DOES CENTRALIZATION OF THE BARGAINING STRUCTURE CONTRIBUTE TO THE STABILIZATION OF INDUSTRIAL RELATIONS?

A CONCEPTUAL ANALYSIS

by

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ABSTRACT

This thesis examines on a conceptual level whether, in Canada, government induced centralization of the bargaining structure is apt to contribute to a stabilization of industrial relations measured in terms of a reduction in strike/lockout frequency. A micro-model of strike causation, viewing the outbreak of industrial action as the result of a deliberate gamble of the bargaining parties, forms the core of the conceptual framework developed in this paper. According to this model centralization lowers strike/lockout frequency if it (1) raises the relative costs of industrial action (2) induces the bargaining parties to integrate macro-goals into their goal portfolio (3) modifies collectivity internal interest aggregation in favor of its moderate segments and (4) successfully internalizes intra-group conflict. On the basis of theoretical considerations and existing evidence, the paper then seeks to establish whether centralization can be expected to fulfill these conditions. The study suggests that the impact of centralization upon vertical interest aggregation takes the desired direction. Because of the design of the analysis a general prediction of the effects of centralization upon horizontal interest aggregation can not be made. The relative costs of industrial action in the 'average bargaining unit' are diagnosed to remain unaffected by centralization. While centralization of the bargaining
structure appears to be a necessary condition for unions and employers to integrate macro-goals into their goal portfolio, the analysis can not show that it is a sufficient condition. Finally, contingent on the readiness of the government to actively back the rule of the majority, centralization is expected to internalize intra-group conflict successfully.
TABLE OF CONTENTS

ABSTRACT .............................................. ii
LIST OF FIGURES ....................................... vi

Introduction ........................................ 1

Part One
I. STABILIZATION, BARGAINING STRUCTURE AND CENTRALIZATION 4
II. STRUCTURAL POLICY OUTPUT OF CANADIAN GOVERNMENTS . . 8
III. SHORTCOMINGS OF THE CURRENT LITERATURE ............... 12

Part Two
I. STRIKES AS A RESULT OF BARGAINING MISTAKES .......... 19
II. AN ALTERNATIVE APPROACH ............................ 23

Part Three
I. THE IMPACT OF CENTRALIZATION UPON THE COSTS OF
   INDUSTRIAL ACTION .................................. 28
II. THE IMPACT OF CENTRALIZATION UPON CONFLICT INTENSITY. 33
   The Concept of Conflict Intensity ....................... 33
   The Impact of Centralization upon the Utility
   Assignments of the Labor Market Parties ............... 36
   Leader versus Rank and File Utilities ................. 36
   The Impact of Centralization upon Leader Utilities 40
   The Impact of Centralization upon Rank and File
       Utilities ........................................... 42
LIST OF FIGURES

1. Representation of the Concept of 'Conflict Intensity'... 33

2. Change of Conflict Intensity as a Result of Bargaining Parties Integrating Macro-Goals into their Goal Portfolio... 44

3. Intensity of Wage Conflict: Internalized vs. Externalized... 55

4. Relation of Centralization of Structure to Level of Bargaining... 90
Introduction

It is a salient feature of Canadian labor policy that up to the very recent past governments never actively attempted to shape the bargaining structure they helped to create. The measures designed to improve the performance of the Canadian industrial relations system were modelled on existing bargaining structures and in the main aimed at improving the bargaining procedures.\(^1\)

However, despite the considerable degree of sophistication reached in procedural policy, the bargaining machinery continues to function less smoothly than the government would like. Doubts concerning its efficiency arose particularly in connection with the surge of industrial unrest in the sixties and seventies that catapulted Canada's strike record to a level only surpassed by Italy.\(^2\) In response to what policy makers perceived as an industrial relations crisis the federal government appointed the 'Task Force on Labor Relations' in 1966 to identify the causes of the poor performance of the Canadian industrial relations system. The research sponsored by the Task Force triggered a process of rethinking on industrial relations policy in Canada among direct participants, academics and interested observers alike. In the quest of more adequate institutional arrangements, modifications of the bargaining structure were 'discovered' as a potential avenue
for improvement, with the result that in 1976 Paul Weiler could state: "The structure of collective bargaining is at the forefront of analysis of industrial relations policy in Canada right now." With Canada having one of the most decentralized bargaining structures in Western industrial relations systems, the question as to whether or not a shift to more centralized forms of bargaining would contribute to a stabilization of employer-employee relations in Canada represented a natural focal point of this analysis.

In view of the obvious policy relevance of the issues involved, it may be surprising that academics have shown little interest so far in taking up a major share in the ongoing analysis of structural policy. Accordingly, empirical and conceptual research into the consequences of centralization is still fairly sparse and often hardly capable of providing the policy makers with a firm basis for their decisions. It is the purpose of this paper to contribute to the establishment of such a basis. Our specific question will be: Does centralization of the bargaining structure contribute to the stabilization of industrial relations?

The paper is organized in three parts. Part I serves to define and clarify the component parts of the research question and to review the relevant literature. The second part is devoted to the search for an appropriate theoretical framework within which the potential impact of centralization
of the bargaining structure upon strike/lockout incidence can be traced. Finally, in the third part of the paper an attempt shall be made to give an answer to the research question, that is, it shall be determined as to whether or not centralization of the bargaining structure can be expected to stabilize industrial relations.
Part One

I. STABILIZATION, BARGAINING STRUCTURE AND CENTRALIZATION

In order to limit the scope of this investigation we shall conceive of stabilization in a fairly narrow fashion: the increase of the bargaining parties' capacity to reach contract terms in a peaceful manner. Stabilization in this sense manifests itself most clearly in the reduction of strike frequency (number of strikes/lockouts per year).

The concept of bargaining structure can best be clarified by reference to the legal scheme of union certification. According to this construct exclusive bargaining rights are conferred to the union, which in an election by the employees to be represented, gains a majority of votes. Which employees make up the electorate is decided by the responsible Labor Relations Board. Guided by its interpretation of the 'appropriate bargaining unit' it defines the 'legal bargaining unit'. The structure of the network of legal bargaining units is termed the 'legal bargaining structure'.

A bargaining unit can be defined by type or by area or by a combination of both. Its type is given by the degree of occupational heterogeneity of the unit with pure craft units representing one extreme and industrial units the other. The area of the bargaining unit refers to whether the unit encompasses the employees of a department, a plant, a sector or an industry. On the basis of these classification criteria centralization of the bargaining structure may be de-
fined as any transformation from single to multi-occupational units or from departmental to plant, to sector or to industrial units (expansion of bargaining units along these lines are often concomitant with the geographic unification of bargaining units).

The legal bargaining unit constitutes the basic negotiation unit. That is, while the bargaining parties are free to redraw the boundaries of the legal bargaining unit for the purpose of negotiating, and thereby create the 'actual' bargaining or negotiating unit, they can do so only through collective bargaining.

In their decisions on unit determination the labour relations boards of both the United States and Canada were informed mainly by the goal of facilitating and encouraging collective bargaining. As it is easier to organize smaller, homogeneous groups of employees concentrated in one locality than occupationally more diverse and spatially dispersed employee groups, the labour relations boards tended to certify occupationally narrow and small bargaining units (muti-plant certifications so far have still been the exception rather than the rule). The product of these individual unit determinations has been a very decentralized legal bargaining structure. It has proven to be conducive to the organizing efforts of unions and hence to the spread of collective bargaining but often has not satisfied employer and unions in its function as a negotiation
structure. In many cases at least one of the two parties deemed it advantageous to push for more comprehensive bargaining units (under certain conditions, as will be shown further below, a variation of the bargaining structure is bound to affect the balance of power between the bargaining parties or the position of the incumbent leaders vis a vis their internal opposition). Whatever the motives may be for the bargaining parties to deviate from the legal bargaining structure, one can note with John Dunlop that "[e]xcept in few situations, this bargaining unit (the 'legal' bargaining unit) has very little relevance to bargaining...Typically, collective bargaining is carried out in a unit much broader than the election district."  

The forms of centralization utilized by the bargaining parties can or will vary according to the degree of centralization envisaged for the bargaining structure and on the existing degree of centralization of the labor market parties. If unions and employers respectively, already combine more than one bargaining unit under their organizational umbrella, centralization can be brought about simply by reallocating bargaining authority within union or company. For instance, the UAW centralized bargaining at International Harvester by setting up the 'Harvester Department' to which the locals then transferred their bargaining authority. In many instances, however, the intended expansion of the bargaining unit exceeds that of the organizational coverage of the labor market parties. In such
cases (in Canada where a fragmented bargaining structure is paralleled by a fragmented union structure this may frequently occur) union and employer coalitions may provide the necessary organizational super structure. One of the more prominent examples of coalition bargaining in Canada is furnished by the national railways industry where 16 separate and autonomous unions representing about 95000 workers form with 11 railways the largest single negotiating unit in Canada. In contrast to the previous two, the third avenue to centralized bargaining, the establishment of pattern bargaining, is largely informal in character. By voluntarily adopting the contract terms reached in the key bargain the pattern follower delegates bargaining authority to the pattern setter. For instance, bargaining in the Canadian steel industry is centralized in that fashion. The agreement reached between Stelco in Hamilton and the United Steelworkers sets the pattern for the entire industry.

With respect to the goal of industrial relations stability the autonomous determination of the negotiation structure proves to be rather problematic. As we mentioned above the modification of the bargaining structure can have major impacts upon the long term power distribution of the bargaining parties. A deviation from the legal bargaining structure will therefore rarely be in the interest of both sides. Due to the stakes involved, alterations of the bargaining structure are bound to become conflict laden bargaining issues and it is
hardly surprising that

[disputes arising from attempts to change the structure of bargaining no doubt involve the most difficult negotiations with the most serious and longest work stoppages.]

Canadian governments, so far, confined their structural activities largely to measures designed to mitigate the destabilizing side effects of the autonomous determination of the negotiation structure without actually depriving the bargaining parties of this autonomy. As the legal instruments developed in this connection could also be used as levers for a more interventionist government policy, we shall briefly sketch their essential features.

II. STRUCTURAL POLICY OUTPUT OF CANADIAN GOVERNMENTS

The Provisions of the B.C. Labour Code furnish a good illustration of the structural innovations that so far have been introduced in various Canadian jurisdictions. The B.C. Labour Code, enacted in 1972, contains three legal constructs by which existing bargaining structures can be transformed into more comprehensive ones: (1) accreditation of employer associations, (2) certification of councils of trade unions and (3) self repeal of decisions concerning certification and accreditation.

Originally designed to stabilize industrial relations in the construction industry, the B.C. Labour Code has adopted the legal scheme of accrediting employers' associations as the
general institutional form of group bargaining. It is open to all employers willing to engage in wider-based bargaining. By granting an employer association an accreditation order, the association becomes the exclusive bargaining agent for all the employers in the group. Thus, in its legal consequences accreditation resembles the union certification process. Both procedures remove the question of recognition from the bargaining table and thus eliminate one of the more serious sources of industrial strife. While in B.C. the formation of an employer association for the purpose of collective bargaining is voluntary, the B.C. Labor Code places considerable restrictions upon members trying to withdraw from the association. In order to instill the stability which is so often lacking in voluntary associations the B.C. legislators prescribed that once an employer has joined an association he can leave it only with assent of the Labor Relations Board. That is, this employer will have to adduce persuasive arguments that there is good reason to be released. Furthermore, section 59 stipulates that 4-5 months have to elapse after the execution of a collective agreement before an employer may apply for the termination of his membership in the association.

On the employee side, the expansion of existing bargaining units is facilitated by the extension of the certification procedure to include labor councils, that is, union coalitions, as bargaining agents. While continuing to stress
voluntarism as the guiding principle to bring about a more centralized bargaining structure, the B.C. Labor Code vests the Labor Relations Board with the right to impose a council structure upon unions if this is deemed in the public interest. In contrast to the arrangements on the employer side which merely supply an 'institutional encouragement' to voluntary centralize decision making in collective bargaining, the provisions of section 57 empowering the Board to force the unions into a coalition (its constitution is jointly formulated by the unions and the Board) have created a powerful institutional lever through which the interest of the public can be imprinted upon the shape of the bargaining structure.¹²

Equally powerful is the third instrument the B.C. Labor Code has accorded to the Labor Relations Board to tailor appropriate bargaining structures. Section 36 allows the Board to rescind its own decisions, in particular those concerning certification or accreditation. This implies that the Labor Relations Board can withdraw existing bargaining rights and repeat the certification procedure on the basis of redefined bargaining units.

