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Why don't they play a more important role?
Trade Unions and the European Integration Process

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Abstract

This study discusses why trade unions at the European level do not play as an important role as early neofunctionalist theory (E.B. Haas) had foreseen. The study thereby provides a twofold answer, as both, the accuracy of the theory as such and the weaknesses of the European Trade Union Confederation (ETUC) in particular, are problematised. Structurally, the research is conducted with the help of a research pattern that allows the comparison of five neofunctionalist core expectations with the actual state of trade union affairs. It further introduces the reader to ways in which trade unions are currently involved in a European social policy formation and interact with the European institutions and the business community. Outcome of the study is that a set of general shortcomings of Neofunctionalism causes the identified mismatch between Haas' predictions and today's actual trade union role, which to a high extent is limited by a variety of internal obstacles.

Key words: Trade Unions, Europeanization, Neofunctionalism, Social Policy, Industrial Relations

List of Abbreviations

CEC	European Confederation of Executives and Managerial Staff (Confédération Européenne des Cadres)
CEEP	European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest
DGB	German Trade Union Federation (Deutscher Gewerkschaftsbund)
EC	European Community
ECSC	European Coal and Steel Community
EES	European Employment Strategy
EMU	Economic and Monetary Union
EP	European Parliament
ETUC	European Trade Union Confederation
ETUI	European Trade Union Institute
EU	European Union
FERPA	European Federation of Retired and Older People
FDI	Foreign Direct Investment
OMC	Open Method of Coordination
QMV	Qualified Majority Vote
SEA	Single European Act
TUC	Trade Union Congress (Great Britain)
NF	Neofunctionalism
UNICE	Union of Industrial and Employers' Confederation of Europe
UEAPME	European Association of Craft Small and Medium-sized Enterprises

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1. Introduction

The European Trade Union Confederation (ETUC) calls itself “the voice of over 60 million workers”, but can this impressive membership figure alone be equalized with a great amount of influence at Europe’s political scene?

Today’s landscape of European interest organizations suggests something different: social policy as such plays only an inferior role and business interests seem to dominate the scene. Accordingly, looking at the general perception trade unionists have about the EU, a strong belief that a ‘Social Dimension’ should complement the European economic integration process can be identified (Hyman 2005); but so far the rather abstract conviction- practically, the interpretations of what exactly the term ‘Social Europe’ means, or what kind of action should be taken into account, widely differs depending on the trade union’s national background (ibid.) as the landscape of trade unions in Europe is very diverse. Further, industrial relations systems are nationally enrooted and employment regulation rests on national foundations. From this background, the individual impact of a national trade union differs due to its (legal) position, but also due to its own programmatic/ ideological goals/ orientations and aggregating genuinely European positions among trade unions is therefore a very difficult task for the peak organization (ETUC).

Notwithstanding, social problems and conflicts¹ in Europe show an increasing degree of convergence and are often related to unemployment, the way it is dealt with it (flexicurity²) or estimate from general questions of distribution. It is therefore worth asking, why at times where employment issues are at the centre of attention of European decision makers, trade unions (as the main representatives of labour) do not play a more important role?

¹ See e.g. the recent protests voiced by harbour workers (January 2006) or on the Service Directive (February 2006).

² “The concept of ‘flexicurity’ attempts to find a balance between flexibility for employers (and employees) and security for employees”
(www.eurofound.eu.int/areas/industrialrelations/dictionary/definitions/FLEXICURITY, 29.05.2006).

1.1 Purpose and Research Question

The overall purpose of this study is to discuss and problematise the role trade unions at the European level play. The study thereby puts Neofunctionalism at its centre by testing the validity of some of its core assumptions, allowing in the consequence to draw conclusions about the current state of European trade union involvement and the appropriateness of the theory as such. Overarching research question is it to ask why a mismatch between the neofunctionalist expectations and the actual degree of trade union involvement at the European level has to be identified? In the course of the thesis, this question further can be specified as asking *why trade unions at the European level do not play as an important role as neofunctionalist theory had foreseen?*

1.2 Plan of the Study

In its structure this thesis consists of six chapters. Following the introduction (*chapter 1*), the study will begin with the theoretical part (*chapter 2*), outlining a set of neofunctionalist expectations that predict for the European trade union movement to develop certain traits and characteristics. In order to strengthen the reassessment possibilities for those expectations, I will subsequently transfer them into a condensed research pattern.

Within the subsuming part (*chapter 3*), the study will continue by presenting the state of affairs of trade union participation within European Social Policy. I will particularly question the term ‘Social Dimension’ and identify ways in which trade unions currently are involved in its formation. Further, I will put an emphasis on the key actor of this research: the European Trade Union Confederation (ETUC). Its assessment together with the established knowledge about its environment, finally serves the purpose of providing the fundament for a ‘reality test’ of comparing the recent role of trade unions with each of the neofunctionalist expectations of the formerly established research pattern.

In the next part (*chapter 4*), I will then concentrate on the main influences that determine trade unions role within the European integration process. Those influences/ obstacles are thereby categorized as either of internal or external nature.

