

European Trade Unions: Coping with Globalisation?

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1. Introduction

Although the first international trade union structures were established more than 100 years ago, European trade unionism is still deeply entrenched in the nation-state. The national trade unions have indeed been complemented by European structures of trade union co-operation, promoting labour interests vis-à-vis the institutions of the European Union (EU) and struggling for social regulation of the unified European market. But this is still an uphill battle, not least due to the pressures from global market competition, accentuating contested questions about the relationships between the national, regional and global levels of trade union organisation.

National unions have been hesitant in joining forces to counterbalance the power of internationally mobile capital and influence the evolving multi-tiered regime of economic and political governance in the EU. Apart from the problem of scant resources and divergent interests, some have argued that the quest for European co-ordination overstretches already strained ties of national labour solidarity, while others have argued that Europe represents too narrow a scope for development of transnational unionism in an era of globalisation.

In this introduction, however, I will argue that regional trade union integration is not an alternative to, but a crucial building block between, the national and global levels in the struggle for social justice and regulation in contemporary capitalism. If national unions are unable to develop viable cross-border strategies and political coalitions to delimit regime competition and defend social and labour standards within the regional processes of integration that mark the emergent global economy, it is hard to see how the eroding impact of borderless competition can be prevented by incitement of a new brand of global grass-root activism or social clauses agreed by consensus in global institutions such as the World Trade Organisation (WTO), the International Labour Organisation (ILO), or the United Nations (UN). Such bottom-up and top-down initiatives are very important but unlikely to succeed unless they are linked together by coherent regional structures with force to co-ordinate union demands, mobilise pressure on governments and institutions at the international levels, and ensure credible implementation.

In the following, I will first briefly summarise the main challenges the processes of global liberalisation and regional integration raise to the trade unions, and then invite a discussion of their implications for the future development of international trade union structures and policies in Europe. Although unions face tremendous international challenges, calling for bold moves to strengthen unions' capacity for transnational action, I will warn against the tendency to regard all threats as something coming from outside. In a context where public debate is almost obsessed with the spectre of globalisation, which often divert attention from social problems of domestic character, I will argue that the main battlefield for the future renewal of the European social model and trade unionism will still take place at domestic European ground where profound changes in working life are unfolding from 'within'. Unless European trade unions are capable of turning the decline of membership by adjusting their structures and policies in a way that meets the aspirations of the more differentiated, post-industrial workforce, the quest for regional and global unionism risks becoming a hollow slogan. In this perspective, the European trade unions will have to overcome the traditional cleavage between domestic and international union policies, and develop a new brand of internationalism that goes beyond the symbolic First of May

manifestations and links the role as worker interest organisation with the promotion of international solidarity (Hoffmann in this volume).

That is definitely easier said than done. But on the other hand, if the unions manage to give the links between the national and international features of their everyday work more visibility, real content and priority, it might – in a situation where unions are often portrayed as a conservative force of the privileged core workers – also represent a chance to redefine the union mission and revitalise the union movement (Hyman 1999). As indicated by the growing popular support for the *Attack* movement, there is a potential for social mobilisation and coalition-building against the power of untrammelled global market forces. Without abdicating to blind actionism, as partly seen in the streets of Seattle, Gothenburg and Genova, I think the trade unions have both an opportunity and a responsibility to engage in this movement and help channel it into constructive and politically viable strategies with a stronger mass basis (Compa 2001). In this view, I will also sketch some contrasts between the global and the European trade union structures and invite a discussion about how the experiences of the ETUC and its affiliates might feed into the Millennium debate about how to strengthen global unionism.

2. Dynamics and constraints of globalisation

Globalisation is a fuzzy, ambiguous concept that is often more obscuring than clarifying. Sure, there are holes in the roads everywhere, but that does not mean they have anything to do with globalisation. Often, the ‘G-word’ serves merely as a pretext for domestic policy changes. Yet, I do not belong to those who say that globalisation, whatever it is, is merely a myth (cf Hirst and Thompson 1996). There is too much going on out there, implying profound changes in the ways our economical, political and industrial relations systems work, to denounce the growing interconnectedness and momentum of international change. But to reduce all the different technological, economic, and social changes facing our societies to inevitable and irresistible products of a single master-cause – the spectre of globalisation – is not only misleading; it entails the risk that people become paralysed by the magnitude of the challenges, lose sight of the opportunities for change, and, hence, revert to fatalism, nationalism, or private insulation. There is thus a great need for more nuances and differentiated analyses of the risks and opportunities of globalisation, perhaps enabling the development of a third way between Porto Allegre and Davos.¹

2.1 Driving forces

As indicated in Figure 1 (below), the external forces of internationalisation interact with domestic restructuring and social change – facing the unions with a twofold struggle. On the external front, the emergence of global financial markets has had significant destabilising impact on many national economies,² reinforced the dynamics of tax-competition eroding the welfare state, and restricted the scope for employment-friendly macro-economic stabilisation policies at the national level. The establishment of the European Economic and Monetary Union (EMU) can be seen as a countermove that helps cushion the direct pressures on individual nation-states, and may represent a stepping-stone towards a new financial architecture. But the removal of monetary policy instruments and the tight limits for fiscal policies on national level (cf the Stability Pact) do, on the other hand, imply that the labour market actors will have to carry a greater brunt of adjustment costs in case of economic turbulence (Pochet 1999, Martin & Ross 1999, Dølvik 2001a). Combined with the restrictive monetary approach of the ECB, and the ineffective measures to promote macro-economic coordination and curb tax competition at the European level, regional integration at the EU level has thus far only provided partial, half-way responses to the challenges of global financial markets.

What in German is coined the ‘Real-Ökonomie’ – i.e. the production and flows of goods and services – is much less ‘globalised’ than the financial sphere. The dominant pattern of trade and foreign direct investment (FDI) flows remains remarkably stable and predominantly goes between and (foremost) within the main trading blocks of the industrialised countries

Figure 1 GLOBALISATION & REGIONALISATION: PRESSURES ON NATIONAL SYSTEMS OF INDUSTRIAL RELATIONS AND TRADE UNIONISM

RE-NATIONALISATION, REGIONALISATION AND/OR GLOBALISATION OF UNIONISM?

