

DEMOCRACY AND LABOUR

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SUMMARY

The paper confronts the paradox that, at a time of growing democratization in the world at large, the role of labour interests within democracy is becoming problematic – even or perhaps especially in those countries where that had previously been well established.

The question is discussed in three aspects:

1. The apparent implications of economic globalization;
2. The consequences of changes within the class of labour itself;
3. Internal changes in the relationship between the political class and citizens in general.

There is no attempt at reaching policy conclusions, as these are seen as depending on normative positions and cannot be derived from a social science discussion. However, the paper concludes by laying bare some of its own assumptions in order to clarify the policy-making task. In particular, it assumes:

that democracy is adversely affected *both* when the voice of organized labour within democracy is weakened *and* when labour itself leaves large groups of outsiders unrepresented;

and that the political expression of occupational interests remains important despite the most recent stages of ‘modernization’.

And it concludes by asking certain factual questions of the future:

Will the recently growing occupations outside the old cores of business interests, male, manual manufacturing work, public service and the free professions find some way of effectively expressing their political concerns?

And what will be the fate of interest representation among the marginal and the insecure? Will they be effectively incorporated by existing labour organizations? Will they develop their own, distinctive forms? Or will they remain politically silent?

Fundamental ambiguities affect the place of labour within democracy at the present time. On the one hand, workers of all kinds are benefiting from the spread of formal parliamentary democracy which is currently in progress in an unprecedented number of parts of the world. Further, at a more subtle level of democratization, demands for openness, transparency in the operation of authority, for responsibility in the literal sense of 'answerableness' seem to be growing both within many nation states and also at some kind of global or at least international level of dialogue. First the collapse of the old dictatorships in the Iberian peninsula in the 1970s, then that of communism almost everywhere at the end of the 1980s, the gradual re-emergence of democratic regimes in much of Latin America, as well as developments in South Africa, South Korea and some other limited parts of Asia made the final quarter of the twentieth century something of an 'age of democratization'. Democracy is no longer a system of government peculiar to Western Europe, Australasia, Japan, North America and India.

Of course there continue to be vast exceptions to the trend, especially China. There are also corruptions and abuses, ranging from the intimidation of voters to the illegal funding of political parties, among both new and old democracies. But these do not obscure the overall trend; neither however are they primarily what I mean by the fundamental ambiguities which affect in particular – though not solely – the encounter between labour interests and democracy at precisely this moment of the spread of the institution. A cynical observer might in fact claim that the advance of democracy and its emerging new problems are two sides of the same coin. Previously non-democratic elites may be more willing to risk opening up their regimes to the citizens if the power and role of the latter can be tamed and incorporated as easily as now frequently seems possible.

I shall here concentrate on what I regard as three rather different but inter-related negative developments. They affect mainly the existing industrialized or post-industrial societies and are not always relevant to other parts of the world, which may partly mean that the

locus of democratic development is shifting from those places where it is tired and affected by cynicism and disillusion to those where it is fresh and young, and where certain social changes that subsequently undermine it from within have not yet begun their work. It has in recent years been a very humbling experience for democrats in the so-called advanced nations, beset by declining electoral participation and relations of ill-concealed mutual contempt between politicians and citizens, to see the people of South Africa queuing for hours to have their chance to express their political preferences in the ballot box.

The three issues which I shall discuss are:

1. The apparent implications of economic globalization.
2. The consequences of changes within the class of labour itself.
3. Internal changes in the relationship between the political class and citizens in general.

To discuss the issues in this order means moving from a very macro-perspective on politics to a more detailed one.

Democracy and Globalization

This part of the story is well known. Democracy remains limited primarily to the nation state and levels below that (both geographical and institutional). The European Union is alone in being a supranational geographical entity with a directly elected democratic component, but even that is very weak. None of the great quasi-political international institutions, such as the United Nations, the International Monetary Fund or the International Labour Organization, embodies any features providing democratic accountability to the world's citizens. There are some international professional associations which have a membership democracy, but these are not political. At this point in human history, democracy remains among the list of institutions which are nationally confined, and is so even more than language or cuisine.

Meanwhile economic life is becoming internationalized, possibly globalized, in a manner which has become so well known to public debate that it is almost a cliché.¹ Particularly important from the perspective of labour interests is the capacity of firms to organize their activities on a broadly international basis, not only choosing in which locations it best suits them to place specific operations, but also limiting their dependency on any one location for a particular function. More important still is the capacity of financial assets to flow around the world at very short notice, and making use of information resources which are similarly global in their sources.