Within the following section (*chapter 5*), the research findings now will be analyzed concerning their explanatory power for the revealed mismatch between the theoretical assumptions and the actual circumstances. This analysis is composed of two elements: an examination of the internal/ external factors and of the general neofunctionalist expectations.

Finally, the concluding part (*chapter 6*) highlights the outcome of the study and suggests areas of further research.

1.3 State of Research

Generally, trade unions are studied in a variety of academic disciplines³. E.g. for economists their function as labour market institutions stands at the centre (do they influence labour market supply and demand?), legal scholars focus on the characteristics of labour law, whereas historians and sociologists show interest in trade unionism as a social movement (what is their contribution to democratization processes?). Finally, political scientists are interested in how trade unions function and operate as interest groups. In that respect, this thesis easily can be compared to other political studies on (special) interest groups, but what separates it from them is its particular focus and methodology. The study thereby tries to fill a gap between the bulk of literature on the role of business organizations at the European level, and the comparatively low degree of work that has been carried out on “the potential role of labour as a supranational actor” (Bieler 2005: 462). Further, it proves its relevance in comparison to the predominant focus of recent civil society literature, in whose centre “do not stand the ‘old’ but clearly the new social movements; prominently represented especially by environment-, peace- and human rights organizations” (Fetzer 2005: 299)⁴.

1.4 Methodology and Sources

I will approach the problem of this study (the low degree of trade union involvement at the European level) with the help of a comparative methodology. This means, that I am going to compare the hypothetical assumptions of Neofunctionalism with the actual state of trade union involvement.

Conducting the research thereby requires a chronological order of subsequent questions and includes four distinctive levels of analysis:

- a) What role would trade unions at the European level play according to Neo-functional theory? (*Hypothetical level*)
- b) What role are trade unions at the European level playing according to an assessment of their current involvement? (*Factual level*)
- c) What conclusions can be drawn from the comparison of the predictions (a) and reality (b)? (*Comparative level*)
- d) How can those findings (c) be explained? (*Interpretative level*)

³ See Visser (1995). According to Visser trade unions fulfil three distinctive roles: They are labour market institutions, part of a social movement and interest groups (ibid. 37f.).

⁴ Original wording: “im Mittelpunkt des Interesses der Zivilgesellschaftsliteratur stehen nicht die ‘alten’, sondern die neuen sozialen Bewegungen; prominent vertreten sind insbesondere Umwelt-, Friedens- und Menschenrechtsorganisationen.”

Consequently, it is the established research pattern that sets the overall frame for the study. It functions as an instrument in order to focus on a limited number of neofunctionalist core predictions. Further, a two-fold aim is achieved: the accuracy of Neofunctionalism for the case of trade unions and general weaknesses of the current state of trade union involvement can be identified more precisely. Turning to the set of relevant sources, the theoretical part of the study is based on the exploration and analysis of early neofunctionalist literature. The primary source of the core expectations establishing the research pattern is thereby Ernst B. Haas' "The Uniting of Europe" (1958), a classical point of reference for neofunctionalist thinking. Further, the material used in order to provide an overview on European Social Policy in general and the role of ETUC in particular estimates from a number of books and articles of leading researchers in the field. For example, several works of J.E. Dølvik, J. Greenwood, W. Streeck, A. Martin and G. Ross have proven to offer valuable insights and expertise. The academic sources are further complemented with the help of informal interviews with ETUC representatives (Lilli Wilcox-Poulsen, Head of the ETUI Research Documentation Centre and Birgit Buggel-Asmus, Publications and PR coordinator of the ETUI, Brussels: 23.02.2006). Finally, the online "Dictionary of Industrial Relations from the European Foundation for the Improvement of Living and Working Conditions" (www.eurofound.eu.int) offered assistance for the definition of relevant terms.

2. Theoretical Framework

As introduced in the previous chapter, Neofunctionalism, particularly based on the early work of its founding father, Ernst B. Haas⁵, will serve as the theoretical framework of this thesis. The expectations Neofunctionalism puts on the potential role of trade unions within the European integration process will thereby be used as a set of hypotheses whose explanatory power will be put under a reality test (chapter 3) and critical analysis (chapter 5).

Generally, Neofunctionalism gains most of its relevance for this study from the fact that it attributes organized interest groups, i.e. trade unions, a key role within the formation process of supranational institutions. It claims that “political authority shifts to the European level and makes a strong case for the centralization of interest group activities at that level” (Eising 2004: 212).

Concerning the strategic behaviour of trade unions, Haas (1958) predicts that they will turn “to supranational institutions as devices for more effectively realizing demands at the national level” (ibid.: 221). Further, he establishes the concept of quasi-automatic spillover⁶ from market integration into areas of social policy “not on economic determinism, but on changes in the attitudes and behaviour of governments, parties, and especially, labour and business interests groups” (Dinan 2004: *x).

Terminology wise, the assumption that integration in one sector creates integrative pressure in a related sector is known as *functional spillover*, whereas the increasing involvement/commitment of more actors can be referred to as *political spillover* (Rosamond 2000: 202). A comparatively newer term is the one of *cultivated spillover* (Nye 1971, Tranholm-Mikkelsen 1991), which can be “applied to integration processes in which specific issues are linked together for political rather than functional reasons” (Jensen 2000: 74). Commonly such behaviour is also known as ‘package dealing’.

