because of the flawed electoral strategy of the party’s candidate for chancellor, Johannes Rau. To attract the blue-collar workers who had voted for the CDU/CSU in 1983 back to the SPD, Rau rejected any coalition with the Greens and instead claimed that he was aiming for an absolute majority for the SPD. Rau hoped that this strategy would also deny the Greens the five percent of the vote that they needed to remain in the Bundestag by forcing voters to choose the SPD if they wanted to oust the conservative coalition. However, since the FDP had no intention of leaving the government, the SPD was left without a potential coalition partner. In practice, the booming economy garnered a strong vote of confidence for the Kohl government and Rau’s futile appeal to traditional blue-collar workers allowed the Greens to pick up an even larger share of the "post-materialist" voters. The SPD’s share of the vote fell by another 1.2%.

At the start of 1988, the Social Democratic Party and the unions suddenly found themselves in conflict once again over a provocative book by Oskar
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. 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 offi-
cials in late April. Nonetheless, Lafontaine continued to promote his ideas throughout 1988 and 1989, much to the irritation of organized labor. Thus, Lafontaine and the union leaders came to personify the larger tensions inside the SPD between its traditional and post-material factions [WSI-Pressedienst, 4 March 1988; Handelsblatt, 1 September 1988; Spiegel, 14 March, and 3 October 1988].

These tensions underscored the devastating impact of the social and economic changes of the 1980s on the SPD. In contrast, the trade unions managed to endure the 1980s largely intact. Union density has remained steady at roughly 35% and, after a brief pause in the early 1980s, German workers continued to achieve tangible collective bargaining gains, including real wage increases and working time reduction. The centralized system of collective bargaining has survived the pressures of fragmentation, and the participation of DGB officials on quasi-governmental bodies, such as the social insurance and the vocational trading boards, remains vigorous. Although the Kohl government chipped away at some protections, it never attempted to undermine the central framework of legislation supporting labor. The DGB unions’ position in their unofficial stronghold on the shop floor, the works councils, also remained solid [Armingeon 1991a; Markovits and Silvia, forthcoming].

German labor fared better than the Social Democratic Party for two reasons. First, unlike most of the advanced countries, Germany experienced little deindustrialization beyond the steel, shipbuilding, and, to a lesser extent, textile industries during the 1980s. Germany’s rise during the past decade to become the world’s leading exporter helped to preserve and even create manufacturing jobs. Since union membership tends to be concentrated in the manufacturing sector, the export boom even enabled German trade unions to expand their membership rolls during the latter half of the 1980s. Second,
the 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
Service and Transportation Workers Union (ÖTV) initiated an innovative campaign on the "future of public service" and IG Metall held a series of gatherings to develop a strategy to create what its leaders called, "the other future." Union officials began "the other future" project with the premise that the labor movement could not simply accept passively the market-based, highly inegalitarian, and individual-oriented Zeitgeist that the Kohl government and the employers fostered. Instead, it counter-attacked with an alternative vision that would be far more redistributive to workers and the disadvantaged. Moreover, IG Metall officials recognized that the union badly needed to develop new methods for motivating the increasing numbers of members who were not responding to the standard call for solidarity, and to attract and integrate younger workers, white collar professionals, and women into the union as their significance in the work force continued to grow. Ultimately, both IG Metall and ÖTV hoped that their "other future" programs would allow them to move beyond the classical model of collective bargaining over wages and benefits "to repoliticize" workers and to "co-shape the what and how of production" [Jürgen Hoffmann 1991: 1989; Industriegewerkschaft Metall 1988; Industriegewerkschaft Metall 1989; Schabedoth and Tiemann 1989: 703-7; Schauer 1990: 467; Wulf-Matthies 1988].

The leaders of IG Metall and ÖTV have proposed that unions open themselves up to outside influence and engage society across a broad spectrum of issues beyond collective bargaining. These labor leaders also argue that unions should become more flexible and incorporate traditions outside of their own -- including those of the peace movement, foreign workers, and religious groups -- thereby capitalizing on the increasing heterogeneity of the work force to raise the effectiveness of the organization. Moreover, IG Metall and ÖTV officials assert that unions need to develop an "argumentative culture"
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
have typically balked at these new approaches, rejecting them as unworkable, inefficient or both [Spiegel, 3 June and 8 July 1991; Hoffmann 1991: 100-101; Glotz 1988: 1038-39].

