

Trade Union Modernisation in Britain: State Policy and Union Projects

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Introduction

This paper examines the nature and process of trade union modernisation in Britain, through an analysis of the Labour government's Trade Union Modernisation Fund (UMF). The UMF was launched in 2005 to provide funding for small-scale innovation projects; it is somewhat controversial. Critics on the political right regard the funding as a government 'back hander' to the unions. Critics on the political left, including many industrial relations commentators, consider the UMF either irrelevant or indicative of how 'new Labour' has treated the union movement since election in 1997. In Ewing's (2005) terms this would be characterised as an attempt by the state to explicitly shape the operations and functions of trade unions in line with wider economic and political objectives. This, it is argued has led to the emergence of a new 'supply side trade unionism', based on diminished regulatory and representation functions. The potential gains for the union movement in UMF participation have not been considered. The key concern of the paper is to examine how the state has sought to influence the modernisation processes of trade unions via the UMF, the union response and what the potential gains may be.

The context of union modernisation

The UMF represents an attempt by the state to facilitate the operational modernisation of trade unions, so that unions may better respond to changing labour market conditions (Stuart et al. 2006, 2008). To understand the context in which this attempt at modernisation is taking place, we need to understand two things. First, what is the environment that unions are currently facing? Second, how have unions, as administrative entities, responded to this environment. We then consider how the UMF should be understood within the wider pattern of government/union relations.

The position of British trade unions

It is widely acknowledged that since 1979 trade union influence in Britain has declined dramatically. Union membership fell from 13.3 million in 1979 to around 7.6 million by 2008, and union density from 57 per cent to 28 percent (Certification Office, 2008; Mercer and Notley 2008). Whilst the rate of decline has slowed somewhat since 1997, the trajectory has remained downwards. There are wide differences between the public and private sectors, with 59 per cent of public sector workers union members in 2007 compared to just 16 per cent in the private sector. Collective bargaining coverage has contracted from covering around 85 per cent of employees, to just 34 per cent of employees. Where unions retain bargaining rights, they bargain over a narrower range of issues (Kersley et al. 2006), whilst the union mark up has declined along with the ability of unions to reduce wage inequality (Addison et al. 2006). However, unions continue to act as a 'sword of justice' boosting the wages and narrowing pay inequality among disadvantaged groups in the labour market (Metcalf et al. 2001).

Unions also face a very different labour market to during the high tide of union membership in the 1970s. Their environment is far more legalistic, and compulsory trade union membership (the closed shop) has been outlawed. Employment in manufacturing and key industrial sectors, once the heartlands of union power and membership, has declined dramatically: in 1984 25 per cent of employees worked in manufacturing, by 2006, this figure had declined to 13 per cent of employees (www.statistics.gov.uk). Employment in services has increased just as dramatically. The unions which have prospered in this new environment have largely been those that represent professionals in education and medicine.

British unions as administrative entities

As organisational bodies trade unions are unusual, in that union organisation is the sum of both a professional, employed workforce and an elected and voluntary body of lay activists. Unions thus face a tension between being administrative bodies, tasked with the efficient operation of their own internal affairs and of their representative obligations to their members (supporting collective bargaining, providing legal advice and support etc.), and representative bodies, effectively representing the democratic will of their members. As such, unions have what might be described as 'on-balance sheet' resources (buildings, investments, membership income etc.) and 'off-balance sheet' resources (voluntary activists). Over the last decade, both sets of union resource have declined (Willman and Bryson 2009). There has, for example, been a decline in the number of trade union representatives, from around 328,000 to around 100,000 in 2004 (Charlwood and Forth 2009); financial reserves are also at historic lows (Willman and Bryson 2009).

Significant structural re-organisation has occurred. Historically, the union movement in Britain was dominated by small craft unions, alongside a smaller number of general unions representing semi-skilled and unskilled workers. The changing context has seen a decline in the number of overall unions and the emergence of a smaller number of 'super unions'. Union membership is now highly concentrated in a handful of very large unions: by 2008, 85 per cent of union members were members of just 15 unions, each with more than 100,000 members (Certification Officer, 2008).

Most large unions could be categorised as 'conglomerates'. Willman (2004) argues that 'conglomerates' tend to operate a 'modified M form' structure, where the union head office uses tight financial controls to allow different geographical and industrial 'divisions' and bargaining units to share risk and cross-subsidise one another. Union management is complicated, due to the decoupling of representative and administrative functions, which respond to different environmental pressures. Representative functions remain close to the bargaining unit, while administrative activity is headquartered. Equally, while financial control is vested in the headquarters, the union's off-balance sheet resources (activists) are located in the bargaining units. This means that there must be a bargaining process between the bargaining unit and the headquarters over internal resource allocation. Headquarters will have only a limited amount of strategic choice over spending priorities, because the demands of the bargaining units come first. *Given this organisational environment, a project like the UMF may be able to leverage change, by providing resources to introduce innovations which unions would not be able to resource otherwise.* Yet, the impact of UMF projects may be limited because of the difficulty of embedding them across a diverse portfolio of bargaining units with divergent interests and priorities. This chimes with research from the USA, which found that the internal governance structures, constitutional and democratic values, financial

reporting oversight rules, and the autonomy of local union structures had prevented unions from making improvements to the way in which they were administered.

So do how do unions actually behave and manage themselves given these structural constraints? Research is limited. One exception is the survey into union administrative policies of Clark et al (1998), although this reveals little more than whether unions had a HR or Personnel Director, or formal strategic planning processes in place. The practise of strategic planning is not explored. Similarly, while research has considered the strategic choices facing unions, *there is less evidence on how unions actually translate strategy into practice.* An exception is Heery's (1998) account of the re-launch of the Trade Union Congress (TUC). Heery found that the TUC was remarkably successful in re-ordering its internal structures to become a more flexible and campaigning organisation. However, the TUC still struggled to secure key strategic objectives, because this depended on support from affiliate unions which was not forthcoming, and because it was limited in its ability to influence Government. But the challenges involved in managing the TUC are significantly different to the challenges involved in managing a conglomerate union; and the challenges in smaller unions are different again.

There is also extensive research on the challenges unions have faced in trying to develop new strategies of organising and partnership, which, while not directly focused on union management and administration, do shed some light on the difficulties involved (organising and recruitment is also explicitly excluded from the remit of the UMF). Studies of union organising (Simms and Holgate, 2009), suggest that resource constraints, poor management systems and lack of commitment to change from senior union leaders, full-time officials and lay activists were all important internal constraints in change initiatives aimed at building an organising culture within trade unions. Tensions between the agenda of full-time officials and lay activists are also evident in studies of partnership (Stuart and Martinez Lucio, 2005). Therefore we have some understanding of how unions organise and structure themselves, and the structural constraints and tensions that they work within. We have evidence of the practical difficulties that unions have in turning strategies of organising and partnership into practice. *What we lack is empirical evidence on the administrative and managerial processes that lie behind these difficulties. Data from the UMF projects seem well placed to fill this gap in our knowledge.*

Understanding the UMF as an employment relations modernisation project

The UMF was formally launched in 2005 under the administrative auspices of the Department for Business, Enterprise and Regulatory Reform (BERR); a budget of £10 million was allocated. Following a first round call, 35 projects were funded and commenced in 2007; 33 projects started under the second round in 2007. The UMF seeks to support, through up to £200k (match funded) grants, innovative individual union projects to help speed unions' adaptation to changing labour market conditions. Its official aim is to support projects that either explore the potential for, or contribute to, a transformational change in the organisational efficiency or effectiveness of trade union unions (See Stuart et al, 2006, 2008).

How is the agenda underpinning the UMF to be understood? One critique would regard this as an attempt at state funded reorganisation, the aim being to produce a form of 'supply side trade unionism' sympathetic to the neo-liberal economic and political ideals of the British government. This would apply not just to the UMF, but additional funds focused on the promotion of partnership at work (The Partnership Fund – now defunct) and the union role in the workplace learning agenda (The Union Learning Fund – now in its twelfth round). In accepting state money, unions are

essentially compromising their historic role and disarming their ability to mobilise against government policy (Ewing, 2005). This assumes no gains for unions; these are best achieved through formal state regulation that promotes collective bargaining and constrains employer opportunism. At an abstract level, this argument has appeal. But it tends to overstate the degree of state intent and control and totally underplay the resourcefulness of unions to shape projects to their own ends.