These changes are particularly relevant for the relationship between labour and democracy. To the extent that businesses seek lower labour costs and freedom from labour regulation, they are likely to move to parts of the world where labour costs are lowest and regulation lightest (Standing 1999). In general, the less democratic a country, the less will its governments protect labour interests, labour normally requiring democratic possibilities to press its political case.² Non-democratic countries are also less likely than democracies to have extensive welfare states; therefore non-wage labour costs should be lower too. According to this basic argument, globalization is therefore likely to bring a shift in employment from democracies to dictatorships. Democracies can be expected to respond to this situa-

¹ I say 'probably globalized', because, as several observers have pointed out, the true conditions for globalization are often absent (see some of the papers in Wilthagen, 1998). Given that the word 'internationalization' already existed to refer to activities taking place in a coordinated way across the frontiers of nation states, the introduction of 'globalization' ought to signal something new. It implies some sense of totality: not just an international process affecting certain nation states, but one reaching the entire globe. In reality very few of the developments commonly labelled 'global' have this character. Not only are major parts of the world rarely part of so-called global networks – in particular most of Africa – but even in the richest countries these networks usually engage only a few urban centres and in fact only small elite groups within those. Far larger parts of the world's population are passively affected by the actions of these elites – but that has been the case since at least the First World War.

² There are occasionally exceptions, non-communist dictatorial regimes supported by labour interests, as with Peronism in Argentina. But this is historically rare.

tion by trying to compete with the dictatorships by deregulating their own labour markets and trying to reduce the welfare state services which lead to high non-wage labour costs. Therefore, globalization can be expected to lead to a situation where non-democracies take the lead in setting (low) labour standards around the world. In other words, the ‘race to the bottom’ in labour standards, as this tendency is usually called, is also a race to the bottom in terms of democratic quality.

This simple argument can be challenged. First, it is not necessarily the case that dictatorships produce unregulated labour markets; often non-democratic regimes are distinguished by their frequent interventions in all areas of social life, including the labour market. These interventions are likely also to be arbitrary and unpredictable, which reduces economic efficiency. On the other hand, there has been a recent tendency for at least some dictatorships to seek economic success for their countries by imposing strict neo-liberal and therefore economically non-interventionist regimes, paradoxical though this might sound. The leading example of this was the now defunct regime of General Pinochet in Chile, where state power involving considerable intervention in daily life, including mass murder and torture, was combined with a virtually text-book implementation of Chicago neo-liberal economics (Drago, 1998). Less dramatically, there are certain examples in south-east Asia where the protection of politics from popular pressure made possible by a lack of democracy is used to implement neo-liberal labour market and other reforms. Most dictatorships want economic success, and one aspect of growing globalization is that this success can be helped by direct inward investment. International investors have a preference for unregulated labour markets and low non-wage labour costs, and dictatorships find it easier to provide these than do democracies.

A second problem with the argument that globalization favours moves to lowest-cost countries is that it greatly exaggerates the capacity of many forms of economic activity, in both services and manufacturing, to relocate at will. Many such activities carry large sunk costs: build-

ings, plants, networks of relationships with suppliers, customers and local sources of business services, skilled labour of various kinds. These cannot be easily abandoned. Furthermore, non-democracies often lack the infrastructure of roads, communications networks and education which employers frequently need. It is precisely because they are not responsive to popular demands that such regimes neglect these services.

The 'race to the bottom' theory at least needs some modification and fine-tuning. Certain kinds of economic activities and therefore employment opportunities do move to non-democracies: those that require little in terms of labour skills and both own and social infrastructure. But few regimes are content to occupy such a position in the long run. They expand their educational systems in order to up-grade the skills they offer to inward investors and thus the quality of their economies. Do they find it more difficult to sustain non-democratic systems among a more educated population? The Republic of South Korea would be an example of the contemporaneous growth of both democracy and education. However, a few cases do not test a hypothesis, and there are the problematic cases of the old Soviet empire which for many years achieved much in popular educational performance without needing to concede democratic reform. The issue requires a more thorough testing.

Even within democracies, multinational firms may abuse local democratic achievements by riding roughshod over existing industrial relations institutions, especially where these incorporate elements of economic democracy which constrain the behaviour of managers. This can today be seen particularly clearly in the very different industrial relations strategies being pursued by firms in Denmark and Sweden, two otherwise relatively similar countries where industrial relations are concerned. Danish firms are mainly small and dependent on Denmark as a place in which to locate, a source of employees and of public infrastructure and institutions. Danish employers have been very concerned to remodel the national system of industrial relations within its own historical terms. Giv-

en the small size of its population, Sweden has given birth to an extraordinarily large number of transnational firms. These now have many plants outside Sweden and are likely to have only a small minority of their work forces within the country. It is notable that many Swedish business interests have been seeking a radical dismantling of the Swedish system.

Transnationals will not necessarily confront existing industrial relations institutions. For example, in Britain Japanese employers have often been very concerned to produce a compromise between existing British practices and Japanese ones, in order not to appear as intrusive 'foreigners'. However, in many cases inward-investing firms do refuse to accept existing patterns, and at least in many developing countries have often been able to be exempted even from national law. Either governments develop different laws for foreign-owner enterprises, with very restricted labour rights, or they set aside certain parts of the country where different law applies and where foreign firms are invited. Globalization enables firms to negotiate with governments in order to develop labour regimes offering few rights to workers, as part of the deal for their willingness to invest in the country concerned. An important consequence of this activity, whether it concerns a challenge to established practices or the demand for separate legal regimes, is usually greater capacity by transnationals to refuse to recognize trade unions. As these forms of globalization spread therefore, unions have greater difficulty sustaining the proportion of the labour force which they represent.