North America, Japan, and Western Europe) (Maddison 2001, Evans 1998, Hoffmann & Hoffmann 1996). The OECD countries thus account for approximately 70-80 percent of world trade and investment flows. The West European share of world trade is 43 percent, of which two thirds are within the EU/EEA area, and in 1999 as much as 90% of all mergers-and acquisitions took place within Europe (UNCTAD 2001, OECD 2001). While the EU countries run a stable external balance surplus, including with developing countries and the CEE-countries, external imports account for less than 1/10th of total GDP in the current EU countries. Meaning that 9/10th of economic output in the EU is produced in the member states, this implies that the European economy is much more internally integrated and externally insulated than indicated by the rhetoric of globalisation. The motives driving MNCs' foreign investment strategies are complex, ranging from access to markets and competence to pure labour cost savings (Ramsay 1999).³ As trade and FDI-flows are growing faster within than between the main trading blocks, regionalisation of production appears to be a more appropriate concept of what is going on than globalisation. To cope with fiercer competition among the high-cost/high-productivity economies within the OECD area and Europe in particular is accordingly a more pressing challenge for European trade unions than the spectre of low-wage competition and relocation to Third World countries.

A salient feature of the growing interdependence of the world economy, however, is the strong impact of financial and capital markets on the functioning of the productive sphere of the economy. This is nothing new, as indicated by the work of Hilferding, Hobson and Lenin on imperialism and the role of 'das Finanzkapital', some hundred years ago. Yet, the enhanced mobility of capital and the pervasive effect of financial investors on ownership structures, corporate governance and profitability requirements, imply significant changes in the conditions for representation of worker interests, co-determination and collective bargaining (Marginson & Sisson 1996). With the rise of the stock-market as the pivotal reference for company management, and the worldwide operations of institutional investors (often pension funds, sometimes owned by labour unions), the credo of share-holder value and the tough demands for short-term returns on financial investment do entail very real consequences for workers. They also reshape the power-relations between owners, management, unions and politicians, and the conditions for promoting industrial and social development in many regions and countries (Albert 1992, Streeck & Crouch 1996). Those dynamics of change, which are often perceived as globalisation, are apparently less associated with spatial shifts (or relocation) in economic and productive activity than with profound internal transformations of the manner in which working life and industrial relations are functioning.

The external constraints on company stake-holders entailed in the threat that financial investors may pull out and leave the company stocks in free fall, imply that unions will have to seek new ways of protecting worker interests, often including the building of alliances with company management. A central pillar in the search for new foundations of union influence is of course the promotion of works councils in transnational companies. In the EU/EEA area this is facilitated by the EWC-directive, which in recent years has led to the set-up of some 670 EWCs in MNCs operating in Europe (Kerckhof 2001).⁴ In a couple of MNCs with homebase in Europe, the unions have managed to negotiate establishment of World Works Councils (WWC), indicating that rights and practices developed within the process of European integration can serve useful purposes also in global union co-operation (Steiert 2001). Due to the increasing prominence of financial investors and stock markets, MNCs have become more dependent on public reputation and credibility. This has made them sensitive to negative exposure, consumer

reactions and, hence, to the mushrooming campaigns and boycotts of companies pursuing dubious social and labour practices which frequently have been instigated by NGOs, sometimes in cooperation with unions. Triggering off a new wave of corporations developing 'codes of conduct' concerning environmental and social practices -- aimed at securing share-holders that their investments will not be ruined by public scandals, in turn providing the basis for whole new industry of auditing and accounting firms providing certificates of 'good practice' -- these developments suggest that unions will have to step up their efforts to exploit their potential influence as large share-holders in many pension funds and other companies (UNI 2001a). All together, these factors illustrate that economic internationalisation is a highly contradictory phenomenon, which certainly weakens many traditional union sources of power, but also opens up some new avenues and opportunities for exerting pressures on corporate power centres. To sum up, this brief sketch underscores that disentangling of the interplay between regional integration and internationalisation is crucial to capture the spatial scope and locus of the ongoing restructuring of global capitalism. Except perhaps for the vast investment flows into China, the prospect of massive relocation of production and jobs to low wage countries seems misconceived.⁵ Despite growing interdependence and the emergence of global finance markets, the international division of labour has remained remarkably stable. Rather than globalisation of production we have been witnessing reinforced and interconnected processes of regionalisation in which major parts of the world remain excluded. Bluntly put, for the bulk of developing countries it seems that globalisation of production is less of a problem than the lack of it. For employment systems in our part of the world this means that the main external challenge is still related to coping with fiercer trade and investment competition from other high-cost countries, predominantly within Europe and the OECD.

2.3 The ambiguity of regional integration in globalised markets

The relationships between regionalisation and globalisation are ambivalent and contradictory (see Hoffmann and Telo in this volume). In some respects regional European integration is a major vehicle for global market liberalisation (cf. the single market), but this has on the other hand, combined with flanking political measures, reinforced intra-European trade and investment flows more than external flows, strengthening the character of Europe as 'an economic entity' (CEC 1999). In other aspects, political integration at regional scale can function as a buffer against the untamed power of global market forces. As seen, the EMU protects individual member-states against the arbitrary direct effects of the global finance markets, but also constrains national economic policies. The development of a regulatory framework for industrial relations and labour standards at European level delimits pressures on workers and unions in individual countries, helping to prevent a race to the bottom, but also impose obligations that can restrain national actors.

Still, regional integration in the EU/EEA-area, notably the single market and the EMU, has clearly contributed to intensify cross-border competition, exert pressures on labour costs and standards, and accelerate industrial restructuring on a European-wide basis. In view of the gap in labour costs and social standards (but also in productivity) between Eastern and Western European countries – in some respects paralleling the discrepancies between US and Mexico within the NAFTA area – such dynamics are likely to attain a new twist when the Eastward enlargement of the EU/EEA proceeds (Gradev 2001, Meardi 2001). The fall of the Berlin Wall and inclusion of the former Soviet empire into the world market economy, in parallel with the gradual opening up of China, probably signifies the most momentous and important instance of globalisation in our time. The catching-up of the CEE economies will give strong impetus to growth and create large new markets, but the European trade unions are in for a tough test to make sure that European companies cannot exploit the CEE countries as havens for socially unprotected, low-cost production. The probably most pressing task of transnational trade union co-operation in Europe is thus associated with the build-up of viable systems of industrial relations, unionism and social protection in the accession countries. This accentuates the already

salient difficulties of combining deepening and widening of trade union integration (Dølvik 1999).

