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Nordic Metal Trade Unions on the Move: Responses to Globalization and Europeanization

ABSTRACT ■ Despite economic globalization, the liberalization of European markets and rapid technological changes, membership density in the trade unions in the metal sector in the Nordic countries remains exceptionally high compared to any other European region. The coverage of collective agreements has also remained intact, and unemployment is low by European standards. Nevertheless, the Nordic metal unions face a number of dilemmas. They all recognize a need to engage more actively in international, and especially European-level, policy-making, including the coordination of bargaining processes. Yet they fear that European regulation may undermine their national bargaining autonomy. They also recognize the need for a common Nordic position with regard to European policies; but differences in industrial structures and traditions of labour market regulation, alongside different national relationships to the European Union and Economic and Monetary Union, represent obstacles to closer cooperation between the Nordic metal federations. Moreover, a lasting problem is the winning of the support of their members for European and global activities.

KEYWORDS: Nordic Metal Trade Unions ■ globalization and Europeanization ■ metal sector

Introduction

In some respects, globalization is not a new challenge for the Nordic metal industry. Ever since the early days of industrialization, it has been exposed to fierce international competition and cross-national mobility of labour. However, radical changes in the ownership and organizational structures of companies have had a new and significant impact over the past few decades. Workers and their unions have been faced by increased flows of foreign direct investment (FDI), company restructuring, the outsourcing of peripheral activities and relocation of labour-intensive production to low-cost countries.

In studies of comparative industrial relations, it is widely assumed that the breakdown of trade barriers and the free movement of capital, goods and workers will lead to increasing regime competition. This would entail the imposition of restrictive macro-economic policies, the transfer of investment from countries with strict regulations, high taxes and high labour costs, and thereby the loss of production and workplaces and increased social inequality in the high-cost countries of northern Europe (Streeck and Schmitter, 1992). Some expect such changes to cause a convergence in labour market and welfare state regulation, notably in the direction of a deregulated Anglo-American model (Reich, 1992). Accordingly, in the Nordic countries a combination of economic crisis, the introduction of the Single European Market (also affecting Norway and Iceland, as they are part of the European Economic Area (EEA)), and the globalization of the economy in general has raised doubts about the future of the Nordic labour market and welfare state models (Vartiainen, 1997).

The metal industries of the Nordic countries can be seen as the key bargaining sectors within the national collective bargaining systems. Their pattern-setting status reflects their importance within their national economies and their high exposure to international competition. In this sense, the Nordic metal sectors can be viewed as test cases for the adaptability of bargaining systems to the external pressures of Europeanization and globalization.

In this article, I discuss how the Nordic metalworkers' federations have responded to these challenges. First, I examine the consequences of economic globalization and political change for these unions, their organizational structures, and the collective bargaining systems in which they participate. Second, I consider how these changes have affected patterns of cooperation among these Nordic federations and, further, how they cooperate with regard to European regulation and the cross-national coordination of collective bargaining processes.

The article presents key findings from a cross-national Nordic research project carried out primarily in 2002/03, but with additional information gathered both in 2004 and 2005. The research was based on interviews with representatives of the dominant trade unions in the metal sector in the Nordic countries, and was carried out in cooperation with four research centres: Fafo (*Fagbevegelsens senter for forskning* or Institute for Labour and Social Research, Norway), FAOS (*Forskningscenter for Arbejdsmarkeds- og Organisationsstudier* or Employment Relations Research Centre, Denmark), *Arbetslivsinstitutet* (National Institute for Working Life, Sweden), and *Palkansaajien tutkimuslaitos* (Labour Institute for Economic Research, Finland). Unfortunately, it was not possible to include the fifth Nordic country, Iceland.

National Consequences of Globalization and Europeanization

The Nordic metal industries have changed fundamentally over the past two decades. Although exports and investments in South-East Asia have increased, the major part of both metal-related trade and investments go to Europe; in effect, the EU/EEA has become the expanded home market of these industries. In all the Nordic countries, the internationalization of ownership structures as well as of production chains has been accompanied by large-scale processes of restructuring: a narrower focus on 'core business', the introduction of new technology, the outsourcing of support functions, and the relocation of labour-intensive production.