In developing countries, even where labour has considerable political freedom, it cannot offset its weakness in the labour market where overall labour productivity is low and labour supply abundant. From the point of view of the poor democracies, and indeed from that of poor dictatorships, the rich world's perspective of a flight of jobs away from the advanced world looks very different: the 'best' jobs in terms of career possibilities and high skill and knowledge content tend to be retained in the first world, while the third world gets the down-market routine work. This can happen even where there is a good supply of

skilled labour in the poor countries. Highly educated people can be employed on very menial tasks; they are cheap enough to employ in this way despite their educational level, while the menial tasks sometimes gain from the extra competence they bring to them. This is frequently the case in the impact of globalization in India. It is also increasingly an issue in the wealthy countries themselves. Largely because of democratic pressure, educational opportunities are constantly being expanded, but often at a faster rate than the economy can absorb, given that so much recent job creation has taken the form of low-grade services sector work.³

A further related problem is that, even though the wealthy democracies seem able to keep a lion's share of attractive and high-productivity forms of employment, there is a tendency for such jobs to decline in number. Where the ratio of jobs per unit output is concerned, this is true by definition: improvements in productivity mean a reduction in the labour need per unit output. Considerable effort has been expended in the wealthy countries in recent years to up-skill labour and to enrich the technological component of production of both goods and services, in order to retain advantages over low-labour-cost parts of the world (Crouch, Finegold and Sako, 1999, chs. 2 and 3). But this often takes the form of 'two steps forward, one step back', since employment in the sectors concerned can be sustained only by reducing unit labour input. In some sectors, in particular high technology, demand is expanding sufficiently fast for there to be net employment creation, but the continuation of that situation cannot be guaranteed.

³ There is a contradictory logic to the democratic politics of education. Parents and young people seek improved education for their particular children (themselves in the case of young people); but politicians have to offer expanded opportunities for all. Where the demand for educated persons is rising faster than the supply of educated people, this presents no problems. However, when this is not the case, the demand made by parents and young people becomes that they receive an education that will give them a competitive advantage over others within the country. The politicians' offer of generalized improvement does not answer this at all.

A further factor limiting the crisis of democracy presented by globalization is the fact that, so far, much of the real competition over labour regulation and labour costs has taken place, not between the advanced societies and those in process of development, but within the camp of the former, all of which are democracies. In particular, there has been a form of competition between the UK, the USA and some other countries on the one hand and many countries of the European Union on the other, with Japan playing a rather complex role. For various reasons, labour interests found themselves particularly weak within the two English-speaking democracies during the 1980s, and it became possible both to deregulate the labour market and, in the case of the USA, to reduce considerably welfare state spending and therefore non-wage labour costs.⁴ At the time this was happening the EU countries were seeking to construct a form of social Europe which meant avoiding deregulation and reduced welfare. All that the UK and USA had to do, therefore, was to locate themselves at slightly worse levels of labour protection than in the main EU countries to reap certain competitive advantages, with little fear that the EU would follow and engage in a true race to the bottom.

This situation could change and probably is changing. One consequence of the criteria of operation of the European Central Bank and the stability pact is a pressure to deregulate labour markets and contain social expenditure. This is provoking attempts by countries within the single currency to compete with the UK and USA in reducing labour rights, invoking a kind of race to the bottom which may be just about to start. This kind of ‘regime competition’ has interesting implications for democracy in a world where democratic polities remain at nation-state level, implications which would apply whether the race was down or up in terms of standards: a country’s internal parliamentary deci-

⁴ Less was done on this latter front in the UK, but for quite different historical reasons. UK welfare spending tends already not to place a particular burden on employment costs, because of the forms of taxation used.

sion-making becomes determined by the actions of competitors rather than by internal choice. This might involve having one's decisions partly determined by *someone else's* democracy, which is an interesting concept.

At present it is difficult to reach definitive conclusions on the extent to which globalization, especially of investment flows, leads to the *de facto* determination of world labour standards by dictatorships. There are certainly some tendencies in that direction; some offsetting processes which counter it; and some more complex patterns too.

Changes within the Class of Labour

So far I have taken the concept of labour for granted, without either examining what is contained within it or considering whether it remains static over time. Let us begin from the familiar starting point of most social analysis and also indeed of official occupational statistical classifications: labour is structured as in a large industrial enterprise, with small numbers of people occupying various grades of management, rather large numbers in clerical and junior administrative grades, and particularly large numbers in manual work, most engaged in direct production, ranked by different levels of certified skill. The problems and interests of labour have been conventionally seen in terms of these last groups, the different ranks of manual labour. This is particularly so because the next largest, the clerical and junior administrative workers, are in most countries primarily female, often working part-time, and until recent years conventionally ignored in most sociological analysis.