As the doctrine of exclusive bargaining rights is an integral part of North America's legal tradition, recertification may appear as the 'cleanest' way to centralize the bargaining structure. On the other hand one can not conjure away the implementation problems this mode of centralization is likely to encounter. Due to the smaller number of bargaining units in the process of reassigning bargaining rights many
locals, if not whole unions, would lose their existence. That is, recertification would not only centralize the bargaining structure but would consolidate the union structure as well. Thus for a segment of the labor movement large scale recertification campaigns would mean an assault upon its institutional security and, accordingly, would evoke massive protest and fierce resistance. In view of the political reality in British Columbia which is marked by firmly entrenched unions, the Labor Relations Board has therefore favored the council concept as the main avenue to a centralized bargaining structure.

The relatively short history of the B.C. Labor Code saw the Board using with utmost caution the lever of imposing a council structure upon unions. So far, the Board has invoked section 57 only in those cases where traditional procedural policy has clearly proven insufficient. If taken together, the legal provisions in the B.C. Labor Code which empower rather than order the Board to centralize the bargaining structure and the actual policy made by the Board seem to suggest that structural policy has so far been considered a measure of last resort rather than a full fledged alternative or significant supplement to procedural policy.

Having defined and clarified the components of our research question (industrial relations stability, bargaining structure, centralization) and pointed out the institutional levers through which the Canadian government could carry out
a policy of centralization we shall now turn to the literature which analyzes the relationship between bargaining structure and stability of industrial relations.

III. SHORTCOMINGS OF THE CURRENT LITERATURE

A review of the literature reveals that the potential impacts of centralization of the bargaining structure upon strike incidence are the subject of scattered references rather than systematic exploration. Casual presentation, the use of ad hoc hypotheses and frequent resort to theoretical shortcuts characterize the respective contributions. In order to gain perspective, this chapter will give a brief account of various published hypotheses relevant to the impact of the bargaining structure upon strike incidence.

Perhaps the most basic argument put forward by the advocates of centralized bargaining rests on the truism that the curtailment of bargaining opportunities caused by centralization equally curtails the opportunities to legal strike action. The caveat in this reasoning is the tacit assumption that the reduction of legal strike opportunities will automatically translate into reduced strike incidence. Such assumption, however, is valid only if the elimination of bargaining opportunities does not affect the bargaining system's capacity to resolve conflicts and hence does not change the bargaining behavior of unions and employers. For instance,
should the reduction of bargaining opportunities produce a situation where many problems remain unaddressed the ensuing frustrations of those concerned may raise the percentage of negotiations that result in industrial action or seek an outlet in illegal forms of industrial action, for example wildcat strikes. In the former case centralization would merely redistribute the strike incidence prior to centralization among fewer bargaining units.

The following hypotheses are similar in that they view the potential impact of centralization upon strike incidence as being mediated by changes in the bargaining behavior of unions and employers. The hypotheses differ in terms of the kind of 'transmission belts' linking bargaining structure with bargaining behavior. Three different ways can be distinguished by which centralization may modify bargaining behavior. In the first centralization presumably influences bargaining behavior by altering the balance of power between employers and unions, in the second, by causing powershifts within the bargaining parties; and in the third, by increasing the capacity of the bargaining parties to harm the public.

Arthur's and Crispo's study on accreditation in the construction industry may serve as an example for a hypothesis of the first type. Industrial relations in the North American construction industry are known to be extremely unstable. Both authors feel that restoring balance of power between employers and unions which in their view has been
heavily tilted in favor of the unions would improve the strike record in this industry. The creation of counterveiling power on the employer side (by means of the formation of accredited employer associations) is expected to have a 'sobering' effect upon the unions and bridle their aggressiveness at the bargaining table. While intuitively appealing, the above argument looses some of its plausibility if one applies its underlying behavioral assumptions to the explanation of the high strike/lockout incidence, prior to centralization. With Arthur and Crispo one would expect that the union as the stronger side would act in a very assertive fashion. One would however equally expect that the weaker side (here the employers) in face of the power constellation, which according to Arthur's and Crispo's behavioral assumption should have a 'sobering effect' upon it, would show a low profile at the bargaining table and thereby compensate the aggressiveness of the union. As the high strike/lockout incidence indicates this evidently does not happen in the construction industry. If centralized power does not have the desired impacts on the employer one might ask why centralized power should have them on the union. For Arthur's and Crispo's hypothesis to be persuasive this discrepancy in behavior needs explanation.

A similar critique can be levelled against Chernish, who in contrast to Arthur and Crispo takes the view that centralization leads to 'more frequent, larger, and longer strikes'. He backs this contention by reference to the in-
creased power of the unions, which he deems the weaker party prior to centralization. According to this reasoning the gain in power will tempt the unions to make more extensive use of the strike weapon. However, as the shift in the distribution of capabilities will hardly go unnoticed by the side losing power, it is not logical that only the heretofore weaker side responds with a change in bargaining behavior. One would expect that the losing party changes tack as well with the result that the increased 'boldness' of the stronger side is offset by the weaker side's greater readiness to compromise. In the form stated Chernish's argument remains therefore inconclusive.

While in the conceptualizations of Arthur and Crispo and Chernish centralization affected strike incidence by altering the distribution of power between the bargaining parties, the focus of Weiler's contribution is on the power distribution within the single bargaining camps.

Effective bargaining in large bargaining units calls for the single employers and employee groupings making up each unit to give up some of their autonomy and to delegate decision making power to the collectivity. In Weiler's opinion it is this feature which renders centralization a formidable weapon against competitive bargaining. In competitive bargaining, unions bargain with the objective of attaining contract terms which outstrip those concluded in a reference bargaining unit. In centralized structures these competing groupings are forced
to bargain as one unit. The issue of wage structure will thereby increasingly become the subject of collectivity internal decision making. Accordingly, any grouping seeking to improve its position in the established wage hierarchy needs the consent of its competitors. Thus, to the extent that centralization succeeds in bringing potential competitors under one organizational roof competitive bargaining will vanish.

While one can not quarrel with the above argument Weiler's reasoning leading him to the hypothesis that competitive bargaining causes an inordinate amount of strikes/lockouts is hardly persuasive. In his opinion competitive bargaining is 'strike prone' because it invites bargaining mistakes. This argument, however, is plausible only if it is true that competitive bargaining seriously impairs the capacity of unions and employers to analyse the bargaining situation in a sober fashion and/or makes the assessment of capabilities and intentions of the actors more difficult. These attributes of competitive bargaining, however, are hardly self-evident. Thus, for the hypothesized relationship between competitive bargaining and the making of bargaining mistakes to be plausible, supporting evidence or arguments appear to be indispensable. Unfortunately, Weiler has made no efforts in this direction.

The presumption that industrial action in centralized bargaining structures is likely to inflict more harm upon the
public than in a decentralized structure characterizes the third type of conceptualization linking bargaining structure with strike incidence. A good example of this strand in the literature is Saunders' account of group bargaining. Recognizing that strikes/lockouts in centralized structures carry the potential of considerable harm for the public Saunders notes that centralized bargaining "...places increased responsibility on each of the participants to consider the impact of the results of their negotiations have on the public welfare." He concludes that "...this therefore, leads to more responsible bargaining." The plausibility of this hypothesis rests on the optimistic assumption that unions and employers grant the interests of the public precedence over those of their constituencies. While we can not exclude this possibility, in view of historical experience the capacity of organized interests to act altruistically appears rather limited. In attempting to predict the impacts of centralization upon strike incidence it would therefore seem to be safer to bank on the parties' self-interest rather than their altruism.

The narrow scope, ambiguities and insufficient plausibility of the conceptualizations discussed severely restrict their capacity to inform industrial relations policy. We feel, however, that many of the shortcomings in the literature could be overcome and, hence, a more accurate and comprehensive picture of the relationship between bargaining structure and
strike incidence be presented if one chooses a more systematic approach and grounds the analysis in an explicit concept of strike causation. It is the development of such concept to which the next part of this paper is devoted.
I. STRIKES AS A RESULT OF BARGAINING MISTAKES

For the design of a theoretical framework capable of tracing the impacts of a modification of the bargaining structure on strike incidence, strike theories appear as a natural source of conceptual building blocks. However, not all strike explanations are of equal use. Since we conceive of the bargaining structure as an intervening variable between the economic, social and political environment of employers and unions and their values on the one hand and their bargaining behavior on the other, a suitable strike theory has to feature the bargaining process as one of its integral components. It is for this reason that the strike explanation developed in the context of bargaining theories stands at the center of the following discussion.

The gist of this type of strike explanation is succinctly expressed in a much quoted dictum by Hicks: "Under a system of collective bargaining...the majority of actual strikes are doubtless the result of faulty negotiations." According to Walton/McKersie 'faulty' negotiations and hence "...strikes occur, precisely because the negotiators are not clear about the real intentions of the other side." In other words, "If a strike occurs it is because of miscalculations which were made and acted upon during the negotiation process." These strike explanations have two important drawbacks. First, their
authors fail to identify the conditions under which the bargaining parties tend to make mistakes. Without such specifications strike explanations a la Hicks remain mere tautologies, interpretations of strikes rather than predictive theories. Second, and more importantly, over wide areas the miscalculation hypothesis lacks operational meaning. A closer look at its policy implications will elucidate this point.

If we follow Hick's assertion that "adequate knowledge will always make a settlement possible"⁵, the key to strike reduction lies in quality and quantity of information available to the bargaining parties. However, for this conclusion to have any practical relevance the information has to be readily accessible. This requirement, however, can be met only by a fraction of the information.

To anticipate 'opponent's' moves 'party' has to gain knowledge of 'opponent's' capabilities and intentions.⁶ The former comprise the financial and organizational resources 'opponent' can muster to sustain a strike or lockout. 'Opponent's' utilities, his tactical choices and his estimate of 'party's' capabilities, utilities and tactical choices make up the latter. Information on such resources as strike funds, creditlines, strike insurance, availability of alternative jobs during strikes etc. is in principle ascertainable. With the same confidence this can not be said for the second category of resources, resources over which the collectivity has command only through the decisions of the individual member.
Individual savings and generally the willingness to endure a lowered standard of living for the time of the strike would fall under this heading. It becomes apparent that at the level of the individual member of the collectivity the distinction between capabilities and intentions is somewhat blurred. To the extent that the mobilization of these individual resources is at the sole discretion of the member, information as to this component of the opponent's capabilities is not accessible in an objective fashion. However, due to their being part of an organization the individual's decisions will be influenced by the collectivity. The term 'organizational resources' seeks to capture this dimension of the individual's decision. It refers to the collectivity leader's capability to mobilize at will the membership's individual resources. While conceptually straightforward, on an empirical level even for the leaders themselves, this category is quite elusive. If it encompasses more than organizational coverage, collectivity control (more precisely leader control) over the resources of the individual members takes on a concrete form only if viewed as a historical-empirical magnitude. While we do not want to belittle the information problems associated with those resources of the collectivity which are controlled by its individual members we feel that they are not significant enough to call into question our conclusion that overall information concerning the bargaining parties' capabilities is objectively attainable.
In contrast, only the opponent has access to his intentions. That is, even if he could be forced to reveal his intentions, we have no way of knowing whether the intentions disclosed actually are the true ones. Accordingly, we do not possess any method of specifying 'right' calculations other than by reference to the occurrence or non-occurrence of strikes or lockouts. That is, strike explanations a la Hicks are empirically meaningful only if one can reasonably assume that capabilities alone determine the moves of the bargaining parties.

For capabilities to become the sole criterion in bargaining decisions, the antagonism between employers and unions has to have reached such proportions that the bargaining parties persistently take positions whose defence and toppling respectively, is felt by each of the two sides to justify the costs of industrial action even if the other side is expected to mobilize its entire resources. In the early, formative stages of a bargaining relationship such a situation is not uncommon. The bargaining parties may not yet have reached a basic understanding of the power distribution and hence lack a basis for the coordination of expectations. In Canada, however, most bargaining relationships, having already been in existence for some time, have passed this stage. Reduced to its empirically meaningful core the conventional strike hypothesis has therefore little relevance for the Canadian context and, consequently, is ill suited to serve as conceptual basis for
our investigation. A more fruitful concept of strike causation shall be developed in the following chapter.

II. AN ALTERNATIVE APPROACH

In contrast to the strike theories a la Hicks the following concept of strike causation stresses the historical dimension of bargaining relationships. It starts from the notion that bargaining relationships are lasting arrangements. Negotiations are therefore a recurrent event where experiences made in the past will influence present negotiations.

Due to the nature of industrial conflict, the history of any bargaining relationship will to a large extent be a history of dissent. However, in most cases the bargaining history will also have produced consensus. It finds expression in bargaining standards which serve as guidelines for the resolution of newly arising disputes. These standards, for instance, may state an equitable interest of the union in institutional security, limit the demands of the union to the employer's ability to pay and/or may define forms of communication which help the negotiators to read each other.  