Against this background, trade union representatives from the metal sectors point to a number of effects of globalization and Europeanization. First, fierce international competition and, thereby, a strict focus on costs penetrate all aspects of employment relations at enterprise level. Accordingly, the question of outsourcing or relocation of production is always present. Second, demands related to the qualifications and flexibility of employees have increased. This has enhanced the need for further training and education. At the same time, there is a risk that some groups of metalworkers will become marginalized, as they will not be able to meet these demands. Third, as a consequence of mergers and acquisitions, increasingly across borders, decisions seem to be taken 'somewhere else'. Such changes in ownership structures have made it more difficult for trade union representatives to establish a dialogue with the owners. Fourth, many smaller companies in the Nordic metal industries are subcontractors for larger, often multinational enterprises and are consequently part of cross-national production chains. This means that strikes affect not only the individual company, but all links in the production chain, and thus that the pressure on the strike-bound enterprise is intensified. From the trade union point of view, it becomes important to have well-developed, cross-national contacts. Fifth, the introduction of new technology and restructuring have led to a change in the proportions of blue- and white-collar workers in the metal industries. Because in most Nordic countries these categories are members of separate unions, this changes the relative size and weight of the different unions. Demands for flexible (for example, just-in-time) production have led to the introduction of more flexible working-time schedules, a growth in the number of small subcontractors and, in Finland and Sweden, an increased number of employees on fixed-term contracts. Consequently, job security has been weakened for many metalworkers.

Stability and Change in Collective Bargaining

In spite of the profound changes in the Nordic metal industries, and in contrast to most EU countries, the level of employment remained by and large stable during the 1990s. However, traditional areas of engineering have been substantially restructured or replaced by new types of production, for example, those based on information technology (IT). After the crisis in the late 1980s and early 1990s, the number of employees in the metal industries in all four Nordic countries studied increased between 1993 and 2000, although somewhat more in Sweden and Finland than in Denmark and Norway (OECD, 2002). Moreover, in the past two decades union membership rates have remained, by European standards, exceptionally high. In Sweden, Finland, and Denmark, 85–90 percent of metalworkers are unionized. The figure is somewhat lower in Norway (around 60 percent) and showing signs of decline (Bråten and Dølvik, 2003).

Developments in collective bargaining systems in the metal sector have not been uniform in the Nordic countries, and there have been elements of both divergence and convergence. In all cases, the coverage of agreements remains high despite the restructuring of bargaining systems, especially in Sweden and Denmark. In Denmark, the main industrial affiliates of the central confederation, *LO-Danmark*, formed a broad bargaining ‘cartel’, *CO-industri*, in 1992. This was an enlargement of the sector-specific cartel, *CO-Metal*, and represented a response to the merger in the previous year between the employers’ associations in engineering and in general manufacturing. While the interests of the bargaining parties were centralized within the manufacturing sector at national level, a decentralization of bargaining over primarily pay and working time gained pace throughout the 1990s. Consequently, today around two-thirds of the total of collectively bargained increases in costs (i.e. pay and improved conditions) are negotiated at local level.

A similar development took place in Sweden. Peak-level bargaining was eroded in the 1980s and formally abandoned by the employers in 1990, in favour of sectoral negotiation, while company bargaining grew in importance. Trade unions in manufacturing then began to cooperate increasingly closely, and in 1996 seven of the major federations created a new umbrella organization, *Facken inom industrin* (unions in industry), encompassing unions from all the Swedish confederations: *Landsorganisationene i Sverige* (LO Sweden), *Tjänstemännens Centralorganisation* (TCO or Confederation of Professional Employees), and *Sveriges Akademikers Centralorganisation* (SACO or Swedish Confederation of Professional Associations). In 1997, they were able to conclude a basic agreement with the employers, which since then has set the framework for decentralized wage negotiations and a procedure for conflict resolution (Elvander, 2002).

Trade unions in the metal industries are more fragmented in Norway. The largest private-sector union, *Fellesforbundet* (United Federation of Trade Unions), was created in 1988 in a merger of five unions representing metalworkers as well as workers in other industries; but there are several other unions in the metal sector. However, in the past decade the collective bargaining system in the metal sector has shown stability, despite a major strike in 1996 and rapid wage increases in the late 1990s.