As everybody knows, all this changed. In particular there has been a decline in the proportion of employment comprised by the 'three Ms': male manual employment in manufacturing. Although large manufacturing firms still form the backbone of all advanced economies, they by no means dominate them, employment in various kinds of services having overtaken that in manufacturing. To analyse services employment, I prefer to use the analysis developed by Singelmann (1978), which identifies four different services sectors, rather than use the sim-

ple idea of a single tertiary sector (see also Castells, 1996). These are: the distributive sector (i.e. transporting, selling and communicating activities); the business services sector; social and community services; and personal services. Although the divisions among these are not always clear, use of an analysis of this kind does bring out some crucial differences among different kinds of service in terms of both growth patterns and the characteristics of those working in them (e.g. gender, education level) (Crouch, 1999, chs. 2-5). Not all of these services sectors have been important to recent employment change. With the exception of important growth in retail services in the USA, both the distributive and personal services sectors have been rather stable. Business services have grown very rapidly, but the sector remains very small and in many cases its growth is partly illusory, comprising often an out-housing of existing activities previously contained within manufacturing corporations. In virtually all industrial economies, the major engine of change has been the rise in the proportion of the labour force working in social and community services, which has also been the source in the feminization of the work force which has been such an important feature of recent employment change. Usually the great majority of the work force in this sector is within either public service or employed by charitable organizations; the role of profit-making corporations is relatively low.

Meanwhile, even within manufacturing the proportion of workers actually engaged on the production task has declined, with a growth in routine administrative posts, so-called 'non-manual' work, performed mainly by women.

Today's work force is therefore far less homogeneously male; less likely to be employed in manual work; and less likely to be engaged in manufacturing than during the periods when 'labour' was gaining its voice and its recognized place in the politics of the industrial world. These changes have produced both a problem of the homogeneity of interests being represented and, often, a decline in the overall power of the labour interest. Union membership has declined in almost all countries over the past 15-20 years, following a previous period where it had

risen considerably.⁵ The decline in union power and influence has probably been even greater, given the context of high unemployment and globalization. Workers have become very dependent on employers for work; while employers have become less dependent on the work force of any individual country.

Some of the problems which these occupational changes create for unions are complementary: the more successfully a union movement resolves the central problem of managing to recruit and represent the new kinds of worker, the more it has problems of internal heterogeneity; the more it stays within the old manufacturing parameters, the more homogeneous it can be, at the expense of extent of representativeness. I shall consider these opposite forms of the general problem in turn.

Increasing representativeness and the strains of heterogeneity

Labour has never been truly at all homogeneous. Even at the height of the rise of manufacturing, there were always important differences of interest between skilled and unskilled workers, for example. But growing heterogeneity has increased the difficulty of pursuing clearly defined, widely shared interests. Most labour organizations have experienced these problems, because most have responded to at least some of the changes. Particularly helpful to their continuing growth and adaptation was the rise of public-service employment associated with the growth of social and community services, government service in democracies always being particularly easy for trade unions to organize. This gave unions a major place in services, and important sources of female members. It did however also bring problems, compromising

⁵ The main exceptions are in those countries having the so-called 'Ghent system' of linking trade union membership to the national social insurance system: Belgium itself, Denmark, Finland, Sweden. Here the unions administer the social insurance system, and although there is no requirement on workers to join a union in order to benefit from the scheme, they normally do so in practice. It is notable that Norway, with Iceland the only Nordic country not to have such a system, has a considerably lower union membership than the other countries in that region; Belgium has a far higher membership than either France or the Netherlands, the two countries to which it is culturally close.

what had in several countries been an important stabilizing influence on unions' economic impact. Many union movements rooted in manufacturing have had a built-in sensitivity to the potential impact of their actions on prices through the need to have the goods produced by their members competitive within export markets.⁶ Public-service unions do not have this constraint, and are more likely to indulge in rent-seeking behaviour, producing rivalry and incompatible bargaining goals between themselves and manufacturing unions. Alternatively – and this eventually became the majority case – governments become exceptionally tough on public-service wage claims, which are subjected to a political logic concerning levels of taxation and of the size of government expenditure, while workers in manufacturing are able to gain from productivity improvements. Again, inter-union unity becomes difficult to achieve and the identity of a labour interest becomes confused.