IG Chemie has developed an alternative vision of the future that calls for transforming unions into service organizations to meet the concrete needs of the employers and members as if they were customers of the union. IG Chemie’s approach relies on close cooperation with chemical manufacturers (i.e., meso-corporatism) to devise a sectoral industrial policy to preserve employment, raise the technical skills of its work force and protect the environment. This approach relies on “social partnership” rather than the "countervailing power," which IG Metall and, increasingly, ÖTV prefer. Yet, IG Chemie’s program does not confront the problems of the larger society, such as unemployment, and is instead willing simply to hive itself off from them. Moreover, IG Chemie does not address the disadvantages of accepting a junior partnership role with business that its plan implicitly entails [Hoffmann 1991: 100; Industriegewerkschaft Chemie-Papier-Keramik 1988].

One common thread runs through the proposals of the activist and accommodationist wings of the DGB: both represent a reduction in cooperation with the SPD. The repoliticization at the grass-roots level that the activist unions propose stands as an implicit alternative to channeling politics through the party, whereas IG Chemie’s new orientation toward services constitutes a withdrawal from national political participation in order to concentrate on the local level.

The evidence from the past decade indicates that neither the SPD nor the German trade union movement has come any closer to re-establishing a viable political agenda. Divergent organizational trajectories, demographic shifts, and relative successes have heightened the tensions between party and move-
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
virtually none come from the ranks of the workers. Most are intellectuals or former dissidents from the Protestant peace movement. The unions have consequently had to engage directly in political as well as economic activities, which pulls them further away from a reliance on the SPD. The disastrous series of demonstrations held in Spring 1991 showed that the unions have not yet mastered the subtleties of direct political participation [Silvia 1991].

The West German political left always had an ambivalent attitude toward German unity and the GDR. Some leftists took solace in the German Democratic Republic as an example of "real existing socialism," while most others put great faith in the Ostpolitik of Willy Brandt and the SPD as an instrument that would bring about the eventual transformation of the GDR into a truly democratic socialist state. The left tended to see the division of Germany as an appropriate historical punishment for the country's transgressions of the first half of the twentieth century [FES-Informationen, March-April 1991: 24; Padgett and Patterson 1991]. Although the eastern citizens' movements that brought down the Honecker regime at the end of 1989 appeared to have more mobilizational potential than their staid western counterparts, this proved illusory. The first free East German elections in March 1990 demonstrated convincingly that "Mitteldeutschland" was no longer the Social Democratic bastion that it had been before the Nazi era. Its citizens more interested in catching up materially to the West than in devising an experimental "third way" of organizing society. Large segments of the SPD in the west consequentially turned their back on the east.

Unification also set back significantly the SPD's renewal efforts. Most important, German unity rendered irrelevant the SPD's six-year effort to draft a new Basic Program to replace the Bad Godesberg program. The new Basic Program, which the party issued in Berlin in December 1989, contained many of
the same calls for openness, diversity and decentralization found in the 
future programs of the more activist unions. Unlike the Bad Godesberg docu-
ment, 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 unifica-
tion 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 Patter-

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
tally came to just 24%. Although the German unions duly provided Lafontaine with the standard repertoire of indirect help that they make available to all SPD candidates, their effort was perfunctory at best. The absence of a solid union infrastructure and the lack of a firm commitment to social democracy among the new eastern union members also hurt the SPD in the former GDR, preventing it from converting a large percentage of these workers into votes for the party [Padgett and Patterson 1991: 71; Potthoff 1991: 360].

The SPD's Bremen party congress in May 1991 named Björn Engholm, the prime minister of Schleswig-Holstein, as the party's new general secretary, making him the SPD's most likely candidate for chancellor in the next federal election. Although Engholm shares many of the "post-left" attributes of Lafontaine, particularly a lavish personal lifestyle, Engholm has already shown that he has learned a great deal from Lafontaine's errors. One of Engholm's first acts was to appoint Karlheinz Blessing (age 34), previously a close aide to IG Metall president Franz Steinkühler, to the powerful post of SPD business manager. Engholm has also spoken and written of the need to maintain close ties to the labor movement and to apply the lessons of IG Metall's conferences on the future to make the SPD more open and flexible. Engholm has argued the necessity to eliminate the SPD's lengthy career ladder that has come to resemble a long, stultifying "ox slog." Instead, he would draw from the "best people" both inside and outside of the party to undertake specific tasks. Blessing's appointment symbolizes this change: Engholm picked him to help recast the SPD along the lines of IG Metall's "other future" program [Engholm 1991: 229-30; Fetscher 1991: 224].