Against this background, the protracted unification of Europe can in many respects be seen as a laboratory of globalisation ‘in one continent’, though with the distinction that market building, in contrast to the processes of liberalisation at global level, is coupled with an ambitious and contested project of political integration and polity-building. In this vein, regional integration is both a response to and a vehicle for growing transnational interdependence. This provides some opportunities for unions and other forces struggling for social justice and political governance of the economy on a transnational basis, but in view of the gulf to be bridged and the fault lines of the integration process, the social and political challenges are indeed daunting. One of the most useful contributions European trade unions can offer to promote labour interests in the global economy, is thus to ensure that the European model based on comparatively high social standards, partnership and yet quite influential trade unions, becomes an integral part of the Eastward enlargement process and can serve as a benchmark and reference for social forces in other regions struggling to create a social dimension to globalisation.

2.4 How has organised labour fared in Europe – so far?

In its strongest version, the globalisation thesis predicts that the powerful impact of global market competition will undermine the European pattern of welfare and labour regimes, and propel convergence towards Anglo-American market capitalism (cf. Held et al. 1999, Boyer 1996, Leisink ed. 1999). Although one should not underestimate the self-fulfilling force of such ideological predictions, I will argue that they, at least so far, lack support from empirical evidence. Economic internationalisation has certainly changed the external parameters of national economies and propelled industrial restructuring, but the implications of these changes for industrial relations actors have been contradictory – at the same time strengthening the quest for and complicating the pursuit of co-ordinated policies (Dølvik 1998, 2001a). Furthermore, there is ample evidence suggesting that the transformations of working life in the European countries have been more directly and strongly affected by internal than external dynamics of change (Sisson 2001, Traxler et al. 2001). The impact of new technology, digitalisation, and cultural and ideological changes has indeed been influenced by international currents, but the endogenous transformations stemming from demographic change (the aging of society and the workforce), the rise in education, the revolution of gender relations, family patterns, life styles, and the post-industrial shift in employment structures, have been far more consequential for unionisation and the pattern of work and industrial relations than the macro-scopic dynamics of globalisation (Esping-Andersen 1999, Dølvik ed. 2001). The effects of such internal changes have been compounded by the neo-liberal hegemony sweeping over the western world. But the political re-shaping of labour market governance in many European countries have yet had less to do with global imperatives than with national policy choices on how to meet these changes.

However, regardless of whether the prime drivers are of internal or external nature, there is little doubt that the dynamics of global change tend to interact with and reinforce the impact of domestic change – facing the unions with a twofold set of challenges. In this perspective, the picture of how trade unions in Europe have fared over the last few decades is not encouraging but less gloomy than often postulated (Waddington & Hoffmann 2000). Trade unions in Europe have been on the defensive but have shown greater resilience than expected (Ferner and Hyman 1998); they have lost power, workers’ share of GDP has declined, and many unions have been weakened by high unemployment, restructuring, and loss of members. Yet, in spite of significant decentralisation, national level collective bargaining persists as the main way of regulating wages and working conditions, and in several countries we have witnessed a resurgence of social pacts and centralised concertation (Fajertag and Pochet 2000). This reflects that the loss of macro-economic capacity at national levels flowing from globalisation and europeanisation actually make national concertation more, not less requested (Calmfors 2000). While the set-backs of unionism are frequently attributed to irreversible structural trends, cyclical developments are certainly an

important part of the explanation, implying that the potential for union recovery if labour markets catch up should not be overlooked (Booth et al 2001). Against this backdrop, it is no surprise that persisting institutional diversity has been more salient than convergence of industrial relations and unionism over the past decades (see Figure 2, below). Variation in national unions' institutional capacity to weather domestic change has apparently been more decisive for their societal position than differences in the national economies' degree of internationalisation.⁶

2.4 Global competition – a special threat to egalitarian welfare-state and labour market regimes?

Neo-liberal advocates and radical critics of globalisation alike suggest that countries with extensive welfare-states and egalitarian labour market regimes are especially vulnerable to global competition. The highly institutionalised Nordic economies should thus be in the frontline of fire. The alleged collapse of the Swedish model in the early 1990s was by many observers seen as a proof that this was so. After the crisis in the early 1990s, however, these countries have in recent years (when globalisation was claimed to shift gear) undergone a remarkable economic consolidation and recovery, without abandoning their high levels of participation, equity and welfare. A recent study of globalisation reported in *Foreign Policy* (2000) thus ranked the four Nordic economies among the top-ten most globalised economies in the world. In view of the authors, this showed that well regulated welfare-state economies are not incompatible with globalised competition.⁷

This, in fact, fits with a long tradition of political economy research suggesting that the most extensive welfare state and labour market institutions have evolved precisely in small open economies which are extra vulnerable to international fluctuations. The reason, it is argued, is because the basic function of such arrangements is to buffer external instability and facilitate flexible domestic adjustments (cf Katzenstein 1985; Moene & Wallerstein 2001, Weiss 1999, Traxler et al. 2001).⁸ Contrary to conventional wisdom, there is, according to Moene & Wallerstein (2001), also evidence that countries which have been highly exposed to foreign trade competition in the past have tended to show less inequalities than more closed economies. This is mainly attributed to the fact that such countries more often than others have developed centralised collective bargaining systems (*ibid.*). Worth noting in this context is that the European countries that in recent years of global competition have shown best economic and employment performance, typically Ireland, the Netherlands, and Denmark, all have maintained national systems of social partnership and coordinated bargaining (Auer 2000).

Against this background, it seems wise to treat prophecies that globalisation renders solidaristic welfare state and industrial relations systems obsolete with considerable caution. Apart from the fact that there is no invisible hand by which global competition crowds out ineffective regimes, a review by Freeman (1999) of research on the relationship between economic institutions and economic performance concluded that there is no 'single peak' institutions; while the impact on effectiveness is hard to detect, the effects on equality are significant, however. No wonder the fads have been shifting. In the 1970s the social partnership institutions of the German 'Wirtschaftswunder' were widely admired; later on the Japanese model came in vogue, before they both run into crises and the old US model returned as the fixture, at least until the bubble burst. In practice, however, the countries that have complied with the neo-liberal recipe for coping with global competition have shown mixed results, especially as regards employment in the exposed sectors (Scharpf 1999). New Zealand, which in the 1990s copied the Thatcherist approach, has thus now turned to a more North European approach of re-regulation and social partnership in an effort to develop a socially sustainable strategy (Rasmussen & McLaughlin 2000).