With both sides having the capacity to buttress their claims by inflicting costs upon their opponents, the possibility emerges that due to massive resistance of the other side the costs of pursuing a particular bargaining goal will outstrip its benefits. Thus, in order to avoid the incurring of net losses each side, when setting bargaining goals, will reason-
ably have to take into account the likely resistance of the other side. A correct estimate of the latter requires knowledge not only of the opponent's capabilities but also, and this is more difficult to come by, of his preferences. It is here now that the bargaining history embodied in the bargaining standards comes in. As the result of the interaction of the bargaining parties' capabilities and preferences in past negotiation rounds, the standards define the status quo of their long term bargaining positions. By relating their demands to these standards and 'measuring the 'distance' to them' the bargaining parties receive an indication of the resistance their demands will encounter. Demands or offers which flout the bargaining standards will be considered as an assault upon its long term bargaining position by the other side and will therefore evoke fierce resistance. Consequently, unless massive shifts in capabilities call for a redrawing of long term bargaining positions cost conscious, and in this sense rational actors will seek to place their demands within the frame set by the standards. In this fashion unions and employers coordinate their aspirations and thereby contain conflict at a level where the single issues can be dealt with unencumbered by considerations concerning the bargaining parties' long term bargaining position.

One can expect that in most cases, especially where the bargaining relationship has already been in existence for some time (in Canada this holds for the majority of bargaining re-
relationships), the two sides will be able to coordinate their aspirations sufficiently as to give rise to what in the literature is referred to as 'range of practicable bargains'\textsuperscript{8} or 'positive settlement range'\textsuperscript{9}. It denotes a range of potential outcomes within which any concession is felt by both sides as less costly than a strike or lockout. In this range each side, therefore, is likely to be guided by the expectations of what its opponent will accept. With both sides seeking to build such expectations into their calculations bargaining decisions become interdependent.

For the individual bargainer interdependence has two implications. First, he has to decide on his moves under conditions of uncertainty. Second, he can actively influence the other side's calculations and thereby tilt the bargaining outcome in his favor. While it is the former aspect of interdependence which is at the hub of strike explanations a la Hicks the explanation offered here focusses upon the second aspect. More specifically, the incidence of strikes/lockouts is conceptually related to the bargaining parties' choice of tactics. This choice is viewed as a reflection of the intensity with which unions and employers seek to prod each other into accepting their favored terms.

To budge the other side a bargainer can choose among two groups of tactics. The first seeks to influence the opponent's bargaining behavior by manipulating his perception of utilities. The moves made in this connection (pointing out adverse repercussions of the realization of particular demands,
building up inventories to reduce the costs of strikes etc.) are similar in that they do not aim at endangering the long term bargaining position of either party. This type of tactic thus makes use only of the features of the 'agreed on battle'. In contrast, the second group which is also referred to as commitment tactics uses the risk of escalation (from this 'agreed on battle') to exact concessions. By pledging a particular course of action in an irrevocable manner the actor puts on the line his credibility for future negotiations. Thereby, he adds a dimension of utilities to the envisaged bargaining outcome which touches upon the bargaining parties' long term bargaining position. In tying the attainment of the favored contract terms to the preservation of its own long term bargaining position the side making the commitment openly raises the stakes for itself to a level which renders industrial action a profitable proposition. However, the pressure generated in this fashion will translate into favorable terms only if the commitment does not cause the other side to re-assess potential bargaining outcomes. In other words the opponent must not feel that a concession will weaken his long term bargaining position. The fulfillment of this condition is not unlikely.

The side committing itself has rigged the bargaining situation in a way that a concession can easily be interpreted as a move merely to preserve the parties' long term bargaining
positions. On the other hand, once utilities which clearly refer to the bargaining parties' long term position have been infused into the negotiations the fine line separating restoring from improving positions may become blurred and, hence, commitments be regarded by the other side as an assault upon its long term bargaining position. The 'range of practicable bargains' would then collapse and the two sides, presumably in defense of their respective long term positions, engage into industrial action. These considerations suggest that while commitment tactics may be more effective than other tactics they also appear more risky.

For the following analysis we shall assume that strike/lockout incidence varies with the extent the bargaining parties employ commitment tactics. We hypothesize that the bargaining parties' readiness to resort to this group of tactics and hence the strike incidence, varies positively with the intensity of conflict and negatively with the costs of strikes/lockouts. Accordingly, one would predict a reduction of strike/lockout incidence if centralization of the bargaining structure would lower conflict intensity and/or increase the costs of the exercise of power. It will be the subject of the remainder of this paper to examine whether centralization actually produces these effects.
I. THE IMPACT OF CENTRALIZATION UPON THE COSTS OF INDUSTRIAL ACTION

Two factors determine the costs of strikes/lockouts. First, the features of the bargaining environment such as the structure of the production process (the degree of integration of operations, the proportion of fixed to variable costs etc.), the business cycle (for the employer strikes are more expensive if they occur during the peak of the cycle than in its trough) or the properties of the product (e.g. the interruption of transportation services may cause only a temporary cash flow problem for the producer of durable goods but may inflict irretrievable losses to the producer of perishable goods). Second, the bargaining decisions of employers and unions concerning the duration and scope of industrial action (where the latter denotes the proportion of a bargaining unit's membership which is here actively involved). To trace the potential impacts of a change in these costs upon bargaining, the second cost component has to be conceptually neutralized. Thus, the costs of industrial action shall here refer to the costs per day and per bargaining unit in which all members, and not only a fraction thereof, as for instance in rotating strikes, are assumed to participate in industrial action.

Given the democratic character of unions and of employer associations it is to be expected that the costs per
collectivity member rather than the total costs shape the bargainers' decisions. The following analysis is confined to these relative costs. In short, by costs of power exercise we mean the costs of strikes/lockouts per bargaining unit, per day and per collectivity member.

Centralizing a given bargaining structure necessarily implies that the number of employers and employees covered by a collective agreement will increase. It goes therefore nearly without saying that the absolute costs of industrial action such as the total losses of production, revenue and income are bound to go up as well. Whether the increase of absolute costs will be paralleled by a rise of relative costs, that is, costs per collectivity member, hinges, as we shall see, on the institutional setting prior to the variation of the bargaining structure. We shall distinguish between two basic scenarios, representing the two poles of a continuum. Most real world situations will take a position somewhere in between these two extremes.

The first scenario is epitomized by a situation where nationally organized labor market parties operate in a bargaining structure marked by local, or plant bargaining. Under these conditions strike or lockouts usually affect only a fraction of the total membership. The members involved in industrial action will however be able to draw on the resources of the non-participating members such as strike funds or creditlines belonging to or granted to the labor market or-
ganization as a whole. Thereby the costs per member of industrial action can often be kept at a fairly moderate level. Since the centralization of the bargaining structure tends to reduce the discrepancy between the structure of the labor market parties and the bargaining structure, these cost advantages disappear. In case of an outbreak of strikes or lockouts, due to the increased strength of 'opponent', 'party' would have to bring out much larger proportions of its membership with a corresponding drain on the organization's resources. Clegg evidently has this scenario in mind when in his crossnational study, he asserts that strikes in North America are cheaper to the unions than those in other industrialized nations.

...the United States is predominantly a country of plant agreements. In the five countries Australia, France, Sweden, United Kingdom and West Germany the great majority of trade unionists are covered by industry- or regional agreements, or as in Australia, by awards covering an industry which is either statewide or interstate. Consequently, an official and constitutional strike may be called in the United States at least in most plants in manufacturing industry, at much less cost to the members as a whole than a strike to change the terms of most agreements (or awards) in any of the other five countries.

The second scenario refers to a setting where not only the bargaining structure but also the union and/or the employer structure is fragmented. Unlike the first scenario where centralization of the bargaining structure merely led to a reallocation of the members of already centralized labor market organizations to larger bargaining units, in the second scenario centralization equally means the creation of new organizational structures for employers and employees. To
function in a centralized bargaining structure in most cases the heretofore independent groupings of employers or employees will band together in the form of coalitions. This will include a pooling of their resources. The increase in absolute costs of industrial action associated with the expansion of bargaining units will thus be offset by an equal increase in resources. In consequence, the strike/lockout costs per coalition member do not increase as a result of centralization.

Moreover, if one takes into account that the widening of the organizational scope of the newly created labor market parties will inevitably reduce the number of competing employers, who could take advantage of industrial action, one might even make the case that in scenario II for a small group of employers the relative costs of industrial action will not only not rise but may actually drop as the result of centralization. The incapability of the employer involved in industrial strife to deliver gives competitors the opportunity to satisfy the demand with their own products. Thereby, the employer involved in industrial action loses the chance to recoup the revenue losses by increased sales after the resumption of normal operations. The losses suffered in the course of industrial action become final. What is more serious, after the termination of industrial action customers may not return to their original source of supply, amounting to a drop in the market share. Costs of this type accrue to producers whose goods or services are too similar to those of their competitors as to
give rise to intense brand loyalty. While centralization of the bargaining structure will always cut down the number of competitors the reduction of competition will only in few cases be large enough as to have a noticeable impact upon the costs of industrial action.

In general, only the employers of the sheltered sector, that is, the sector of the economy which is not exposed to international competition, can expect some relief. This circle of potential beneficiaries will further shrink if one considers that centralized bargaining in Canada will usually mean bargaining at a regional or provincial level. Among the employers who as a result of centralization could face reduced costs of industrial action one would find, for instance, the employers of the construction industry. This industry belongs to the sheltered sector and with few exceptions operates in regional or provincial markets. According to our strike/lockout hypothesis centralization of the bargaining structure would then encourage rather than discourage the use of strike/lockout prone tactics on the part of this industry's employers.

In sum, while of course only careful empirical analysis could bring greater certainty, with roughly 200 unions, of which only about half have more than 10000 members, the Canadian industrial relations system\(^2\) appears to tilt to scenario II. We would therefore expect that centralization of the bargaining structure at the most has a moderate effect upon the costs of industrial action and hence will not have a
marked impact upon the incidence of strikes/lockouts. This very general statement leaves room for deviations at the level of individual industries. For instance, British Columbia's brewery or mining industries fit scenario I. Consequently, in these industries centralization would generate the desired cost increases (in the brewery industry for the union, in the mining industry for the employers) and thereby contribute to a lowering of strike and lockout incidence.

II. THE IMPACT OF CENTRALIZATION UPON CONFLICT INTENSITY

The Concept of Conflict Intensity

Conflict intensity is conceived of as the difference between the utilities which each side ascribes to the potential settlement points of the range of practicable bargains. To visualize this idea we shall use the following chart.

Fig. 1. Representation of the Concept of 'Conflict Intensity'.
It depicts two degrees of conflict intensity over the issue of wages. The curves AC, A'C' respectively, represent two possible utility functions of the employer, that is the sets of values (degrees of satisfaction) he attaches to the wage rates making up the range of practicable bargains. The utility functions of the union find expression in the curves BD and B'D'. It is assumed that for the union the utilities of alternative wage rates increase with the wage level while they decrease for the employer. Accordingly, the utility curve of the union has a positive slope the one of the employer a negative slope. For the sake of simplicity we shall further assume that the utility functions are linear. Each set of utility curves AC, BD and A'C', B'D' represents a bargaining situation which differs from the other in terms of intensity of conflict. The degree of conflict intensity corresponds to the area enclosed by the respective utility curves of employer and union. Accordingly, in the above chart the bargaining situation described by AC, BD exhibits a higher degree of conflict intensity than that described by A'C', B'D'.

Due to the difficulty of constructing and comparing utility functions under real world conditions this concept of conflict intensity does not lend itself to precise measurement. In the context of our investigation this deficiency however, does not weigh too heavily. Since our central concern here is to find out whether centralization of the bargaining
structure is apt to reduce conflict intensity, the focus of our interest is upon changes rather than absolute levels of conflict intensity. It suffices therefore to identify factors which cause the utility curves to shift and to determine in which direction centralization of the bargaining structure would have to influence them to generate smaller areas and hence lower intensities of conflict.

If we take into account that the concept of conflict intensity is stated at the aggregate level, that is, utilities refer to the collectivities rather than to their constituent members, there exist two principal avenues through which centralization of the bargaining structure could effect a lowering of conflict intensity. In the first, centralization would effect a reduction of utilities of all or some collectivity members. In the second avenue, while leaving the utilities unchanged, centralization would alter the weights with which the individual utilities enter the collectivity's internal aggregation process in favor of those of the more moderate members.

Collectivity utilities can be disaggregated along vertical and horizontal lines: the former yields leader and grassroots utilities, the latter utilities of the various groupings of the rank and file. These distinctions mirror the quantitative and qualitative heterogeneity of interests among the collectivity members. Unlike the cleavage between the interests of leader and rank and file which to a large extent grows out of their roles in the collectivity organization, the dif-
ference between the various facets of interests of rank and file segments eludes general specification. It is for that reason that in the examination of the impacts of centralization of the bargaining structure upon the utilities of the rank and file its internal interest heterogeneity will be ignored. This abstraction will be dropped only at the second tack of our investigation where we shall analyse the effects of centralization upon the distribution of decision making power in the collectivity.