After this short introduction to the basics of Neo-functionalism, it will be interesting to see in the following chapters, whether a set of example expectations successfully can be related to the case of the European trade union movement, or whether elementary weaknesses have to be identified.

⁵ All editions of “the Uniting of Europe” (1958, 1968, 2004).

⁶ Lindberg defines spillover as “a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth” (Lindberg 1963: 10).

2.1 Expectations of Neofunctionalism

In order to further structure the research process, I will now nail down a set of neofunctionalist expectations that are of relevance for the case of the Europeanization⁷ process of the trade unions.

I thereby chose to focus on five key aspects, which to my conviction are able to mirror the essential assumptions of Neofunctionalism and serve as points of departure for further analysis. Those aspects are, however, by no means unconnected entities and I am aware of eventual linkages (further discussed within the next paragraph). Nevertheless, each category does have its own emphasis and stresses a particular angle that separates it from the other.

a) Transfer of expectations from the national to the supranational level

The first aspect, whose explanatory power later will be analyzed, is Haas' conviction that proceeding European integration facilitates an Europeanization process of national trade unions. Accordingly, unions will increasingly transfer expectations and ambitions to the supranational level, while the national level tends to lose relevance, as Haas puts it:

“In the process of reformulating expectations and demands, the interest groups in question approach one another supranationally while their erstwhile ties with national friends undergo deterioration.” (Haas 1958: 313).

In that sense, Haas sees trade unions as vanguards for integration of new policy areas, as they are guided by the perception to see “in supranational rules and organs the means to establish a regulated large-scale industrial economy permitting worker influence over industry” (ibid.: 292).

b) Spillover from labour to business

The second neo-functional expectation that will be tested in the course of this thesis is Haas' prognostication that trade unions are more likely and quicker to develop supranational traits than employer associations. To him, unions furthermore possess the ability to stimulate business Europeanization, or as he formulates it:

“it can be predicted that labour solidarity will compel an increasing measure of supranational unity among employers (...) and once they consent to bargain, they are compelled by the situation to agree on common terms among themselves (...) freedom of organization and bargaining in western Europe cannot but imply a ‘spill-over’ of labour’s solidarity into the ranks of employers.” (Haas 1958: 388f).

⁷ The concept of Europeanization can either be used to characterize “downstream” or “upstream” changes in the behaviour structures of national actors (Dølvik 1997: 9).

Especially in contrast to business, Haas sees it as a major advantage for labour to have established channels of communication at its disposal and being able to draw back on “a more consistent tradition of international awareness and co-operation because of the long history of labour Internationals and the ideological premises on which these are based” (ibid.: 356).

c) Function of the ‘High Authority’

The third neofunctionalist expectation to be reflected on refers to the function of, in the language of Haas’ time, the ‘High Authority’, or by the nowadays-equivalent term, the European Commission. It is expected to act as a sponsor/promoter of further integration.

Respectively, Haas observed that trade unions are “constantly seeking a special position and special protection from the High Authority” (ibid.: 367), but even in case such demands would be exaggerated, he predicts that:

“groups with strong initial positive expectations [under which he subsumes trade unions] do not necessarily turn against the principle of integration if their hopes are disappointed: they merely intensify their efforts to obtain the desired advantages on the federal level, thus integrating themselves into organizations less and less dependent on and identified with the national state.” (Haas 1958: xiv).

The object of investigation will therefore be to find out how the actual behaviour of the Commission towards trade unions can be characterized, and to evaluate the corresponding union reaction.

d) Importance of leadership

The potential importance Haas grants to the qualities of leadership will be the fourth aspect of further analysis. Generally, leaders of organized interest groups “were seen as likely to orient themselves rationally and calculatedly to where the action was — that is, under the presumed logic of the neofunctionalist spillover process, to ‘Brussels’.” (Streeck/Schmitter 1991: 133).

According to Haas (1958), “the bulk of ECSC labour leaders” (ibid.: 292) had already transferred their expectation to the new central institutions and were therefore seen as most likely to put forward Europeanization processes in an elite driven manner.

e) Importance of coalitions

Finally, the last expectation that will be analyzed focuses on the significance of coalition formation. Increased involvement at the supranational level is thereby expected to bring along possibilities to form new alliances and to widen the scope of potential partners for joint lobbying. For the specific case of the trade unions, Haas predicts that a powerful impulse to achieve Europeanization will derive from the comparatively weaker national unions. He recognizes the high degree of diversity between individual unions and concludes:

“the very differentials have acted as catalysts for those who suffer from poor organization to seek power through co-operation with those who are strong.” (Haas 1958: 214).

Whether such coalitions actually did appear and with what success or variations will later on be at the centre of discussion regarding this particular final expectation.

2.2 Research pattern

As a next step, the five core expectations concerning developments affecting the potential role of trade unions within the European integration process will be transferred into a research pattern that simplifies the further reassessment.