An alternative understanding could be rooted in social exchange theory (Blau 1964, Emerson 1972). This would view the UMF as the product of social exchange between actors (government and unions) within a specific social environment; an environment not of the actors' choosing. From this perspective, one actor (Government) is more powerful than the other and has the resources to provide support for the other. The actors have differing perspectives, but share some common objectives, not least a particular view of how the economy should be managed. Consequently, the actors value good relations with each other. The UMF is not necessarily an attempt to 'do' something specific to trade unionism in Britain, but the outcome of a negotiated process, which is part of wider efforts to maintain a long-standing government/ union relationship, in an environment that makes that relationship difficult to sustain. It may be as much about political compromise as anything else. It should also be noted that the UMF was not a governmental idea foisted on an unwilling union movement. The union movement, and specifically the offices of the TUC, had been lobbying for such support since 1997. Likewise, unions have a choice whether to opt into the UMF or not.

In concrete terms, the UMF may accord with state views on what unions should do and union views on resources needed. This is situated within the position trade unions find themselves in and the changing labour market conditions that they are facing. Whilst analysis of the UMF can allow us to test contrasting perspectives of the role of the state in employment relations, the paper starts from the position of social exchange. The UMF is seen as affording some degree of engagement (and risk) by unions with key external and internal challenges and imperatives, around, for example: the changing labour market and social and economic environment; the changing nature of technological resourcing and communication; and wider union strategies of internal learning and external benchmarking. This study offers therefore the opportunity to gain new insights into the managerial and administrative processes by which unions seek to translate strategy into practice.

Methods

The paper draws on an analysis of the 35 projects funded under the UMF first round. The authors have acted as the Fund's independent evaluators (see Stuart et al, 2006; 2008). Three sources of data have been collected. First, over 220 project documents have been analysed, from ongoing quarterly progress reports to more detailed final project reports. Second, ten qualitative case studies were conducted, involving interviews with project workers and nominated union officials at the start and towards the end of projects. In total, 40 interviews were conducted, taped and transcribed. Third, two small telephone surveys were conducted, of all initial 48 project applicants and towards the end of all 25 non-case study projects. Additional data were also collected through occasional interviews with TUC officials, BERR advisors and through attendance at various UMF events and presentations. The first round call invited transformational projects that met one or more of six priority themes: improving the understanding of modern business practices by full-time officers and lay representatives; improving two-way communication between unions and their members; improving the ability of unions to respond to the increasing diversity of the labour market, and to supply services geared to the needs of a

diverse membership; applying modern management methods to the running of unions as efficient, outward-looking and flexible organisations; assessing the challenges and opportunities of union restructuring and mergers; and, developing the professional competence of union officers. Thirty five projects were funded involving 32 unions. Total funding for projects amounted to around £3 million, with the largest grant awarded to the GMB (£198, 324) and the smallest to the West Bromwich Building Society Staff Union (£4, 546). Eight large unions (over 100k members) had projects funded and 6 very small unions (less than 5k members).

Findings

Projects are assessed in terms of their transformational nature and their demonstration effect internal to the union and, more broadly, to the union movement as a whole. The projects allow us to explore the modernisation process of unions: what are they actually doing; what are the benefits and lessons of projects for unions; what are the key impediments and challenges to the realisation of benefits.

What did projects do?

A summary of project activities is detailed in Table 1. Of the priority themes, the most common focus was on improving two-way communications, labour market diversity issues and modern management methods. In practice, across all projects four types of activity, not necessarily distinct, were apparent. First, there was a wide research effort underpinning many projects, in terms of surveys of activists, members and non members, for example on how well unions were perceived to represent diverse groups of workers, such as black and minority ethnic categories. Second, there was extensive activity around the improvement of union communication structures, focusing on the testing, introduction and application of new technologies. This covered the development of new union web sites, with higher levels of interactivity for members, as well as the trialling of new modes of communicating with members through SMS messaging. Thirdly, many of the projects had some form of educational or training component to them, covering the top team in unions, or national and regional officials or all union staff. Finally, a smaller number of unions sought to engage with employers, through the furtherance of new partnership relations and new consultative forums or through the construction of new agreements around equality and diversity matters.

Projects outputs were varied, including not just new union web sites, and numbers of union staff training, but a wide range of new union toolkits, best practice guides and new union roles and strategic protocols. To illustrate with reference to four projects. The retail union USDAW (Union of Shop, Distributive and Allied Workers) had the longest running project (2.5 years) to introduce a union-orientated Balanced Score Card. This linked all the union's key administrative and operational activities with its central strategic objective of organising. This involved training all union staff in the principles and practices of the Score Card and a wider performance management system. The roll out of the strategy, which represents a major cultural change in the union, has been supported through UMF round two funding. The TGWU (Transport and General Workers Union, now part of UNITE) received funding to establish and trial a Migrant Workers Support Unit (MGWU). This involved some focused activity in selected regions and a significant research effort to understand the specific representational needs of migrant workers. The union also used the project as a platform to lobby the government on a number of legal concerns around migrant workers' rights. The NUJ (National Union of Journalists) focused its UMF project on equality matters. Notably, it produced a best practice toolkit on equality and a model agreement for union representatives to use with target employers. Most significantly,

the project trained over 70 new union equality representatives (an Amicus- UNITE project also developed new equality reps). Finally, the Portman Building Society Staff Association used its UMF project to train (and recruit) 46 new workplace representatives, to help the union improve its representational capacity during a merger process with another national building society.

Table 1: *UMF Projects by themes and outputs*

Applications by Theme	No	Project Focus
1. Understanding modern business practices	9	Company level partnerships; new facilities agreements; ICE training
2. Improving two-way communications with members	17	New websites, diverse communications, ICT surveys
3. Diversity	10	Equality reps, toolkits, migrant workers supports
4. Applying modern management methods	10	Performance Management; new management tools
5. Assessing the challenges of merger and restructuring	2	Research/ internal reflection
6. Developing professional competence	9	Databases, education

Analysis reveals that that many projects were already a ‘glint in the eye’ for many unions, but would not have gone ahead without UMF funding. This has become even more evident as the projects have progressed and completed. In many cases project funding has allowed unions to ‘buy-in’ relevant expertise to mobilize new initiatives, under the guidance of, rather than reliance on, senior union officials. There is some evidence that unions are following up projects with their own internal investments, commitments to ‘carry on’ or by integrating the findings of projects into ‘the way we do things around here’.

Benefits and lessons learnt

Unions have learnt important lessons from participation in UMF projects, and in the majority of cases the projects are delivering value to the union. First, projects are delivering *new resources and assets*, with apparent benefits. This includes new technological solutions, such as more interactive web pages, new skills and knowledge assets through the wide ranging programme of training and also new union strategies, structures and roles. Second, there are evidenced improvements in the *communication structures* of participating unions. For example, the implementation of new interactive web sites, with provision for on-line voting and forums, has improved democratic processes. Third, participation in UMF has led to significant learning in terms of how unions develop *contracting relations* with external bodies. Many projects have bought in subcontractors to either deal with new technological solutions or to conduct research. This has often not gone as planned and lessons have been learnt by unions about this. There has also been a degree of information sharing between unions around how to deal with contracting problems.

Unions have become more acquainted with the art of running projects under the funding opportunities provided by the Labour government. Nonetheless, the management of projects is not a traditional role within unions and internal expertise is somewhat lacking. Thus, fourthly, project management has emerged as a key area for union learning. At the outset, this was often seen as trivial or something that was

not appropriate to the way unions are run. But as projects progressed key project management techniques were learnt in relation to time management, project governance, financials, internal communication and monitoring and evaluation. This promoted, fifthly, a degree of internal *evaluation and reflection* within unions in terms of not only how to run projects but the value such projects could play to unions, for example in terms of how members were serviced and represented. Finally, in recognition that unions are located in similar contextual conditions and faced similar project challenges there was some evidence of nascent network building and shared learning, for example in terms of how to deal with IT contractors, model contracts or issues in relation to labour market diversity.

Challenges

Projects were at times faced with challenges; three projects failed. In the others the project process illuminated the key modernisation hurdles that unions need to address. There were a series of challenges that can be grouped together under project management, such as planning, strategic implementation, relations between project workers and union officers, control of projects and external relations. But the projects were also illustrative of the deeper administrative conditions that act to constrain union innovation. This includes firstly the time demands on senior union officers, many of whom had symbolic leadership of the projects. It was recognised that the cost of projects in terms of labour resource and time was typically underestimated. In most cases projects responded to this early in the life of projects. But in select cases, senior union officers and projects managers often struggled with projects on top of full workloads, resulting in personal stress and project delay. Second, whilst employer support was not central to most UMF projects, in key cases the outcomes of projects, for example in terms of the promotion of equality representatives, came up against the need to engage with employers. In the case of partnership projects in the finance sector there were some notable achievements. The case of equality proved trickier significantly revealed the extent to which equality is subject to contested interests and conflictual agendas.