Still, Engholm has not addressed the potential for internal demoralization that outside recruitment might have on the morale of the party organization. He has also neglected the possibility of resistance to his reforms.
within the SPD. Could the SPD pursue a recognizable political line by "sub-contracting" 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 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
labor and capital [Boyer 1984]. Yet, it did not involve the labor movement as a coherent actor capable of delivering goods to a partisan ally. When the Socialists arrived in power in 1981, they sought to establish a set of bargains in order to jump start the growth circuit. However, these incipient bargains were attempted within an industrial relations framework characterized by destructively competitive unionism, preventing coherent labor responses. More importantly, the disintegration of French Fordism made such bargains less attractive to employers. The lesson drawn by the Socialists in power was that they did not need organized labor as a loyal ally.

French Fordism and Interest Linkages. Perhaps more than any other European country, France adopted fastest and most thoroughly the Fordist system of industrial organization as imported from the United States [Piore and Sabel 1984]. A coherent bureaucracy, a centralized administrative authority, an indicative planning mechanism to build political coalitions, and effective policy levers permitted the French state to assume a key role in the development of mass production industries. As in Germany, Keynesianism came late to the French context [Rosanvallon 1989]. In contrast, however, active demand management came within the context of competitive unions, and wage growth developed outside the formal instances of collective bargaining. Increases in aggregate demand came from state-led modernization, in particular, the movement off the land but also public works programs and state influence of industrial relations -- minimum wage setting and wage leadership by state companies [Caron; Carré et al.] The circuit of growth was closed without the participation of organized labor. Thus, labor's interests were partially universalized without an active role played by organized labor.

This distinctive French pattern of Fordist accumulation had several consequences for labor-left relations. State-led growth meant that government
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
intervention in labor-management relations, industrial development, and macroeconomic performance to secure their position, extend wage gains, and assure employment [Ross 1982a]. The strongest organizations shared this orientation to national politics even while they remained divided over strategic orientations and, largely in consequence, excluded from the policy arena.

Of these parties and unions, the PCF and the Confédération Générale du Travail (CGT) had the closest relations. After the war, the party tended to use its leadership positions within the union to make labor market actions complement programatic positions. Party dominance lessened, however, in the 1960s because the transmission belt could not function in a complex social situation that demanded union independence [Ross 1982b]. Instead, the union gained "relative autonomy" from the party, implying not a "political" trade unionism but class-based action -- a syndicalisme de masse et de classe.

Still, the consonance of world views between the dominant faction of the CGT and the PCF meant that the two could borrow ideological positions and labor analyses from one another.

The PCF-CGT relation was not the only party-union connection. The Force Ouvrière (FO) defined itself as vaguely socialist in spite of its heterodox composition and had cordial relations with the predecessor of the Socialist Party (PS), the SFIO. Relations between Catholic unionism and the remnants of French Christian Democracy were also close after the war. The Confédération Française Démocratique du Travail (CFDT) found itself close to the Parti Socialiste Unifié until a significant part of the PSU merged with the Socialist Party in 1974. The connection between the CFDT and the PSU faction of the PS led to analyses of a "second left," one that is less statist, more decentralizing than the old left [Hamon and Rothman 1982].

Nonetheless, the PCF-CGT nexus was different from the others. Until the late 1970s, the PCF was the strongest political force at both the national and
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
strategic positions varied. The CGT sought to develop class actions -- dis­

ciplined and responsible -- while the CFDT leaned towards more spectacular

types of labor conflict. Meanwhile, the FO remained aloof pursuing a bread-

and-butter unionism, seeking only wage increases and disdaining the anti-
capitalism of the other two confederations. By the early 1970s, the CGT and

the CFDT could agree on a strategy that would emphasize local, but dis-

ciplined, militancy and support for a political strategy that would bring the

Left to power in national elections.