2.5 Summary: Re-nationalisation, Europeanisation, or globalisation of union policies?

In spite of the relative institutional stability of industrial relations in most West European countries, the twin effect of fiercer external competition and domestic labor market restructuring

has caused growing strains within national systems and erosion of trade union power and membership in particular. This has prompted initiatives to renew and modernize union structures, organization and recruitment strategies, aimed in particular at meeting the aspirations of the postindustrial workforce but it remains to be seen whether these efforts are sufficient to turn the tide (Waddington and Hoffmann eds. 2000, Dølvik ed. 2001).

European integration has, in this respect, had a two-fold effect: On the one hand it has put national unions under pressure and undermined parts of their past power-sources, on the other it has made them more indispensable for national governments' ability to govern and assure legitimacy to the transformation of national economies into the new context of the single market and EMU. The asymmetry between economic and political integration in the EU has implied that the losses inflicted on national unions have not been compensated by the build-up of a full-fledged supranational regime of labor market regulation. Through nourishing the idea of European social partnership and enacting minimum labor standards, however, the EU has provided unions with certain opportunities and resources that have contributed to improve their political credibility at home and given some protection against the impact of unfettered market competition (Dølvik and Visser 2001). In this ambiguous way, European integration has created a structure of incentives and pathways that has induced some modest steps towards Europeanisation of unionism and labor market policies, while at the same time encouraging national actors to continue investing the bulk of their resources in making the most of whatever left of regulative and innovative capacity in their national systems (Streeck 1998, Martin and Ross 1999, Dølvik 1997).

Considering the transformations associated with Eastward enlargement of the EU, the liberalisation of global trade and investment flows, and the international restructuring of business strategies, the review above leaves little doubt that national union strategies are insufficient to cope with the pace of change. Regional integration and globalisation blur the distinction between domestic and international trade union affairs and make national boundaries less relevant for the structuring of trade union organisation and action. More proactive transnational union strategies than hitherto seen are therefore required if organised labour shall maintain its role and gain influence on the emerging regional and global structures of governance in the world economy. If not the trade unions may easily end up in an increasingly intense battle for jobs and investment against each others – a battle where there are very few winners and many losers. In developing such transnational strategies, it is important to acknowledge that the global dynamics of capitalist restructuring imply contradictory processes. Globalisation is no zero-sum game, it entails potentials for economic and social development as well as tough changes. The cleavages between winners and losers are looming large. In order to develop adequate union answers and redress the asymmetry between the economic and social dimension of global integration, it is necessary to distinguish between problems that are of global, regional and national character so that appropriate responses can be developed at the most suitable level.

3. Development of international trade union structures

The defeats of international unionism are more easily counted than the victories. There is no need here to recapitulate the bitter history of international trade unionism from the first International, the split related to WW-I, the Bolshevik-revolution, the subsequent division between the Socialist, Christian and Communist associations, and the failed unification events after WW-II, leading to foundation of the ICFTU in the late 1940s. This is familiar stuff. The main point, at this stage, is that after more than a century of union history, where unions, at least in Europe, have become well established in most national states, the international level of trade union organisation is still marked by lack of coherence and integration of structures as well as policies.⁹ Apart from the reminiscences of the WFTU, and the plethora of associations in many developing countries, we still have the division between the ICFTU and WCL at the confederal level. The relations between the ITSs and the ICFTU are often unclear, and the development of regional structures in the different continents are very uneven, to put it mildly.¹⁰ In the European

case, which in many aspects remains the backbone of the international union movement, the ETUC is an autonomous structure with confederal and industrial members from all the currents of international unionism and has thus no formal affiliation with the ICFTU.

Figure 4 Structures of international unionism

| Level | Cross-sectoral | Sector & Branch | Company & group/MNC |
|-------------------|----------------|-----------------|--|
| National | Confederations | Single Unions | Clubs & Works Councils |
| European Regional | ETUC | EIFs | EWCs |
| Global | ICFTU (WCL) | ITSs | World Councils MNC Framework Agreements |

Decentralisation and/or Social Pacts?

Europeanisation –top-down or bottom up?

Global unionism in the making?

Teethless union Fragmented sector Global corporate diplomacy? brotherhoods? ‘syndicalism’?

Although, in theory, the union bodies at the various territorial and organisational levels are complementary, the possibilities for tension, division and fragmentation are *legio*. Given the growing interconnectedness of the global economy, the gaps and unevenness of international unionism pose uneasy questions to European trade unions. At the ICFTU Congress in Durban 2000, the Millennium debate on how to create a more forceful and coherent pattern of global unionism was launched. The basic questions are how to reshape the relations and strengthen the ties between the

- confederal level, the industry/ITS level, and the company level?
- national, regional/European and global union structures?
- methods of industrial action/collective bargaining and political mobilisation?

Under what circumstances are these levels and means of action competing or complementary, and how can action along those lines be linked together, creating a multi-tiered web of horizontal and vertical ties rather than duplication and fragmentation? How can means of collective bargaining (with counterparts that are often utterly unwilling to constitute as such) be more effectively combined with political mobilisation vis-à-vis the often weak and patchy institutions of global governance? How to escape the bureaucratic fallacies of teethless union diplomacy, on the one hand, and prevent the perverted scenarios of global company syndicalism, on the other? How to add life and clout to the existing structures by mobilising participation from the bottom while at the same time strengthening co-ordination and coherence from the top? And, last but not least, what kind of adjustments in national union structures, policies and priorities are needed to underpin such a development?

3.1 Sources of international union power

Equally important as the development of adequate organisational structures and policy instruments, is the international capacity for mobilisation of labour power resources. A longstanding feature of the international union structures have been their lack of clout and their

limited ability to muster industrial muscle, membership mobilisation, and secure political influence through institutionalised representation. Hence, political lobbying through diplomatic channels has been the dominant mode of operation. Besides the employers' persistent reluctance to constitute as counterparts at international level, this reflects the indirect, multi-tiered pattern of interest representation through international umbrella associations in which the mandate and ability to resort to industrial action and membership mobilisation ultimately rests with the constituent national entities. Like most international institutions of political governance, the international union movement has thus been marked by 'intergovernmentalist' modes of decision-making where search for consensus and the lowest common denominator has been the order of the day (Hyman 1999). As indicated in Figure 5 (next page), showing the various power resources of international trade unionism compared with its national antecedents, the gulf to be bridged is indeed wide.