The Impact of Centralization upon the Utility Assignments of the Labor Market Parties

Leader Utilities versus Rank and File Utilities

The thrust of the grassroots interest is directed at an improvement of its position in the relationship to the bargaining opponent. In the case of union rank and file for instance, this interest manifests itself in demands for higher income, increased fringe benefits, job security, larger share in the company's decision making process etc.

Union leaders generally have a social background similar to that of the ordinary members and usually are recruited directly from the rank and file. They can be expected, therefore, at least qualitatively to identify with the interests of the grassroots. Beyond that they have a leader specific interest in securing their position as leader and
extending the prestige and benefits associated with it. This latter interest need not necessarily be at variance with the interest of the rank and file. Democratic forms of collectivity government, and as Barbash assures us, "[p]opular control and politics are real in the national union", guarantee a certain overlap of interests. In such a set-up the collectivity leaders can realize their particular goals (such as political survival, organizational growth or institutional security) only if they fulfill the aspirations of their constituents. Thus, collectivity leaders will have to treat the interests of the grassroots as their own. However, although for the attainment of leader specific goals grassroots support is necessary it is not sufficient. At least over the long haul leaders also need a certain measure of support, in form of some voluntary recognition, by the bargaining opponent and the public (as represented by the government). Its desirability is owed to the fact that forced recognition requires a high degree of rank and file mobilization which for longer periods of time will be difficult to sustain.

The price for voluntary recognition is the exhibition of a 'responsible' bargaining policy which usually means a less vigorous pursuit of short term rank and file interests or generally a less adverserial approach to bargaining. It is here that the interests of the leaders in long term institutional security and growth will clash with the grassroots'
interest in more immediate benefits entailing different utility assignments. The readiness of the leaders to take a more accommodative stand in negotiations could be neutralised or even outweighed by a strong ideological commitment to the rank and file interests. In view of the rather uniform ideological landscape in North America in comparison to say European conditions this, however, appears as a rather remote possibility. Overall, therefore, we would expect the utility curves of the leaders to run below that of the rank and file. This view accords with the results of a study by Parnes who concluded that "...in the majority of cases the rank and file is more, rather than less, 'extreme' than the leadership in pressing for contract demands." Similiarly, in Britain a government survey on workplace industrial relations revealed that more than three managers in four considered stewards to be less militant than their members, a finding which was confirmed in a study by McCarthy and Parker.

The very lack of rigid ideological boundaries between employers and employees in North America provides a fertile ground for what Robert Michels called 'embourgoisement'. Applied to the field of industrial relations the term denotes a tendency among trade union leaders to adopt not only the life-style and the demeanor of their opponents but also, and this is more important here, their standards in the assessment of bargaining issues.
Union leaders are exposed to a constant barrage of criticisms of their bargaining opponent who never becomes tired of pointing out the adverse repercussions of their demands on the state and course of the 'boat' the employees presumably share with the employers. To counter these attacks union leaders will be hard pressed to formulate and to present their demands in reference to the economic over-all picture.

In the direction of the economy the economic order of Western countries accords the owners of capital the dominant role. This implies that for the economic system to function properly the concerns of the employers have to rank higher than those of the employees. For instance, 'sufficient' investments will come forward only if in the eyes of the capital owners the distribution between labor and capital leaves them 'satisfactory' profits. In other words the systemic constraints which the union leaders have to take into account are rigged in favor of the employers. Getting accustomed to presenting and defending one's case in reference to the 'broader context' thus, for the union leaders harbours the risk of inadvertently adopting the bias in the ranking of concerns inherent in this 'broader context'. In the following we shall assume that the danger of union leaders succumbing to embourgoisement is positively related to the organizational distance between leaders and rank and file.

In sum, both the leaders' dependence on the support of the opponent and the government in attaining institutional se-
cURITY and growth and their susceptibility to 'embourgoisement' suggest that their utility assignments are more moderate than those of the rank and file. Consequently, the intensity of a given conflict, if measured in leader utilities will be lower than that measured in rank and file utilities.

In the next step of our investigation we shall examine as to whether or not centralization of the bargaining structure will lower the intensity of conflict as seen from the perspective, first, of the leaders and, second, of the rank and file. Since we have already analyzed quite extensively the relationship between leader and grassroots utilities, the first part of the question may conveniently be answered in relative terms, that is, by ascertaining whether centralization will further widen the gap between these utilities.

The Impact of Centralization upon Leader Utilities

Following the above reasoning one could expect the distance between leader and rank and file utilities to increase if centralization renders the leaders, first, more dependent on the voluntary recognition by opponent and government and, second, makes the leaders more susceptible to 'embourgoisement'.

To the extent that centralization entails a rise of interest heterogeneity in the collectivity which will normally be associated with a strengthening of centrifugal forces in
the organization, one might argue that a lasting mobilization of the grassroots will become more difficult. To ensure institutional security and growth the leaders would therefore have to rely more heavily upon voluntary recognition. Still, while plausible, we feel that the relationship between interest heterogeneity and the leaders' capability to mobilize the rank and file which represents the linchpin of the argument is too tenuous as to predict a growing dependence of the leaders upon their opponent and the public.

A somewhat stronger case can be made for the assertion that with centralization leaders become more susceptible to 'embourgoisement'. Size and internal heterogeneity of the bargaining parties created by centralization make intra-organizational interest aggregation very intricate. The leaders directing the negotiations can cope with the problems involved only with the assistance of various officials and experts. Thus, centralization will inevitably give rise to bureaucracies on both sides of the bargaining table. However, the gain in bargaining efficiency made hereby is bought by an increase in organizational distance between leaders and rank and file, that is, leaders will rarely be directly confronted with the concerns of their constituents. Before reaching the negotiators at the bargaining table the wishes and grievances of the rank and file usually will have passed through the filter of multiple organizational layers. It appears plausible that leaders sheltered in this way from immediate grassroots pressures may
take a rather detached view at the concerns of the rank and file. Used to placing the demands of the membership in a broader context the leaders may easily slide into the habit of applying criteria to the desirability of potential bargaining outcomes which are more congenial with the views of the opponent or 'neutral' experts than with those of the rank and file. This may, for instance, explain why officials at the headquartes of the 'IG Metall' (Germany's Metal Workers' Union), as has been alleged, are less 'radical' than those at the union's regional (Bezirks-) offices.

The Impact of Centralization upon Rank and File Utilities

The relationship between employers and employees is marked by the coexistence of shared and conflicting interests. Most issues touch upon both types of interests. Accordingly, the less the bargaining parties are inclined to assess the various issues in the light of the conflicting issues or the more they view them from the perspective of their common interests the lower will be conflict intensity. In the following it will be argued that centralization of the bargaining structure could cause unions and employers to modify their perception of the bargaining issues in the indicated direction if it, first, induces the bargaining parties to integrate macro-goals into their goal portfolio and, second, if it creates a setting where inter-group conflict is purged from intra-group conflict.
Centralization as a Means to Impart Macro-goals to the Goal Portfolio of the Labor Market Parties

'Macro-goals' denote the objectives of the larger community in which both bargaining parties are embedded. Goals such as economic growth, monetary stability, international competitiveness, full employment etc. fall into this category. Their capability to reduce conflict intensity derives from the fact that utilities ascribed to potential contract terms from the perspective of their contribution to micro-goals turn into disutilities if viewed from the perspective of macro-goals.

The wage issue may illustrate this point. From the vantage of the micro-goal 'growth of short term income' the utilities of the unions will vary positively with the wage height. Suppose now that the macro-goal 'monetary stability' enters the assessment process. It may then well be that from a certain point onwards further wage increases will be viewed incompatible with the goal 'monetary stability' and thus be associated with disutilities. The latter cause the utility curve BD' in figure 2 which embodies both micro- and macro-goals to veer off from the utility curve BD which is constructed with respect to the micro-goal 'growth of short term income' alone. Similarly, the macro-goal 'increased growth', which in modern economies usually requires not only a rise in the rate of capital accumulation but also one in motivation of the workforce, may mitigate the tendency of employers, derived from the profit motive, to attach high utilities to wage rates.
close to the lower end of the bargaining range. Analogous to
the previous case of modified employee utilities the utility
curve A'C embodying micro- as well as macro-goals will level
off with wage rates approaching the lower spectrum of wage
rates. In both examples as a consequence of the integration
of macro-goals into the frame of reference of the bargaining
parties the area enclosed by the utility curves has become
smaller indicating a drop in conflict intensity.

Fig. 2. Change of Conflict Intensity as a Result
of Bargaining Parties Integrating Macro-Goals
into their Goal Portfolio.
For the parties to make macro-goals part of their frame of reference two conditions have to be fulfilled. First, macro-goals have to reflect common interest of the bargaining parties and, second, the institutional environment of employers and unions have to allow them to cope with the 'public good' character of macro-goals.

As the existence of common interests is almost part of the definition of macro-goals, the first of these conditions may appear somewhat trite. However, if one considers that macro-goals are usually formulated by governments which are ultimately legitimized only by majority vote, this apparent self-evidence vanishes. For instance, while it is easy to see that the macro-goal of full employment caters to the interest of employees in general and those out of work in particular, one might doubt that this will equally hold for the employers. Given that an increase in unemployment will strengthen their power in the labor market (which will at least partly spill over into the enterprise internal employer-employee relationship), the macro-goal full employment seems to lack the required common interest component.

A broader view of the question under considerations suggests interpreting the discrepancy in the assessment of the desirability of full employment as one of degree rather than of kind.

In democracies high unemployment rates always hold the danger for the employers that governments will be pressured
into enacting sweeping economic reforms which are bound to endanger their privileged position in the current economic order.\textsuperscript{16} It is the employers' fear of adverse political repercussions of unemployment which guarantees in this issue a considerable overlap of interests between employers and unions.\textsuperscript{17} For macro-goals such as full employment, growth, monetary stability, international competitiveness, evening-out of business cycles the general presumption can be made that at least at a qualitative level they mirror the real interests of all collectivity members.

The second condition points to the 'public good' character of macro-goals. From the public choice literature\textsuperscript{18} we can distill two distinct properties of 'ideal type' public goods: first, the producers of public goods are unable to exclude non-producers from their consumption, and second, the benefits flowing from the public good are not fixed in amount. In Samuelson's words, "each individual's consumption leads to no subtraction from any other individual's consumption of that good"\textsuperscript{19} which implies that the share of benefits each individual member receives from the public good is independent of the size of the community for which it is produced.

Usually meeting the two criteria only partially, 'real life' public goods rarely reach the purity of 'ideal type' public goods.\textsuperscript{20} The macro-goals we have in mind here are pure in terms of the second criterion ('non-competitiveness of consumption').
As the benefits flowing from macro-goals such as growth, monetary stability, international competitiveness, elimination of business cycles etc. are not fixed in supply, the 'consumption' of these goods by one individual will not affect the consumption of another individual. Macro-goals exhibit a less homogeneous picture with respect to the 'non-excludibility' criterion. While the 'producers' of monetary stability or evening out of business cycles are unable to exclude non-contributors from consumption, those of growth or international competetiveness enjoy some measure of control over the fruits of their efforts. Unlike the former macro-goals it is possible to speak of growth or international competitiveness in a micro-sense, as in the growth of companies or industries. Primary benefits from growth in form of higher wages or dividends will accrue solely to the members of the growing company. However, in an economy based on division of labor with an attendant network of 'forward' and 'backward' linkages changes in economic activity in one unit are bound to spill over to other companies and to generate secondary benefits there. It is these latter benefits which elude the control of the producers and which constitute the public good component of macro-goals as growth or international competitiveness.

The inability of producers of public goods to exclude non-contributors from the consumption of public goods opens the door for some consumers to engage in parasitical behavior, that is to share in the consumption of the public good without
having to participate in defraying its production costs. In situations where none of the group members deems the production of the public good profitable if he has to bear the production costs alone the mere feasibility of parasitical behavior presents a serious impediment to the supply of the public good. In such a setting it is unlikely that the cooperation among group members which is necessary for the production of the public good comes into being. Even if the individual member is prepared to act in the common interest it would be nonsensical for him to contribute to the production of the public good if he can reasonably assume that everybody else in the collectivity acts rationally, that is chooses the option which offers the highest pay-off for the individual: the free rider one. As his contribution alone will be insufficient to make up for the lack of cooperation of the rest of the collectivity an adherence by him to collective logic rather than to individual logic appears pointless leaving him but with the loss of his contribution. The opportunity of 'free rider' behavior thus conspires with the fear that it will be seized upon to prevent the common interest of the collectivity members translating itself into the supply of the public good.