The rapidity of growth after 1945 led to the development of a dual econ­

omy -- European-level firms and small business -- capably managed in political

terms by the Gaullist coalition after 1958 [Berger 1980]. The engine for
growth, however, consisted of the national champions created through a panoply

of measures ranging from the postwar nationalizations to selective credit

allocation in the 1960s. National champions depended upon both expanding

markets for their output and increasing economies of scale. The first was

accomplished through European integration and through trade liberalization via

GATT, the latter through mergers in the 1960s. Unity in action within the

labor movement promised to re-direct the Fordist growth model.

Crisis of the Fordist compromise. As elsewhere, the French Fordist

model ran into difficulties in the 1970s. Export dependency grew vulnerable
to the competitive threat of the NICs in basic mass production industries and
the turbulence in the international political economy (particularly concerning
exchange rates). By the end of the 1970s, few of the national champions were
export champions in international markets. Economies of scale became less
important with the economies of scope introduced through microelectronics in
which the French suffered a competitive disadvantage.

The crisis of French Fordism was delayed by the overwhelming influence
of the state in both industrial and labor policy. Industrial policy in the
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-
shaking. The CGT openly sided with the PCF while the CFDT tilted, albeit less publicly, to the PS. The electoral debacle forced a re-thinking within the labor movement over the appropriate labor-market strategies to confront the economic crisis which, in turn, would affect alternative political alliances. This created internal turbulence within each confederation because it questioned the previous policy of relying on the Common Program. Both confederations argued that a political solution demobilized workers, but they each drew different conclusions.

In the CGT, a group of militants began exploring a "proposition force" unionism that would develop alternative industrial solutions to troubled sectors to preserve employment and increase competitiveness. Such a flirtation with non-political unionism implied a break with the oppositionalism of the class approach, strategic openings to sympathetic societal actors including the other unions, and a decreased reliance on the PCF. Hard-liners eventually triumphed, evicting many of the "proposition force" leaders from their positions [Moynot 1982].

They were reinforced in their house-cleaning by a parallel evolution within the CFDT [Groux and Mouriau 1989]. The latter also fought an internal struggle between those arguing for a locally-based strategy to preserve employment and increase competitiveness -- similar to the proposition force unionists in the CGT -- and those arguing for more conventional collective bargaining strategies. Both sought an apoliticism or least a greater reliance on labor-market action. The more conventional strategy triumphed under the rubric of "recentering," confirming fears within the CGT that the CFDT had succumbed to reformism and class collaboration. The CFDT meanwhile argued that CGT had once again become a tool of the PCF. Thus, the internal conflicts in the wake of the defeat of the left in 1978 destroyed joint action in the labor movement and set each confederation on divergent courses.
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
left’s initiatives. It sent a number of top leaders to national ministries and it welcomed and helped write the Auroux Laws. Yet, it emitted mixed signals about the nationalizations and worried that an overly stimulated economy would create an international backlash.

The left in power brought access to government policy makers for the CGT and the CFDT. Union leaders had been politely received in ministerial offices under the right. At least initially after 1981, however, they became regular interlocutors. Only the FO felt neglected as its leadership had enjoyed close relations with previous right governments. Still, access did not mean influence. As the left government finished its reform push and as a set of economic choices needed to be made about the continuation of demand stimulation, policy-making bore increasingly less resemblance to union programs.

Between 1981 and 1984, the French left in power attempted to negotiate the political and economic bargains lacking in the postwar growth model. The failure to reach a settlement can be attributed to a number of factors. The political left cohered around a program that explicitly sought to compensate for the labor-market weaknesses of organized labor by re-invigorating state power. Such centralization proved cumbersome in dealing with market turbulence, obscured market changes taking place, paper over the fractures within the left. Both the rigidity of the PCF and the PS’s attempts to bury its erstwhile ally prevented the coherence of a working-class political force.

Organizational pluralism within the labor movement prevented the cohesion of forces capable of negotiating a stable compromise. French unionism became even more competitive during the course of the 1970s as the CFDT gained rough parity with the CGT. The latter retained the largest coverage but its base in manufacturing shrank and the CFDT proved more adept at organizing the new middle classes. Thus, as the Fordist model began to show signs of wear, the French labor movement lost its veneer of cohesiveness.
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.\textsuperscript{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
party fought the modernization program of the new prime minister Fabius in every forum and continued its opposition to economic and labor policy. Largely because of its own organizational stasis, the PCF has had difficulty speaking to new, non-materialist concerns and has remained most attractive to a declining segment of the population -- the traditional industrial workforce. Still, the formal divorce between the Communists and the Socialists has continued to divide the left. It has also forced the PS onto a path of centrism.