The vertical scale consists of the five expectations (a-e) introduced in the previous paragraph (2.1); each of them is horizontally linked to Haas actual observation from 1958 and his related prediction:

Research pattern: Key aspects of Neo-functionalism

	Observation (1958)	Prediction
a) Transfer of expectations from the national to the supranational level	Trade unions discover supranational channels of co-operation/ influence	Extension of supranational power in labour/ social policy, the national level is losing relevance
b) Spillover from labour to business	Promising initial position of trade unions (existent international structures)	Trade unions overcome business resistance, leading to forms of collective bargaining
c) Function of the ‘High Authority’	Predominant dependency on the ‘High Authority’	To be overcome by intensified efforts
d) Importance of leadership	Leaders are aware of supranational possibilities and involved in Europeanization processes	Leaders will actively facilitate Europeanization (Elite driven process)
e) Importance of coalitions	Especially the weaker unions are pushing for more co-operation	Formation of coalitions will stimulate Europeanization

In order to acknowledge linkages between the five categories that will form the centre of the further analysis, it is helpful to briefly discuss their underlying principles and draw connections and parallels.

The most comprehensive of all predictions is thereby *prediction (a)*. A transfer of expectations from the national to the supranational level is not only the precondition for the expected spillover from labour to business⁸ (*prediction b*), it also determines the potential relevance of the Commission in a more supranational setting and thereby facilitates an eventual dependency on it (*prediction c*). Further, expectations have to be transferred to the supranational level in order to shape/ influence the function and options of leadership (*prediction d*). Finally, this kind of transfer enables a new set of powerful coalitions to emerge, as referred to under *prediction (e)*.

Narrowing the span of interrelations further down, we additionally can see that another linkage exists between *prediction (c)* regarding the dependency on the ‘High Authority’ and *prediction (d)* about the importance of leadership. In this case, the first is a specification of the latter, as it questions the exercise and function of a particular kind of leadership: the one of the European Commission.

Summing up, especially the instance that all predictions are affected by the precondition of a successful loyalty transfer to the supranational level will have a decisive impact on the outcome of this study.

⁸ Labour is projected to possess the better preconditions for Europeanization.

3. Trade Unions in Europe today

Leaving the hypothetical level of Haas' expectations, I will now shed some light on the current role trade unions at the European level are playing (factual level). Turning to the structure of this chapter, I will first recapitulate about what can be understood under the vague term Europe's 'Social Dimension' and show in what ways trade unions generally are involved in social policy measures at the European level (3.1). Secondly, I will focus on the key organization/actor of this thesis: the ETUC and introduce its aims, modes of operation, relationship to European institutions, members and business (3.2). Finally, I will put the formerly established research pattern (2.2) under a 'reality test' by comparing each of Haas' expectations to the nowadays given situation (3.3).

3.1 Europe's 'Social Dimension'

In order to focus in this section on what defines the recent status of social policy at the European level, I do not intend to provide a detailed review of each step building up to what can broadly be summarized as Europe's 'Social Dimension', but rather pinpoint to some of the most influential developments for the explicit case of the trade unions.

Generally, the European Community was founded as an economic community and the EC Treaty did not include any specific social policy objectives or competencies. Nevertheless, the treaty did contain the general goal of improving the working and living conditions of employees as well as isolated provisions such as the demand for equal pay for men and women (Art. 141 EC Treaty).

Departing from those general provisions, the term '**Social Dimension**' commonly is connected to the former President of the European Commission Jacques Delors⁹ and implies that the European integration process stands for (or should stand for) more than pure economic co-operation. The term covers a wide area of policy measures and boundaries are difficult to define as the Commission itself uses e.g. in its Green Paper on Social Policy (European Commission 1993) a comparatively broad definition¹⁰ that "embraces the idea that EU social policy should not focus only on the labour force but should take better account of the

⁹ President from 1985-1995, Delors formerly was Minister of Finance in France (Socialist Party) and a trade unionist.

¹⁰ Covering "equality of opportunity, health and safety matters, employment and labour law matters, issues of social protection and social security, as well as action focused on specific points such as poverty and the role of the disabled." (European Commission 1993: 9).

whole population” (Pakaslahti 2000: 11). Accordingly, by patronising the strengthening of Europe’s ‘Social Dimension’, European labour leaders are not only promoting the rights of workers, but also try to put forward more general social interests.

Interestingly, Delors launched a discussion about a more social profile of the EU via the platform of an ETUC meeting (1988) and in the following period it was “his crusade for the Communities social dimension which gave [in the aftermath] rise to the Social Charter [of 1989]” (Story 1996 cited from Greenwood 2003: 153). The **Social Charter** (1989) did include an opt-out for the UK, which simplified the negotiation process, but underlined the rather symbolic character of it. Nevertheless, the Charter was not Delors only initiative in the social policy field. With reference to the involvement of the trade unions he significantly is quoted in saying: “I want to make sure that the trade unions are written into Europe’s social and economic decision-making” (Tongue 1989: 17 cited from Compston 1992: 28). Finally, this statement found practical conversion in the launch of the **Social Dialogue** (1991), that has its roots in the 1985 ‘Val Duchesse Summit’, where it again was Delors initiative that brought together trade union and employer organizations after a poor phase of interaction. Tactically, Delors thereby proved to push his ideas forward by making usage of the so-called “Treaty game” (Greenwood 2003: 152), meaning that the shadow of a potential future legislation was used as a stimulus in order to accelerate employers’ support¹¹. Formally, the Social Dialogue became part of the Protocol of Social Policy, annexed to the Treaty of Maastricht (1993), again enabling the UK to opt-out. Notwithstanding, since 1991 ETUC¹² and UNICE/UEPME, CEEP¹³ are given the mandate to negotiate with the consequence that “if they agree on a particular issue, this agreement is then passed to the Council of Ministers, which transfers it into a directive without further discussion” (Bieler 2005: 469). Further, in 1997 it finally became possible to incorporate the Social Charter and the Social Dialogue into the Treaty of Amsterdam, this time including the UK (facilitated by the labour party victory of the same year).