Two ways are conceivable by which the situation could be remedied. The first would be to impart the collectivity members a 'new' morality which postulates the supremacy of collective over individual rationality. This option, however, is clearly beyond the purview of structural policy and is there-
fore not pertinent here. The second way to eliminate the opportunity to practice parasitical behavior is to vest the collectivity with the capacity to exercise coercion. The realization of this option requires organizational coverage of all potential beneficiaries of the public good. Only casual reflection, however, will make it plain that such comprehensive coverage can not be accomplished by enlarging formal bargaining units. The notion of the provincial or even national economy, for which macro-goals such as monetary stability or growth are defined, turned into one big bargaining unit appears quite outlandish and, thus, does simply not represent a feasible option. What is attainable is a limited extension of coercive structures in form of a shift for example from the plant to the industry level. Such move would entail a reduction of the number of independent actors in the provincial or national economy and in this sense a reduction in group size. Recognizing these policy limitations, the only question we can realistically pose is whether the scope of the coercive structures created by centralization of the bargaining structure to industry level will give the individual group members sufficient control over his fellow member to prevent him from practicing parasitical behavior.

In absence of coercion, withholding one's contribution is the only weapon the individual has to punish parasitical behavior. The effectiveness of this weapon depends on the
noticeability of such withdrawal, that is, on its impact upon the cost-benefit calculus (concerning production and consumption of the public good) of the other group members. Large groups in which the actions of individual members are hardly noticeable, thus, only rarely possess the capacity to provide themselves with a public good. Canada's decentralized bargaining structure fits the large group scenario which at least partly explains why, to the dismay of governments and interested observers alike, collective bargaining in Canada functions almost obliviously to national economic and social concerns.\footnote{As can be derived from the above reasoning it simply wouldn't make sense for the parties of a small bargaining unit for example to exercise restraint at the bargaining table for the sake of monetary stability if there is no guarantee that the other actors in the system, and this includes not only employers and unions but also government, follow suit.}

Centralization of the bargaining structure could effect a transformation from a large group into what Olson called an oligopoly-sized group\footnote{In a group of this size parasitical behavior is noticeable. A retaliatory withdrawal of cooperation by any member will have a tangible effect upon the welfare of the 'free rider'. If worst comes to the worst for the 'free rider' the public good would not be produced at all which would effectively thwart his attempt to realize a parasitical relationship and moreover would very likely leave him in a worse position than if he had paid his share and received the}.
benefits of the public good. On the other hand the adverse im-
pacts of parasitical behavior upon the welfare of the 'honest'
members may not be pronounced enough to dissuade the latter
from producing the public good. This makes an assessment of
the group's capability to provide itself with a public good
difficult:

...(in) a group,...which does not have so many members
that no one member will notice whether any other member
is or is not helping to provide the collective good...a collective good may, or equally well may not, be obtained,...

While Olson acknowledges that the gap between individual and
collective rationality becomes smaller as one moves from the
large to the small or oligopoly-sized group he also recog-
nizes that this reduction in distance is not sufficient. In
the clause following the above quote he adds "...but no col-
lective good may be obtained without some group coordination
or organization." Considering that the substance of such
coordination includes such matters as decisions on the rela-
tive price each group member has to pay for the provision
of the public good or on the desirable amount of the public
good one might well doubt whether the required coordination
can be accomplished in absence of coercive means. The ex-
periences which the British made with their incomes policy
show that such doubts are well justified.

In 1974 the incoming government of Harold Wilson
entered into a 'social contract' with the TUC, Britain's
trade union federation. In exchange for concessions at the
wage front the government offered a package of measures strongly advocated by the unions (for instance, the repeal of the 1971 Industrial Relations Act, changes in the progression of the income tax, a rent freeze etc.). Lacking control over its affiliates the TUC, despite the best of intentions, proved to be unable to live up to its part of the bargain. Irrespective of its exhortations to abide by the terms of the agreement individual unions, as for instance the Miners, concluded agreements far in excess of the wage guidelines.  

Effective commitments by employers and unions to a set of macro-goals seem to presuppose the existence of a second layer of decision making grafted upon the expanded bargaining units. For a variety of reasons, the establishment of such a political bargaining arena overtaxes the capabilities of the instrument variable 'centralization of the bargaining structure'.

A political bargaining arena as it has materialized for instance in Austria's 'Paritaetische Kommission' requires highly centralized labor market parties. This implies that the consolidation of bargaining units would have to translate into a comprehensive consolidation of the organizations of management and labor. One might plausibly argue that centralization of the bargaining structure will give some impetus to employers and employees to consolidate their organizational structures within the expanded bargaining units. But it does
not seem very likely that these changes will snowball and create powerful and all embracing associations or federations at the provincial, let alone national, level. Even if we admit the possibility that the latter will actually happen there are at least two other factors which in Canada would militate against the 'spontaneous' rise of a coercive structure beyond the level of formal bargaining units.

The first is the fragmented government structure in Canada. Its rather extreme federalism, however useful in other applications, is not very conducive to corporatistic decision making which calls for a high degree of organizational aggregation on the part of its participants. The second impediment to the installation of a formalized political bargaining arena in Canada is the low union density, which nationally amounts to only 40% of the work force. Unless provisions are made to extend the authority of the institutions of the unionized sector to the non-unionized one, which is currently possible only in Quebec, a large segment of the economy would stay outside the purview of the new structure. And the envisaged transmutation from a large into an oligopoly-sized group would then remain incomplete. Given the ideological proclivities of North Americans, the conferral of such authorities to employer and union federations, however, would hardly meet with the approval of the majority of Canadians. With the possible exception of Quebec, where the historical dominance of the Catholic Church has tempered the ideological influence
of the English speaking majority of the continent, any form of collectivism is bound to be seen as a severe encroachment upon individual rights and hence would encounter resistance.

From these considerations one may draw the conclusion that for the bargaining parties to add macro-goals to their goal portfolio, centralization of the bargaining structure may be a necessary but hardly a sufficient condition.

Centralization as a Means to Internalize Conflict

Industrial conflict comprises both inter-group as well as intra-group conflict. In decentralized bargaining structures conflicts of the latter type can not be resolved in direct confrontation of the groupings involved. Instead, the bargaining opponent functions as involuntary go-between. In other words, before intra-group conflict can be addressed it has to be transformed into inter-group conflict. In this way the former conflict exacerbates the latter conflict. The wage issue may serve as an illustration.

Union rank and file conceive of the fairness of a particular wage rate in absolute and relative terms. The shape of the utility curve of the rank and file group A, \( U_A \), in figure 3 illustrates this. While its positive slope expresses the interest of the rank and file in absolute wage increases the curve's bend at \( w_{EB} \), the wage rate of the reference group B, mirrors the relative or equity component of its utility
assignments. 'Invidious comparison' holds down utilities in the lower reaches of the bargaining range and allows them to rise only at a wage rate $w_{eB}$. Analogous to figure 1 (p.33) the intensity of conflict between employer and union rank and file is indicated by the area enclosed by the utility schedule of the employer, $U_E$, and that of the rank and file, $U_A$. 

Fig. 3. Intensity of Wage Conflict: Internalized vs. Externalized.
In a decentralized bargaining structure where the single employer- and employee groupings negotiate independently of each other it is easily possible that, for example due to higher productivity, reference group B manages to exact a wage rate $w_{e^*}$ with $w_{e^*} > w_{eB}$. From the vantage of rank and file grouping A such change would disturb the existing equity equilibrium calling for a reassessment of the wage rates making up the range of practicable bargains. As the wage rates lower than $w_{e^*}$ will be attached low values the utility curve $U_A$ would be shifted downwards and form the new curve $U_{A^*}$.* As a result of rank and file grouping A's effort to maintain parity with reference group B, the conflict intensity between employer and employees has risen by an amount represented by the area enclosed by the utility curves $U_A$ and $U_{A^*}$.

The regulatory deficit with respect to intra-group conflict disappears with centralization. Since the single groupings or factions would have to bargain together, conflicts among them can be addressed in a direct fashion. In other words, centralization internalizes intra-group conflict. As Joel Seidman puts it "...management's present problem... would be converted into an internal union problem if a single industrial type union, or a coalition of existing unions, were established." The presumption that the intensity of conflict between employer and union drops as a consequence of internalization, however, obtains only if intra-group conflict can be solved more easily in a setting where those concerned nego-
tiate directly with each other than in a setting where the bargaining opponent functions as go-between.

Unfortunately, authors who perceive internalization of conflicts as an asset of centralized bargaining structures do little to supply evidence or arguments demonstrating that this is in fact the case. For instance, Joel Seidman recognizes that conflicts between employee groups do not simply disappear by internalizing them: "If all the employees were in a single organization, the conflicting demands would somehow have to be reconciled within the organization..."30 However, as he does not specify any further this 'somehow' we have to assume that he takes the solution of internalized conflicts for granted. While Weiler has to be commended for at least seeing that the presumed capacity of centralized structures to solve internal conflicts efficiently is not self evident, the arguments he presents to support this assumption are insufficient. With respect to jurisdictional disputes owed to technological change, a second class of conflicts suitable to internalization, Weiler remarks:

If there is some kind of cohesive coalition of unions in dealing with the employers...then the problem becomes manageable for negotiators with the will to solve it. One can then introduce into all of the collective agreements a single mediation-arbitration system to deal with the jurisdictional impact of technological change. 31

By focussing on the very narrow and legalistic concept of 'manageability of conflicts' Weiler fails to address the 'real' issue here. Instead of meeting the problem of interest
aggregation head on, Weiler merely shifts it from the level of contract terms to that of the rules which govern his ad­judicative body. There, the problem then is brushed aside by pointing to the necessity of 'negotiators with the will to solve it [the conflict over jurisdictional disputes]'.

In order to establish the superiority of centralized over decentralized bargaining structures in resolving con­flicts one could proceed along two lines. First, one could try to demonstrate that in centralized structures the single groupings are less intransigent in their positions and therefore more amenable to consensual solutions to internal con­flicts. Second, one could seek to show that centralization opens up the possibility of resolving divergent interests by coercion, that is, by vesting a segment of the collectivity with the power to impose a conflict 'solution' upon the other collectivity members.

To begin with the former and normatively more appealing position, centralization of the bargaining structure could cause changes of two kinds in the relationships among the groupings of employers and employees, making an increased flexibility of their utility assignments plausible. First, to hold their own in employer-employee bargaining the groupings making up each side have to display a united front. Provided that inter-collectivity conflict is viewed as the dominant facet of industrial conflict by the parties involved (so far there is little indication that this is not the case) flexi-
bility in collectivity internal conflict appears as the price for success in inter-collectivity bargaining. One could therefore expect that in centralized structures there will evolve a tendency to solve disputes among groupings of employees or employers in an accommodating style. The strong appeal which 'objective' procedures, such as job evaluation schemes in the conflict over wage structures enjoy, may be indicative of such a tendency.

Secondly, the internalization of conflicts could modify the collectivity members' perception of the conflict nature. In a decentralized bargaining structure where the groupings involved in intra-group conflict do not face each other in direct negotiations they may easily succumb to the delusion that the gains made at the bargaining table are exclusively at the expense of the bargaining opponent. To maintain such a view would be difficult if intra-group conflicts were internalized. For instance, with the total wage bill becoming the primary magnitude in employer-employee bargaining, conflicts over an equitable wage structure will have to be interpreted as conflicts over the distribution of the particular 'wage fund' which under given circumstances can be exacted from the employers. From this perspective the shifts in the wage structure which previously appeared as 'variable-sum' in character will now take on 'constant-sum' features, that is the gain of one grouping will be the loss of the other. An optimistic
appraisal of employee solidarity would suggest that the 'new' awareness of the nature of intra-group conflict dampens their desire to tilt the wage structure in their favor. The bargaining goal 'extension of wage differentials' may give way to the more moderate goal of 'removing inequities'.

This goal, and hence this distinction, has meaning only to the extent that there exists a consensus among those concerned as to what constitutes an inequity. Thus, all that centralization can accomplish in this regard is to bring out a latent consensus more effectively. Conversely, the potency of centralization as a means to reduce conflict intensity in a non-coercive manner could be said to be limited by the scope of the consensus on the issues at stake. Fathoming such consensus requires careful empirical research which is beyond the purview of this paper. For that reason we shall confine ourselves to a more or less impressionistic sketch of the consensus on one particular issue: 'equitable wage structure'.

Throughout its history 'equal pay for equal work' has been an important slogan of the labor movement. In the interpretation that members of the same occupation operating in the same economic environment should receive equal wages the slogan seems to meet widely held views on the minimum requirements of an equitable wage structure. This may explain why in Saskatchewan the introduction of province wide uniformity of teacher salaries in the wake of centralization of the bargaining structure did not elicit notable resistance among the
The consensus which appears to exist on the desirability of equality within the same occupational group melts away as one enters the inter-occupational field.