In Finland, there has been little change to the rather fragmented structure of trade unions. However, in the context of renewed peak-level incomes policies, cooperation between both individual unions and confederations has improved in recent years.

There have thus been trends towards decentralization in the metal sectors of all Nordic countries, but in general, company negotiations have developed further in Denmark and Sweden than in Norway and Finland. In the latter countries, the centralized character of their overall bargaining systems was reinforced during the 1990s, although company representatives are mandated to negotiate certain issues (in Norway, including pay) within the nationally agreed framework. Despite contrasts between countries, all these systems are examples of ‘centralized decentralization’ (Due et al., 1994) or ‘organized decentralization’ (Traxler, 1995). Centralized control of the bargaining process persists, despite significant national variations with respect to the levels and modes of coordination.

The Nordic economies have followed the general euro-zone pattern, with low inflation and independent central banks. Consequently, trends in wages and costs have become much more important for macro-economic adaptability. As the pattern-setting first-mover in national bargaining, the metal sector plays a significant role in macro-economic concertation (Dølvik and Vartiainen, 2002). Finland is part of the euro-zone and its metal trade unions have accepted the establishment of a new wage norm, underpinned by buffer funds designed to prevent nominal wage cuts during economic shocks. High nominal wage increases have given way to broad incomes policy solutions. The value of the Danish krone is locked to the euro (making Denmark a shadow member of the euro-zone), but this is not true of the Swedish krona. But in both countries, external pressures and internal reforms have led to moderate wage demands adapted to cost movements in the most important trading partners (first and foremost Germany). In Denmark, a national tripartite agreement in 1987 restricted increases in labour costs to the level in competitor countries. In the Swedish industry sector, a bipartite agreement in 1997 specified that wages should not rise faster than the EU average (Elvander, 2002; Schulten, 2001). Norway (a member of the EEA and thus of the single market) also had moderate wage increases between 1988 and 1996, but inflationary pressure in the oil economy and lack of coordination in bargaining rounds led to much higher wage increases in

the late 1990s. This, together with a rise in the value of the Norwegian krone, threatened capital flight and significant job losses, leading to tripartite incomes policy agreements from 1999.

Thus despite widespread expectations of collapse in the early 1990s, the industrial relations systems in the Nordic metal sectors proved robust and adaptable. They have adopted the hallmark of the traditional German model: an interaction between wage bargaining and the low inflation targets of independent central banks. In general, these systems have displayed the paradigmatic shift seen elsewhere in Europe, from a productivity-oriented collective bargaining policy towards a competition-oriented one (Dølvik and Vartiainen, 2002; Schulten, 2001).

Europeanization and Nordic Scepticism

Virtually all our interviewees emphasized that the dividing lines between national, Nordic and European trade union policies are becoming increasingly blurred. So many aspects of national trade union work are influenced by European economic integration and European policy-making that European issues have become ever more interwoven with national policy-making. Consequently, union representatives in the metal industries have also recognized a growing need for their organizations to have a strong voice at European level. This they seek through a number of different channels (Rasmussen, 2004): national authorities; national political parties; the European Parliament; the European Commission; their national confederations; their European sectoral organization, the European Metalworkers Federation (EMF); and the European Trade Union Confederation (ETUC). It should be added that although global issues are moving up the agenda, European influence and coordination are seen as much more specific, goal oriented, and useful than global cooperation.

Priority is given to the EMF, the function of which has changed from exchanging information on national collective bargaining rounds to more concrete and binding policy-making. It facilitates not only the exchange of information and experience, but also policy learning with regard to European trends and the formulation of mutually binding policies. Benchmarking and peer pressure form an important part of such dynamics. All the Nordic trade unions in the sector share this understanding of the EMF (Andersen et al., 2003: 66; Blomqvist and Murhem, 2003: 170; Bråten and Dølvik, 2003: 117; Sund, 2003: 207).