Overall, an evaluation of the outcome of the Social Dialogue is rather disillusioning, commonly recommending that the significance of it should not be exaggerated (Bieler 2005, Compston/ Greenwood 2001, Streeck 1998), as core areas of trade union interest and involvement (wage bargaining, the right to strike and to associate) are excluded from EU competencies (Greenwood 2003: 150).

¹¹ Underlining this kind of strategy Delors is further quoted in telling the employers: “if you want the single market to be completed, then you must obtain the support of the trade unions... can you imagine me trying to create the single market against the wishes of the trade unions?” (Tyszkiewicz 1998: 41 cf. Greenwood 2003: 154).

¹² Workers are represented by the ETUC. Other trade union structures, such as Eurocadres and FERPA operate under the auspices of the ETUC. Furthermore, the CEC and Eurocadres concluded a co-operation agreement in 2000 setting up a liaison committee. The CEC is thus independent of the ETUC, but is present in certain negotiations together with Eurocadres (http://europa.eu.int/comm/employment_social/social_dialogue/, 19.04.2006).

¹³ Employers are represented by three organisations: UNICE, UEAPME participates as part of the UNICE delegation (since an co-operation agreement in 1998) and CEEP (http://europa.eu.int/comm/employment_social/social_dialogue/, 19.04.2006).

In order to complete this elementary overview on current European trade union involvement, I now turn to the **European Employment Strategy (EES)**, which estimates from the Luxembourg Jobs Summit of 1997. Part of its modus operandi is that the Commission (in consultation with the Employment Committee that is obliged to meet with the Social Partners) annually proposes employment guidelines for each of the member states that in turn transfer them into ‘national action plans’ (Greenwood 2003: 156). Its effectiveness is constantly reviewed (2003, 2005) and recently linked to the Lisbon Strategy¹⁴ of 2000. The **Lisbon Strategy** on its part has formally established the **Open Method of Coordination (OMC)** as a new policy instrument, explicitly facilitating ‘best practice’ and ‘policy learning’ as tools of soft convergence. It is questionable whether the OMC is able to fulfil its aims, “so far the results have been rather modest” (Stubb et al. 2003: 144) and it has been criticized for being, in fact, not very open: “in cases where the OMC managed to involve trade unions (...) this is more the result of domestic practice than change brought about by the method” (Radelli 2003: 49).

Overall, trade unions do not possess comparable bearing channels at the European level as at the national level and the national systems of industrial relations are by no means on the verge to be replaced by a European system in the foreseeable future.

¹⁴ It has the ambitious goal to make the EU by 2010 “the world’s most dynamic, growing, knowledge-based economy, built on a foundation of social security and sustainable development” (Regeringskansliet 2004: 4).

3.2 European Trade Union Confederation (ETUC)

After the previous paragraph about its working surrounding, I will now turn to the organization that stands at the centre of this study: The European Trade Union Confederation (ETUC). Founded in 1973, it currently counts 81 national member confederations, 12 European industry federations (EIFs) are affiliated and further 3 unions possess the status of observers (www.etuc.org, 18.04.06). It represents over 60 million workers, not exclusively from EU member states (ranging geographically from Norway to Turkey).

So far the figures, more important for this research is to ask about its actual degree of influence, attributes of leadership and the impact coalitions possess. Does it e.g. function more like a secretariat that organizes the international co-operation of its national members (Bieler 2005: 462) or has it developed into a true supranational actor Haas had foreseen? In order to find answers to these questions, I will first look at the internal structure of the ETUC and what characterizes the relationship to its members. Secondly, I will turn to the way it interacts with the European institutions (i.e. the Commission) and business organizations. Generally, the ETUC extracts its **mission** from the conviction that as the EU enters more and more policy areas with relevance for workers:

“trade unions can no longer confine their work to national level (...) [and in order] to retain their collective bargaining power and their influence in the economy and society at large, they need also to speak with a single voice and act collectively at European level” (ETUC 2003: 1).

The distinctive formulation in that self-description is to me, that the trade unions *also* need to speak with one voice and act collectively at the European level, indicating that the European peak organization of labour is aware of the fact that by most of its members it is seen as another/second way of interference, amending the still most dominant national arena with its familiar channels of influence.