Compared to the national level, where unionism in Europe was built from the bottom and gradually institutionalised through a protracted, interactive process of state-building and union-building (Marks and McAdams 1996), the power resources of international unionism are vastly inferior (Erne 2001). The main power resources of national unionism are the ability to mobilise membership, engage in collective bargaining, take industrial action, channel 'voice' at the workplace, and use these sources and its weight in elections to gain societal influence through various institutionalised modes of interest representation and political exchange with the state. These sources of influence ultimately rest on the union movement's capacity to attract membership, identification and legitimacy among workers. Throughout the 20th century the build-up of those power-resources became deeply embedded in the structures and politics of the nation-state, virtually rendering unions the status of semi-public actors (Offe 1985).

The situation at the international levels is very different. First and foremost, the international union bodies usually have as mentioned had no direct relationship to the membership and relied on indirect modes of representation through national affiliates. Therefore, second, the capacity to mobilise collective action and resources has been limited, reflecting the lack of membership identification with such remote, often unknown, organisational structures. Third, international collective bargaining, which is the main tool of national union influence, has with some sporadic exceptions been non-existent. Besides the lack of employer interlocutors at the international levels, fourth, these obstacles have been compounded by the international absence of adequate political third-parties and institutions with rule-making power, which historically played a crucial role in the evolution of unionism nationally (Crouch 1993, Visser 1995). These factors imply that the structural prerequisites that facilitated union-building at the national level have so far been conspicuously missing internationally. In addition comes, fifth, that the internal organisational, cultural, and ideological hurdles as well as the complexity of inter-union interest accommodation, decision-making, mandating, and democracy are magnified at an international scale. Until the fall of the Berlin Wall, the Cold War cleavages added to these obstacles, which have been aggravated by, sixth, the profound differences in union density, resources and structures between most of the developing countries and the industrialised economies.

Figure 5 Trade union power resources – nationally and internationally

| Union Power Resources | National | European | Global | Global Institutional Channels |
|---|-----------------|-----------------|---------------|--|
| Institutional - legal | X | X | - | UN, ILO, OECD, WTO |
| Political | X | X | - | ? |
| Organisational | X | X | x | ICFTU, ITSSs |
| Collective Bargaining & Representation | X | (X) | ? | A few global framework agreements and World Works Councils |
| Industrial Action | X | ? | ? | Sporadic, e.g. ITF (Grassroot boycotts, NGOs) |
| Identity – solidarity | X (eroding?) | Emerging? | ? | Contested cf. Seattle |
| Membership | X | Indirect | Indirect | Very indirect |

Bottom-up Top-down Loose umbrellas

Challenges:

- 1) How to foster identification, mobilisation and solidarity from ‘below’, that is, ‘at home’?
- 2) How to combine political-institutional strategies with industrial action and collective bargaining?
- 3) How to balance the quests for sovereignty, democracy, and supranationality in decision-making – is it possible to move beyond the veto-power of the laggards.

While the estimated average union density in the non-agricultural formal labour force is around 13% in Africa, 12% in Asia/Pacific 12%, and 15% in the Americas 15%, it is around 35% in Europe, showing a downward trend in all continents (ICFTU 2000). With some 124 million workers represented by the confederations affiliated to ICFTU (Gordon 1999), and a claimed membership of 26 million in the WCL, this means that the European trade unions organised in the ETUC account for more than half of all union members in the world and much more in terms of resources. This picture is even more pronounced in many of the ITSSs, implying that the dominant national unions in Europe are cornerstones of both the European and global associations at the industrial as well as confederal levels. Besides representing a significant burden in terms of resources and personnel, this confronts those unions with difficult choices when it comes to prioritising the international use of shrinking resources. For all those reasons, international unionism has been slow in coming, in spite of the historical pledges that workers have no fatherland and repeated calls for cross-border solidarity, proletarian internationalism, and, recently, ‘global unionism’. For most practical purposes, basic trade union work has remained national in outlook and policies, while the international activities have been dominated by union solidarity work, often guided by ideological geo-political considerations, the diplomatic activities of international secretariats, and the ritualistic tributes to internationalism in Congresses and First of May parades .

In recent years, significant changes have occurred, however, indicating that a new dynamism may be taking hold in the international union movement. These changes have been most salient in the European context where the new pace of economic and political integration from the late 1980s prompted institutional reforms that eventually have paved the way for social dialogue, European Works Councils (EWCs), negotiation of framework agreements, and a strengthening of the trade union structures at European level (Dolvik & Visser 2001). At the global level, the pace of change has been much weaker, but also there interesting developments have occurred associated

with the strife over core labour standards in ILO (and WTO), the rekindling efforts to promote fair labour practices in MNCs through the revised OECD guidelines, the campaigns for ethical trade and corporate social responsibility, and the efforts of the ITSSs to revive the old World Works Councils (WWCs) and promote Global Framework Agreements on core labour standards in MNCs. Currently, 16 of the 60-70,000 MNCs have signed such agreements, of which all but one, however, are companies of European origin (Gunnes & Tørres 2001). Innovative initiatives to use ICT and the global web to develop transnational union information networks and new ways of mobilisation – so-called cyber-unionism – have also mushroomed (Waterman 1998, UNI 2001b). At the organisational level, the Millennium debate has drawn attention the relationship between the ICFTU and its disparate regional branches, on the one hand, and to the relationship between ICFTU and the ITSSs, on the other. Several ITSSs have also undergone substantial restructuring and mergers, most prominently illustrated by establishment of the federation of service workers (UNI), combining four previous ITSSs.¹¹ Lurking beneath the surface are also discussions of how the cleavage between the ICFTU and the Christian confederation (WCL) can be bridged, and how the tension between ICFTU and the ETUC can be healed. The contentious issue here is of course that establishment of formal ties between the ETUC and ICFTU, which in many respects might seem sensible, would put the important Christian affiliates of the ETUC (such as the Belgian CSV, the Italian CISL and others) in an awkward situation and most likely cause a split of the ETUC, insofar as the division between ICFTU and WCL is not overcome. Apart from the organisational quandary of global unionism, a major obstacle to the development of more efficient promotion of worker interests at the global scene is as already mentioned the patchy and weak institutions of political governance at the global level. While labour issues have been the prerogative of the ILO, producing conventions but having weak opportunities to ensure their application, trade issues have been the domain of the GATT/WTO, and different facets of economic policies and development have been dispersed among a whole range of institutions such as the IMF, OECD, the World Bank, UNCTAD, G-7 and so on. Besides the fragmented structures of global governance, a common feature of most of the latter institutions has been their intergovernmental character (boding for impenetrable games of consensus-building and powerplay among the key member-states and donors) and, except the OECD, absence of institutionalised channels for representation of the views and interests of the social partners. Organised labour has thus suffered from a lack of coherent public counterparts with power to engage in anything like social dialogue on the future direction and shape of economic globalisation.