This consensus on the need to engage in European policies contrasts with the otherwise sceptical attitude towards European integration traditionally found among trade unions in Norway, Denmark and Sweden. However, the unions in the metal sector have had, and still have,

a more positive approach towards the EU than the majority of unions in the three countries. In the 1994 Norwegian referendum on EU membership, both *Fellesforbundet* and NITO (the union of engineers and technologists) recommended a yes vote, while *LO i Norge* (narrowly) recommended a no vote. In Sweden and Denmark, respectively, *Svenska Metall* and *CO-industri* campaigned actively for Economic and Monetary Union (EMU) membership, which was, however, rejected in the referendums in both countries. In contrast, the Finnish labour movement has a far more positive approach. The collapse of the Soviet Union forced Finland to look westward for new markets and political stability, and the economic crisis of the early 1990s was so deep that the unions were prepared to move in new directions. Consequently, the trade unions were anxious to inform themselves and their members about the EU, and the metalworkers' unions took the lead in this process (Sund, 2003: 206).

Among metal trade unionists in the three Scandinavian countries there is scepticism towards EU directives on labour issues. Although it is acknowledged that EU regulations have in several respects improved workers' rights, there is a fear that the spread of individual legal rights may eventually undermine the systems of national collective agreements, threaten the existing autonomy of the trade unions (and their counterparts, the employers' associations), and consequently weaken the power base of both parties. Especially in Denmark, there have been strong attempts to implement EU directives via national collective agreements. This has only been partly successful, as the Commission has pointed out that collective agreements do not cover *all* employees in the Danish labour market; consequently, it has been necessary to supplement the collective agreements with complementary legislation (Andersen, 2003; Falkner and Leiber, 2004). An additional dilemma, especially for the Danish and Swedish metal federations, is the fact that agreements reached in peak-level social dialogue tend to strengthen the position of the national confederation at their expense. It is with some ambivalence that the metalworkers' unions see the central confederations play a key role in not only the European inter-sectoral bargaining process, but also in the national processes of implementing European agreements and directives.

There is similar scepticism towards the European Works Councils (EWCs). When the EWC directive was implemented, the Nordic metal trade unions by and large saw them as bodies without substantial competences or potential. Furthermore, the possibility of having non-unionized employee representatives was, and still is, perceived as problematic, since works councils in the Nordic countries are 'exclusively union mechanisms' (Kjellberg, 1998: 76). At least in the early years of the EWCs, Danish representatives seem to have functioned more or less in isolation

from the trade unions, even though the vast majority of the representatives were union members (Knudsen and Sørensen, 2000). However, scepticism is slowly giving way to the view that the EWCs might become useful bodies if closely linked to the national systems of joint influence and codetermination. The metal unions today recognize that at least some EWCs function relatively well and are discussing issues that are close to the core collective bargaining agenda. At the same time, this provokes concern that cross-national, enterprise-based agreements might conflict with the national collective bargaining system.

It emerges as at least partly paradoxical that the Nordic metal unions are, on the one hand, convinced that they need to engage more strongly in European policy-making, above all via the EMF, while on the other hand (with the exception of the Finnish unions), they remain sceptical about important aspects of European labour policies. At the heart of this ambiguity is the fear that the national collective bargaining systems can be threatened. Coming from strong positions based on the high rate of unionization and encompassing coverage of collective agreements, the Nordic metal trade unions (especially in Sweden and Denmark) are key players in the political and economic arena. Any interference that might diminish the importance of collective agreements is a potential threat to their position.

There is also a fairly strong belief within the metal-sector organizations, unions as well as employers' associations, that Nordic labour market regulation is well functioning – a view which is confirmed by key indicators such as unemployment and competitiveness. In other words, there is a fear that European regulation might disrupt existing national bargaining systems or restrict the scope for nationally agreed changes – though so far there is little evidence that European directives have had such an effect.

The Nordic unions are also sceptical that EMF policy-making seems to assume that it is 'possible to pursue a common policy at sectoral level in every European country' (Nilsson, 2001: 278), whereas in several European countries there is no effective sector-level bargaining system. Thus they have tended to adopt a defensive approach to the work of the EMF, giving priority to safeguarding the future existence of the Nordic bargaining systems. Thus the Nordic organizations (which together comprise around a fifth of EMF membership) are often viewed as a brake on the enlargement of the authority of the EMF. Nordic representatives are aware of this and have started discussions about how to develop more proactive European approaches, but they also believe that their unions are respected by the other EMF members because of their strong positions in their home countries, and feel that they do contribute constructively to EMF activities (Bråten and Dølvik, 2003: 116).