Overall, the **relationship with its members** cannot be characterized as a bottom-up process (where ETUC derives its tasks from the input of its national members) but rather as a top-down information process, where ETUC claims to possess the possibility to “call upon its affiliates to take action” (ETUC 2003: 2). This means it acts as a motivator/initiator in order to activate membership awareness for European developments. At the operational level, ETUC consequently appoints its policies quite independently through the deliberations of its Congress¹⁵ and Executive Committee¹⁶. Regarding the **decision-making structure**, it has become

¹⁵ “The Congress is the supreme authority of the ETUC. It meets once every four years [last meeting 2003 in Prague and] (...) is composed of delegates from the affiliated organisations in proportion to their membership. The Congress elects the members of the Executive Committee, the President, the General Secretary and the two Deputy General Secretaries” (<http://www.etuc.org/r/11>, 24.04.2006).

¹⁶ “The Executive Committee meets four times a year. It is composed of representatives from the affiliated organisations in proportion to their membership. If necessary, decisions can be taken by a qualified two-thirds majority vote. It is the Executive Committee which decides on the

a common feature that decisions are reached by consensus, even though a qualified two-thirds majority vote is possible (Martin/Ross 2001). Internally, the two largest members, the British TUC and the German DGB, have a large impact. The instance that especially those two member confederations inherent “fundamentally conflicting views on European integration” (Dølvik 1997: 523) underlines difficulties ETUC is facing in order to aggregate common positions. Accordingly, a constant problem for ETUC **leadership** has been to attract support from its members, both politically and financially. Referring to the latter, especially during the first years of its existence “ETUC’s resource poverty was a clear reflection of national unions’ limited expectations for it” (Martin/Ross 2001: 58). ETUC integration suffered from “an authority vacuum at the centre” (Dølvik 1997: 523), as its leadership at certain times even proved to be “dissociated from the union members it nominally represented” (Martin/Ross 2001: 58). A way to overcome such obstacles could have been stimulatory **coalition building** and mainly in the late 1980s renewed impetus was gained through an internal coalition between Southern unions, unions from the Benelux, the German DGB and finally –due to an about-face- even the British TUC (Dølvik 1997: 523). That just at this moment in time the national unions detected the European level undoubtedly has to be seen in connection with the support the Commission by then was offering (i.e. the engagement of Delors) and the general reanimating effects of the Single European Act (SEA). Nevertheless, those joint forces did not prove to be a stable feature. Supranationalisation processes were offset, when the DGB decided to turn to a coalition with the more ‘Euro-sceptical’ Nordic associations and several internal reforms were not realized (Dølvik 1997: 58). At large, unstable coalitions can be considered as a common feature of ETUCs working environment, but one that has lately shown indications of improvement as one ETUC representative told me.

Turning now to the **relationship to the institutions**, especially the supportive attitude of the Commission has proven major influence on the way ETUC is positioned. The drawing back on the resources the Commission has to offer can thereby be interpreted as a necessary and stable alternative to the reluctant/unstable membership support. Further, the active support of the Commission can be explained by its self-interest of reducing shortcomings in its own resources and dependency on expert knowledge. By building a loyal network of civil society members it tries to raise its own legitimacy (Sturm/Pehle 2001: 121). Nevertheless, from ETUC’s perspective, I think it should be considered that the impression of dependency on the Commission could fuel criticism/scepticism among its members concerning the credibility of ETUC’s leadership and an eventually too uncritical position towards the liberal core of European market integration. This issue therefore deserves careful handling by ETUC elites and as a general rule active communication with the members. Leading over to its daily work, ETUC stands in close contact with the DG for Employment and Social

mandate and the composition of the delegations for negotiations with the European employers’ organisation in the European Social Dialogue, and which assesses the results” (<http://www.etuc.org/r/11>, 24.04.2006).

Affairs, which is not uncriticised in its exclusiveness as e.g. Bieler (2005) states: “trade unions have been too reliant on the DG for Employment and Social Affairs without receiving enough in return” (ibid.: 469, Greenwood 2003, Martin/Ross 2001) reminding that ETUC should broaden its scope of activity to other DGs in order to be not too dependant on its good will. Further, ETUC interacts with the European Parliament and

“for ETUC, a monthly meeting with the trade union intergroup of the EP is the most crucial contact point. There are also close links between the Socialist Party and the European trade union leaders” (Bieler 2005: 469)

and ETUC “has been able to table amendments in the Parliament through this route” (Greenwood 2003: 159). Finally, ETUC has a distinctive **relationship to business organizations**, as the way those two poles cooperate (or not) is crucial for the development of a European social policy and has shaped its scope. Looking a bit back in time, the lack of a social agenda until the late 1980s has been “the paradoxical strength of business” (Greenwood 2003: 150). Greenwood thereby refers to the instance that as long as organized labour was weak, there was no need for business to establish a highly developed peak organization that inherited the risk of a counter-organization of labour (ibid.). As mentioned before, it was mainly the effort of the Commission and its President Jacques Delors, who enforced a discourse about Europe’s ‘Social Dimension’ and assisted a social agenda to emerge. In the light of those developments “it became clear that business could no longer rely on its absence at the EU level to prevent a social agenda” (ibid.: 151). However, the increasing mobilization of business in the following did not result in an immediate counter-mobilization of the labour movement; it took sometime until both organizations were endowed with sufficient capacities in order to enter into a meaningful dialogue with each other (ibid.). It still remains a matter of discussion, whether both Social Partners are equally committed to the established Social Dialogue, as employers’ associations rather “benefit from competition in an unregulated area and related further decentralization of bargaining” (Bieler 2005: 470, Martin/Ross 1999: 331f) than the opposite.