While the widespread use of job evaluation schemes seems to indicate large support for the idea that the wage structure should reflect differences in a job's skill content, hazards, its holder's responsibility, educational requirements etc. there exists less unanimity as to how to weigh these qualities. Procedural means may overcome the latter disagreements if they arise in connection with the classification of 'new' jobs. However, as the history of industrial relations in all western countries has shown even the most sophisticated job evaluation schemes fail to bring about consensual solutions if they entail the modification of historical wage differentials among established occupational groups. Those occupying its upper echelons will resent any attempt to level or only to compress the present wage hierarchy. It appears thus that durable changes of this type can be asserted, if at all, only by means of coercion. As to what extent centralized structures possess such capabilities shall be examined in the remainder of this chapter.

Conflict resolution by coercion is possible if one segment of the collectivity is vested with the power of imposing its particular conflict solution upon the rest of the collectivity. In organizations where the unanimity principle governs decision making no single grouping has such powers. Few orga-
nizations, however, can afford the 'luxury' of such a decision rule. As for instance the early history of centralized bargaining in Quebec's construction industry or the 1931 bargaining round between the Vancouver Regional District and a coalition of civic unions has amply demonstrated the requirement of unanimous decisions seriously impairs a collectivity's capacity to act. Thus, in the long run most organizations of employers and employees in consolidated bargaining units can not help adopting the majority principle as decision rule and thereby acquire the formal capacity to solve intra-group conflict by coercion. Formal capacity, however, only gives a weak indication of the actual applicability of this mode of conflict resolution under real world conditions.

Majority rule presupposes that the minority defers to the decisions of the majority. In view of the type of conflicts we are dealing with here (the gain of one grouping is the loss of the other) one can hardly assume that this condition will always obtain. Rather, we would expect the minority to bow to the decisions of the majority only if it perceives them as fair or feels too powerless to mount effective resistance.

In part, the harshness of majority rule is diffused by the fact that

...the typical union member is not simply identified with the majority or the minority; his interests lie with different groups on different issues. On wages, he may belong to a majority; on fringe benefits to the minority; on working conditions he may simply belong to one of the many minorities that are backing special de-
mands relevant to particular job classifications or depart­ments.\textsuperscript{34} Ideally, the occasions in which a particular collectivity member belongs to the minority will be offset by those where he is part of the majority. Unfortunately, the desired alternation is not always forthcoming. Some group members may find themselves in a permanent minority position or attach so much importance to one particular issue that a minority position will become impossible to compensate for.

For tradesmen, who in industrial unions represent an occupational minority, the wage differential over their less skilled co-workers appears to be such a sensitive issue. According to Weber it was the compression of these differentials which in many unions triggered the drive for formal craft representation and, more pertinently to our inquiry, which accounted for many of North America's skilled trades revolts (of which the wildcat strikes by tradesmen in the B.C. forest industry during the 1981 negotiation round are a recent example).\textsuperscript{35} On the other hand, these occupational minorities seem to feel less strongly about majority decisions which barred them from unilaterally modifying the established wage structure and thereby from setting in motion the circle of competitive bargaining. For instance, with respect to the construction industry Rose noted that in those provinces which had moved to more centralized bargaining structures (as for instance British Columbia or Quebec) wage hierarchies exhibited a considerably higher stability than in those with de-
centralized systems. Similar consequences of centralization could be observed in the national railways and the Vancouver shipyard industry. In the latter industry the members of some trades (for example plumbers and electricians) even deferred to majority decisions which eliminated the wage premiums they enjoyed vis-à-vis other trades in the industry. Such behavior, one could also argue, testifies less to the perceived fairness of these decisions as to the perceived power difference between majority and minority. Considering that the conflicts we are dealing with here are those where the gain of the majority is the loss of the minority this may in effect be the more crucial factor.

The power which a majority wields over the minority to a large extent is derived power. It is conferred upon the majority by the state through the institutional/legal order.

Since not only the labor markets themselves, but also the state as guardian of a country's industrial relations order, has an interest in powerful collectivities, it is not particularly surprising that the institutional/legal framework of collective bargaining in North America has a bias in favor of majority rule. In British Columbia's industrial relations order this bias comes out most clearly in the constitutions of imposed union councils. The Labor Relations Board prescribes the majority principle as decision rule not only for strike votes, a stipulation which holds outside union councils as well, but also for ratification votes and votes taken in the
council's steering committee. 39

As counterpoise to these provisions the statutory obligation of 'fair representation' 40 appears to be only of limited effectiveness. It may give some protection from discrimination to a bargaining unit's non-union members or to racial or religious minorities but is likely to have little impact in cases where 'fair representation' has not taken on the meaning of 'equal treatment'. For instance, the obligation of fair representation seems hardly apt to vest the tradesmen in industrial unions with the legal claim on the preservation of their historical wage differentials to their less skilled co-workers.

The threat of secession is another instrument for the minority to gain leverage over the majority. Fortunately for the latter this weapon experiences very little institutional support. In an analysis of National Labor Relations Board rulings Brooks and Thompson found that the Board exhibited considerable reluctance to break up existing multi-plant and industrial bargaining units. 41 For example it would not accede to severance petitions of craftsmen unless they won a majority of craft votes in all the plants of the unit. 42 In large and physically dispersed bargaining units such a stipulation is likely to thwart most attempts at secession.

Whether the intra-group power distribution between majority and minority as it is enshrined in the industrial relations order coincides with the actual power distribution will
depend on the government's readiness to enforce this order. Two factors seem to be of importance here: first, the harm which illegal actions of the minority causes third parties and, second, the political costs of enforcing the law against the resistance of the minority. The former factor decides whether and to what extent a majority-minority conflict will turn into a political issue and as such attracts government attention. The larger the side effects of illegal actions of the minority for third parties, one may plausibly assume, the stronger will be the pressure upon the government to intervene. Which direction this intervention will take determines the second factor.

We assume that the inclination of governments to enforce the industrial relations order and hence to side with the majority varies inversely with the political costs of doing so. The latter can be conceived as a function of the public support the minority can muster and its organizational capabilities. To illustrate these considerations we may use them to explain why tradesmen in industrial unions, unlike other minorities, have often been able to wrest special representation rights from their unions. For instance, in the UAW (United Automobil Workers of America) which in the concessions to its skilled tradesmen perhaps moved furthest away from the majority principle, the craftsmen enjoy not only direct representation on local and national bargaining committees but also have the right to hold separate ratification and
strike votes on those contract parts which relate exclusively to their group.\textsuperscript{43}

Tradesmen occupy strategic positions in the production process of many industries. Illegal actions, for instance wildcat strikes are therefore apt to disrupt operations seriously. The damage caused third parties (employers, customers, suppliers etc.) not only gives the minority's grievances wide publicity but also places the government under pressure to enforce the law and thereby back the majority in the intra-group conflict. In the tradesmen, however, the government faces a formidable opponent. Aided by their pronounced craft consciousness tradesmen have developed a cohesion which enables them to act in a disciplined and determined fashion. A group with these organizational capabilities is unlikely to be intimidated by mere threats and may not be particularly impressed by court injunctions. Thus, in order to break their resistance the government would have to resort to more drastic means (e.g. the removal of illegal picket lines by police forces, arrests of strike leaders etc.). In democratic countries such measures will always be controversial even if the minority does not enjoy much public support. In short, the enforcement of the industrial relations order against the resistance of such powerful groups as the tradesmen in the automobile industry is beset with high political risks which few democratic governments have been prepared to incur. Accordingly, unions which experienced revolts of their skilled trades, as
for instance the Automobile Workers, the Rubber Workers or the Brewery Workers, were forced to restrict the use of the majority principle by granting their tradesmen special representation rights.

To sum up, two reasons were pointed out as to why in our opinion intra-group conflict with constant-sum characteristics could be better solved in centralized than in decentralized bargaining structures. First, a latent group consensus on some distributional issues (as for instance intra-occupational wage differentials) can be harnessed more effectively. Second, centralization opens up the possibility of 'solving' disputes by coercion. Our considerations suggested, however, that without government backing the latter remains a merely theoretical option.

Intra-group conflict plays an important role also in our next chapter which is devoted to the exploration of centralization as a means to bias the collectivity's internal aggregation process in favor of its moderate members.
The Impact of Centralization on the Structure of Utility Aggregation

Dimensions of Utility Aggregation

In the conflicts which were the subject of the previous chapter the interests of the group members were assumed to be diametrically opposed. The loss of one group member meant the gain of the other. In contrast, the conflicts we turn now to have their origin in different intensities with which commonly perceived interests are held. For instance, all union members may support the demand for pension benefits but they may be interested in this demand to a different degree. For example, one might suspect that older workers would like to see this issue more vigorously pursued than, say, younger workers. On the other hand the latter may show more intransigence with respect to the wage issue. Equally tradesmen usually have a strong interest in restricting contracting-out, a goal to which common laborers since unaffected may be quite indifferent. On each issue one could so array the individual collectivity members along a continuum ranging from 'indifferent' through 'moderate' to 'radical' with 'indifferent' and 'moderate' standing for low and 'radical' for high utility assignments. This suggests that centralization of the bargaining structure could scale down conflict intensity among the labor market parties if it tilted the distribution of weights by which the member utilities enter the collectivity
internal aggregation process in favor of the moderates. Such a power shift within unions and employer associations could take place horizontally, from one grassroots grouping to another, or vertically between the leaders and the rank and file.

Previous analysis has suggested that the leaders tend to be more moderate than the rank and file. Consequently, centralization would lower conflict intensity if it strengthened the position of the leaders in the aggregation structure. Less straightforward is the specification of the required horizontal power shift. In contrast to the vertical dimension of interest aggregation where moderation or radicality is associated with the role the single layers of the collectivity play in the organization of the collectivity the line separating moderates from radicals within the rank and file can be drawn only with respect to concrete issues and with knowledge of the collectivity composition and member preferences. A lack of information about the specifics of the newly formed bargaining unit can not be offset by knowledge of its aggregation rule. For instance, under the assumption that the majority rule governs horizontal interest aggregation centralization could be said to reduce conflict intensity if it places radical groupings, which heretofore bargained independently, into a minority position in the enlarged bargaining unit. However, without knowledge of the conflict issues and the distribution of the member preferences we are
unable to predict whether the former will actually constitute the majority in the newly centralized structure.

Since an exhaustive investigation at a low level of generality is beyond the purview of this paper we have chosen to confine ourselves to picking one case where 'dilution' of radical utility assignments by moderate ones as a consequence of centralization appears as a real possibility. It should go without saying that by its very nature the content of the following exposition which centers upon the issue of job security is extremely tentative in character. Firm conclusions therefore can not be drawn.

The Impact of Centralization upon Horizontal Utility Aggregation

Viewed with some detachment the conflict over job security appears as a conflict over the distribution of the reallocation costs of redundant labor. While not entirely wrong, this formulation of the problem fails to come to grips with the feature of the job security issue that makes it one of the most intractable one in industrial relations: the extremely subjective character of 'reallocation costs', which comprise not only material but also psychological costs. Despite the existence of support systems as unemployment insurance or government sponsored retraining programs the bulk of adaptation costs, particularly as far as its psychological
component is concerned, still have to be borne by the individuals who suffer from skill erosion or lose their jobs. For most people the prospect of having to give up a familiar environment and to embark upon a journey beset with risk through mostly unknown 'territory', which the acquiring of new skills often amounts to, does not hold much appeal, even if the material stakes have been lowered by employer or government assistance. Inevitably, the relocation costs, perceived by those directly affected will take on astronomical proportions. Consequently, even in terms of these perceptions moderate compensation demands are apt to be of such magnitude that conceding to them in the eyes of the employer would be identical to the total removal of the incentive for innovation. As the convulsions which labor relations underwent in the newspaper industry, where rapid technological change coincided with a union structure based on narrowly defined crafts, have amply illustrated, if those directly affected by technological change will bargain with the employer alone, peaceful interest accommodation is virtually impossible. It is under such conditions that broader based bargaining could infuse an element of moderation.

The expansion of bargaining units would bring in a group of employees who may perceive technological change as a mixed blessing. Given effective interest representation this group could share in the benefits of increased productivity caused by rationalization. On the other hand, however, due to
the fairly unpredictable course of technological change, the time span over which it will be able to enjoy these benefits will be cloaked in uncertainty. This group therefore combines the employers' objective interest in rationalization with that of the employees immediately threatened by new technologies in shifting from themselves the costs of rationalization. Radical solutions to the issue of job security as they may be advocated by the employers and the employees directly affected are repugnant to this interest position. Accordingly, neither the total insulation of employees from adverse side effects of rationalization (which under conditions of moderate growth could be realized only at the price of a very low productivity growth) nor the unrestricted freedom of employers to burden the employees with its costs will represent acceptable bargaining goals for this group.