The EU and the Revitalization of *Nordiska Metall*

Nordiska Metall, established in 1970 by the metalworkers' unions in Sweden, Denmark, Norway, Finland and Iceland, is the longest-established federation for regional cross-border cooperation in the metal sector in Europe (Löhman, 2002). Its activities gained new impetus in the 1990s, especially after Sweden and Finland joined the EU in 1995. From then on its main focus has been on broader European developments, and in particular on activities within the EMF. In this sense, *Nordiska Metall* has become a regional body for the coordination of European policies, or more specifically, for consolidating influence at EU level (especially within the EMF) of the Nordic metal unions. However, it does not formally represent the Nordic metal unions, merely coordinating the positions and viewpoints of the different unions.

Today, *Nordiska Metall* consists of 14 unions (including white-collar staff, engineers, and other professionals) from the five countries, representing almost one million employees. It has a secretariat of three full-time employees in Stockholm. One of its key activities is to coordinate information among the Nordic unions on their collective bargaining demands, strategies, and outcomes. These activities are closely linked to the 1999 EMF 'coordination rule' governing collective bargaining by its affiliates (Gollbach and Schulten, 2000). *Nordiska Metall* formulates annual action programmes for collective bargaining, and has established a select working party on collective bargaining which meets approximately four times a year. There are also frequent informal contacts between the Nordic representatives.

So far there has been only limited experience of the operation of the coordination rule, as collective agreements in the Nordic countries are in some cases renewed only every third or fourth year. However, over the winter of 2003/04 there were more or less parallel sequences of bargaining in Denmark, Sweden, Norway and Germany. This triggered a number of meetings. The defeat suffered by *IG Metall* in 2003 over its demand for a 35-hour week in eastern Germany caused anxieties among the Nordic unions as a bad omen for the German wage negotiations scheduled for early 2004. The Danish *CO-industri* and Swedish *Metall* have for a number of years held regular meetings with officials from the adjacent region of *IG Metall* (*Bezirk Küste*) to exchange information and discuss strategies. In advance of the 2004 pay negotiations in Germany and Denmark, *IG Metall* Vice-President Bertold Huber together with EMF Deputy General Secretary Bart Samyn met in Copenhagen for discussions. Later, the collective bargaining group of *Nordiska Metall*, with representatives from all four countries, met Huber at the *IG Metall* headquarters in Frankfurt to discuss progress. According to *CO-industri*

representatives, these meetings demonstrated that cross-border information and coordination had been taken to 'a new level'.

Over the same period, meetings of Nordic representatives were convened in Sweden, Denmark, and Norway to discuss national priorities in the forthcoming negotiations. Occupational pensions were high on the bargaining agenda in Norway; in Sweden, the key issue was working time; while in Denmark the main focus was on 'softer' issues such as parental leave. Even though it is difficult to evaluate the impact of such cross-national meetings and informal contacts, it should at least be emphasized that these have today become more than the traditional exercises of merely exchanging information on bargaining *outcomes*; these sequences of contacts take place *before* and *during* the negotiation process in each country.

The much-debated, cost-cutting deals concluded over the summer and throughout the second half of 2004 in Germany constituted an unpleasant challenge for the Nordic metal trade unions. The size of the German economy means that the Nordic countries are directly affected by developmental trends in Germany. Accordingly, German concession bargaining may well shape the outcome of agreements to be concluded in the Nordic countries. Developments in Germany also demonstrated the need for steady flows of information concerning not only sectoral multi-employer bargaining, but also company agreements, with deals on cost cutting and job security at major firms such as Siemens, Daimler-Chrysler, and Volkswagen attracting considerable media attention.

Nordic union representatives complain that they were not informed early enough about many of these agreements, for example, that at Siemens in July 2004. However, there was a more effective exchange of information, and eventually coordination of action, in the case of GM Europe's plan to dismiss some 12,000 workers, the majority of them in Germany. The General Motors (GM) restructuring plan posed a particular problem for cross-national trade union cooperation, since the company announced that only one plant would assemble the next generation of SAAB 9.3s and Opel Vectras. Management intended to negotiate separately with union representatives at Opel Rüsselheim (Germany) and SAAB Trollhättan (Sweden) before deciding where to assemble the cars in the future. Leaders of the German and Swedish unions and the EMF issued a joint declaration in October 2004, with demands including the negotiation of a restructuring framework at European level, no interference with collective bargaining arrangements, and no plant closures (EMF, 2004). This was followed by a call from the GM EWC and the EMF for a European day of action. According to trade union sources, more than 50,000 employees at the 13 GM locations in Europe, as well as employees at the three plants in Brazil, took part. Eventually,

in December 2004 an agreement was signed whereby GM Europe would negotiate the implementation of the restructuring plan (EIRO, 2004).