Thirdly, whilst projects varied in ambition, many regardless of size challenged aspects of traditional union cultures. This would seem to be a key objective of union modernisation. However, the way in which projects fit into union cultures and structures is complicated. Some unions were keen that projects should specifically challenge and to some extent lead cultural change, in other cases projects were seen as about modernisation but it was assumed this could be integrated within existing systems. Some projects reflected that projects raised important new questions about how they should be engaging with and representing members – that is, it is members who define the parameters of modernisation. In other cases, the projects threw up new representational issues that directly challenged existing union rule books and there was a degree of debate about how modernisation could be accommodated. Finally, a challenge remains over long-term influence. There remains a concern that projects may be ‘consigned to the shelf’, or that ‘memory’ will be lost as key project workers move on and the funding ends.

Conclusions

Our analysis of the UMF reveals much about how union modernisation is defined and the challenges unions face. There is an emerging evidence base to suggest that the UMF has conferred benefits on trade unions. In some cases these may prove to be transformational. But any assessment brings into debate two wider concerns. First, is an issue of measurement: the effectiveness of unions is judged on member facing issues around representation, mobilisation, goal attainment and wider social justice.

Against this modernisation could be seen as potentially distracting or worse an exercise in displacement. Yet, as organisational entities it is necessarily to consider how the formulation of union strategy, organisational implementation and practice integrate. Secondly, for critics the UMF is seen as an exercise in state control or manipulation of union futures: as a strategic attempt to re-cast unions as more pliable and moderate organisations. Our initial analysis refutes this reasoning. At a simply a practical level, projects are exploring and addressing central union concerns around member representation and issues of labour market equality and vulnerability, and through this are leading to new union roles and structures. Modernisation is a challenging concept that unions need to face, as their changing environment poses increasingly difficult questions for existing structures, processes and strategies.

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**Dimensions of Restructuring, the Agenda of Modernisation and Trade Union
Innovation: The Case of TRACE in the EU and its antecedents**

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Supporting Social Partners or Remoulding Social Partners?

Convenors: Mark Stuart, University of Leeds, Miguel Martínez Lucio, University of Manchester and Valeria Pulignano, Katholieke Universiteit, Leuven

1. Introduction

In this paper we aim to develop an understanding of the way trade union structures are attempting to renew themselves through the use of information and communications technologies (ICTs) and, in particular, the Internet. We focus on a case study of cross national trade union projects led by the European Trades Union Congress (ETUC) and funded by the European Union. Hitherto, debate on trade unions and the Internet focused on questions of formal decision-making, participation and internal relations. While this is to be welcomed, there has been a tendency to view the Internet either as a service to labour struggles or as a tool of control and bureaucratic development within the labour movement, although the emphasis has been on the former. The challenge of the Internet is, though, much more complex. What is more, the modernisation of unions through new forms of Internet activity and forms of networking have become a focus of policy interest in various contexts in terms of how unions show progress and innovate in an ever changing social and economic climate (see also Stuart et al, 2008).

In previous work (Martínez Lucio and Walker, 2005), we noted that there are a range of factors that mediate the use of new forms of ICTs such as organisational context, communication cultures, and organisational contingencies. In addition, we must also examine the consequences of ICTs for the functioning of the trade union movement and broader issues of responding to economic change. The spread of the Internet has influenced education, policy, communication, and identity, all of which are part of trade union activities. Our concern is to show how the Internet, and its relationship to new organisational forms such as networking, is not just a matter for unions' internal or external relations: it concerns the different roles trade unions have and the effect of these, and their articulation, within their institutions. The case study we present shows how the Internet forms part of formal trade union responses in quite complex ways: this is due to the manner in which different constituencies of trade unionists harness its development and the challenges they face in doing so. It also outlines how networking – which has emerged as a new organisational and dynamic form, in part due to the Internet - varies and is the object of competing meanings and interventions, and how the development of networking in the *information age* is the subject of a range of tensions between organisational hierarchies, competing communities of practice, and competing understandings and traditions of the Internet itself. This has implications for the way unions modernise through this dimension.

2. The Transformation of the Labour Movement: technology and networking

In this section, we review discussions both of the Internet and of networking in the labour movement. Lee's (1996) *The Internet and Labour Movement* argued forcefully that the Internet offered new opportunities for labour. Lee argued that the Internet would allow the trade union movement to renew itself and fill key gaps in its national and international systems of communication, leading to a broader and more meaningful dialogue within and beyond organised labour. As well as opening up new communication spaces, the Internet can be used by pre-existing technological and organisational elites both within and beyond leadership structures to close down or restrict discussions. This political dimension has been highlighted in studies demonstrating how the Internet presents a political as well as an organisational challenge to trade unions. Greco, Greene and Hogan (Greene et al 2001, 2003; Hogan and Greene, 2002) take as a starting point Michels' (1915) work on the emergence of bureaucracies and demonstrate that the Internet can be used to challenge these institutions by oppositional forces. Of course, trade union institutions also explore how they might use the Internet in novel ways. Building on these critical views, the core argument of this paper is that trade union institutions also creatively harness the Internet and broader network dynamics to construct new relationships between themselves and their memberships. Hogan's work, on his own and with his colleagues, marked an important departure by mapping broader politics and dynamics of Internet use. Martínez Lucio (2004) pointed to the ongoing role of national and organisational systems of trade unionism in mediating the adoption and use of ICTs. However, ICTs can have consequences for the functions and roles of trade unions; they have been influenced and been influenced by issues of education, policy, communication, and identity. This case study shows how the Internet forms part of formal trade union development in complex ways with different constituencies harnessing and mediating its development. It also shows how the use of the Internet facilitates the development of new union and work led forms of networking and organisational innovation.

Waterman, however, has been the most concerned with this organisational, and in effect cultural, challenge for some time. In short: 'In place of hierarchical structure and political competition what we seem to have is the network structure and the principle of co-operation' (Waterman, 2001: 285 see also Waterman and Wills; 2001) - (for a fuller discussion of these interventions by Wills and Waterman, see Martínez Lucio (2007). In the terms laid out by Wills and Waterman, TRACE represents an approach to the question of trade union responses through which the European trade unions draw on networking models as they seek social and organisational platforms around which they can develop a more responsive and informed position on key issues. The case study discussed in this paper is an attempt to harness the potential and reality of the Internet in terms of a range of processes: on-line learning through case studies and policy frameworks, assessment programmes for the strategic comprehension of restructuring, the development of information exchange in relation to industrial relations systems and policies, on-line forums, email lists, policy oriented websites, and others.

3. Transnational Labour Responses and Networking: the case of TRACE

In this section, we focus on a specific case of the use of ICT and networked union organisation, the European Trade Unions Congress' (ETUC) Trade Unions Anticipating Change in Europe (TRACE) project which was financed by the EU. This discussion draws on our project evaluation (Walker et al, 2007). The ETUC is the primary European trade union institution. TRACE aimed to develop the capacity of trade unions to anticipate and respond to industrial change. Supported by the European Social Fund through call for proposals to develop 'innovative methods for the management of change' (CEC, 2005), TRACE aimed to "*build improved capacity within European trade unions to respond to situations of economic and industrial*

change” (ETUCO, 2004:1). Underpinning the project was a vision of trade unions as ‘learning organisations’. The structure and delivery mechanisms of the project were heavily influenced by a series of earlier projects (Walker, 2002; Walker and Creanor, 2005) which explored elements of the relationship between the Internet and transnational education – and again received strong EU funding. The observations discussed in this paper draw heavily on the TRACE project evaluation activities conducted by the authors. Our primary purpose here is to consider some of the issues which emerged across the cases. Space does not permit either a more detailed breakdown of activities or research methods; for a fuller account of these see (Walker et al, 2007). Below we summarise key elements of the approach to the project evaluation,

4. Discussion: Labour Networks, Social Networks and Labour Organisations

The TRACE project demonstrates several emerging types of ICT-based network and networking. These networks brought collections of actors together in communication patterns of varying intensity and structure. These reflected various levels of union co-ordination: company, (sub-) sectoral, intergovernmental/European and spatial. The networks comprised varying configurations of workplace representatives, regional and sectoral union officials, functional specialists of national unions, and officers of European Industry Federations (IFS). The differing composition and objectives of the networks have important consequences for their functioning. Importantly here, we can see a range of new agents becoming active in transnational labour organisation: not simply senior national trade union officers (although in some cases this is certainly the case); and neither simply ‘rank and file’ activists. The range of trade union positions that participants occupied tend to include EWC members, officers of national federations with regional responsibilities and functional specialists within unions, particularly trade union educators. This diversity is important in understanding the networks characterised below.