Summing up, it can be concluded that within its first years of existence the ETUC predominantly operated as a secretariat of the national unions with an all-dominant service function. Nevertheless, facilitated by incentives and support of the Commission and subsequent increased membership awareness due the new drive of the integration process, since the late 1980s ETUC has developed more decision-making abilities and professionalized its mode of operation.

3.3 Reality Test of the Research Pattern

Today, scholars conclude that there are only “limited structural possibilities for trade unions within the EU institutional set-up” (Bieler 2005: 470) or that “the benefits the trade union movement has drawn from ‘project EU’ are marginal” (Greenwood 2003: 149). Those kinds of evaluations stand in contrast to Haas’ more promising neofunctionalist predictions, introduced in Chapter 2. In order to discuss in the following chapters the potential reasons for this mismatch, this paragraph puts each of Haas’ predictions under a brief ‘reality test’ by comparing it to the current state of affairs as shown in the previous sections (3.1, 3.2).

a) Did a transfer of expectations from the national to the supranational level take place and have supranational powers in labour/social policy been extended, causing the national level to lose relevance (*prediction a*)?

In my assessment of the current situation, I come to a slightly split but dominantly negative result. On the one hand, national trade unions did establish a European peak organization in form of ETUC (even if 1973 was comparatively late) that expands their scope of activity and set of expectations to the supranational level. On the other hand, the emergence/ function of ETUC rather can be seen as complementary to the national level than as reducing the national level’s overall importance as industrial relations systems are still nationally bound and the prime arena for social regulation of work and employment. In that sense, internationalization does not necessarily equate with a denationalization of trade union activity (see Streeck 1998: 429).

When it comes to the corresponding extension of EU competences in the social policy field, it did not occur to the extent Haas’ had expected. Generally, core areas of social policy rest under control of the member states, the EU only possess competencies in marginal areas (e.g. in combating discrimination, or promoting health and safety at the workplace) and the Social Dialogue so far does not seem to be an instrument attempting to change that division of labour significantly.

- (*NF-prediction dominantly not fulfilled*)

b) Was there a spillover from labour to business and does collective bargaining take place at the supranational level (*prediction b*)?

The primary interest representation of business, UNICE, was already founded 1958 in the aftermath of the Roman Treaties; these are 15 potentially valuable years earlier than ETUC (1973). Formally, Haas’ assumption of labour being the first to develop supranational traits is thereby denied. Nevertheless, the early founding date of UNICE alone does not provide a sufficient answer to the intruding question of whether on the contrary a spillover from business to labour took place. According to my research, such a conclusion would be overhasty and

not considering that a decisive incentive for both actors in order to get involved at the European level, is/was the impetus of the Commission and the general revitalization of the integration process in connection with the SEA. However, from a more general point of view, it can be argued that, labour supranationalization is a consequence of further market integration (but not business organization itself), as it triggers trade union fears about losing influence in comparison to business and gives rise to scenarios of ‘social dumping’, that in turn stimulate trade union Europeanization.

Turning back to Haas predictions, his reliance on trade unions tradition of ‘internationalism’ as source for his prediction further proved not to be of much impact as “despite labour’s proclaimed ‘internationalism’, European unions have been profoundly nationalized” (Martin/Ross 1999: 313). His explicit claim that the interaction between labour and business at the European level would lead to supranational forms of collective bargaining has found no equivalent (and is unlikely to do so in the foreseeable future).

- *(NF-prediction dominantly not fulfilled)*

c) Are trade unions (still) dependent on the Commission (prediction c)?

Haas observed a dependency of the trade union movement on the ‘High Authority’, but the decisive aspect of his prediction is his belief that it would be overcome as trade unions develop supranational traits and gain influence.

From today’s point of view, it is difficult to judge whether trade unions are in a strict sense dependent on the Commission or mature beneficiaries of constant support. The kind of support thereby ranges from privileged access to deliberations, financial support and active engagement from some central figures within the Commission (most prominently its former President: Jacques Delors). Furthermore, it is difficult to imagine ETUC being involved in the construct of the Social Dialogue and possessing the ability to overcome business resistance without actively relying on the support of the Commission. Overall, I therefore come to the conclusion that the neo-functionalist prediction at large hasn’t been fulfilled.

- *(NF-prediction dominantly not fulfilled)*

d) Are labour leaders actively facilitating forms of European co-operation (prediction d)?

During the early years of ETUC, trade union leadership has proven to be not entirely convinced of European opportunities. In its initial reluctance it thereby contributed to the starting difficulties ETUC had to face, as e.g. Streeck and Schmitter (1991) document:

“union (...) officials that were transferred to Brussels in the 1970s more often than not perceived this as a falling from grace at home and as usually well-paid elimination from the excitement of domestic power games and

succession struggles rather than as accession to the new center of political power.” (ibid.: 135).

