

Grappling with Globalisation: Contention and Crisis in Sweden and Korea

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INTRODUCTION

In their own ways, both Sweden and South Korea (hereafter, Korea) have served as “models” of economic development but financial crises in the 1990s dimmed their reputations for economic success during the post-war period. The crises and their aftermath both prompted questions about political and economic structures and offered opportunities to reform them. Our two countries are renowned as leading examples of European social-corporatism and Asian state-corporatism (see H.-R. Kim, 2007: 210–12) respectively but our study departs from established ideas about corporatist “arrangements whereby” according to one authority “organized interests participate directly in the formulation of government policy” (Pontusson 1991, p. 163). Instead, we attempt to deploy Charles Tilly’s approach to the study of contentious politics (Tilly 1995; McAdam, Tarrow et al. 2001; Tilly 2001; Tilly 2006). More particularly, we deploy his arguments about democratisation to study contention during a financial crisis.

Tilly’s dynamics-of-contention (DOC) approach to comparative studies assumes that much more is in flux than is the case with more familiar approaches. This includes not only the nature of the context and relations among actors, but also the identity of actors, relations between actors and the available “repertoire” of contention, and relations between actors and available sites of contention. With a new approach, definitions are important.

Contentious politics involves: “episodic, public, collective interaction among makers of claims and their objects when (a) at least one government is a claimant, an object of claims, or a party to the claims and (b) the claims would, if realized, affect the interests of at least one of the claimants” (McAdam, Tarrow et al. 2001, p. 5). Contentious politics thus defined excludes routine politics that follow established procedures within accepted institutions. Tilly and his collaborators are careful not to allow a contrast between contentious and routine politics to become a binary opposition set in concrete (McAdam, Tarrow et al. 2001, p. 7). In our episodes of contention during financial crisis, strikes tend to be contentious in Korea and routine in Sweden but the new connections that striking unions seek to broker with other groups test the boundaries between contention and routine in both countries.

Repertoires of contention are “the limited, familiar, historically created arrays of claim-making performances that under most circumstances greatly circumscribe the means by which people engage in contentious politics” (Tilly 2006, p. vii). Repertoire of contention resemble the way good jazz players innovate around well known standards during performances that are neither boring nor avant-garde happenings. Contention succeeds when one actor innovates on a familiar repertoire in an effective way. An obvious example is the way Gandhi’s civil disobedience proved effective against the British in India and subsequently inspired both the African National Congress in South Africa and the civil rights movement in the USA.

Episodes of contention have a common problem (in our case how unions, governments, and corporations cope with the local consequences of economic globalisation during a financial crisis) that crucial causal mechanisms constitute or produce (McAdam et al 2001: 28-29). These episodes are not self-evident nor do episodes of any type (say revolutions, democratisation, or strike waves) follow the same pattern or exhibit the same characteristics (McAdam et al 2001: 29). Moreover, each episode is only ever the construction of participants, witnesses, commentators, and historians. These episodes involve iterative actions and reactions by established and emerging actors who invent, hone and reject new forms of action in uncertain circumstances of shifting opportunities and threats (McAdam et al 2001: 31-32).

We focus on three causal mechanisms that Tilly argues are crucial during democratisation (Tilly 2001: 25-25, 36-37, McAdam et al 2001: 264-304). They are: a) changes in trust networks; b) cross-class alliances; and c) the brokerage of new connections between actors and sites of

contention. Critics of the DOC have wondered about the great number of possible causal mechanisms (Koopmans 2003) but it seems to us that since globalisation threatens de-democratisation (Tilly 1995) then these causes of contention during democratisation offer plausible explanations of the causes of contention during financial crises. Our case studies explore these causes but how do we delimit our episodes?