Much of the emphasis in the literature has considered the potential of grass-roots networking but in various TRACE projects networks *comprised of senior national trade union officers*. For example, functionally specialist policy officers of UNI Europa’s affiliated unions organising in service industries played a major role in lobbying activities that led to substantial amendments being made to the Bolkestein draft directive on services by the European Parliament. The European Mine, Chemical and Energy Workers’ Federation (EMCEF) developed an email-based network circulate information on European Works Council (EWC) strategies and practices. Several of *the networks had an explicitly regional (as well as sectoral) dimension*. Just as there are, or have been, concentrations of particular industries in particular locations, the consequences of industrial restructuring are not geographically neutral. Some areas are more affected than, or are affected differently from, others. Consequently, territorial trade union organisations have also become involved in networks. A further type of network in TRACE was the *temporary network established to mobilise expertise and/or political support*. For example, in one case, educators from the Austrian OEGB collaborated with shop stewards and officers in Austria and the UK, with external experts and with British educators, to develop a method for improving recruitment in small and medium-sized enterprises. Although not explicitly formulated as a network in terms of the TRACE project, perhaps the most influential in the project is the functionally specialist *network of educators*, who led or supported many of the activities and cases outlined above, and were responsible for the design of the project as a whole. This, in combination with a decade or so of transnational project working, has resulted in an extensive network comprised of individual educators familiar with transnational/European issues and working with a shared repertoire of methods and concepts. Additionally, an education council brought together senior educators from affiliates to provide strategic guidance

The diversity of the networks summarised above underlines our earlier argument (Martínez Lucio, 2007) that 'labour networking' is best thought of as a complex ecology of competing and co-operating forms and purposes.

The general dynamics of modernising through networking and ICTs: the challenge of legacies and context

Firstly, *particular communities of practice* may offer distinct understandings of responses to restructuring. Educators, for example, may demonstrate preferences for specific union activities, and particular organisational practices to disseminate of information. Educator-led initiatives are more open to the different experiences and responses to change across the European labour movement context. Put bluntly, they accept that trade union responses are reflections of their national contexts, in terms of sectoral and national systems of regulation (Lillie and Martínez Lucio, 2004). Alongside these particular national or sectoral communities of practice there are those transnational, functional ones outlined earlier around educators and their networks which view the issue of union action in terms of information and knowledge dissemination. The underlying conceptions of networks and the support provided to the project partners was heavily influenced by educationalist approaches, and particularly, through the participation of leading individuals in the project design and implementation in particular from the Swedish LO, the Italian CISL and the Portuguese CGTP. For example, the conception of the role of 'network animateur' as defined in the project's training materials draws on the practices and roles developed in the context of e-learning.

Secondly, *technologies are used in specific contexts*. The decision making processes and the manner in which formal policies are arrived at is through committee and 'consensual' decision making amongst leadership structures and their representatives. Whilst there may be open forums and dissemination processes that allow for research input from below, this is normally not the case. Traditional trade union decision-making did not always sit easily alongside new networks, their cultures and their practices. We noted different national and international-European level organisations using the Internet in different ways. Some have used ICTs to develop highly active networks of activists and a solid basis for the exchange of information. Others have used ICTs for purposes of dissemination and information control.

The third problem was a common one: *the role of traditional and established political and historic relations in configuring new ones*. Innovative alliances were made between those who already knew and trusted each other. For example, the Spanish worked with the Portuguese in terms of specific left and union traditions; the Danish and Italian link was in the main founded on a common view of social partnership; and the TUC of the UK worked mainly with Austrian or Nordic trade unions. Traditional ambassadorial and diplomatic lines were followed in pairing partners of some projects, although others already had organic and extensive networks. National models of interest and established views of action continued to frame the way change and restructuring were understood. This confirms the argument (2004) that competing national frameworks and traditions still play a role in framing the international (Lillie and Martínez Lucio, 2004) – and mediate attempts at modernising through transnational co-ordination. The Internet also remains mediated in social and organisational terms – as does the overall project of modernisation.

The link between information management and networking: operational challenges and issues

There is the challenge of such *new* and *managed* forms of networking and information exchanges due to the new context of information - something that the

Internet and Labour Relations debate rarely addresses. Managing information networks poses challenges not just to trade unions but also to many corporate and non-governmental organisations. Through the web, it is easy to make information available. In the case of TRACE, informational outputs included trade union guides, study texts, and cases of best (or worst) practice - and the records of meetings and other activities were made available through the project web site. At the information management, level however, many problems remain. There is no guarantee that the information will be used, or used in the way intended. The issues raised might be characterised in two broad ways, as political (information, after all, is widely thought to equate to power) and as design (that is, poor network design may result in failure even where there is a general political will for success). Secondly, many increasingly face the challenge of informational overload creating a need for a coherent articulation-summation of strategic outputs. Various participants in the trade unions involved in TRACE were aware of this, citing issues of relevance, the prospect of lost initiatives due to co-ordination difficulties, and a general trade union movement preoccupation with collating cases and presenting guidelines and frameworks. Thirdly, perhaps the central issues here for project design are the characteristics of the information itself and the mechanisms by which it is communicated (including, but not limited to, ICT). Particular complexities for transnational trade union networking arise through the range of national, political, community of practice and related boundaries (Walker and Creanor, 2005) across which information and information artefacts need to carry meaning, as 'boundary objects' (Star & Griesemer, 1989) similar to the realities of contemporary transnational corporations.

5. Summary and Conclusion

The paper makes a series of points regarding the role of the Internet, networking and attempts by trade union unions to manage a new type of activism. Firstly, that in many respects such emancipatory dynamics may be harnessed to recreate and renew disconnected and fragmented bureaucracies – especially those caught at the interface of established, national bureaucracies. The Internet is contested as many have stated, but it is also complex. We need to ensure views of power within industrial relations based on vertical (top-down) relations are complemented with a more 'horizontal' approach looking at the interfaces within and between bureaucracies and the gaps between them. This is especially the case when we look at transnational relations. We need to be aware of how intra and inter-organisational networking is emerging and not just focus on relations/tensions/debates between officer/activists, leaders/led. Modernisation and change is a broad process involving various actors and has a broad set of issues.

Secondly, we also need to be aware of how networks are managed. Some degree of management (understood as co-ordination and facilitation etc) may be necessary in most cases for an effective organisational network. In some cases (as in the successes presented here) this may include the central provision of organisational resources. Of course, some networks are stifled by a more traditional top-down bureaucratic management. The question then becomes the nature of management and the extent to which it seeks to predetermine acceptable outcomes. Put this way, we need to be cautious in over-using the term networking. The term has value, but we need to identify types of 'networks', and the role of intra-organisational and inter-organisational networks in terms of their social and political links (see Pulignano, forthcoming on types of networks in TRACE in the European Journal of Industrial Relations). The interface between the institutional and the virtual, and the need for accommodating, relevant, sustainable and engaged nodes in the light of these different network-building approaches needs attention. Creating sustainable structures of union engagement that are innovative, open and creative presents challenges. We have outlined some of the challenges of doing this in terms of

competing national views of involvement and networking, the ongoing tensions of bureaucratic relations, the persistence of established social and political relations in underpinning new network relations, and the problem of sustaining such flexible developments and of dealing with the information overload of project outputs and network proliferation.