The major increases which have taken place in the female proportion of the labour force stem from this growth of social and community services, the rising proportion of employees in manufacturing who are engaged in routine administration, and the growth of the other services sectors. Viewed from one perspective, this change in the labour force has enabled unions to broaden their base within the society, a fact which is partly represented in the growing proportion of women in many countries who vote for parties associated with the labour movement. However, unions have often been slow to respond fully to the challenges involved, both in recognizing the particular needs of female members, and in accepting some of the changes that have to be made in employment practices and regulation if the number of women with

⁶ One will often read that classical manufacturing trade unionism depended on closed economies, so that once the manufacturing industry of a particular nation state had been effectively organized, unions could insulate wage costs from the market. This argument results from the dominance over the thinking of economic science of the US economy, which in the past has been relatively closed (i.e. the proportion of international trade has been relatively small). It has not applied to the western European economies, in particular to those where trade unions have been strongest (Scandinavia, Austria, Belgium) or to Germany, where the export sector and the role of unions within it has been a particularly important aspect of the social market economy.

employment is to rise. Heterogeneity has not only increased problems of managing the labour interest, but has raised those of the goals of that management. This can be seen particularly clearly at present in Germany, where unions are resultant to face the challenge of how to ensure employment protection in a manner that is compatible with increasing job opportunities for women. It is far easier for them (both as organizations and indeed as individual men) to continue to protect existing male employment and the place of married women as housewives.

In itself and in the long run, this growing heterogeneity of the work force is far from being a setback for the role of labour in democracy; it ought in fact to embed that role more deeply and extensively, and also enable labour organizations to achieve a more differentiated and therefore more democratic representation of the working population than that of the simplified concept of the 'mass worker'. In the short and medium term however it does constitute a challenge, in two senses. First, there is the simple problem of learning how to cope with the new diversity, which requires both organizational and strategic changes.⁷ This is partly a matter of the learning curve and therefore of time, but the changes come at a difficult time for organized labour, when so many of its previous political parameters are being challenged. Second, the heterogeneity in the main brings a reduction in strength and power, in that most of the new kinds of worker lack a tradition of having the courage to make demands to employers which became so crucial in the case of manufacturing industry and mining. This is partly because many of the new employees are in individual career paths, where active union involvement can bar future promotion chances; partly because many of them are women, who lack a strong tradition in militancy and who often work part-time, which reduces the relative importance to their

⁷ Examples of how change can eventually take place can be found: in the restructuring of bargaining partially to reconcile the interests of manufacturing and public-service sectors in Denmark and Finland (for the Danish case, see Due et al 1994); and in the general restructuring of labour regulation to encourage employment growth, particularly among women, in the Netherlands (Visser and Hemerijck, 1997).

lives of their employment; and partly because many of the new, relatively poorly paid jobs in services lack both the clear occupational identities of both manual and professional employment.

Public service employment, the largest single new element in the changes affecting classical unionism, has partly been an exception to this generalization concerning capacity to articulate interests. Protected from constraints of export trade and capable of exercising political pressure, public service workers have since the 1970s often taken the lead in militancy. It has however sometimes taken a strongly rent-seeking form, frequently becoming embedded in small category associations fighting to sustain particular privileges in isolation from the rest of the union movement. At one level this can itself be seen as a strengthening of democracy, but it has also helped render the role of labour within polities problematic, leading to retaliation. This can in particular take the form of a privatization of the services concerned, which might then lead to a reduction of the role of unions in those services altogether.

Retained homogeneity and the crisis of representativeness

The alternative problem, a decline in representativeness, occurs when unions find it difficult to recruit particular categories of worker. This can happen for two reasons. First, many of the new kinds of worker in private services sectors are difficult for unions to reach, for reasons which will be discussed below. Second, and reaching back to the previous discussion of globalization, multinational enterprises may be more reluctant than national employers to accept unions among their work forces.

With the exception of Denmark, Sweden and to some extent Belgium, unions have always had a difficult time recruiting private service workers. This is for a considerable diversity of reasons. In some cases the workers themselves, like administrative workers in manufacturing, either feel themselves superior to the type of worker for which unions normally exist, or are in individual career paths, presenting the difficulty already discussed above. In other cases, in contrast, many workers in

the new services are in labour-market positions which are so marginal, insecure and weak that they neither dare risk nor have much of an objective interest in committing themselves to a union within any particular place of employment. To the extent that there has been a shift from '3M jobs' to 'MacJobs' there has been a decline in workers self-confidence and power of assertion.

Curiously, these opposite characteristics of different parts of the new work force lead to similar outcomes, and are currently being reinforced by a new trend. This is the shift in labour-hiring conditions away from employment as conventionally known towards a form of self-employment where, although the worker spends most or even all of his/her working time with the one organization, his/her formal employment status is as self-employed. This is happening for a number of reasons. First, the unpredictable product markets of the post-Keynesian economy lead employers to want to be able to change the size of their work force rapidly; this is done more easily if workers can be seen as external agents than if they have to become part of the organization with acquired rights within it. Second, it is easier to make use of labour of this kind in certain – though by no means all – services activities than in manufacturing, where integrated teams are often needed. Third, by requiring persons working for them to have self-employed status, employers avoid both legal obligations and many non-wage labour costs. It is by no means impossible for trade unions to represent self-employed workers, or alternatively for these latter to develop their own forms of organization, as in the case of the free professions or *artigiani*. There are however difficulties, at both ends of the employment spectrum. The high-earning self-employed, unless they are members of these last-mentioned categories, are likely to see themselves as independent individuals, not requiring any organizational help. The low-earning self-employed are likely to be too anxious for their future work chances to engage in any organizational activities.