Consequently, GM's decision on where to assemble the future models would be based on bids from Rüsselheim and Trollhättan, a process in which the German and Swedish metalworkers' unions have been deeply involved. This so-called 'beauty contest' illustrates the dilemma faced by the Swedish and German trade unions: they are competing for jobs, yet also claim that they are jointly fighting against any plant closures. Such a 'contest' can easily degenerate into sheer regime competition. In March 2005, GM decided that both the Opel Vectra and the SAAB 9.3 would in future be assembled in Rüsselheim, following an agreement approved by the works council there. In order to safeguard production at the plant, the works council made a number of concessions, among them that up to 2010 the collectively agreed pay increases for the sector will be reduced by 1 percent (EIRO, 2005). As noted above, the joint declaration issued by the Swedish and German trade unions and the EMF had insisted that the restructuring process should not lead to any violations of collective agreements, and some Swedish trade unionists saw these concessions as a breach of the declaration. However, official representatives of *Metall* in Sweden maintain that overall the cross-border coordination in this case has been satisfactory and that the EMF has succeeded in playing a positive role in the process.

The Nordic unions perceive the EMF's coordination of national bargaining processes as increasingly binding in character, while the evaluation of national outcomes undertaken by its collective bargaining committee has a real impact. If a national union fails to meet the criteria of the coordination rule, it is a rather unpleasant task to present the results to the committee. Accordingly, the Nordic unions consider that the wage coordination rule and peer pressure provide an important brake on downward wage competition in Europe. Yet it seems clear that the wage coordination rule is not directly present at the bargaining table, rather, it is 'somewhere in the background'. In other words, the 'rule' is not explicitly mentioned in the bargaining process, but the unions seek to conclude agreements broadly complying with it over the business cycle as a whole (Löhman, 2002: 18).

Apart from pay bargaining, *Nordiska Metall* seeks to coordinate the policies of its affiliates on a number of other issues, such as industrial policy, health and safety, strengthened relations to trade unions in the Baltic region, and at the global level initiatives to promote global framework agreements. Hence European integration has intensified Nordic cooperation within the metal sector, but there also seem to be limits to how far the coordination and integration of policies can be taken.

Natural Born Allies?

There have been several occasions in recent years when the Nordic metalworkers' unions have failed to reach common positions on questions regarding European policy, including within the framework of the EMF. Although broad similarities in the systems of labour market regulation across the Nordic countries have often been analysed (Bruun et al., 1990; Kjellberg, 1998), there are also important differences in the characteristics of the national industrial relations systems, including those of the metal industries, which can hinder closer cross-national cooperation between the metal unions.

The metal industry itself displays significant differences between the Nordic countries. The larger part of the Danish metal industry consists of small and medium-sized companies that produce specialist machinery, tools, and instruments. A large proportion of firms are engaged in business-to-business production, with the supply chain often extending beyond the national border (Andersen et al., 2003).

By contrast, the Swedish metal industry has traditionally been dominated by large firms, in basic metals and the car industry, for example. Its ownership structures are concentrated, with the major banks and the famous 'ten families' controlling the most important companies (Blomqvist and Murhem, 2003). Today, enterprises based on information technology have also become prominent, with the mobile-phone producer Ericsson being the major example.

The driving force in the metal industry in Norway, and in particular the workshop-based firms where around two-thirds of metalworkers are employed, is the oil industry that has grown rapidly since the 1970s. A contentious issue among trade unionists in the metal sector is the impact on investment and competitiveness of Norwegian non-membership of the EU. This also means that most channels for political influence at the EU level are blocked. Accordingly, coordination at the Nordic level becomes all the more important for the Norwegian unions (Bråten and Dølvik, 2003).