Thirdly, we have therefore drawn attention to the fact that much of the networking that was discussed hinged around established communities of practice. Innovation appeared to work through established and 'trusted' - reliable - platforms of individuals and collectives. In this case, the role of the trade union educational establishment was central. Such activists drove networking in this respect, and the role of the Internet in assisting this. As Clegg has pointed out circuits of power often rely on other circuits to sustain processes and outcomes in terms of social action. Circuits of power reside on established circuits which provide both material and ideological resources (Clegg, 1979), which draw on various cultural and social forms of capital (Bourdieu, 1986; Coleman, 1994) and which articulate discourses and meanings established in civil societies (Laclau and Mouffe, 1985) – see Martínez Lucio (2005) for a discussion. Yet, this mutual reliance between 'networks' requires a vision: a politics, if it is not to fall back on established organisational practice and 'technical expertise' for its sustainability and development (in effect, if it is not to fall back onto a purely adaptive and technical view of modernisation and change). In this respect, Waterman's call for a need to see if we can construct an alternative narrative of networking and the Internet that is emancipatory may be worth recalling (Waterman, 2001). However, it may be that some view the role of pre-established relations, groups and processes in underpinning networking as limiting the risks that emerge in terms of sustainability and coherence.

Hence, if we are to engage with the debate on how unions as organisations engage with the issue of networking and ICTs we need to recast our organisational imagery. We need to recognise horizontal as well as vertical lines; we need to understand the contested use of technologies and organisational form and not imbue them each with any necessary meaning or pre-disposition; we need to realise the ambivalent nature and context specific nature of 'outputs' from networking and ICTs; and we need to appreciate that information is a complex commodity which requires a particular discourses and structures related to access, openness and engagement. Unions are renewing themselves and creating new forms of working and new forms of information – the question is how these emerge and whether they are sustainable and not captured by pre-existing interests and relations at the transnational and local level. The debate on networking and on ICTs requires a new dimension and stage in its evolution if we are to appreciate its politics further.

In terms of modernisation it is important to show that the move to new forms of network and Internet based trade unionism is complex and it has variable outcomes. Modernisation is subject to bureaucratic imperatives and cultures, competing systems of regulation and employment relations, and the internal politics and structures of the social agents. In this respect, we need to understand how new ICTs and new participative forms are the subject of engagement and not just new clear objects with various utility functions attached. What is more who makes and moulds modernisation agendas, and how, needs to be the subject of greater discussion. What is curious is that the recasting of strategic responses to change and the role of the union is contingent on how communities of practice, political interests and competing visions of organisational structure remain central to the experience of change and modernisation.

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The EU and Industrial Relations Modernization: Supra-national state support for trade union and social partner modernization and social dialogue

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Abstract

This paper looks at the way how modernisation in industrial relations is premised on a renewal and renovation of the social partnership and social dialogue agenda at the EU level. It illustrates the attempts which have been made by the supranational state to set up a new regime of regulation in EU. It consists of support initiatives which are aimed at deepening the ability of social and economic actors within EU policy networks and communities to develop learning capacity at the supranational level. Hence, the paper argues that industrial relations modernization at the supranational level in EU needs to be understood in terms of the variety of these collaborative and networking practices. They are sustained by new forms of direct state support at the supranational level.

Introduction

There is a wide history and development with regards to the study of the relevance of the state and how it is understood in terms of its specific aspects of employment relations. Nevertheless, less attention has been focused by academics in various disciplines on the extent to which, and how, state policy intervenes in issues of industrial relations more broadly. This is more important especially when we go beyond the analysis of national level legislation or employment in the public sector and we focus on the role of the state at supranational level. In other words, the complexities of regulation in terms of the diverse manifestations of state intervention in industrial relations, its crucial and changing role in relation to the creation of modern organizational methods, paths of development and processes of change and modernization are too often obscured by the tendency to look at the role of the state only at the national or local levels. On the other hand, for those who are interested in investigating the role of the state in the EU, we find that we have tended to emphasize only the aspects of supranational direct regulation of employment issues. We argue that the latter denotes a limited (although distinctive) mode to examine the role of state intervention in the economy and society. Moreover, although discussion of the issues of supranational state intervention in a variety of social science and other disciplines has mostly examined the influence of the European Union (EU) institutions within the policy-making process for the progress of the process of European economic and political integration, there has been apparently little debate over the subtle forms of supranational state support for the process of modernization of the industrial relations in the EU. We namely refer here to the emergence of new social dialogue initiatives, which have benefited of generous funding opportunity of the EU, and which have elicited the creation of new forms of networking between the social partners and the development of framework of learning, knowledge and skills. This is a key factor which illustrates how the agenda of modernization is increasingly a captivating factor of EU industrial relations. The EU has also begun to invest resources into the issue of industrial relations capacity. For example, the notion of capacity has become a key feature of the portfolio of trade unions renewal and it covers a range of organizational processes and needs. More generally, the purpose is to enhance the proactive and strategic qualities of social partners within the

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European Community area by developing a complex setting of learning initiatives. This evidence illustrates that beyond the analysis of supranational level legislation the role of the state at the supranational level in the EU is changing. Hence, the need is first to catalogue and acknowledge this change and, secondly, but not less important, to understand the drivers and the consequences of this process of change in EU in order to be able to assess its nature and its potential. This paper examines the changing role of the state as the supporter for the setting up of a modernization agenda in EU. More specifically, the paper examines the attempts by the supranational state to deepen the ability of social and economic actors within EU policy networks and communities to cope with and develop proactive strategies in relation to relevant socio-economic phenomena. In the following sections it is argued that the agenda of modernization is now an attractive factor in EU industrial relations. As a consequence we claim that its importance needs to be assessed through the analysis of the changing role of the supranational state, such as its direct involvement in industrial relations. More specifically, the paper states that modernization needs to be understood in terms of the variety of the new practices and employment and industrial relations initiatives (for example in the area of social dialogue and social partnership) as well as the emergence of new supranational institutions and the overall development of network strategies which are created to support such initiatives and practices. The paper is structured as follows. Firstly we look at how a debate has evolved in industrial relations at the EU level in relation to issues of networking and information exchange and we will assess its effect on the emergence of new forms of supranational state regulation. Then we outline the support initiatives by the supranational state for the creation of a framework of knowledge and networking. Finally, the paper will conclude with a discussion on the effectiveness and the implications of such developments and whether they are robust or not.

Initiatives of supra-national state support for industrial relations modernization in EU: presenting the social dialogue perspective

It is known that networking is crucial in order to understand the way EU policy is currently made, implemented and developed. Policy implementation indeed is based on a broader articulation and combination of diverse economic and social actors (Jensen et al., 1999). They are tied together by distinctive socio-economic constituencies, political elites and projects. In so doing, they create an alternative or new mode of regulation, which as above outlined, Martinez Lucio and Weston call 'flexible regulation' (Martinez Lucio and Weston, 2000: 206). Nevertheless, the new departure on new modes of regulation is highly ambivalent and contradictory in terms of the politics and results which are rising (Martinez Lucio and MacKenzie, 2004). If it may be argued that the EU strategy underlining the implementation of the new forms of regulation is to offset 'neo-liberal' Europe on one hand, it is also clear that this offsetting strategy is constrained by the existence of a current neo-liberal European project on the other hand. Moreover, as some industrial relations literature claims while attempting to conceptualize around the new mode of governance with regards to EU, the latter *de facto* appears as a rather complex multi-level configuration. This probably reflects the fact we are facing a not vertically integrated system, with the European supra-national level exerting authoritative direction over national systems, that would facilitate top-down policy making and implementation (Leisink and Hyman, 2005; Marginson and Sisson, 2004). Hence, we may state that there is need for a bottom-up democratic action. On the other side, it can be also argued that the acceleration of the process of European integration has provided fresh and urgent stimulus for intensifying the scope for consultation, information and

negotiation between the different national social partners. More specifically, there is the need to bring the social partners closer together to negotiate on issues of (minimum) social harmonization in Europe and ways of cultivating the social attributes of the internal market.