This weakening has negative implications for democracy at two levels. First, with the exception of some church organizations, trade unions have been the only organizations which have represented the in-

terests of the mass of working people within democracy, most other political organizations representing either business interests or those of relatively privileged groups. Second, the particular problem that unions have in reaching out to the new groups of marginal and insecure workers creates both a problem of socio-political exclusion for these latter, and an awkward position of relative position for the unions. Both are unhealthy for democracy. This second question merits further discussion.

The new insecure work force characteristic of the post-Keynesian, globalizing economy remains outside established industrial relations systems for several reasons: it is partly because the objective commitment of these workers to a particular employment is rarely strong enough to encourage them to join a union; partly because, in their insecurity, they are frightened of employers; and partly because they are often unemployed and therefore out of reach of the industrial relations system and its organizations.

Outside the framework of unionism, these groups have also been weak at constructing other organizational forms for expressing their interests, apart from occasional sporadic protests. Many of them are disconnected from social institutions in general: they have no prolonged connection to a specific work place, occupation or employer; they are less likely to vote in elections of all kinds; often they are from ethnic minorities and lack both legal and other connections to the institutions of the host society, including its labour organizations. They are barely part of the functioning system of democracy and even social order. As such they pose far larger social questions than those relating solely to the role of organized labour. In many respects these groups are the product of a pure free-market system. They are involved in no institutions which might pose barriers to the operation of markets but act as disconnected individuals. They constitute marginal resources in the economic sense as well as the social, and therefore constitute an important resource of flexibility. But they are also beyond the reach of the minimum levels of social integration which market processes take for granted.

Not surprisingly, unions often find it far easier to ignore them, and to concentrate on their existing kinds of member, who have become the insiders of the labour market, whose interests can often develop in a way which ranges them and the new outsiders as mutually hostile. The insiders and their unions fear that employers will keep seeking to reduce their numbers in favour of an increased role for the considerably more flexible outsiders; the outsiders are envious of the security of the insiders. This process can leave unions in a very vulnerable position. There has often been a long-term problem of the difficulty of unions in representing the lowest levels of the work force. Virtually all movements started with the organization of skilled labour, and then tried to develop a role among the unskilled. Overall they succeeded, but there were always problems of the marginality of the least skilled, their low incomes, and often their immigrant position. The issue is not therefore a new one. It is however particularly intense at the present time given the tendencies which we have been discussing. Whether they want to or not, unions can find themselves increasing the gap between the existing secure work force and both those in insecure jobs and those unable to find employment at all. Since the legitimacy of unions is based partly on their claim to represent the disadvantaged, and given that they are not really accepted among the ranks of the truly privileged, this leaves them very vulnerable to social criticism. The general context produced by this is problematic for the extension of democracy.

The Changing Relationship between the Political Class and Citizens.

Finally, we need to consider some somewhat different issues currently affecting politics which, combined with the issues discussed so far, make labour's capacity to represent its interests within democracy difficult. This is the question of the increasing professionalization of politics, which is in itself by no means new; Max Weber and Roberto Michels wrote about it in the early twentieth century. The process does however continue to develop new implications, rendering problematic

in particular the role of mass party organizations. While this affects many interests, labour is among those most concerned.

Classical models of political party structure envisaged a set of concentric circles. The widest represented the electorate, or at least the target electorate of a particular party; then came the circle of party members; then successive circles of activists and those involved in the central decision-making of the party; and at the centre the political leadership. According to the model, the mass party, which is seen as lying within the target electorate, mediates between that electorate and the party organization; the organization, which in turn lies within the party, mediates through its various levels between it (and by extension the target electorate) and the leadership. The model was never so important for elite parties which did not give a large role to mass memberships, but has been fundamental for labour-movement parties, Christian democracy, and various ethnic or regional parties. There are many reasons why the model does not really work, but I shall here focus on certain distortions to it which have accelerated in pace in recent years.

First to be considered – though not necessarily the first chronologically – is the changing character of the target electorate where labour-based parties are concerned. The occupational changes discussed above have considerably changed the political needs and aspirations of this electorate; the old labour core has become smaller, making necessary an expanded definition of the target, while new occupational forms and problems needed to be taken on board. According to the concentric models theory, this involves a change in the definition of the target electorate. But this requires also a shift in the location within the overall electorate of the mass party, the different levels of which should then be expected to transmit changed messages from the population to the leadership. But party memberships are unlikely to change so easily. They will frequently continue to represent old, declining electorates and may actively resist attempts by leaderships to relocate within and relate to new ones. The obvious response of leaderships to this situation is to by-pass the mass membership and develop their own means of access to the electorate, using modern professional methods of opin-

ion research and marketing techniques. This challenges both the democratic role and the expertise of the mass party, which rarely has knowledge of a kind which can rival that of the professional advisors. While normally the leadership will recruit its advisors on opinion and marketing from among party sympathizers, politics being an area of life characterized by extreme low trust, this is not necessarily the case; sometimes pure professionals will be held by a financial link rather than an ideological loyalty.