With the expansion of bargaining units the likelihood increases that technological change or shifts in markets will adversely affect only a minority at a time. In combination with the majority principle as decision rule this puts the moderate group formally in a position of tilting interest aggregation in its favor.

Formal dominance of the moderate majority corresponds here with actual dominance. Unlike other minorities employees immediately affected by rationalization are usually unable to challenge majority decisions. For instance, wildcat strikes by these employees are bound to be less disruptive than wild-
cats by minorities which occupy vital functions in the production process (as for example in many industries the skilled trades). That is, their capacity to inflict harm upon third parties is rather limited. The victims of rationalization hardly fare better with respect to a second source of minority power: outside support. Only in rare occasions (e.g. if an intended plant closure is liable to seriously affect the economic stability of a town or region) the minority can expect to mobilize sufficient public support to dislodge the policy of the majority.

To give an example of a bargaining policy which grows out of the dominance of a moderate majority we may draw on industrial relations in West Germany. Due to the comparatively large 'bargaining units' the various rationalization waves which in the last decade or so swept through the German economy (textile, automotive, electrical equipment and port industries have been particularly affected) immediately threatened only a minority of union members at a time. In accordance with our considerations above, thus, most unions (exception: the IG Druck und Papier, the union operating in the printing industry) steered a 'middle of the road' course. Without questioning the necessity of rationalization their strategy aimed at mitigating its adverse impacts, that is, at keeping the adaptation costs to the single employee at a low level. The unions pursued this goal along two lines: First, they sought to transfer some of the costs to the community.
(A product of such efforts, for example, are state funded early retirement schemes). Secondly, the unions demanded that the employers share in shouldering of some of the 'human' costs of rationalization, for example, by offering compensation (severance pay) to employees who lost their jobs, by restricting downgrading or by granting those affected at least extensive transition periods.

While our considerations suggest that a 'moderate' majority is unlikely to abandon a 'radical' minority altogether, an inference which the bargaining policies sketched above do not refute, the majority will always be exposed to the charge of having defended the interests of the minority only half-heartedly. As objective standards of 'proper' interest representation are lacking such judgements, however intuitively plausible they may sometimes appear, remain purely subjective statements which for our investigation are of little interest. All that can reasonably be said in this connection is that from a normative perspective the dilution of the interests of 'radical' minorities may be a less satisfying method of reducing conflict intensity. This reservation on normative grounds holds for the next method we shall examine as well.
The Impact of Centralization upon Vertical Utility Aggregation

In our dealing with horizontal interest aggregation we tacitly assumed that the leaders of the bargaining parties blindly execute the wishes of the majority. This simplifying assumption shall now give way to the recognition of the fact that virtually all leaders possess the capacity to influence if not dominate the bargaining policy of 'their' collectivity. The question which has to be answered in the context of our investigation is whether centralization is apt to increase the relative weight of the leaders in collectivity internal interest aggregation. In other words it has to be examined whether there exists a relationship between the degree of centralization and the leader's capability to convert his own preferences into those of the collectivity.

The power leaders hold over the rank and file can be regarded as an outgrowth of the division of labor in the organization. Two factors account for such internal differentiation: indolence of the collectivity members and functional necessity.

As collective bargaining is often an intricate and time consuming business, it requires an involvement that only few members are prepared to offer. For instance, normally local union meetings do not draw more than 5 to 15% of the membership. The low participation rate is not unique to North-America. It is about the same, for instance, in West Germany.
where union activists make up about 10% of the total membership. Collectivities respond to such situations by creating specialized subdivisions, manned by activists, which guide the organization in this field of collectivity activity. Apart from reasons which reside with the individual members the very nature of collective bargaining makes the installation of a 'guiding hand' desirable. Since effective bargaining is predicated upon unified action some coordination from above appears indispensable.

By delegating bargaining to the leader level, the rank and file extricate themselves from the burden of having to deal with all the complexities inherent to bargaining. However, they equally free themselves from the opportunity of learning the skills and gaining the experience that are necessary to carry out bargaining successfully. Whereas the rank and file thus stagnate in the development of bargaining capabilities the leaders due to their direct involvement, will be able to accumulate a high degree of expertise. With the widening of the gap in skills and experience the rank and file will become "...extremely dependent on the leadership for guidance on what is equitable, what is possible, and what is acceptable." Given that the vertical division of labour is not just an ephemeral phenomenon but has become entrenched in virtually all labour market parties and that the dynamics it sets in motion have been effective for some time, one might conclude with Ross that...
Trade union wage policy is inevitably a leadership function. The reason is not that the leadership has wrestled dictatorial power from the rank and file, but that it alone is in the possession of the necessary knowledge, experience, and skill to perform the function adequately. While delegation of particular functions to the leaders and the ensuing dependence of the rank and file on their skills and expertise will guarantee the leaders broad areas of discretion in shaping collectivity policy, these areas are not boundless. Whatever the extent of division of labor between leaders and grassroots in democratic organizations the latter retain the right to monitor and control the performance of the leaders.

The rank and file can register dissatisfaction with their leaders' bargaining performance in two ways. Borrowing from A. Hirschman these options can be termed 'voice' and 'exit'. The former leaves the rank and file a choice between forcing the leaders to modify their policies or exchanging the leaders altogether. The 'exit' option is usually resorted to if both methods of the voice option have proven unworkable. In such situations the rank and file will 'leave' the collectivity and, by means of the decertification process, oust the incumbent union. On the basis of these considerations, centralization can be expected to increase the weight of the leaders in vertical interest aggregation if it makes it more difficult for the grassroots to find adequate control standards for the leaders' bargaining performance, hampers the recruitment of
alternative leaders, and curtails the possibility of 'exit'.

If the benefits of delegating the bargaining function to the union leaders are to be maintained the formation of performance standards has to follow less complex lines than the determination of the contract terms in the bargaining process. For the grassroots, the easiest way of assessing the bargaining performance of their leaders is to compare the contract terms reached by them with those concluded by reference groups in other bargaining units. To the extent that these reference groups will lose their independence in the wake of centralization of the bargaining structure this source of performance standards will disappear. In part, however, the rank and file may be able to offset the loss by selecting new reference groups. For instance, Gallagher and Wetzel observed that in response to centralization of the bargaining structure in Saskatchewan's public school system the 'orbit of coercive comparison' shifted from districts to school areas. Such means of compensation are absent as we turn to the impacts of centralization upon the availability of more complex standards.

Because of the general unwillingness of the rank and file to invest much time and energy into collectivity affairs, the development of more sophisticated control standards will accrue to the union activists. The supply of complex control standards is therefore inextricably tied to the latitude which the collectivity accords to its activists outside the leader
circle. The question of control standards here dissolves into the more general question of the freedom of setting up internal opposition which will be examined in some detail further below.

The capability of formulating control standards determines whether and to what extent the rank and file can make use of its powers. It does not tell us anything about the amount of power it holds over its leaders. This reveals itself in the effectiveness of 'exit' and 'voice' and in the ease with which these options can be realized.

Within the North-American institutional framework of industrial relations, centralization of the bargaining structure curtails the 'exit' option in two ways. First, by cutting the number of independent labor market organizations (single employers, unions and coalitions of those) it reduces the number of alternatives to the incumbent holders of representation rights. Second, centralization will make it more difficult for the rank and file to mobilize the majority of collectivity members necessary for decertification. These difficulties arise from communication problems inherent in large and geographically dispersed organizations. We shall deal with the latter problems in greater detail below when we reencounter them in connection with our discussion of the potential impacts of centralization upon the formation of collectivity internal opposition and the recruitment of alternative leaders.
A common vehicle of the 'voice mechanism' is the referendum. The failure of the membership to ratify a tentative settlement concluded by their leaders forces the latter to return to the bargaining table and to renegotiate the contract. As this power lever is anchored in the constitution of the collectivity, it eludes the direct influence of the bargaining structure. Only by inducing the union members to modify the respective constitutional provisions could centralization deprive the rank and file of this weapon. That such capacities should accrue to centralized structures does not appear very likely. It is simply inconceivable how centralization could generate the necessary pressures upon the collectivity members. Dislodging the incumbent leadership is another and more drastic way of effecting a change of bargaining policy. It is with respect to this second variant of the 'voice mechanism' that a powershift in favor of the leaders can be discerned.

In industrial relations systems where ideological differences between the conflicting parties are insignificant and the labor market parties have put behind them the pioneer phase in their evolution, member involvement in the collectivity's affairs will be strongly motivated by the desire for personal gains. Such rewards need not necessarily be of a financial nature. Prospects of more challenging jobs combined with gains in status may provide equally strong incentives.
Activists with such orientations will be susceptible to catering to the interest of those who are able to offer these rewards. As in other organizations in the labor market parties these are the leaders.

To cope with the complexity of bargaining in centralized structures, employers and unions develop a strong demand for a broad variety of specialized support services, thereby giving rise to an extensive bureaucracy.\(^{55}\) For the ordinary union member, a career in this bureaucracy represents an accessible route to social improvement.\(^{56}\) Staff positions carry therefore considerable appeal for ambitious rank and file activists. Leaders have a strong say, if not outright appointment right, in the recruitment process to these bureaucratic positions. For example in the UAW the president "...appoints and removes international representatives; hires legal, technical or professional help for all departments except the office of the secretary-treasurer;"\(^{57}\) In German unions the executive boards have in addition at least a veto right in personnel decisions of lower level bodies.\(^{58}\) As we noted above the creation of large collectivities caused by centralization will be accompanied by the expansion of bureaucracies on both sides of the bargaining table. Following the above considerations this should tilt the balance of power between leaders and rank and file in favor of the former. It increases their capacity of 'buying out' ambitious rank and file activists and thereby to ward off assaults by the grassroots upon their positions.
Should rank and file activists prove immune to the siren song of the spoils centralized structures are able to offer, two further kinds of protection are available to the leaders. Both, however, are effective only in those cases where centralization of the bargaining structure entails a consolidation of the labor market parties, that is where the respective collectivities merge rather than merely form coalitions. Then centralization coincides with a broadening of the individual leader's immediate constituency. With the likely rise of the latter's internal interest heterogeneity, the leader's role as a referee in horizontal interest aggregation, one of the prime functions of the leader, will become increasingly taxing. The level of political skills necessary to survive as a leader in such conditions by far outstrips that required in a decentralized structure. As there are few opportunities for ordinary union members to acquire political skills other than by holding union offices the raising of entrance barriers caused by centralization works in favor of the incumbent leaders.

Against those activists who have managed to overcome the above hindrances the incumbent leaders hold a last trump card: the far reaching control over the formal means of communication. For instance, in West Germany's IG Metall, publication of periodicals, pamphlets, posters etc. by the locals are subject to the approval of the national or in some cases regional executive boards. Furthermore, in its capacity as
publisher of the union newspaper, the national executive board appoints its editors. Similiar arrangements exist in North American unions. It is therefore not particularly surprising that for example 'Solidarity', the official newspaper of the UAW "...makes no attempt to present any union views other than those of the administration." To disseminate their dissenting views opponents to the incumbent leadership will therefore have to rely heavily upon informal means of communication. In small organizations this does not constitute a major disadvantage. In the large organizations, however, which centralization is likely to create and where the membership may be dispersed over a large area, restricted access to the formal means of communication, may turn out to be an insuperable obstacle in the formation of a viable opposition.
SUMMARY AND CONCLUSION

The theoretical framework developed in this paper identified four distinct avenues through which centralization of the bargaining structure could cause a lowering of strike/lockout incidence. The frequency of strikes and lockouts would decrease if as a result of centralization

1. the relative costs of industrial action rise and/or
2. the bargaining parties integrate macro-goals into their goal portfolio and/or
3. the 'moderates' dominate collectivity internal interest aggregation and/or
4. intra-group conflict is successfully internalized.

There were two reasons which gave rise to the expectation that a large percentage of intra-group conflict could be successfully internalized. First, centralized structures, it was argued, are more effective in harnessing a latent consensus among the conflicting groupings than decentralized structures. Second, they vest the collectivities with the capacity to resolve intra-group conflict by coercion, limited only by the degree of the state's readiness to back majority rule.

Without knowledge of a given conflict issue and the composition of the collectivity's membership, 'moderates' and 'radicals' in horizontal interest aggregation remain indistinguishable. A prediction of the consequences of centraliza-
tion for interest aggregation in this dimension is therefore impossible. Problems of this kind did not arise in connection with vertical interest aggregation. An analysis of leader and rank and file interests pointed to the former as the 'moder­ates'. As centralization would strengthen their position the third condition would be satisfied here.

The bargaining parties were not expected to integrate macro-goals into their goal portfolio as a result of central­ization. The expansion of bargaining units necessary to cope with the public good characteristics of macro-goals exceeded all realizable proportions. There was little doubt, however, that for the bargaining parties to include macro-goals into their goal system, centralization represented a necessary con­dition.