Different ways have been followed at the EU level in order to bring progress in this direction while attempting to develop as we outlined above the social aspects of the market. In an initial step, social dialogue among the social partners was strengthened with the creation of formal procedures under the 1991 Maastricht Social Agreement (articles 138 and 139 of the EC Treaty). This attributed an institutional basis to social dialogue while enabling the social partners to sign binding agreements, which could be implemented as European Directives by a decision of the Council. But it also gave them the possibility to follow the 'autonomous route', negotiating agreements without an initiative of the Council or the European Commission and implementing these in the different member states "in accordance with the procedures and practices specific to management and labour and to the member states" (CES, 2003: 7). The social partners have gained then the institutional capacity to produce their own joint rules, which contribute to European regulation (Leonard, 2008). To achieve this goal they have been sustained by a variety of practices. As indicated above, we have the institutionalized formal framework which has guided the evolution of both the structures and the action of the social partners on one hand. On the other hand, we refer to the funding opportunities made available by the EU to steer the process of modernisation. More specifically, the latter involves the development of a learning agenda at the level of both the EU and the national member states for the renewal of the industrial relations. In accordance to the Lisbon Council of March 2000, learning and knowledge development are central components of a strategy to make Europe the most competitive and dynamic knowledge-based economy. Following this strategy, learning and training issues are seen as crucial in relation to the dynamics, processes and patterns of industrial relations change and modernization (Stuart, 2007). There has been much debate on the emergence of a new 'supply-side' system of industrial relations (Martinez Lucio et al., 2007). In line to this debate we argue that the project initiatives above outlined which have been launched at the EU level are an integrated part of this learning dimension, which is central for policy makers, and increasingly for the social partners. These initiatives can be interpreted as forms of supra-national state support for the development and the sustainability of a networking community, which is governed on the basis of exchange of information as the new political resource. In the following sections the paper will report on a selected range of diverse initiatives which have been launched by the European Commission to promote a modernization agenda in industrial relations. As above anticipated the selection has been done in line with the direct involvement of the author as principal researcher or discussant in these initiatives. We will examine the main aims and internal dynamics of these initiatives and discuss the position of social dialogue and the social partners in the process of modernization of industrial relations at the community level.

The EU initiatives in practice: networking and the modernization of industrial relations

Since the last years the EC has been supporting social partners' work through a range of structural, education, training, research and other budgets (Walker et al., 2007). The main aim has been to develop and support a range of diverse

learning initiatives in the industrial relations sphere to prepare for dealing with socio-economic transformations and their consequences for employees. Partnership based-approaches by the social partners have been considered as the most successful way of addressing these situations. Specifically, agreements on common objectives, mutual trust, a willingness to work together in partnership and an overall sense of pragmatism are considered as “essential ingredients when faced with a procedure of change” (European Foundation for the Improvement of Living and Working Conditions, 2006: 2). Therefore, the challenge is for enterprises, employees, trade unions, employers as well as public authorities to find ways to work together and establish partnerships to manage the process of transformation positively for their common benefit. To support this process the European Union has begun to invest resources into the issue of industrial relations ‘capacity building’ by launching and financing a consistent number of initiatives (e.g. projects, workshops and seminars) for the promotion of social partnership and social dialogue. In so doing these initiatives, which are beyond the notion of capacity building, have become a key feature of the process of modernisation of the industrial relations promoted at EU level. In order to clearly delineate the process accompanying the evolution of the modernisation agenda in industrial relations at EU level we start from the typology of Walker et al. (2007). The authors classify the activities generated by the diverse EU-level project initiatives in different categories by depending whether they are: training activities aiming at increasing knowledge and skills; research activities aiming at generating new knowledge; networking activities aiming at exchanging information and developing coordination and distributed action; developments activities aiming at elaborating policy for wider distribution, training materials, codifying methods etc. We acknowledge that beyond the different typology of initiatives we also need to take into consideration also the diversity of the funded organisation(s) involved as the leader investigator(s). For example, it is important to pay attention to whether the principal investigator is a trade union or an employer organisation or whether they are leading the initiative in ‘social partnership’ or whether the activity is led by an external group of experts. In the former two cases we talk about ‘elite’ and ‘social partnership’ leadership networks respectively. Conversely, when the leadership is commonly shared by diverse members (including national research institutions and national or local governments) we refer to ‘collaborative network’ as indicating the fact the leadership is equally shared by all the members of the network and it has a more broadly cooperative connotation. Equally important is the nature of the activity developed by the principal investigator. For example, it is crucial to look at whether the project is developed (jointly or not) by the trade unions or the employers organisation alone or whether a research institute or a national government or other national institutions (public or private) are also involved in the activity. In addition, the classification above outlined needs to be revised in the light of the diverse nature of the project objectives and aims. For example, the European Commission has been looking at change at the Community level and, more specifically, at the restructuring process undertaken by companies closely. In this respect diverse EU-level project initiatives have been launched and they produced a rich and various cluster of activities which are all aimed to invoke one or more mechanisms to fulfil their purposes. With regards to restructuring, for example, the European Commission has created a dedicated website on restructuring (http://ec.europa.eu/employment_social/restructuring/index_en.htm). It is managed by DG Employment and Social Affairs and it clusters all the main outcomes of projects on restructuring which have been financed through the European Union. It provides information on employment, industrial and

enterprise policy developments but also EU legislation in order to manage corporate restructuring as well studies, research-based reports both financed directly from the Commission and(or) from other public and private bodies. These studies are the result of networking among diverse social actors engaged in developing common project initiatives on restructuring. The aim is to stimulate dialogue, communication and interaction among the social partners in order to identify and develop ‘best practices’ on anticipating and managing change. In this respect the dissemination of good practices, which are the results of these studies (and which may include legislation at national level) and the input of social partners (including collective agreements) are seen as essential in order to address the employment and social consequences of the permanent process of change. Hence, new forms of potentially ‘bounded’ European rules are emerging. They are not based on the production of directives then implemented in the different national contexts. Conversely, they represent ‘best practices’ as the result of the networking activity developed around European funded initiatives for the development of social dialogue and partnership agreements. As synthetically reported in Table 1 the difference in the types of support offered by the EU is reflected in the different nature of the initiative and its scope, the nature of the principal investigator(s), the objectives and the mechanisms used to achieve those objectives and, finally, the outcomes and the nature of the initiative. Although all of these initiatives include the setting up of a network which supports the achievement of certain outcomes, nevertheless, as above outlined, the nature of the network varies.

Table 1: Support initiatives, objective, mechanism, outcome and nature

Initiative	Objective	Mechanism	Outcome	Nature
Training oriented	Increasing knowledge and skills via communication	Peer review, tutor-led learning	Training materials (handbooks and other reports)	‘Elite’ leadership network
Social dialogue and partnership oriented	New knowledge as the result of exchanging information and promoting communication among the social partners	Workshop and expert-led learning	Reports	‘Social partnership’ leadership network
Research or policy oriented	New knowledge as the result of research- and policy oriented-led activities	Network of excellence among the scientific community and the community of practice	Scientific publications and reports	‘Collaborative’ network

Source: Own elaboration based on Walket et al. (2007)

Two projects are particularly relevant to report in this respect: the project TRACE “Trade unions anticipating and managing change in Europe” (2005-2007) and the project Dialog-On (2002-2004) which were both funded under the Article 6 (Innovative Measures) of the European Social Fund. In particular, the project TRACE was developed through a network established in the Dialog-On project, which TRACE served to reinforce (Walker et al., 2007). More specifically, Dialog-On aimed to provide some guidance and suggestions as to how communities of practice can be established, nurtured and supported in the virtual environment. Both projects use electronic networking to support ongoing trans-national trade union work in relation with restructuring. In this respect their objective is to develop the capacity of intervention of trade unionists into the corporate governance of multinational companies. This mainly implies to promote the use of a variety of innovative approaches, ranging from formal training activities to networking activities between communities of practice. With regards to the former, training aims at increasing knowledge and skills among the trade unions members via enhancing communication and exchange of information in order to anticipate, prepare for and accompany large-scale restructuring. Thus, it is not a case that both TRACE and Dialog-On have been projects both led by the Education Department of the European Trade Union Institute - Research, Education, Health & Safety (ETUI-REHS). More specifically, TRACE involved 19 partners from EU 10 member states, drawn principally from European Industry Federations and national trade union confederations. As clearly stated on its dedicated web page (<http://www.traceproject.org>) it aimed at building improved capacity within European trade unions to respond to situations of economic and industrial change and to defend the interests of working men and women facing this challenge. Diverse tools or mechanisms were used in both projects for this purpose. They have been mainly based on peer review, tutor-led learning and they have been addressed to produce training materials (such as handbooks and reports). Due to the fact that the leadership in both projects was of the trade unions, we cluster the networks which originated from them in the ‘elite’ leadership networks. Other two examples of ‘elite’ network, which originated from funded EU activity for management training were the Digital Europe Project and the ECORYS Training Programme at the beginning of 2000. The former is a pan-European project led by the training department of the European employers confederations in Brussels. It aimed at exploring the environmental and social impacts of e-commerce in Europe and discuss whether digital technology based economy could be used as feature of sustainable development in Europe. The Digital Europe project was a follow up of a 2001 based Digital Features project originally developed in the United Kingdom. The ECORYS Training Programme has been used by management at both the EU and the national levels to build up knowledge and skills for efficient management, implementation and use of EU funds in different areas since 2000. The main objectives were to enhance skills in management with regards to: programming and communication skills; financial management and control; monitoring data and data collection and management; negotiation and information skills. Conversely, a relevant initiative which has originated a ‘social partnership’ leadership networks is the joint study on “The Role of the Social Partners in Restructuring in Europe”. This is a joint project of the social partners organisations founded within the Joint-Work Programmes 2003-2005, 2006-2008 and 2008-2009 by the European Commission. As the above mentioned projects, it was also aimed at generating new knowledge around