The Finnish metal industry provided metal products, machinery, and ships as a contribution to war indemnities to the Soviet Union in the aftermath of the Second World War. Later, this was transformed into a trading relationship, with the larger part of Finnish metal production being exported eastward. The collapse of the Soviet Union resulted in a subsequent economic recession in the early 1990s, but the Finnish economy recovered, and growth in the IT sector in particular boosted exports and jobs, with Nokia being the prime example. Nokia also illustrates the importance of state research and development policies and the influence of foreign investment, with 90 percent of its shares owned by foreign investors (Sund, 2003).

Even though there is consensus among the Nordic metal unions on the need to safeguard the autonomy of their collective bargaining systems, significant cross-national differences in the balance between legislation and collective agreements can be identified. The Danish industrial relations system is strongly voluntaristic: only the laws concerning the industrial court and the public conciliator constrain the bargaining parties and the relations between them. A key element in understanding the autonomy gained by trade unions and employers' associations is the fact that Denmark has been ruled by coalition governments for more than half a century. For example, in recent times governments led by the social democrats have usually included centrist parties. Consequently, there has been little space for one-sided alliances between governments and either employers or trade unions. On the contrary, the consensus on safeguarding the autonomy of the social partners has been, and still is, shared by virtually all political parties. The strength of self-regulation distinguishes the Danish system from those of other Nordic countries (Due et al., 2000; Scheuer, 1998; Skulason and Jääskeläinen, 2000). However, it should be added that the law on the public conciliator (somewhat paradoxically, given the voluntary nature of the Danish industrial relations system) enables state intervention in the process of collective bargaining if the parties fail to reach agreement (Stokke, 2002: 681–2).

In Sweden, social-democratic governments were the precondition for the erosion of the principle of self-regulation and the introduction of extensive labour legislation, first and foremost in the 1970s. Prominent examples were laws on job security, union workplace representatives, and codetermination (Kjellberg, 1998: 82). When the social democrats lost power in 1976, after 44 consecutive years in office, the employers abandoned peak-level collective bargaining and pursued a radical decentralization of the bargaining system. One interpretation suggests that the Swedish industrial relations system has become regime dependent, whereas the Danish remains regime independent (Due and Madsen, 2000); but this has been disputed by Nycander (2002: 90), who argues that the role of the public conciliator and experience of government intervention in industrial disputes demonstrate that social partner autonomy in the Danish system is limited. An alternative formulation might be that in both countries the scope for self-regulation is high, but that in specific areas, which differ between the two systems, state intervention does occur. Within the metal sectors in particular, the similarities have been enhanced over the past decade, following the conclusion of the basic agreement in Swedish manufacturing (discussed above), which reaffirmed and enhanced sectoral collective bargaining.

The political environment of Norwegian industrial relations has been similar to that in Denmark, with the social democrats dominant for more than half a century, but normally ruling at the head of coalition

governments. However, the absence of a powerful capitalist class in the early 20th century and economic dependence on natural resources and oil revenues help explain why the Norwegian state has played a more active role in industrial and employment policies than in Denmark and Sweden. Consequently, even in more recent years Norwegian employers, in contrast to Danish and Swedish employers, have seen advantages in state intervention in order to maintain stable economic conditions. The experience of decentralized bargaining in the 1980s and again in the late 1990s, leading to wage drift and economic instability, seems to have convinced Norwegian employers that centralized bargaining within the framework of state-initiated incomes policies is preferable (Bråten and Dølvik, 2003; Dølvik and Stokke, 1998; Dølvik and Vartiainen, 2002: 69–94).

The most encompassing legislative regulation of the labour market is found in Finland. This is illustrated by the presence of a legally based *erga omnes* procedure that generalizes the coverage of collective agreements. Strong tripartite relations have also formed the basis for a number of peak-level agreements during the past three decades. Typically, the state has paved the way for these agreements by linking tax reforms, increased social security, and changes in labour laws to agreements reached by the bargaining parties on wages and conditions. The political background in Finland is also distinctive in that the Social Democratic Party has not had the dominant role traditional in the other Nordic countries. In recent years, Finnish governments have been coalitions consisting of both socialist and non-socialist parties (Dølvik and Vartiainen, 2002: 59–64; Lilja, 1998).