Meanwhile and more generally, the whole process of policy formation is also being professionalized as the role of social and natural science expertise becomes more important to policy-making, and as the various sciences themselves become increasingly specialized and unable to communicate to a general public outside their own circles. Advice from these specialists is required by party and government if political leaders are to be adequately informed. Again, both the wider and also the intermediate levels of the party apparatus have difficulty in competing with the knowledge that flows from this advice, and find themselves marginalized. Again, although leaders might have a preference for politically loyal advisors, they must sometimes go completely outside their own party circles and 'buy' wisdom in the market.

The role of the party organization does not disappear completely. Indeed, the more that political leaders depend on paid advice and, in particular, on elaborate and costly election campaigns, the more they need immense sums of money which, in the first instance, might be expected to be raised through the parties. Party members therefore find themselves confronted with increasing demands for financial help at the same time that the party seems to have little other use for them. Communications from a party leadership to its members become just part of the commercial junk mail arriving with the postman, indistinguishable from various commercial promotions and probably emanating from the same market research and sales firms. The whole question of membership of a mass political party becomes problematic. Meanwhile, the leadership will have been in search of more promising sources of money, one side effect of which has been the use of illegal forms of funding.

A further side effect, which may in fact overlap with that of financial corruption, concerns the overlap between the new professionalized advisory and consultancy links with parties on the one hand, and the desire of commercial organizations to lobby governments for favours on the other. Itself as old as the idea of politics, the existence of lobbies and their links with inner political circles should create no surprises. However, the concurrence of lobbying with the professionalization of advice has an important consequence. A particularly powerful political role is played by individuals and organizations which both give advice to politicians and work as professional lobbyists on behalf of economic and other interests, or of go-betweens who link these two groups. Parties increasingly cease to resemble the model of concentric circles. Instead, party leaderships are linked by a series of ellipses to consultants and then on to lobbies and interests leading well away from the original, and possibly even future, target electorates. The shape of the ellipse becomes increasingly determined by financial flows, from leaders to consultants and from lobbies to consultants, and possibly on to parties. While there is nothing new in any of this, there are grounds for believing that it has increased in very recent years, given both the growing detachment of parties from strong social bases and the professionalization of many of the activities around politics.

All this clearly creates problems for democracy, and for the financial probity of politics and government; but does it create any specific problems for labour's role in democracy? There are two possibilities. First, let us assume that labour organizations become part of the consultancy/lobbying nexus, as they often do in practice. They have some relevant expertise and can be of value to the leadership of a labour-oriented political party as being both ideologically close and expert. They are certainly also lobbies with political needs, and sometimes in a position to pay. In these circumstances labour becomes part of the new system; it is not excluded as some other, less well organized elements of the mass party might be. On the other hand it risks becoming part of the exclusive and possibly corrupt circles (or ellipses) around the contemporary state. This returns us to our earlier discussion of

organized labour's rather exposed role at a time when a number of under-privileged, unorganized interests have emerged which labour finds it difficult to represent. Organized labour rarely becomes central enough to the politico-economic system to be among the securely privileged, but it is remote enough from the outsiders, those lacking the financial and organizational resources to enter the system, to be the object of criticism and resentment.

An alternative possibility is that labour will find itself excluded from the ellipses of advice, the flows of advice and funds. This may happen because labour organizations are poor and unable to afford becoming serious professionals – in terms of both providing the consultancy and providing the funds that oil the wheels of the lobbying. It may also happen because labour organizations remain as part of the old target electorate beyond which the leadership wants to move, so that the advice it gives will be suspect and unwelcome. This is also quite a feasible scenario. Labour is rarely able to match the funds that commercial organizations are able to bring to bear to represent their direct trading interests. The more important that flows of funds become to the political process, and the less important that the sheer capacity and enthusiasm of party organization counts, then the more labour interests (and even more so those of the marginalized beyond organized labour's ranks) will find that they lose out in the game of political influence.

What is to be Done?

I do not intend to discuss a list of policy proposals here, as these depend very much on the political preferences and beliefs of the reader. All I shall do by way of a conclusion is to draw attention to some of the implications of certain possible normative positions.

Underlying my argument has been an implicitly normative perspective, which assumes that democracy is adversely affected *both* when the voice of organized labour within democracy is weakened *and* when labour itself leaves large groups of outsiders unrepresented. It would be possible to contest this from a hard neo-liberal position, which would

argue as follows: All that labour organizations do is interfere with the free market allocation, which in the long run is in everyone's best interests, and which cannot be improved on by political or other social processes. Therefore, a weakening of organized labour strengthens rather than weakens democracy, because democracy is served by those processes which in the long run are in everyone's best interests.

