

The evolution of industrial relations in Europe and the economic crisis

Thomas Prosser
Department of Sociology, Trinity College

What trends have accompanied the economic crisis?

- ▶ Intensification of a number of previous trends
- ▶ Particularly deep budgetary cuts in the EU countries most affected by the economic crisis
- ▶ The centralization of EU economic policy
- ▶ Potential ban on wage indexation agreements and raising of minimum retirement ages
- ▶ Impetus towards a neo-liberal and technocratic EU economic policy regime?



What trends have accompanied the economic crisis?

- ▶ But some new trends...
- ▶ Greater influence of holders of Government debt
- ▶ Particularly notable role in placing pressure upon Governments and social partners during sovereign debt crisis of 2010-11
- ▶ Pressure also takes a very short-term form
- ▶ As a result Government and social partner policies are framed to satisfy the demands of creditors



What implications has this carried for industrial relations?

- ▶ Some writers (Erne, 2010) have identified reasons for 'cautious optimism'
- ▶ But forms of responses to the crisis have not been particularly impressive in scope and, crucially, the extent to which they have assumed an European or international form has been limited
- ▶ The declining efficacy of the strike weapon?
- ▶ Negative reaction of markets and European public authorities to national protests against cuts
- ▶ Continued inability of European trade unions to successfully organize at the European-level?



Thinking about private interest group organization...

- ▶ Role of creditors in placing pressure upon established labour regulation regimes
- ▶ Firms influencing government regulation via threats to leave the country: particularly the case with executive pay regulation
- ▶ Inability of trade unions to exert similar pressure upon public authorities
- ▶ Related to greater mobility of capital
- ▶ But what other factors account for the success of private interest group organizations in today's context?



Thinking about the response of trade unions to the new conditions...

- ▶ If EU-level social policy takes on new competencies related to wages and pensions what will the reaction of the EU-level trade union movement be?
- ▶ Given the response of markets and the European public authorities to protest how are national public authorities going to try and appease trade unions and their demands?