The criterion for delimiting our episodes that we deploy is when the respective national governments turned to international actors in search of means for managing the local consequences of the financial crisis and when contention against this turn ceased. Globalisation arguably entails a generalised threat against the rights, and particularly the workers' rights of collective action, that nation states uphold and governments administer (Tilly 1995, 16-20). On this measure, the Swedish episode began in February 1990 with the government's sudden declaration of intention to apply for membership of the European Union and ended in January 1995, when Sweden joined the EU after a referendum endorsing membership. The Korean episode began in June 1996, when Korea applied to join the OECD and ended in 1999 with the failure of general strikes over the conditions of the International Monetary Fund's rescue package. There are three attractions for using this criterion. One, the episodes have a clear beginning and ending. Two, severe financial crises and the end of full employment dominated all politics during the periods delimited above. Three, the governments' turn to international actors and institutions is consistent with contentious politics, which by definition includes government responses to claims such as the assertion of workers' rights.

SWEDISH CONTENTION AND FINANCIAL CRISIS

On 7th February 1990, the Treasurer of the minority social-democratic Government announced a crisis package that included command-economy proposals to freeze wages, prices, rents, dividends, and taxes, along with a ban on strikes during 1990 and 1991 (Feldt 1991, pp. 456-69). An unheralded declaration of intent to apply to join the EU was almost an aside, underlining how serious the Government was about controlling inflation. A week later, the Riksdag rejected the bill, the Government resigned, and the Treasurer resigned from politics altogether. After another week, the social democrats formed a new minority Government. The only aspect of the uncommon drama of the second and third weeks of February in 1990 (Vandenberg 1990; Vandenberg and Dow 1991) that had longer-term importance was the Government's sudden declaration of intent to apply to join the EU. In retrospect, it is clear that the Government had effectively declared it no longer had any faith in the capacity of the Swedish Employers' Federation and the union peak bodies to negotiate non-inflationary national wage agreements. Feldt's successor, Allan Larsson, made further attempts to institute public controls over wage-setting but they also failed. In January 1991, Larsson's budget speech included a phrase that reducing inflation had to come before all other goals. Many interpreted this as the formal end for the long-standing priority of full employment (Svenning 2005, pp. 53-55). When the bourgeois parties replaced the democrats at the September 1991 elections, they had no qualms about making reduced inflation the first priority of public policy.

During 1990, major developments took place in the routines of industrial relations. In the 1980s, the large engineering corporations (Volvo, Electrolux, Ericsson, and so forth) had managed to persuade the metalworkers to settle wage contracts separately from the centralised negotiations between the Swedish Employers' Federation and the several union peak federations. In 1990, the employer federation finally gave way to the engineering corporations and declared that it would no longer negotiate wages or conditions at a national level with the blue-collar Confederation of Unions. It backed this up with a decision to close its offices of statistics and negotiations and a year later it withdrew all representatives from the many boards, committees, and inquiries that had built up around tri-partite 'democratic corporatism' over almost ninety years (Rothstein 2002).

Serious economic problems also developed during 1990. The real-estate price bubble burst in May. By October, bankrupted real estate developers in Stockholm, London and Brussels sent Sweden's largest finance company Nyckeln bankrupt. The collapse of Nyckeln and other finance companies revealed extensive exposure in the partially privatised Nordbanken, SE-Banken, Första Sparbanken, and Gotabanken. During 1991-92, the social democratic Government paid 65 billion crowns to Nordbanken in return for shares when it bought the bankrupted Gotabank. It also demanded shares from Första Sparbanken in return for guaranteeing its loans. When the economy recovered and the value of the banks' shares also recovered, the government could sell its shares and recover about half of the money it had given the banks (Bäckström 1997).