3.2 European experiences and global strategies

By contrast, the build up of supranational economic-political power in the European Union has served as a catalyst for the reshaping of transnational trade unionism in Europe in a manner reminiscent of the historical interaction between state-building and union-building at the national level (Marks & McAdam 1996). The headway made by the trade unions has fallen short of their aspirations, but, compared with other international trade arrangements, trade unions in Europe have achieved a higher degree of transnational social regulation, representation and organisational coherence than unions and social movements in any international or regional precedent – including EFTA and the joint Nordic labour market. By establishing a floor of minimum labour standards, employee rights have been strengthened in several of the least developed countries, including the UK, and a European race to the bottom has been prevented, indirectly also serving as an international benchmark easing the pressures on labour in competing trade blocks.

If the European experience carries any lesson of relevance for labour strategies in other regional or global contexts, it would probably be that unions ought to build coalitions behind the demand for creation of supranational bodies that couple power to regulate international markets with the authority to enact and monitor social and labour standards, while preventing the sacred sovereignty of individual nation-states from blocking progress by exerting veto-power. In order to construct institutions with sufficient weight and scope to gain headway in the struggle for

political governance of the global economy, the union answer can hardly be less but more supranational integration. This applies not only to the global level but also to the regional level. Without adequate political interlocutors that are accountable to the public and can function as addresses for democratic and industrial pressure from labour unions and other social allies, the evolution of transnational industrial relations is likely to remain voluntarist, sporadic and uneven. Thus, the contrast between European experience and the role of labour in other trade arrangements seems to indicate that development of transnational unionism must rely on a *two-pronged strategy*. Fighting for democratic governance of the international economy, transnational unionism is, on the one hand,

- bound to adopt a more proactive, directly political-societal character and more indirect modes of representation than has normally been the case at the national levels. This is exemplified by the ETUC role as channel for employee and popular voice in the political-institutional processes of European integration, virtually serving as a quasi-labour party at the EU level. This poses, on the other hand, a particular challenge related to
- underpinning the creation of more adequate transnational union superstructures with deliberate bottom-up and horizontal initiatives to foster identification, learning, participation, debate and capacity for transnational mobilisation among domestic memberships and member unions.

As organised labour is so entrenched in the nation-state, international efforts at rethinking union visions (Hyman 1999) and redrawing the boundaries of solidarity require creation of social arenas and communities that reach beyond the nation-state, but are close enough to provide a sense of belonging, mutual identification, understanding, and density of interaction (Olsen 1995). If not, transnational union institutions, as sometimes warned by critics of the ETUC (Gobin 1997), easily deteriorate into powerless, shallow structures prone to co-option, distrust and alienation from the memberships.

This dilemma cannot be circumvented by syndicalist appeals to global labour activism and Don Quixote-like struggle against regional and global integration. Union strategies that combine mobilisation through political and industrial channels with construction of transnational structures with capacity to link together trade union and civil society efforts at the national, regional, and global levels are in request. In this respect, the European experience might represent both a model and a problem, due to the lack of congruence between the regional and global trade union structures.¹² Besides causing duplication and sometimes rivalry, as between the ETUC and the ICFTU in Central and Eastern Europe, these in-congruencies alongside the division between ICFTU and the WCL complicate the development of coherent union policies in other regions and at global arenas. How important these obstacles are in practice is disputed, however. Uniformity in structures have seldom been a requirement for innovative reforms in union practices from below. Pluralism and a certain element of competition between different streams and tiers of international unionism might even have a dynamic function (Gumbrell-McGormick 2000). In such a perspective, one might well argue that vitalisation of international union co-operation on the ground, and bottom up from MNCs to the ITSs, is more essential than grand structural reforms from the top. Nonetheless, given the yet dominant role of the formal associations of labour on the global arenas of political struggle it seems that the opaque structures often do hinder efficient and adequate representation, interest intermediation and, not least, proper utilisation of scarce resources. Regardless of who was right, it hardly strengthened the labour case that the two main global confederations – ICFTU and WCL – carried divergent positions in the strife over core labour standards in the run up to the WTO round in Seattle 1999.

4 Challenges to European trade unions – concluding remarks and further questions

The impact of post-industrialisation, Europeanisation, and global market integration face the European trade unions with a triple challenge:

- 1) To adjust and renew domestic structures (in order to turn the membership decline and cope with the changing conditions of competition and corporate restructuring);
- 2) To engage in reform and strengthening of the global structures of trade unionism and governance (cf the Millennium Debate)
- 3) To develop the European pattern of co-operation in ways that bring more clout and teeth (cf the debate on Constitutional Reform of the ETUC)

There is no need here to recapitulate the progress and pace of change that has taken place since the foundation of the ETUC in 1973 and the dark years of the early 1980s. An interesting irony, however, is that the catalysing factors for the progress was the market-liberal programme of the Single Market, followed by the monetarist Maastricht Agreement leading to the EMU, which were both European responses to the fear of losing out in the global competition with Japan and the USA (Dølvik 1999). This underscores the dialectical relationship between market-building, political integration, and transnational union-building.

If we compare the developments and achievements¹³ of European trade union integration with national antecedents, they are pretty thin and modest. If we compare with other regional and global trade arrangements, however, they are quite significant. The ETUC and its affiliates have definitely become more than a 'letter-box' (as postulated by the IG Metall leader Franz Steinkühler in the mid-1980s) or a 'head without a body' (as stated by Peter Seideneck in 1991, then working in the DGB International Department).

A central European lesson, nationally and transnationally, is that interaction with public interlocutors with political authority to regulate the relevant markets for goods and labour is a crucial prerequisite for the construction of viable structures of industrial relations and trade unionism (Crouch 1993, Hyman 2001). Establishment of such counterparts at the global level can hardly be achieved by corporate activism, attempts to roll back globalisation, crush the WTO, or return to protectionism. It requires build up of stronger and more democratically accountable global and regional institutions with supranational authority.