There are three problems with this argument. First, the statement that allocations stemming from free markets are in everyone's best interests and cannot be improved on by other processes cannot be taken for granted but require intense examination and sustained debate. It is not my task here to enter that debate, save to note that the position is deeply contested. Second, there is something flawed in the tendency for some neo-liberals to equate democracy with the market. If democracy has any meaning at all it refers to a system of government, and therefore relates to a process of collective decision-making, with a strong presumption that there is something discursive about this. The market represents the outcome of a mass of individual and collective decision-making, but it is not itself a decision-making forum. The market might be helpful to democracy; it might result from democracy; but democracy cannot be equated with it. It is logically possible to argue that the market is superior to democracy, which then involves a series of further difficult discussions. But the two have to be recognized as separate processes.

Finally, neo-liberals need to explain why, if organized interests always distort outcomes and that therefore markets should be left free from them, business lobbies seem to grow rather than decline in importance with the advance of neo-liberal policies. (This is not a problem for neo-classical economic theory, which is entitled to argue that the practices of the empirical political world are not its concern, but it is a problem for neo-liberals, active in the political world and usually engaging in the round of lobbying.) If it is appropriate within market democracy for large firms to develop political links and seek to influence governments, than labour cannot be excluded from that process if the goal of democracy is still to be acknowledged; and stark inequali-

ties in the capacity of capital and labour to exercise that role have to be regarded as problematic.

A further implicit assumption of my argument is that occupational interests remain important. Some would say that this is decreasingly the case. For example, Anthony Giddens (1994; 1998) has argued that most of the issues currently confronting the world, from ecological disasters to sexual identity, have nothing to do with either the occupational world or relations between capital and labour, and that we must move on to different formulations of identifiable interests.

I do not in any way want to argue that all politics can be reduced to relations between capital and labour, though I am not convinced that Giddens is correct in seeing the present time as one when issues going beyond the capital/labour question have become particularly salient: one could make out a similar case for many past times too. I am also surprised at some of the issues which Giddens regards as having little to do with the role of capital: ecological disasters in particular. I would however particularly contest the argument that somehow the main political problems relating to labour have now been resolved, such that they no longer need to be at the centre of pressing concerns. The present period is, in contrast, one of unusually intense activity on the labour front. The whole process of labour-market regulation, welfare state and the role of trade unions established during the twentieth century, once seen as a kind of unchallengeable *acquis social*, has been placed firmly on the agenda of renegotiation, with clearly a number of alternative potential resolutions which merit extensive debate and lobbying.

Further, certain issues which used to be only a minor part of a labour agenda have now been moved squarely within its compass. I refer to the place of the family. Within industrial society there eventually developed a kind of consensus that married women, certainly mothers, should remain outside the paid labour force. This is no longer the case in the post-industrial economy, one of whose central features is the dual-earner couple. As a result a mass of issues, ranging from child care to how families cope with work-related stress, have not only entered the political agenda, but have entered it as an aspect of occupational

and labour questions. Further still, recent changes in the US and British economies suggest that, while part-time work may still grow as an aspect of labour flexibility, a century of generally reducing working hours may well be followed by a new rise. Certain occupations, at very diverse points of the occupational hierarchy, are now seeing a major increase in working hours. The more time that people spend at work, the more they should be expected to encounter problems related to working life which require some political expression.

The political importance of labour therefore remains central. Whether it has to remain one of the few major bases of political party organization is more of an open question. Within western Europe the second half of the 19th century – the only period in world history to have demonstrated the operation of stable mass democracy over a sizable number of countries – produced two dominant bases of political identity: Christianity and position in the labour market. There were other bases – rural society, minority ethnicities, etc. – but they were minor in comparison with these two. Previous, less democratic periods, had produced different patterns. The clarity of the two great identities was also less clear in other parts of the democratic world, in particular in India, Japan and the USA, even if appropriate substitutes are found for Christianity in the first two cases. By the end of the twentieth century parties rooted in Christianity and/or position in the labour market were also facing challenges in their European heartland – from racial, ethnic and cultural identities, from ecological concerns – though they remained statistically dominant. It is difficult to anticipate developments very far into the twenty-first century. We should certainly not take for granted as either factually likely or even appropriate that the two great twentieth-century identities will still be dominating the organization of politics in, say, 25 years time.

One can acknowledge this while still insisting that the world of labour and occupations will continue to produce issues and problems central to the working of democracy. What is in doubt and does demand attention is extent of democratic representation that labour interests can achieve. This in turn resolves itself into two sub-questions: will the re-

cently growing occupations outside the old cores of business interests, male, manual manufacturing work, public service and the free professions find some way of effectively expressing their political concerns? And what will be the fate of interest representation among the marginal and the insecure? Will they be effectively incorporated by existing labour organizations? Will they develop their own, distinctive forms? Or will they remain politically silent?

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