The comparatively high rates of inflation during the second half of the 1980s, the break down in centralised negotiation of wage setting, the collapse in real estate values, and then the banking crisis all contributed to the currency crisis of September and November 1992. The final factor was a change in government in September. Devaluations are most commonly undertaken by a new government that seeks to wipe the slate clean so to speak and compensate for the loss in international competitiveness usually supposed to have been caused by the wage inflation that had accumulated under the former government. However, contrary to international speculation, both the social democrats and the incoming bourgeois government repeatedly disavowed any recourse to devaluation and supported conforming to the stable-currency and low-inflation criteria for EU membership. The British Government and other participants in the partial pegging regime of the European Exchange Rate Mechanism (a forerunner to the European Monetary Union) also sought stable currencies and made the pursuit of low inflation the first priority of public policy. However, the collapse in real estate values and the associated banking crisis kept the risk of devaluation open. Britain invested its gold reserves heavily in maintaining the value of the pound but on 16th September 1992, the speculation proved too great. The British allowed the pound to float completely but in Sweden, the Riksbank continued to resist the same course. On 17th September it imposed a daily instrumental interest rate of 500 percent per annum, and it was prepared to impose a marginal rate of 4,000 percent if necessary (Bäckström 1997; Dennis 1998, pp. 49-56). The Riksbank succeeded in the short term and the daily instrumental rate fell back to 20 percent but by November, the number of bankruptcies and the strain on the banking system forced it to give up and allow the Krona to float completely. Resisting devaluation because of the inflation it would generate imposed higher interest rates and saw many small export-oriented companies lose business, but more employment was lost in the public sector. During 1990-94, about 185 thousand people lost work in industry and another 100 thousand in private services (such as banks) but cuts to public spending saw 253 thousand people lose work in the public sector (Ehrenberg and Ljunggren 2006, p. 126).

Poor economic circumstances saw the electorate return the social democrats to office in September 1994. During the election campaign and before the referendum held in November, the popular social-democratic Prime Minister, Ingvar Carlsson led a successful Yes campaign to join the EU. Along with Finland and Austria, Sweden officially joined the EU in 1995. How did the Government manage to persuade a majority of the voters to agree to join the EU and what consequences did this have for patterns of protest against the Government? To answer these questions, we take up three of Tilly's causes of democratisation: a) trust networks; b) cross-class alliances; and d) brokerage of new connections.

Swedish citizens' networks of trust remain well integrated in the public sphere of debate, policy formation, and policy implementation. This is a legacy of the way the labour movement and other social movements mobilised during 1890-1920 to pursue democratisation as a 'joint project' with liberal elites who also dissented against an anti-democratic conservative regime (Collier 1999: 83-85). Unions and social movements developed strong links between workplaces, local chapters, co-operatives, and neighbourhood organisations and their respective central committees or bodies, which had a strong national presence (Rothstein 2002, p. 295). Unions in Sweden remain both strongly decentralised, with strong local negotiation of piece rates for example, and highly centralised, with well-staffed national offices and extensive engagement in industry-wide wage negotiations and all manner of public enquiries and boards of public authorities (Higgins 1985; Kjellberg 1997; Kjellberg 2007). During the 1990s, however, membership in many different civic associations has declined somewhat from internationally very high rates. In 1993, 92 percent of the adult population had chosen to belong to at least one civic association and by 2001 this had declined to 89 percent (Persson 2003, p. 11) but older people belong to civic associations in greater proportions than younger people (Vogel, Amnå et al. 2003, pp. 58, 64, 70-71). There is an important nuance in this picture of high but declining social capital in networks of trust.

Bo Rothstein (2002, pp. 330-31) argues that networks of trust among citizens in the wider community remain strong and vibrant but that since the end of the 1980s, unions are less well integrated in public decision-making because national union leaders and corporate leaders no longer trust each other. He attributes the breakdown in elites' trust in each other to, first, the unions' mobilisation for economic democracy and the social democrats' legislation of extensive union rights at work from the mid-1970s, and second, the employers' neo-liberal counter-mobilisation during the 1980s. From our dynamics-of-contention perspective, ideological mobilisation and counter-mobilisation is important but insufficient explanation of the differential changes in the networks of trust because it relies on the actors' views of the world. A fuller explanation needs to include consideration

of how fragmentation within both the union movement and the employers' federation affected their relationships with each other, with the Government, and with sites and repertoire of contention.