For many trade unions, also in Europe, this entails a contested dilemma: As most unions are wedded to national structures of political governance and collective bargaining, and their power relies on the ability to ensure membership identification and mobilisation, supranationalisation of political governance and labour market regulation is often seen as a threat to union democracy and the basic union entities. A major challenge in the union debate on how to match the globalisation of capital and markets, is therefore how to build organisational structures and practices which can bridge the gap between the domestic membership and the activities of the international union structures. If national unions are to pool resources and equip their international representatives with necessary clout and mandates to co-ordinate union policies across regions, the achilles-heel will undoubtedly be how to resolve this issue of accountability in a credible way.

International trade unionism was borne in Europe in the late 19th century (Visser 1996). If European trade unions are to live up to their responsibility as a backbone, benchmark and engine for trade unionism globally, it is high time to engage in a self-critical assessment of the inherent weaknesses and limitations of the current mode of union integration in Europe. In spite of the progress made since the 1988 ETUC Congress in Stockholm where the marching order was given,¹⁴ there are visible signs of overload and *European fatigue*. In view that enlargement and globalisation fundamentally transform the responsibilities and conditions of ETUC and the EIFs, the European trade union structures have in fact changed remarkably little in recent years. In this sense, ETUC and the EIFs are facing new cross-roads. While the strength of the ETUC/EIFs is indeed their broad membership and encompassingness, their growing heterogeneity is at the same time one of their most vulnerable points. This not only accentuates tensions between deepening and widening, but

- increases the gap between affiliate expectations and the capacity of the Brussels headquarters to live up to the tasks (entailing the risk that ETUC becomes a mini-ICFTU);
- perpetuates the dependency on the European Commission, which despite constant warnings is as great as ever, and
- brings forward signs of tension between members of the North, South, and East,
- as well as old rifts between intergovernmentalists and supranational federalists.

The evolving pattern of European-level trade unionism has displayed several paradoxical features. First, labour influence on EU policies has mainly been confined to the social realm where the EU prerogatives are least developed, whereas the union imprint on the broader trajectory of EU integration, notably the Single Market and the EMU, has been negligible. Second, labour interest representation has chiefly been enhanced at the level of companies (EWCs) and the peak ETUC level, the affiliates of which have tended to lose power and mandates in recent years (Martin and Ross 1999). The spread of EWCs has, moreover, stagnated. Third, developments at the industrial level of the EIFs, where national unionism is strongest, have, by contrast, been slower and more patchy, although signs of change can be observed associated with restructuring of the EIFs and the EU attempts to boost the sectoral social dialogue. This raises the question whether the historical tension between the industrial unions in the EIFs and the confederations that dominate in ETUC – stemming from the dual pattern of union representation in ETUC (via national confederations and via EIFs) – over who shall play the first violin has really found a viable solution.

There is indeed a lot of restructuring going on at national levels associated with union mergers and concentration, often leading to formation of conglomerate mega-unions (cf Streeck & Visser 1998). Besides raising questions about the future role of national confederations, there seems to be little connection or congruence between the restructuring going on nationally and European-wide. What would, for example, be the implication for ETUC (and ICFTU for that sake) if more sectoral cartel federations like the UNI Network arise? Whatever the answer is, it seems that a thorough discussion of the relationship and division of labour between the industrial and confederal tiers of European trade unionism is required. If the new efforts to move ahead with transnational co-ordination of collective bargaining gain momentum, the issue of articulation between company-based transnational negotiations, sectoral level co-ordination of national bargaining, and macro-dialogue at the peak-level will indeed become accentuated.

The growing discrepancies between tasks and capacities, between the encompassingness and heterogeneity, and between EIFs and ETUC, confront the affiliates with dilemmas that are manageable probably only through mutually contingent processes of organisational *concentration* and *differentiation*. Such a scenario would presumably entail a more distinct division of responsibilities between a leaner, more targeted ETUC, strengthened EIFs, and the national affiliates. This might perhaps be complemented by deployment of certain tasks to more regional union structures in specific areas of the European economy – accentuating the multi-layered, network character of union integration.

Whatever solution is chosen, the development of European trade unionism cannot be brought forward unless the constituent national entities are willing and able to contribute more actively to common purposes. Sometimes, however, one may get the impression that the engagement and commitment of many affiliates are fading away and that attention is turning to domestic concerns, which naturally are more pressing in the short run.¹⁵ There is a lot of lip-service paid to common European courses, suggesting that affiliates often find it convenient to leave responsibility for the European affairs to the Brussels headquarters (and criticise the results afterwards). No wonder, frankly speaking there is not that much coming out of all the social dialogue meetings, and the Brussels restaurants are not that exiting either after some years in the circuit. In addition, it is well known that most trade union leaders are more prominent figures at national arenas than as one of equals in international meetings where command of foreign

language is a prerequisite for enjoying the socialising (cf the story of the big fish in the little pond). If true, it might seem as a paradox that faith is waning precisely at the time when progress eventually has been achieved, after decades of tedious uphill battling, but this is in fact a quite typical and understandable human reaction; we all tend to long for a rest when the top of the first hill is reached. Notwithstanding, if we take all those factors together, there is apparently a risk that the ETUC becomes a victim of its own relative success and enters a phase of internal stagnation, possibly causing withering of cohesion and commitment.

As the advocate of the devil in this context, I am in no position to suggest how this risk should be countered. That is the responsibility of the union actors involved, and there is certainly no quick fixes or short-cuts at hand. Yet, besides the need for a frank discussion among the affiliates, it seems that the ETUC and the EIFs have to find better ways of dealing with the contradictory processes of organisational concentration and differentiation sweeping through the union movement. An important aim of such a process would probably be to work out a shared conception of how a clearer articulation between the different actors and levels involved could be obtained, including the distinction between what should be dealt with nationally, what are matters of common European concern, and what requires a broader global response.

Instead of anticipating the discussion, I will wind up this paper, or rather kick off the debate, by raising four questions:

- 1) If trade union leaders and experts, were free to design a new international trade union architecture, what would it look like, and what would be the main difference from the one currently existing?
- 2) What would be the most important tier of international unionism, and what would be the division of tasks between a) companies, EIFs/ITSSs, and confederations?, and b) national, European, and global levels?
- 3) What are the most essential obstacles to such a reconstruction of international unionism?
- 4) What would be the *single* most important reform of the European trade union structures, in order to start moving in the direction you may have suggested above?

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¹ Cf. the meetings of the anti-globalisation movement in Porto Allegre 2000, and the annual Davos-meetings of the world economic and political elite. The notion of a 'third way' between those, I owe to Mario Telo.