restructuring and to networking activities as the result of the exchange of information and the development of communication and coordination activities. However, the networking is here between (and within) the social partners and the community of practice. The aim is to increase and improve the capacity of the social partners to intervene effectively in restructuring. The main objective is to promote new instruments at the institutional and the macro socio-economic level in order to reduce the dramatic consequences of change for the employees while stimulating and sustaining national economic growth and performance. In this respect, a preliminary study of the nature of restructuring in the different EU15 and CEEs countries have been developed by an integrated network of industrial relations experts, trade unions and employers representatives at both the EU and national levels as well as key local and national policy makers. This study was successively updated in the light of effective 'practices' or 'cases' of restructuring in the different national contexts in order to identify possible 'best practices' and evaluate the level of participation of the national and local social partners in the process of restructuring. A consistent number of 24 national reports on the main evolution of restructuring in the different national contexts have been produced and discussed in a final workshop. Four different topics (flexibility and security; skills; silent restructuring; consultation and information rights) have been indicated as the most important areas of intervention for the national social partners in order to deal effectively with the social consequences of restructuring. More specifically, they are targeted as the main areas where social dialogue and partnership should be reinforced as the main channel to intervene more efficiently on change. In parallel to this initiative, another collaborative network of social policy experts was created around the project "SMEs and industrial restructuring" in 2007-2008. The initiative was also founded by the European Commission within the activities of the European Forum on SMEs. The network was engaged to draw social policy recommendations on how to anticipation and preparation for change in SMEs. Along the line of dealing with change at the community level more generally, part of the EU-level funded projects were aimed at developing analysis of existing institutional and regulatory frameworks in the new accession countries. The aim was to support and facilitate the process of adaptation of these countries to the changing situation brought by the process of European integration. Specifically, in order to built up capacity within the new accession countries to deal with the process of change brought by European enlargement, the EU has launched a EU-level project initiative called "Social Partners' participation in the European Social Dialogue: What are the social partners needs?". This initiative has been funded by the European Commission within the above mentioned joint work programmes 2003-2005, 2006-2008 and 2008-2009. As for the previous initiatives the aim is for the European Social Partners (BUSINESSEUROPE, UEAPME, CEEP, and ETUC) to take specific actions and develop 'social partnership' leadership network designed to improve the capacity of the national social partners and members states (including the candidate members states of CEEs) to participate effectively in the social dialogue agenda while developing coordination and exchanging information among them. Finally, reference must also be made to those research-based projects developed within the Fifth, Six and Seventh Framework initiatives programme of the European Commission and engaged in generating new knowledge. This has so far received relevant interest, owing to a broad attention by the academic scientific community to this sort of initiatives. As such we cluster these initiatives within the 'collaborative' leadership networks. The general objective is to develop pan-European research projects, which aim at creating new knowledge and improving the

understanding of social and economic major social phenomena via research-led initiatives. This requires the establishment of network of excellence in both the scientific community and the community of practice. What emerges from the analysis advanced in this section is that regulation at the EU level is organised through systems of governance which are built on a complex classification of different network initiatives aiming at establishing strategic links between institutions and (within) social actors. These systems represent the core of the modernisation agenda of industrial relations at the EU level.

Conclusion

The regulation of employment and industrial relations has been steadily reorganised in Europe, and we are witnessing a process of increasing indirect intervention by the state at the supranational level to regulate employment and industrial relations issues. Through this new form of indirect regulation the EU has begun to invest resources into the issue of industrial relations capacity while contributing to the enhancement of the social partners' engagement to promote and establish a modernisation agenda. As indicated, modernisation is understood in the paper as being not just about discreet projects but overall forms of collaboration and networking across different social actors and subtle forms of state support at the supranational level. Hence, modernisation tends to focus on the question of creating information networks, learning capacity and more enhanced forms of social dialogue and partnership activities. Yet, whether the existence of such a modernisation agenda is enough to see the emergence of a new effective regime of regulation is still questionable: especially as there is still uncertainty as to what regulation should look like. However a new discourse about the modes of regulation of employment issues is emerging, along with shifts in the way how regulation at the supranational level needs to be reconceptualised and understood; but the nature of such changes and the underlying political processes are complex. The main challenge is to assess the effectiveness of such developments in terms of their implications for the creation of effective new forms of collaboration and networking activities among different social actors across (and within) different national realities. This is a crucial question of regulatory renewal (Martinez Lucio and MacKenzie, 2004) which, therefore, needs to be further researched in the coming years. More specifically, attention needs to be given to the study of the new forms of supranational state initiatives and its conditions of existence and possible success. It may be expected that the degree of effectiveness of these new forms of cooperative and collaborative networks will increasingly depend on the existence of structural factors, such as the infrastructural support and resources available to the social partners and their institutions. This means not only having financial support but also being able to count on pre-existing national and local industrial relations structures and their familiarity with systems of partnership, information exchange, consultation and social dialogue. In addition, it is likely that also the preparation and willingness of the national and local level actors becomes a crucial precondition for the delivery of successful networking practices. In other words, in order to favour progress towards an effective modernisation agenda not only institutions of regulation at the supranational level, such as the EU, but also the different actors and national and local constituents and their processes need to be strongly involved in the process. The state does not work in isolation (MacKenzie and Martinez Lucio, 2005). This raises another challenge for industrial relations and the new forms of regulation: how these new directions in state regulation at the supranational level in EU are able to

combine and vertically integrate, apparently, different but closely interlinked levels of actors and their roles? We feel that this remains a crucial and unresolved problem for those who are engaged with setting up networking and collaborative activities at the transnational level in EU. This may be the case for trade unions, for example. Extensive empirical evidence illustrates that the articulation among the different levels of social interests is a crucial factor in order to guarantee the effective functioning of cross-borders horizontal networking and collaboration activities (Pulignano, 2005; Waddington and Hooffman, 2000; Martinez Lucio and Weston, 1995). Hence, we argue that funding learning and network processes between (and within) the different social partners, especially trade unions, at the EU level without a strong degree of support has the risk of leaving the future of the modernisation agenda - whether good practices of networking and collaboration are financially supported and developed or not – unfinished and at the mercy of local interests within national industrial relations systems and actors. In a context lacking any integrated thrust relations, the latter will be in charge of adapting supranational policies to local and national circumstances. Hence, the likelihood of success is exposed and increasingly dependant on attempts at developing local programmes for encouraging modernisation and renewal, and in particular on the political commitment of the employers, the organisational capacity of local trade unions, their traditions and cultures and the consistency of state and local authorities' approaches in the single national realities. As outlined earlier, this raises genuine concern with regards to the possibility of developing a transnational context for the effective modernisation and progress of industrial relations institutions. In order to improve strategic potential and proactive qualities of social and economic regulation with respect to industrial and employment relations issues it is important to avoid depending on the support strategies of local social actors. It is also crucial to create the structural and cultural conditions for the realisation of an efficient collaborative network activity (vertically and horizontally) at the very beginning.

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**Modernization, Industrial Relations and the State:
Supporting Social Partners or Re-molding Social Partners?**

Proposed Symposium IIRA 2009 Sydney

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Industrial relations are the subject of increasing pressures due to various factors. The increasing nature of globalization, the ongoing nature of organizational change and innovation, the permanence of restructuring, and the changing nature of the workforce are all examples of the way traditional, organized and centralized modes of industrial relations are coming under pressure. Yet the question of how such industrial relations structure are modernized is open and itself a challenge. It raises issues of both form and content – and purpose – in terms of the development of industrial relations.

The session would consist of three sessions related to the question of industrial relations modernization in the European Union. It would look at the way the state has intervened to support modernization in terms of funding various projects related to improving the role of social actors, especially trade unions, in a context of ongoing change. The session will focus on the way modernization has been supported in terms of

- Supporting new forms of communication
- Developing new forms of information gathering
- Connecting with and representing a broader range of constituents within the workforce
- Evolving the internal structures and preparation processes within social actors
- Assisting with the rethinking of how strategy is developed and organized

The sessions will also look at the political issues and tensions that emerge in relation to these developments. These will be discussed in terms of the competing views of modernization, the manner in which the imperatives for modernization are responded to, and the ideological assumptions that underpin such initiative and their development. The session will highlight that the state is addressing both issues of industrial relations form/structure and content – this establishes a need to rethink how we see the way industrial relations is mutating. It requires a broader view of how social actors evolve in terms of regulation.