Since the early 1970s, technological development and structural change in the global economy had been pushing the global competition-exposed engineering employers to dissent from the approach that the Employers' Federation took in the central wage negotiations with the blue-collar Union Confederation. The engineering employers disputed the wisdom of accepting that ongoing wage-rate compression was the price for no-strike clauses in central agreements. They demanded that other employers and unions must allow wages in the competition-exposed sector to be the benchmark for national wages according to national productivity increases. When this failed to happen, they sought greater flexibility in local piece-rate setting in order to cope with the merging of blue- and white-collar tasks and to compete for scarce skills in a full employment economy. In 1983, they used high wage offers to persuade the metalworkers to negotiate independently of the central wage-setting procedures but it was not until 1990 that they could finally persuade the Employers' Federation to abandon national wage-setting altogether. Peter Swenson and Jonas Pontusson (2000) argue that it was a cross-class alliance, between the engineering employers, the metalworkers, and a bargaining group of white-collar unions in private industry that brought centralised wage negotiations to an end. The timing of the changes to wage-setting procedures speaks for the agency of the engineering employers' active choices because the imperatives of technological and economic structural change developed gradually over a long period, but how did this cross-class alliance effect other actors and the relationships between all actors, sites of contention, and repertoire of contention?

The most direct effect of the cross-class alliance between the engineering employers, the metalworkers, and the white-collar engineering workers was to ally actors in export-oriented manufacturing *against* three groups of actors shielded from global competition. One, they allied against both large retailers who could pass the cost of higher wages on to their customers and the large timber and paper manufacturers whose wage costs were small compared to their capital costs (Swenson and Pontusson 2000, pp. 92-94). Two, they allied against public-sector employers who could either trim their capital maintenance costs in schools, hospitals, and so forth or lobby for higher taxes to cover the wage increases. Three, they allied against public-sector unions that mobilised around feminism (Higgins 1996) to attack the a gap between men's private sector wages and women's public-sector wages for comparable work. From the mid-1970s to the end of the 1980s, inflation aggravated tensions between the engineering employers and other parties to wage contracts. They insisted that manufacturing productivity had to be the benchmark for wages throughout the economy while other employers' were more interested in no strikes or could avoid or pass on their increased wage costs, and the public sector unions mobilised against the gendered pay gap between the public and private sectors. Between 1976 and 1982, successive bourgeois and socialist governments used currency devaluations to adjust for inflation. The social democrats', liberals', conservatives' turn to the EU saw socialist and bourgeois governments abandon devaluation as a last resort and join the trade-exposed employers' and unions' cross-class alliance against non-trade exposed employers and unions.

A second effect of the pro-EU cross-class alliance was that militant unions outside of the trade-exposed sector began to consider collaboration with the anti-EU communists or greens in parliament and began to support diverse groups opposed to the EU. The municipal workers drew upon feminism to motivate campaigns against privatisation and authoritarian managerial practices (Higgins 1996) and they have paid local officials to help organise the Stockholm social forum (Interview: Ann-Terese Mörch 26th March 2004). The Commercial Workers' Union organised a successful consumer boycott of Toys 'R Us (Vandenberg 2006) and mobilised its younger members to support the clean clothes campaign against child labour (Interviews: Stefan Carlén 26th February 2007; Sven Englesson 1st March 2004). The Confederation of Unions has also attempted to forge connections with the campaign for a Tobin tax. In the Toys dispute and other campaigns, unions formed connections with anti-globalization and anti-EU groups but their achievements have been defensive rather than constructive; they have been a matter of resistance against unwelcome incursions on established rights rather than a matter of, say, advancing industrial democracy or scaling back the prerogatives of management. Part of the reason why the pro-EU cross-class alliance is stronger than the anti-EU groups is that they can present themselves as competing for a proud and wealth-generating place in a rapidly globalizing world, while anti-EU groups turn in on a national sense of identity to resist the insecurity that flows from globalization and integration with the EU.