² Cf. the Mexican meltdown in 1994, the Asian crisis in 1998, and the current problems in Turkey, Argentina, Brazil and other countries.

³ Analyses of multinational companies (MNCs), which are often seen as the spearhead of footless globalisation, suggest that many of them are still 'home-centred' and operate in a limited number of countries, or regionally. In a recent study of MNCs of the US, the UK, Japan and Germany, Hirst and Thompson (1997) concluded that 70-75% of MNC valued added was produced on the home territory. Similarly, Wade (1996) refers a study which shows that in the early 1990s 23 percent of value added in the largest US companies was produced abroad, against 22 percent ten years earlier, hardly a revolutionary change. Despite some conspicuous examples of relocation to low-wage areas, especially in labour-intensive industries, productive capital is much less mobile than often assumed. FDIs are mainly motivated by access to growing markets which can supplement rather than substitute home-based production, provided adequate infrastructure and a skilled and committed workforce are at hand (Wade 1996). Hence, a study by Cooke and Noble (1998) shows that US companies are much more inclined to invest in countries with a skilled workforce and well developed labour rights, than in low-cost countries with inferior labour standards. Once having invested in a location, most MNCs have proved reluctant to uproot themselves, because they get entrenched in specific national markets, supplier networks and institutions, implying that they face a variety of sunk costs that constitute barriers to exit. In a recent study of FDI flows in Europe, Traxler and Woitech (2000) found no evidence for the thesis of 'regime-shopping', i.e. that MNCs systematically prefer countries with low labour costs and standards. Besides the predominance of skill-and innovation-intensive manufacturing in the advanced economies,

new modes of production organisation such as ‘just-in-time’ and ‘flexible specialisation’ can be expected to reinforce the tendency of production to be located close to the final markets (Wade 1996). A new study of German FDIs (Wortmann 2000), underscores the continuity of previous FDI-flow patterns, the persistent importance of market access as motive, and the growing dominance of mergers & acquisitions, implying that external expansion rather than relocation and company-internal growth abroad characterise the behaviour of German MNCs. Most of the FDIs are thus not increasing foreign production capacity but changing the ownership structure, implying that relocation of domestic jobs is less of a threat than often argued in the globalisation debate. In the same vein, L. Pries (this volume) contends that only very few companies have become real ‘global players’; their motives are complex and pragmatic, only 1/3 of German companies going abroad do it for simple cost reasons, and their degree of rationality is overestimated. The battery producer, Warta, that went to South East-Asia thus chose to move back to Germany. Pries also points to the fact that insofar as MNCs do develop really global character, and therefore move to certain locations for specific reasons, they also tend to become more locally embedded and fragile.

⁴ The establishing of new EWCs has, however, decelerated in the years after the directive was implemented, raising the question whether the gas has gone out of the unions’ effort to promote this reform.

⁵ The author of the ILO World Labour Report 1996/97 thus concluded that “the available empirical evidence suggests that both trade and investment flows have been only minor explanatory factors behind the rise in unemployment and wage inequality in industrialised countries” (Lee 1996, 1997). The explanations are rather to be sought in domestic policies.

⁶ The prototypical case here is indeed the United States; the US has a much more insulated economy than most West European countries but have seen a much stronger demise of unionism than in Europe, except for France.

⁷ As regards the degree of digitalisation, which by many is seen as the main condition for thriving in the global economy, the Foreign Policy study also noted that the much discussed digital divide does not go between the industrialised and the developing countries, but between the US and the Nordic countries on the one hand, and the others – indicating that there are different trajectories into the brave new digitalised global economy.

⁸ Worth noting in this regard is that the evolution of the welfare state in Europe actually coincided in time with the era of trade liberalisation during the post WW-II period. Longitudinal, comparative studies, furthermore, show no visible tendency towards a declining public share of GDP during the last decades of accelerated internationalisation; on the contrary, the slope of the curve is upward, albeit a certain flattening can be observed in recent years (Hirst & Thompson 1996, see also Melchior et al. 2001). In the same vein, Sandmo (2000) reports that there is no convincing evidence of a general trend towards higher wage inequality in the OECD countries during the last decades of accelerated internationalisation, the picture is rather one of increased divergence, reflecting variations in domestic policies and institutions rather than convergent external change.

⁹ Recent contributions on the ICFTU can be found in Gumbrell-McGormick (2000, 2001) and Gordon (2000), on the ITSSs in Windmüller (2000) and on ETUC/EIFs in Dölvik (1999).

¹⁰ Regional organisations of the ICFTU are found in Africa, the Americas, and the Asia/Pacific Region. TUAC (the Trade Union Advisory Committee of the OECD) is also an important forum for union cooperation. Outside the ICFTU-family and the WCL, there is a plethora of independent associations such as the Organisation for African Trade Union Unity (OATU), the International Confederation of Arab Trade Unions (ICATU). The World Federation of Trade Unions (WFTU) still exists, with members from amongst others North Korea and Cuba.

¹¹ The UNI Network comprises the former FIET, the Communications International, the International Graphical Federation, and the Media and Entertainment International, representing appr. 15 million workers.

¹² Whereas the European bodies encompass all currents of international trade unionism and link together industrial and confederal affiliates, the global union institutions are, as mentioned, still marked by old ideological cleavages, gaps between the industrial and confederal tiers, and inconsistent, fragile, regional structures.

¹³ Most important are the establishment of European Works Councils (EWCs); the signing of three cross-sectoral European framework agreements on parental leave, part-time work, and fixed term contracts; the evolution of a corpus of legal European minimum standards for work environment and working conditions; development of the EU Employment Strategy, macro-economic dialogue, union moves towards coordination of national collective bargaining.

¹⁴ Cf here the Steekelenburg report in 1990, the path-breaking 1991 ETUC Congress where the European Industry Federations (EIFs) were integrated, and the following establishment of a ‘bargaining order’, mandating, and qualified majority voting at the 1995 Congress, eventually leading to major restructurings of the EIFs.

¹⁵ Such tendencies often go together with the phenomenon that in social science literature is renowned as *two-level games* i.e. by keeping the international and domestic agendas apart, national governments can use international causes to bolster their domestic power or initiatives while using reference to domestic obstacles as bargaining chips in international negotiations/interest intermediation. For example, many Nordic union leaders often find themselves captured in situations of a resembling kind, reflecting that they have been shying away from confronting their EU-critical domestic constituencies with the real challenges associated with joint European undertakings.