There will be three papers presented in this session:

1) ‘Trade Union Modernisation in Britain and Europe: State Policy and Union Projects’: Mark Stuart (Leeds), Miguel Martinez Lucio (Manchester) and Andrew Charlwood (York) – paper already submitted to a track

This paper examines the nature of trade union modernization in Britain and continental Europe. This has been an issue of extensive debate and research over the last decade or so, as commentators have sought to explore the avenues available to trade unions against ongoing membership decline and the erosion of political legitimacy. Early debates tended to focus on the provision of new 'services' to members, but, more recently, debate has assessed the competing strategic virtues of organizing and what is broadly defined as partnership (two approaches seemingly at odds with each other), and to a lesser extension social movement unionism and civil engagement. Whilst we recognize the value of these debates, we argue that there is need for a more systematic scrutiny of union modernization. The organizing/partnership debate, for example, is rarely grounded in terms of broader conceptualizations around building mechanical or organic solidarities (see Hyman, 1999: 110), and, significantly, idea building and mobilization within trade unions or concerns of co-ordination between 'policy formation' and 'organizational capacity'. *Significantly, the increasing role played by the state in shaping, or 'facilitating', projects of union modernization has received little attention, yet it is intervening on such issues at the British national and EU level.* The key concern of this paper is to examine how the state has sought to influence the modernization processes of trade unions, and to consider how the union movement has responded to this. The interests of the paper fit with the concerns of Track 2 around 'agency: organizing, bargaining, mobilizing', but also resonate with the interests of Track 4 on the 'changing role of the regulatory state'. In empirical terms, the paper focuses specifically on the British government's Trade Union Modernization Fund (UMF), and the European commission supported TRACE project. Administered by the Department for Business, Enterprise and Regulatory Reform, the UMF was launched in 2005, with a potential funding stream of ten million pounds Sterling. The Fund seeks to support (up to £200K) innovative individual union projects to help speed unions' adaptation to changing labour market conditions. Its official aim is to support projects that either explore the potential for, or contribute to, a transformational change in the organizational efficiency or effectiveness of trade unions (see Stuart et al, 2006, 2008). In contrast, the TRACE project, whilst funded by the European state, was led by the union movement and focused on issues relating to economic restructuring and the management of change. It produced a range of training materials that were predominantly sectoral related (Walker et al, 2007).

In terms of our methods, the authors are able to draw from a unique 'insiders' perspective. Between 2005 and 2008 the authors acted as independent evaluators for both the UMF and TRACE projects. In terms of the UMF, our analysis draws on interviews with government officials and Fund advisors, a survey of all applicants to the UMF First Round, case studies of ten successful union modernization projects and a dataset of primary documentary sources. We examine the key priority themes of the UMF (which include projects on addressing the needs of a diverse workforce and electronic forms of communication and union democracy), the types of projects funded and the key aims and objectives of union projects. In terms of TRACE, we draw on participation in data-led workshops, interviews with project leaders and a similarly vast array of documentary and education materials.

Our analysis makes both an empirical and theoretical contribution. First, we situate the UMF and EU Trace modernization projects within a broader concern of the political state to shape employment relations through facilitation, prompts and benchmarking. We develop this argument in theoretical terms in relation to the tension faced by the neo-liberal state to reduce its hard regulatory intervention, whilst at the same time driving soft forms of regulation around steering and open methods of coordination. We referred to this in our Plenary at the 14th IIRA World Congress in Lima as the *new benchmarking state* (Stuart and Martinez Lucio, 2008). Drawing on

theories of governance and regulation, we tease out the implications for trade unions as a social actor. Second, we explore the contested 'meaning(s)' of union modernization in terms of competing criteria and views of trade union development. What we find is an intriguing dynamic, that connects well with recent discussions around deterministic and voluntarist perspectives on the role of trade union revitalisation (Heery and Simms, 2008). The former suggests that union revitalisation is largely constrained by the lack of support from the neo-liberal state, whilst the latter suggests that trade unions have a degree of strategic choice and power to effect their own transformation. Theoretically, our paper moves beyond this binarism to elucidate how the state can actually play a role in shaping the very strategies that unions look to develop themselves to effect change.

2) 'Dimensions of Restructuring and the Agenda of Modernization – the case of the TRACE project and its antecedents in the EU': Miguel Martínez Lucio and Steve Walker

This paper will look at a variety of projects related to the development of modernization strategies in the EU. The paper will mainly focus on the case of the European Trade Unions Congress and its TRACE project. This is a project aimed at developing the capacity of trade unions in relation to restructuring through the establishment of effective techniques and networks which share experiences and understandings. It is a collection of 16 projects that bring national confederations and European federations into joint initiatives. The authors have evaluated and studied this project. Supported by the European Social Fund Article 6, following a call for proposal under the theme 'innovative methods for the management of change' (CEC, 2005), the TRACE project has aimed to "*build improved capacity within European trade unions to respond to situations of economic and industrial change*" (ETUCO, 2004:1). Underpinning this has been a vision of trade unions as 'learning organizations', with the project organized as a series of structured educational interventions and/or as interventions aimed at supporting less formal typically through establishing networks of one form or another. The project was organized as a portfolio of 16 smaller 'sub-projects' or 'Key Actions' (KAs) each proposed, organized and led by partner organization: either a European Industry Federation (or nominated affiliate) or the education department of a national confederation. Altogether, there were ten confederation-led sub-projects and six EIFs led eight sectoral sub-projects. Each sub-project itself had a transnational dimension. While this is inherent in the nature of EIFs, it was achieved in the confederation-led sub-projects through requiring the confederations to identify a confederation or union from another country to act as a partner. The structure and delivery mechanisms of the project were heavily influenced by an earlier project, Dialog On, which was a response to a European Commission call for proposals to use of the 'tools of the information society' in developing social dialogue in the 'new economy'. Dialog On had a strong methodological orientation in establishing computer-mediated networking and transnational e-learning methods (Creanor & Walker, 2005; Walker & Creanor, 2005).

The paper will aim to show how the very nature of modernization is unstable and inevitably political due to following factors. Firstly, the very question of restructuring (the external economic environment) consists of various quantitative and qualitative developments, let alone competing imperatives and causes. This makes the preparation of social actors for a new environment highly sensitive to political factors due to the fact that restructuring varies and has no singular template. Secondly, there are questions of preparation and the capabilities of social actors (internal factors). The development of new communication systems, 'responsive' internal modes of decision making, and new modes of learning in order to cope with a new

environment is not straightforward given competing traditions and complex voice-related issues in terms of trade unions. The very question of modernization is complex due to these internal and external factors. The paper will show that the modernization agenda constantly has to adapt and change in the wake of the very uncertainties it is meant to be responding to.

3) Valeria Pulignano: 'The EU and Industrial Relations Modernization: Examples of supra national state support for trade union and social partner modernization and social dialogue'

This paper will cover various EU initiatives such as TRACE and others. However, its aim will be to look at how modernization is premised on a renewal and renovation of the social partnership/dialogue agenda. It will show how there have been attempts to deepen the ability and of social and economic actors within EU policy networks and communities to cope with and develop proactive strategies in relation to restructuring and industrial change. The paper will look at how employers and unions have begun to establish a modernization agenda which focuses on the question of information networks, learning agendas and more enhance forms of social dialogue. The purpose of such agendas is to seek best practice in organizational methods and more participative forms of decision making. In addition, it will focus on the way the EU has begun to invest resources into the issue of industrial relations capacity. The notion of capacity has become a key feature of the portfolio of trade union renewal: it covers a range of organizational processes and needs. The purpose is to enhance the proactive and strategic qualities of the trade union movement within the EU. This fuses traditional views of social partnership with modern organizational methods. The paper aims to discuss these issues in relation to a variety of EU projects. It will outline the purpose, drivers and outcomes of some of these developments - illustrating how the agenda of modernization is now a captivating factor of EU industrial relations. There is a wide history and development in terms of these issues which are not being catalogued or even acknowledged by academics in part due to the way the state is understood in terms of specific aspects of employment relations and not in terms of its broader intervention in issues of industrial relations form.