KOREAN CONTENTION AND FINANCIAL CRISIS

The effects of democratisation on the Korean development model were becoming apparent by the mid 1990s. The government applied for membership of the OECD in 1996. The application was rich in symbolism: Korea had transformed from one of the world's poorest countries in the early 1960s to a member of the "rich countries' club" only three decades later, with income levels reaching \$US10,000 per person. However Korea was required to further open its economy, including the financial system, to international markets. The government embraced the liberalisation of the economy on the grounds that a trade-dependent country should foster competition rather than avoid it. The government also sought to increase the "flexibility" of the labour market, including the employment guarantees that had accrued in earlier decades. The manufacturing sector witnessed particularly strong improvements in wages and conditions due to successful campaigns by unions aligned to the independent Korean Council of Trade Unions (KCTU). In response to complaints from the chaebols that wage increases were destroying their competitiveness, the government passed a raft of amendments to the Labour Relations Law in late 1996. The aim was to make it easier for firms to lay off workers (Kong, 2006: 371). Unions strongly opposed the removal of employment protections, and staged massive strikes. For the first time, the state-aligned federation and the KCTU joined forces to oppose the rollback of labour rights. Under pressure to end the strikes, the government agreed to repeal the most restrictive elements of the new legislation in March 1997. A compromise was reached whereby unions acceded to limited job security in return for greater freedom to organise. The government also granted pay increases to both public and private sector workers (Buchanan and Nicholls, 2003: 218).

Evidence that the chaebol-centred development model was faltering was not difficult to find. A mid-sized chaebol, the Hanbo Group, declared bankruptcy in early 1997. Hanbo's loans came at low interest rates and allowed the group to record extraordinarily high levels of debt, even by the standards of the chaebols (Schopf, 2001: 709–10). The government nationalised Hanbo, but its collapse shook investor confidence. The collapse of Kia Motors followed a few months later. This loss of confidence became especially important when investor panic spread across Southeast Asia in the second half of 1997. Within months lenders were scrutinising the debt levels, investment patterns and corporate governance practices of the chaebols. By year's end, Korea was forced to apply to the IMF for a loan to repay the costs of actual and potential corporate failures. In return for a bailout loan from the IMF, the Korean government agreed to a range of changes: spending was reduced, reforms were enacted to increase the quality of loans, and new regulations were introduced to improve standards of corporate governance. The IMF also recommended that the flexibility mechanisms that were originally mooted in late 1996 be introduced without amendment (Hundt, 2005: 245–7).

Amid the financial crisis Kim Dae-jung, who survived assassination and imprisonment at the hands of authoritarian regimes, won the presidency at his fifth attempt. Unlike his predecessors, was somewhat amenable to bringing non-traditional elites into government. The trust networks of civic movements thus began to move into the public sphere at the same time as the state-chaebol networks of privilege and corruption were coming under scrutiny. The new government recruited civic groups to support elements of its chaebol reform agenda such as the enhancement of corporate governance. The "small shareholders' movement", for instance, sought to ensure that chaebols called annual general meetings as required in their statutes, other groups campaigned for the appointment of outside directors, and some civic groups provided input to social policy by suggesting incentives for women to re-enter the workforce. Some representatives from civil society even served as Cabinet ministers (H.-R. Kim, 2000: 603–4; H.-R. Kim, 2007: 216–19; Lim and Jang, 2006: 449–51; Peng and Wong, 2008: 79–80).

In order to ease the implementation of the IMF's rescue package, the government invited the rival union federations to partake in the Tripartite Talks. Both federations had supported Kim during the election campaign (Kong, 2006: 377–8), and this was the first attempt to establish a social pact between labour, government and business. The February 6 pact expanded basic labour rights, allowed for the formation of a teachers' union, and allowed laid-off workers to join a union. Unions won the right to establish a political party, and the KCTU won belated recognition as a peak body. The pact largely removed the expectation of job security, although the government established a multi-billion dollar fund to compensate workers for job losses resulting from restructuring (Ha and Lee, 2007: 910–11).

