



Unions in Hard Times Labour Market Politics in Europe: Two Patterns of Reform

Johann Davidsson

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Abstract

How can we understand labour market reforms in an era that has been described as governed by retrenchment and austerity? This thesis proposes that the patterns of reform that can be seen in Europe can be explained by the varying degrees of unions' *institutional power resources* (IPRs). In the former period of expansion, unions could opt for maximalist solutions, but in the period of liberalisation and retrenchment they are forced to resort to second-best solutions. To defend their power over the long term (their organisational interest) unions have had, on the one hand, to defend their own role in the deliberation and administration of policy reform, and on the other hand, to defend specific policies in which they have a vested interest. This has meant that unions have agreed to deregulation and cutbacks, but only with regard to those policies which do not threaten to undermine their IPRs. Unfortunately, for labour market outsiders those policies have corresponded to policies that benefit insiders. Thus, in countries with strong IPRs, as in France and Sweden, we see *dualist reform pattern* whereas in countries with weak IPRs, as in the UK, we see a *liberal reform pattern* with across-the-board deregulation and general cutbacks. This thesis makes three contributions to the literature. First, by looking at institutional power instead of traditional power resources (union density, social-democratic parties in government) we can see that unions in France, while having few members and low-level coordination capacities, in fact have been more powerful than unions in Sweden. Second, we see a dualist reform pattern also in Sweden, a country known for its universal welfare system and encompassing unions. Despite the more encompassing union structure, unions have opted for similar second-best solutions as in France. Third, there has been a debate in the literature about whether dualisation (dual reform) has a dynamic that makes it persistent over time or if it is rather a first step towards liberalisation (liberal reform). The thesis contributes to this debate by arguing that dualisation persists when and where there exist strong IPRs. In Sweden, we can see that in policy areas where IPRs are strong there has been dual reform (employment protection) and where IPRs have been undermined there has been liberal reform (unemployment insurance, active labour market policy). Thus, we have a counterfactual where IPRs exist in one policy area but not in others in the same country. The thesis also includes a negative case, the UK, where IPRs were never established.



**Jury: Bruno Palier (CEVIPOF, Paris), Giuliano Bonoli (IDHEAP, Lausanne),
Johan Davidsson (Candidate), Sven Steinmo (EUI) (Supervisor),
Pepper Culpepper (EUI)**

Bio:

Johan Bo Davidsson holds an MSc from the University of Gothenburg and an MA from the University of Birmingham. During his PhD, he was a visiting scholar at Science-Po (Paris), the Institute for Future Studies (Stockholm) and the Department of Politics, University of Gothenburg. During his PhD, he has participated in a number of international research projects, including the project on dualisation led by Patrick Emmenegger, Silja Häusermann, Bruno Palier and Martin Seeleib-Kaiser. He has also co-managed an international project on the rise of private welfare with Jon Kvist. Part of the results presented in the PhD thesis is forthcoming in a new book on the welfare state published by OUP and edited by Giuliano Bonoli and David Natali. Currently Johan Bo Davidsson holds a position as researcher at the University of Southern Denmark, but will be taking up a two-year post-doctoral position at the University of Lund from October 2011