The unwillingness of the Socialists to find a political compromise for the left proved costly in its relationship to organized labor. The CGT took the political changes of 1984 as a betrayal. It could swallow freezes, but it could not accept the permanence of economic orthodoxy. Unfortunately, the combination of previous support for the left government, declining membership, and rising unemployment led to tremendous demobilization. The CGT frequently had to limit its opposition to words since its supporters did not always respond to strike calls. Meanwhile the CFDT responded favorably to the "modernizing" vision of Fabius, while suffering a hemorrhage of support both in membership and in shopfloor elections. The FO responded favorably to the departure of the Communists but continued to decry the losses in purchasing power. By the mid-1980s, moreover, it too began to suffer the impact of unemployment in its own membership rolls.

Thus, political disunity and employment losses destabilized the union movement. At the local level, the CFDT and FO frequently allied to isolate the CGT in plant-level works councils. Union disunity prevented any possibilities of coordination against the employers or the government. Meanwhile, the structural reforms of 1981-82 proved increasingly disappointing to the labor movement. Far from being the spearhead of a new industrial relations, the new public sector was shedding jobs. The institutional changes
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.

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. 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 author-
ization of layoffs, but pushed unions (minus the CGT) and employers to iron out a collective bargaining agreement that would set the terms for layoffs. It failed to alter significantly employee representation in the public sector. It did develop a number of labor market programs which spurred the employment of unemployed (especially young) workers at below minimum wage.

The social compromise achieved by the end of 1987 would be in place over four years later. Candidate Mitterrand promised neither more nor fewer nationalizations in his presidential campaign in 1988, and he has kept that promise. The government of Michel Rocard (1988-91) followed a cautious labor market strategy, refusing to restore state control of layoffs and encouraging the unions and employers to iron out their own differences. Labor market policy continued a policy of encouraging employment by offering tax incentives to employers to hire additional workers, effectively inducing employers to compete on the basis of low wages. Both the Chirac and Rocard governments introduced flexibility in hiring and the use of labor. The new centrism was symbolized in the appointment of Jean-Pierre Soisson, a leading backer of Raymond Barre in the UDF coalition, as Minister of Labor in the Rocard government. The appointment ensured policy continuity and critical coali-tional votes for the minority Socialist government.

Since 1984 labor policy has been subordinate to economic policy goals. Economic orthodoxy meant that budgetary rigor would dampen collective consumption, keeping growth in household spending below that of increases in national product. Part of the proceeds of privatization was used to reduce the external debt. Price stability would encourage domestic investment while decreases in corporate taxes would lower production costs. Public sector wage guidelines helped keep salary increases down, and small increases in the minimum wage have prevented price increases reverberating through the wage hierar-
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
approach, attempting vainly to spearhead each workplace action, and lambasting
the other unions as incurably reformist. It has seen a slight increase in
support in workplace elections as a result. The CFDT has found its niche in
concessionary bargaining, willing to trade previous gains for greater work
sharing. After a leadership change, the FO has hardened its opposition to
wage moderation and now challenges the CGT in its rhetoric. Still, the
largest single force in workplace elections consists of the "non-unionists"
[Ministère du Travail 1991]. Labor unity appears now only a distant pos­
sibility, and the union movement itself is coming apart at the seams.

The Chirac and Rocard governmental experiences encouraged the
centrifugal forces tearing the labor movement away from the political left.
The CGT found solace in its linkage to the PCF, although by Summer 1991 its
lame-duck leader Henri Krasucki was siding with Communist dissidents in both
the union and the party. Still, the CGT-PCF connection has prevented any
workable relationship with the PS. The PS has offered no indication of a
changed course since 1984. After 1988, the CGT perceived Rocard as explicitly
anti-labor and as enjoying overly close ties to the CFDT -- the infamous "sec­
ond left." The CFDT itself needed to distance itself from Rocard to avoid an
internal revolt, so it emitted reserves about the continued high level of
unemployment. However, its critiques were moderate, once again demanding that
the government show economic "responsibility." It even stood behind the new
flat tax on wage earners in Fall 1990 as a mechanism to bring into balance the
social security system. Ties to the PS have also been tenuous because the
CFDT refused to endorse the Socialists in the 1988 legislative elections. The
FO remained suspicious of the "second left" -- especially its social Catholic
components -- and it opposed the flat tax. Still, it carefully developed a
relationship with the PS if not with the former prime minister.
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
to François Mitterrand have disillusioned party militants. Having accepted the logic of political competition in the Fifth Republic, the party has embraced presidentialism but remains in search of a coherent program. By 1990, the party constituted a virtual mirror of French society in terms of its class composition as well as its electoral audience. While most social democratic parties have a solid middle-class membership, animosity toward the PCF removed that pole of the left closest to labor. Consequently, the nexus with labor remains irregular and ad hoc.