The unions had a range of motivations for participating in the talks. First, the union federations argued that the chaebols were largely responsible for the financial crisis. They argued, for instance,

that the embattled Kia Motors was a well-run firm that had experienced temporary liquidity problems, in part due to the bigger chaebols' monopolisation of credit markets. The unions recognised the value of positioning themselves on the side of reform during a time of national crisis (Burkett and Hart-Landsberg, 2000: 200). Union leaders proposed that chaebol restructuring proceed via job sharing and wage freezes. In other words, while agreeing to the new "flexibility" mechanisms, unions sought to save jobs. The public was wary of any group that appeared to share the chaebols' opposition to reform. As one union official recollected: "There had been and was a very strong mood among the members to fight but members were worried about how their actions would be interpreted within the overall context of the economic crisis itself. They found it difficult to be seen as the people who rock the boat at a time of difficulty" (quoted in Neary, 2000: 4).

Second, the talks went some way towards fulfilling the aspirations of union leaders to alter their status as outsiders to routine politics. Unions emphasised the symbolism of the talks, and Yoon Young-Mo of the KCTU argued that: "Labour could now be included and recognised as a pillar of the society, as a value in itself as an organised progressive force. In this way you could philosophically change the way in which labour was perceived in society" (quoted in Neary, 2000: 4).

Third, unions could change their organisational strategy. Instead of operating solely at the enterprise level, they recognised an opportunity to create industry associations (Kong, 2006: 376). Some of the legal barriers to creating such structures were removed, although problems remained in terms of collecting membership fees at the industry and national levels. Consequently the fledgling industry unions had been ill equipped to undertake nationwide negotiations over wages and conditions with government and employers (Buchanan and Nicholls, 2003: 221).

Despite the unions' willingness to compromise, the government played the most forceful role in the restructuring process. Kim Dae-jung proposed that the chaebols undertake asset swaps to reduce overcapacity and indebtedness. The state dictated the terms of restructuring, and the Minister for Finance and Economy warned: "the public must understand that reducing employment by 10 to 20% through restructuring is a way to prevent a situation where 100% of jobs are lost to unemployment in the future" (quoted in Song, 1999: 91).

This left unions with less autonomy than initially envisaged. Problems arose when the union federations returned to their members with details of the pact. Delegates voted to reject the agreement, which placed the brunt of the burden for reform on workers (Chang and Chae, 2004: 432-4). With their constituents opposed to the proposed model of restructuring, some union leaders saw no option other than to return to non-routine strikes, sit-ins and protests to press their claims on government. However the government reverted to authoritarian means of coercion—such as the violent suppression of strikes and the arrest of union leaders—to halt industrial disputes (Ha and Lee, 2007: 912). Two examples illustrate the government's response to the unions' reversion to non-routine politics.

First, Hyundai Motors announced in early 1998 that 10,000 workers would need to accept voluntary redundancies for the company to survive. More than 8,000 workers opted for early retirement. While individual members acted in what they perceived as their self-interest, the Hyundai union viewed voluntary redundancies as a direct threat to its strength. The union proposed saving jobs through wage cuts and job sharing. When the company rejected these options, 30,000 union members went on strike in July 1998 to oppose further redundancies and factory closures. After holding out for two months against the company and government, the union capitulated. In the face of the government's threat to break the strike via heavily armed riot police, the union agreed to the sacking of more than 200 workers and the dispatch of more than 1,200 others on extended unpaid leave—bringing the total reduction in the workforce close to the 10,000 mooted only months earlier. Despite two-thirds of members rejecting it, the deal was ratified (Neary, 2000: 3-5).

A second dispute illustrated the partial revival of links between unions and other elements of civil society. The student movement supported a strike by about 2,000 subway workers in April 1999 by sheltering workers on a university campus. However the students proved incapable of protecting the workers from the repressive powers of the state. Student activists claimed that their efforts to support workers did not attract widespread support: "There are a whole generation of young people in the universities for whom the student activists are very unpopular. They are too militaristic and their songs and language and idea have nothing to do with them" (quoted in Neary, 2000: 7).