In summary, there are important differences between the metal sectors in the Nordic countries, reflecting distinctive historical processes of industrialization, the contemporary structure of the industries, and the typical size of enterprises and patterns of ownership, despite the impact of economic globalization. The variations in the balance between legislation and agreements help explain why the Nordic metalworkers' unions have failed at times to reach shared views on how, and to what extent, European regulation might interfere with the Nordic collective bargaining systems. This also explains differences in the preferred means of implementing EU directives, as for instance with the application of those on part-time and fixed-term work (Andersen, 2003).

Despite occasional disagreements, the Nordic metalworkers' unions are more than ever committed to extending and strengthening their policy coordination and cooperation. These attempts are linked to a strong Nordic tradition of intergovernmental information exchange and cooperation in many policy fields, including labour market regulation. Likewise, social partner contacts, formal as well as informal, are well developed across Nordic borders. Consequently, the search for common 'Nordic positions and opinions' often appears to be the obvious strategy when it comes to European, if not global, issues.

Nevertheless, a narrow focus on Nordic cooperation might present an obstacle to the development of new alliances and new solutions to the challenges caused by Europeanization and globalization, and hence impede their influence on European-level policy-making. The Nordic countries, or the unions in the metal sector, might not be 'natural born allies' after all. In view of EU enlargement, new challenges arise (for example, with regard to relocation), and there is an obvious need for deepened cooperation and alliance building with unions across the Baltic Sea. Furthermore, over the years the Nordic metalworkers' unions have to varying degrees developed bilateral contacts with unions in other European countries. Probably because Denmark joined the European Community more than two decades earlier than Sweden and Finland, the Danish unions seem to have the most developed formal and informal contacts with unions in the 'old' member states.

Challenges for the Trade Unions in the Nordic Metal Sector

It can be argued that European integration has brought the Nordic metal unions to a crossroads: will they continue to meet in order to celebrate Nordic brotherhood or will they be able to coordinate common European policy initiatives? Will they continue acting as a 'brake' on European regulation or develop new alliances in the European context (for example, within the framework of the EMF), and will they thereby be able to counterbalance the otherwise dominant influence of *IG Metall*?

Europeanization and globalization present a number of challenges for the Nordic trade unions, given their organizational structures and membership base. Whereas these unions have traditionally had their stronghold at national level, the European and workplace levels are becoming increasingly important in policy terms. Moreover, various expressions of discontent with the way international activities are organized can be identified in all the Nordic unions. This includes disagreement between sectoral unions and confederations on who should have the primary responsibility for EU-related issues, and between local branches, national unions, and confederations on who should have the primary responsibility for supporting EWCs (Blomqvist, 2003: 223). Consequently, as international trade union work becomes ever more complex, which in turn increases demand for new competences among trade union representatives, there is also a growing need to prioritize and pool scarce resources and to coordinate policies across traditional demarcation lines.

In spite of existing differences, a major concern of the Nordic

metalworkers' unions has been the fate of their national collective bargaining systems in a more Europeanized and globalized economy. This concern is linked to the deep-seated understanding that these systems make up the power base of the Nordic unions. Nevertheless, over the past decade the bargaining systems in the Nordic metal sectors have shown a surprising resilience and capacity to adjust to significant structural changes. These changes include deepened European integration, but also divergent trajectories in Nordic labour market regulation, illustrated by striking variations in the scope and depth of processes of decentralization of the bargaining systems and in the implementation of EU directives. Yet in view of their fear of European interference, it could be asked whether the Nordic metalworkers' unions lack belief in the adaptability and robustness of their national collective bargaining systems in their encounter with European regulation.

Finally, the most fundamental challenge for the unions in the metal sector is how to increase their knowledge of and the mobilization behind international and especially European trade union activities. The vague and hesitant support of metalworkers for European integration in general, and an evolved European social dialogue in particular, is still widespread in all Nordic countries except Finland. One illustration of this is a survey carried out for the Swedish LO in 2002, in which union members were asked to specify the most important issues for trade union activities: European trade union cooperation came sixteenth among the 20 core issues listed (Blomqvist and Murhem, 2003: 171). Reflecting the strength and legacy of national unionism in the Nordic countries, securing membership support for European and eventually global trade union work is probably the most tricky challenge facing unions in the Nordic metal sector in the years to come.

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