The acerbic relations within the left, the widening divisions among the unions themselves, and the Socialists’ economic policies have prevented any rapprochement between organized labor and the PS, the only party of the left capable of re-working a new set of bargains. The Socialists in power accelerated the flexibility of post-Fordism while presiding over a degradation in the working environment of the labor force. State-induced labor market flexibility has improved competitiveness but on the basis of low wages. The labor movement has been pulled apart by increasingly powerful centrifugal forces while its hold on workers has become ever weaker. Labor and the left confront the 1990s more disorganized than at any other time in this century [Daley 1991].

Linkages between the left and organized labor have historically been informal in France. The absence of initial economic and political bargains has facilitated the process of unravelling. Any new growth circuit will have difficulty including organized labor.

Conclusion

Change in the relationship between labor and the left in these three countries seems to confirm the hypotheses of the modernization theorists twenty-five years ago: economic change alleviates the primordial class
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.\textsuperscript{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.\textsuperscript{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
labor movement. This focus places a premium on the transactions made in response to changes in the environment.\textsuperscript{18}

We have argued that similar pressures have confronted the party-union nexus in these three countries. Unemployment, economic restructuring, pressures for labor-market flexibility, and the stagnation of the social wage have undercut union negotiating positions. Left parties have sought wider constituencies outside the besieged labor movement. The capacities and willingness to negotiate the economic and political bargains of a generation ago have been much reduced. The transition out of Fordism has weakened the political representation of class interests. The powerful decentralizing and internationalizing forces in the political economy have changed the parameters of mobilization, coalition-building, and strategy for union and party alike.

We might characterize the political consequences of post-Fordism as having four components: 1) productivism replaces income distribution as a political priority; 2) firm- and sector-specific microeconomic policies take precedence over central demand management; 3) the labor movement becomes less aggregative of societal interests; and 4) the party finds itself confronted with new societal demands and develops new policies and nurtures different alliances to remain in power. Consequently, the post-Fordist environment destabilizes the party-union nexus since each actor has less to offer the other.

These case studies, however, also suggest considerable variation. Social democracy in Germany and Labourism in Britain have proven more resilient to the forces of decomposition. Although frayed at the edges, the linkages between party and union have been largely maintained in spite of two very different economic performances. In contrast, "socialism without workers" [Kesselman 1983] in France has proven fragile, vulnerable to divi-
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 con­
text, most organic in Britain, and strong (although subtle and informal) in
Germany. However, we should be careful in post hoc ergo propter hoc explana­
tions: 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 profes­
sional middle classes and less from the working class. However, this is a
process that has been continuing for nearly a hundred years. As Michels showed, left parties were vulnerable to the same forces against which they struggled in society at large. Changes in the nature of the parties themselves have tended to separate them from their union partners. This has been evident in the Labour Party with the attempts by the constituency parties to exert more influence at the expense of the unions in the early 1980s. The SPD has seen a rapid increase in the numbers of college educated, non-working class office holders. The social composition of the PS has always been diverse. Its leadership has tended to be composed of either old-style notables around Mitterrand or, since the mid-1970s, graduates of the grandes écoles. Neither social base has a particular affinity to the labor movement. The demise of French Communism further distances left political elites from working class origins. Thus, in different ways perhaps, each of these three lefts has moved toward greater internal and leadership heterogeneity.