Finally, a general rise of the costs of industrial action as a result of centralization could not be diagnosed. However, since this prediction was derived from the organiza­tional characteristics of Canada's labor market parties as a whole, it referred only to the 'average' bargaining unit. To predict the situation in individual units, additional in­formation on the structure of the labor market parties in this particular unit as well as information on the market characteristics in which the unit's employers operate is required - information to which we had no access.

Thus, while centralization of the bargaining struc­ture can hardly be claimed to be a panacea with respect to
stability of industrial relations, it has the potential of effectively lowering the incidence of strike/lockouts. To actualize this potential, however, the willingness of government to actively back a policy of centralization, by force if necessary, appears indispensable. The necessity of such a far reaching commitment highlights the normative problems associated with government induced centralization.

As we noted, some stabilizing effects of centralization flow from changes in the power distribution within and among participant groups while others at least may have side effects upon the power distribution. Changes in the bargaining structure are therefore unlikely to be neutral with respect to the contract terms reached in the bargaining process. In other words, in modifying the existing bargaining structure the government may not only influence the stability of industrial relations but also the chance of individual groupings asserting their interests.

The analysis presented was mainly conceptual in nature. Its thrust was directed at elucidating the web of conditions under which centralization would contribute to a stabilization of industrial relations. The focus chosen left little room for pursuing in depth the empirical questions raised by the theoretical analysis. The empirical basis on which the predictions made above rested was accordingly crude. Reducing this empirical deficiency, we feel, could provide an
agenda for future research.

A second area in which there is room for improvement is the design of the analysis. The investigation was conducted exclusively in qualitative terms. Neither the degree of centralization nor the strength of its impacts was discussed here. To weigh centralization against alternative policies, it is not only important to know whether centralization contributes to the stabilization of industrial relations but also how effective it is in doing so. An expansion of the analysis to include the quantitative aspects of centralization, therefore, would doubtlessly increase its usefulness to the policy maker.
Introduction

The numerous experiments with various forms of conciliation and arbitration which have been conducted throughout this century bear testimony to this propensity of Canadian policy makers; for a brief survey of government policy in this area see: Stuart Jamieson, *Industrial Relations in Canada* (Toronto: Macmillan 1973), chapter 5. A more exhaustive account of Canadian experiments with dispute settlement procedure is given by H.D. Woods in his *Labor Policy in Canada*, 2nd ed. (Toronto: Macmillan, 1973), chapter 5.


Figure 4 illustrates the degree of decentralization of the Canadian system of collective bargaining in comparison with that of the bargaining systems of other Western nations.
Fig. 4. Relation of Centralization of Structure to Level of Bargaining


Part One

1The concept of stabilization refers exclusively to conflicts of interests as opposed to conflicts of rights (grievance disputes); for this classification of industrial conflict see Oskar Kahn-Freund, "Inter-Group Conflicts and their Settlement," in Collective Bargaining, ed. A. Flanders (Harmondsworth: Penguin Books, 1969), p. 72. While strikes issuing from conflicts of rights make up a sizable proportion of total strike incidence, for instance, in British Columbia from 1945-75 they accounted for roughly a third of all strikes (E.G. Fisher, "Strike Activity and Wildcat Strikes in British Columbia: 1945-1975," Relations Industrielles 37
(1982): 285-291), they differ from those over contract terms (conflicts of interests) in nature and therefore require a different explanation. In view of the necessity to limit the scope of this paper it appears sensible to address the question of a potential relationship between bargaining structure and the frequency of strikes growing out of conflicts of rights in a separate investigation.

2. The strike statistics published by governments in many Western countries (see for instance the statistics published by Labour Canada or by the International Labor Office) specify strike incidence not only in terms of strike frequency (number of strikes per year) but also in terms of size (average number of workers involved per strike), duration (average days lost per worker on strike) and the composite index strike volume defined as the product of strike frequency, size and duration (man-days lost per year).


5. Illustrations of power shifts caused by centralization are furnished by Weiler, Reconcilable Differences, pp. 156-158.


11 This exclusive reliance on voluntarism contrasts with Quebec's more assertive approach, which makes membership in the 'Association of Building Contractors of Quebec' mandatory. See J.B. Rose, "Construction Labor Relations Associations in Canada," Relations Industrielles 32 (1977): 43.

12 Weiler justifies the difference in treatment between employers and employees by pointing to the historical reluctance of British Columbian unions to form associations on a voluntary basis: "...the B.C. experience is that such a voluntary association rarely comes about simply for this reason: the presence of two unions in the one industry is an index of differences of philosophy and a history of raiding and bitterness which makes such cooperation in negotiations quite unrealistic." Weiler, "Fragmented or Centralized Bargaining," p. 137.

13 The council concept has the advantage over centralization by recertification by giving the policy maker the opportunity to shape the internal aggregation structure of the bargaining parties. Some of the basic provisions of a typical coalition constitution imposed by the Labor Relations Board of British Columbia can be found in Weiler, Reconcilable Differences, p. 165. We should add here that centralization as envisaged by the Labor Relations Board does not require the bargaining parties to centralize negotiations over all issues. Multi-tier bargaining systems as, for instance, practiced in national rail transportation are well compatible with the concept of centralized bargaining.
So far, the Labor Relations Board of British Columbia imposed a council structure upon the Vancouver shipyard industry, B.C. Rail and most recently upon the construction industry (May 1982).


Ibid., p. 135.


Ibid., p. 200.

Ibid.

Part Two


4. Ibid., p. 53.


6. Following Walton and McKersie, *A Behavioral Theory of Labor Negotiations*, we shall use the names 'party' and 'opponent' to differentiate between the bargaining parties.


10. The classification of tactics corresponds roughly with that of strategies made by H. Kahn in the context of military conflict: "...there are two basic classes of strategies that each side can use. One class of strategies makes use of features of the particular 'agreed battle' that is being waged in order to gain an advantage. The other class uses the risks of threat of escalation or eruption from this agreed battle." Herman Kahn, *On Escalation* (London: Paul Mall Press, 1965; New York: Frederick A. Praeger), p. 7.

Part Three


"Because of the prime importance of bargaining, members tend to have strong opinions about negotiations, and union leaders are under heavy constraint to pay close attention to these sentiments." (Bok and Dunlop, Labor and the American Community, p. 77); In the same vein is Ed Finn’s observation: "Being elected and having to run for reelection every two or three years, most union leaders are unable to resist the never-ending pressure for 'more'.” (Ed Finn, "Labor's Love Lost," Macleans, May 1974, p. 90.

It goes without saying that this hypothesis does not hold with respect to issues which are directly related to institutional security.


In coining this terms R. Michels had in mind the political rather than the industrial leaders of the working class.

For a slightly different approach using the concept of boundary role see Walton and McKersie, *A Behavioral Theory of Labor Negotiations*, pp. 283 ff.


We should mention here a third way in which conflict intensity can be reduced. (This possibility has been pointed out by A. Pizzorno, "Political Exchange and Collective Identity in Industrial Conflict," in *The Resurgence of Class Conflict in Western Europe since 1968*, eds. C. Crouch and A. Pizzorno (London: Macmillan, 1978), pp. 276-298.) It exists where unions operate not only in a collective bargaining 'market' but also in a political market. In this latter market the union pursues long term goals and instead of the employer it faces the government as bargaining partner. Conflict intensity in the collective bargaining market can drop if both markets are linked in a fashion that moderation in the collective bargaining market is rewarded by concessions of the government in the political market (for instance by commitments to full employment, improved social security benefits etc.). Although principally plausible, this way of reduction of conflict intensity, it is argued here, has little relevance in North America. First, Pizzorno's political market does not have much in common with the political market in the conventional sense. In the latter, unions play the part of pressure groups. As other interest groups they deliver votes in return for benefits to this group. In contrast, in Pizzorno's market the unions do not only threaten to withold electoral support but, also, threaten to withdraw support for the social order. This includes the calling of strikes with the explicit goal of causing 'urban disorder' and 'organizational disruption'. Unions acting in this fashion clearly stray beyond the bounds of a parliamentary or congressional form of government. As a permanent feature such union behavior and hence the existence of 'political exchange' in Pizzorno's sense is compatible only with systems where parliamentary democracy is not firmly entrenched. While this might be the case in Italy or even France it definitely does not obtain for Canada and the United States. Still, conflict reduction along the above lines is conceivable also in a system with a conventional political market. This takes us to the second point that makes Pizzorno's model unsuitable for the North American industrial relations system. For a variety of reasons North American unions, unlike their European counterparts, have made few efforts to become active
in the political market. With potential benefits in the political market being of little interest to the unions there are, thus, few incentive to exercise restraint in the collective bargaining market. Moreover, the reluctance of American and Canadian unions to make extensive use of political channels is unlikely to be changed by centralization of the bargaining structure. Jack Barbash cites three reasons for this reluctance: "...by comparison to collective bargaining (a) its effects the effects of law and its administration on the terms of the employment relation is less clearly perceived by union people, (b) it is not necessarily as responsive to union influence and (c) it is not as adaptable to particular union interests." (Jack Barbash, Trade Unions and National Economic Policy (Baltimore: John Hopkins University Press, 1972), p. 193). Of these three disadvantages only the second one has a remote chance, if that, of being eliminated by centralization of the bargaining structure. The precondition herefore is that centralization of the bargaining structure leads to the consolidation of the union movement. This, however, as we shall see further below (p.53) is not very likely in Canada.

15 The somewhat non-committal language has been deliberately chosen to make allowance for the fact that in its quantitative aspects the relationship between bargaining outcome and macro-goals is still the subject of some controversy which therefore leaves the actors with considerable leeway in their individual interpretations of the relationship.

16 see note 11.

17 How extensive this overlap is depends on the tolerance the public shows towards unemployment.


21 See for instance John Crisko, *Industrial Democracy in Western Europe - A North American Perspective* (Toronto: McGraw-Hill Ryerson, 1978), p. 153; the large group scenario associated with a decentralized bargaining structure may also be responsible for the fact that whenever the government of Canada deems wage and price restraint necessary it has to resort to strict controls rather than to more voluntary forms of incomes policies.


23 Ibid., p. 50.

24 Ibid.


27 According to Stuart Jamieson the fragmented governmental structure in Canada prevents that "...a sort of 'national consensus' could be achieved with regard to formulating priorities in economic, political and social goals on a national scale, or in the measures needed to achieve them." (Stuart Jamieson, "Addendum to Paper on: The Third Wave Reconsidered," (Vancouver, B.C.: Department of Economics, University of British Columbia, 1977), p. 3. (Mimeographed.)

28 Quebec is the only province in Canada which in its 'Collective Agreement Act' (1934) makes allowance for an extension of the provisions of a collective agreement to all employees and employers in a particular industry at the request of one of the parties to the original agreement.

30 Ibid.


34 Bok and Dunlop, Labor and the American Community, p. 113.


38 Weiler, Reconcilable Differences, p. 171.

39 Ibid., p. 177.


42 Ibid., p. 374.
For an account of the various measures taken by industrial unions to pacify their skilled trades members see A. Weber, "The Craft-Industrial Issue Revisited," pp. 382-393.

see pp. 36 ff.

As to the determinants of actual (as compared to formal) minority power see pp. 65 ff.

Unlike the other German unions the 'IG Druck und Papier' has not confined itself to merely cushioning the adverse impacts of technological change. Instead, it asked for a complete insulation from those impacts(for example by restrictive manning rules). For this deviation from the rule account the nature of technological change in this industry and the union's organizational characteristics. In contrast to other industries (e.g. the automotive industry) rationalization in the printing industry mainly displaced highly skilled craftsmen, in particular typesetters. Among the latter membership and participation is higher than among most other occupations organized by the 'IG Druck und Papier'. Thus, while the typesetters do not constitute the majority in the union they form its organizational core. As such they gained a weight in collectivity internal interest aggregation which is quite of proportion to their numerical strength. This became evident in the 1978 bargaining round when they managed to block the dilution of their special interests and, thereby, set the stage for the ensuing strike and lockout.

For a very critical review of this policy see Josef Esser, Gewerkschaften in der Krise (Frankfurt/Main:Suhrkamp, 1982), in particular pp. 128-138.


Ibid., p. 39


59 In our opinion one need not go as far as Lipset, Trow and Coleman who suggest that because of their interest heterogeneity industrial unions will have to be dictatorial (Seymour Martin Lipset, Martin A. Trow, and James S. Coleman, Union Democracy: The Internal Politics of the International Typographical Union (Glencoe, Ill.: The Free Press, 1956), p. 308.).

60 Ibid., p. 230.


62 IG Metall Satzung (1984), section 145.
63 Ibid., section 18; J. Bergmann, O. Jacobi and W. Mueller-Jentsch, Gewerkschaften in der Bundesrepublik, p. 289.

64 On this point see Jack Stieber, Governing the UAW, pp. 140-141.

65 Ibid., p. 120.
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