The failure of the campaign damaged efforts to create links between the unions and affiliated civic groups. Both federations had threatened to quit the Tripartite Talks on several occasions, but were persuaded to return. Under pressure from the government to rein in militancy, the KCTU had cancelled three general strikes in 1998. The subway strike was intended to form the "first wave" of a

series of rolling strikes in the spring of 1999, but the harsh treatment of the subway workers dissuaded secondary action by affiliated unions. The KCTU cancelled the strike, and also quit the talks. The failure of the strike marked the end of the contentious episode in Korea. The cross-class coalition failed to maintain its unity and sense of purpose in the face of state repression and the state's maintenance of links with the chaebols, the IMF and some middle-class social movements. For their part, affiliated civic groups found fault with the unions' strategies, highlighting the philosophical differences between the two wings of Korean civil society. Park Won-Soon, the leader of one middle-class group, argued that the main problem was the unions' inability to persuade the wider public that their campaign for worthy of support: "In the French case, the public will support subway workers if they go on strike, but it's not that case for us... Labour has to present evidence that strikes are in the interests of society, not just the working class" (quoted in Yoon, 2001: 72).

COMPARISONS AND CONCLUSIONS

Our comparison of episodes of contention during financial crises in Sweden and Korea shows that the respective Governments' turn to the EU, the OECD, and the IMF had de-democratising effects upon the role of unions in public-policy formation. The turn to international bodies fragmented unionism. Prior to the financial crisis in Sweden, the blue-collar Union Confederation had managed to maintain some solidarity across the public and private sectors even as high inflation had aggravated its long-standing insider status. Inflation strained relations between the unions and both the Employers' Federation and the social-democratic Government that undertook liberalising reforms during the 1980s. After the financial crisis, the metalworkers remained insiders when they joined a pro-EU cross-class alliance with the engineering corporations, the social democrats, liberals, and conservatives while public-sector unions turned to EU-sceptical outsiders among the communist and green parties and diverse newly established social movements. Prior to the financial crisis in Korea, insider unions in the pro-authoritarian government peak council of unions joined the outsider unions in the militant and independent peak council to support the first non-military President elected in 1997. There was also a broad alignment between all unions and the middle-class civic movements calling for greater corporate accountability. After the financial crisis, the independent union council had abandoned the beginnings of social-corporatist tri-partite discussions and reverted to its outsider status as it again deployed a familiar repertoire of contention against the new government, which for its part reverted to a familiar repertoire of authoritarian repression of militant unions. In Sweden, the metalworkers chose to remain insiders and part of a pro-EU cross-class alliance, while in Korea, comparable groups of workers in competition-exposed manufacturing chose to revert to contention against the government from the outside. Either way, the Government benefited from the fragmentation of unionism as different unions pursued routine or contentious politics.

Another effect of the Governments' turn to the international bodies was that both countries moved, from the left and from the right, towards an international neo-liberal mainstream, so to speak, among contemporary nation states. This effect was de-democratising for Sweden, which abandoned full employment and like the EU made low inflation the first priority of public policy. However, the same effect was democratising for Korea, which abandoned the authoritarian development model of corporatism without labour as it imposed greater accountability upon its chaebol and granted unions new rights at the same time as it also abolished life-time employment security among chaebol workers.

If the two conclusions above amount to observations of shifts in the structure of unionism and in the ideological repercussions for various actors' views of the new situation, how did our causes of democratisation fare as explanations of shifts in relations between the elements of contention during the financial crises? The analyses of networks of trust among unionists and other social movements and between union and corporate leaders produced nuanced pictures of why some unions chose insider negotiations with Governments while others chose outsider contention as financial crisis imposed serious threats to workers' livelihoods. The analyses of cross-class alliances produced nuanced pictures of why various unions chose different means of attempting to make the most of the opportunities posed by the financial crises. However, the Governments of both Korea and Sweden proved themselves better at brokering new connections between domestic and international sites of routine politics. These connections constituted a somewhat optimistic and cosmopolitan sense of identity founded upon managing to manufacture goods that were competitive on world markets. In the circumstances of financial crisis, this cosmopolitan identity prevailed against nationalist identities that failed to broker strong connections in either national or international sites of contention.

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