More importantly, left parties in all the advanced countries have sought to expand their constituencies beyond the traditional working class. We can attribute this general search for enlarged constituencies to two factors. First, the traditional working class never attained a numerical majority and has been shrinking, albeit at different rates, in all the advanced countries [Przeworski and Sprague 1986; Giddens 1973; Stephens 1979]. This process has undoubtedly been accelerated through industrial restructuring since the late 1970s. Second, the institutional organization of the party system forces these parties to seek cross-class votes. The first-past-the-post electoral system in Britain encourages parties to widen their electoral appeals. Modified proportional representation in Germany eliminates that constraint. However, the stability of the SPD vote forces political alliances with other parties. Presidentialism in France has motivated the PS to organize along
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
heterogeneity affects both the interest aggregative capacities of labor and its potential viability as either a political or policy-making partner. We are not arguing here that a union counterweight eliminates the pressures on that nexus. Rather, the union counterweight encourages greater policy compromise given pressures on that nexus. Thus, the greater the aggregative capacity of the labor movement, the stronger will be the resistance to dis-integrative pressures. We have found that resistance to be the strongest in Germany, the weakest in France, and Britain somewhere in the middle.

While similar coalitional pressures have existed for all three lefts, important differences remain. British Labour remains constitutionally dependent on the unions. The PS not has only very informal linkages to labor, only one faction within the party is close to one of the three major unions, the CFDT. The SPD has maintained strong organizational linkages to the DGB while both institutions remain independent of one another. The tensions within the nexus in Britain and Germany seem to internalize differences in competing agendas while the absence of linkages in France exposes such differences to more public, and potentially destructive, scrutiny.

What future? We have suggested that the stress of economic change on the aggregative capacities of unions has influenced the labor-left nexus. That nexus can only be sustained with coherent interlocutors. We would be remiss, however, to neglect alternative bargains that are conceivable if not exactly in the wings.

The emergence of an economic bargain forged at the Europe-wide organization may provide the basis for the achievement of some form of economic bargain. New bargains might be settled around the issues of jobs, training, and skill acquisition. To the extent that companies, regions, and economies move in the direction of a more highly skilled workforce, we will find pres-
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 coalition­building. 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
neutral fashion than can the latter view labor as simply another social interest. Unions need the political relay to compensate for the inadequacies of collective bargaining settlements. Left parties in power need to be able (when necessary) to stabilize labor markets. The transition to post-Fordism does not imply the end of state intervention. Training costs and infrastructural improvements demand some socialization of investment. Labor-market policies will continue to be promoted both by those seeking greater social justice and those seeking to ensure social stability. Thus, the basis remains for the bargains that in an earlier era were much more self-evident.

Contemporary liberal democracy has always struggled with the organization of the market. The firm as a site of social activity has not provided for active and equal participation. Likewise, the influence of large market actors on community decision-making has undermined the notion of equal power within the political realm. Still, a modus vivendi had developed in the postwar period that integrated labor into the political order. Over the last ten to fifteen years, however, the representative functions of organized labor have been altered by market shifts. This weakening of the representation of class interests, however imperfectly it existed in an earlier era, has weakened the integrative capacity of liberal democracy.
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
Communist Party [Ross 1979: 40-41]. In spite of Communist leadership, the confederal council has always had a minority of Socialists. Both at national and local levels, however, official policy rarely diverges between union and party.

10 For the tension between the minority faction of the CFTC, which was later to gain control and create the CFDT, and the MRP, see Vignaux, 1980, and Branciard 1982: 45-66.

11 The irony of these years only became evident later. The Common Program was negotiated before the crisis in the growth model became evident. The PCF demands to rework the document made sense but for the wrong reasons. The party used the crisis as an excuse to re-equilibrate the left, when the document itself stood in serious need of revision. The Socialists, freed from the dependency on a party they never trusted, premised electoral (and eventually governing) strategies on that outdated document.

12 This was not the first time that such bargains had been attempted. One could point to incomes policy attempts in the early 1960s and the "New Society" initiative under Pompidou's prime minister, Jacques Chaban-Delmas in 1969-70. Both failed due to the inability of political elites to change the shopfloor attitudes of French employers. The 1981-84 period, however, differed from these earlier attempts since the bargains (had they stuck) would have linked management of the economy with overlapping constituencies, making the economic and political bargains mutually reinforcing.

13 The embrace of Europe for French socialism came in three stages: the acceptance of the European Monetary System in 1983 and the decision to devalue and introduce austerity; the acceptance of the Davignon Plan in 1984 to sort out the troubled steel industry; and the leadership of Mitterrand in negotiating the Single European Market. See Daley 1991.

14 This legislation, typical of French postwar industrial relations, resulted
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.
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