But the revised opportunity structure of the late 1980s and a set of internal reforms helped to overcome this problem and nowadays it is (according to an ETUC representative) the enthusiasm of ETUC leaders for the European project that grants ETUC more continuity. In the consequence, current internal problems to a lesser extent spring from a missing engagement of leadership, but from its lacking capability to create contact points between the elite and the national membership base. On the bottom line, the leadership question today is not one of missing motivation, but one of questionable quality. Sets of internal obstacles (see the next chapter) prevent ETUC leadership from completely fulfilling the neofunctionalist expectations and so far it is not able to play a truly supranational role.

- (NF-prediction dominantly not fulfilled)

e) Are coalitions functioning as motors of further Europeanization (prediction e)?

According to Haas' expectation, it would/should have been the trade unions in comparatively weaker positions that (via coalition-building with the more powerful unions) are pushing towards Europeanization in order to strengthen their profiles.

Testing this hypothesis in reality shows that the weaker unions indeed were/are interested in forming coalitions with the stronger ones. This scenario thereby reveals a reversed power structure: the unions interested in further integration are not the ones independently able to push it forward, whereas the stronger unions for a long period didn't show any interest in Europeanization. This is crucial as in order to have an impact the support for at least one of the big national member federations¹⁷ is vital for any progress. Even a blocking minority has to include one of the big players. This way it was not until the strategic changes of the late 1980s that internal coalition building had any significant impact on ETUC and generally, even those coalitions have proven to be important but also to be unstable. Summing up, the kind of coalitions Haas had foreseen (stronger vs. weaker unions) indeed occurred, but he initially tended to overrate the capacities of the weaker unions, as in fact without a consensus with the more powerful unions, they do not possess considerable impact.

- (NF-prediction dominantly not fulfilled)

¹⁷ The English, German and Italian members together are as powerful as the whole rest (Schroeder/Weinert 2005: 323).

Research pattern: Key aspects of Neo-functionalism (update No 1)

	Observation (1958)	Prediction	Today
a) Transfer of expectations from the national to the supranational level	Trade unions discover supranational channels of co-operation/ influence	Extension of supranational power in labour/ social policy, the national level is losing relevance	-
b) Spillover from labour to business	Promising initial position of trade unions (existent international structures)	Trade unions overcome business resistance, leading to forms of collective bargaining	-
c) Function of the 'High Authority'	Predominant dependency on the 'High Authority'	To be overcome by intensified efforts	-
d) Importance of leadership	Leaders are aware of supranational possibilities and involved in Europeanization processes	Leaders will actively facilitate Europeanization (Elite driven process)	-
e) Importance of coalitions	Especially the weaker unions are pushing for more co-operation	Formation of coalitions will stimulate Europeanization	-

- = *NF-prediction dominantly not fulfilled*

+ = *NF-prediction fulfilled*

When evaluating the outcome of this reality assessment, it is very striking that none of Haas expectations completely has been fulfilled. The potential reasons for this blatant mismatch will be discussed within the next chapters. However, I think it is important to point out that I deliberately have chosen the restrictive terminology of “dominantly not fulfilled”, as within each of the expectations some tendencies exist that nevertheless can be related to the projected intentions (e.g. that coalitions are important, but not able to fulfil the expected role).

4. Determinating Factors

This chapter has the function to identify the main reasons why the trade unions are as (limited) involved within the European integration process as shown in chapter 3. Potential factors for the diagnosed mismatch between Haas' predictions and the current state of trade union affairs are thereby identified as either of internal or external heritage and will be put into relation with the neofunctionalist expectations of the research pattern in the subsequent analysis (chapter 5).

4.1 External Factors

At large, the range of external factors contributing to the scope and function of the European trade union organization today, derive from global, European and/or national influences. Undoubtedly, the process of Globalization also affects trade unions¹⁸. For the capacities of the ETUC, Globalization implies both chances and risks. On the one hand, it does increase the need for transnational forms of trade union co-operation and operates this way as a stimulus in order to raise ETUC's authority. On the other hand, consequences of Globalization are weakening the national power base of trade unions. In national settings they are more and more loosing the ability to influence the working conditions, which diminishes their reputation among workers, who have increasing difficulties to see the relevance of membership, leading to further general decline of membership and shrinking resources. **Diminishing resources**¹⁹ in turn affect the financial abilities of the national unions to strengthen their European peak organization (ETUC). In other words, trade unions in the short run have to choose between either risking their national reputation/impact by increased transnational involvement (centralization), or turning to neglect transnational options by emphasizing their domestic profiles (decentralization), risking thereby to become, in the long run, increasingly incapable of responding to global challenges.

Turning more specifically to the European setting, the (economic) integration process and its characteristic **partial transfer of political authority** to the European level, causing a "multi-tiered, asymmetric European regime of

¹⁸ Understood as a "set of economic and political structures and processes deriving from the changing character of the goods and assets that comprise the base of the international political economy" (Cerny 2000: 447).

¹⁹ Further caused by societal changes (from industrial to postindustrial economies, see e.g. Esping-Andersen 1999), trade unions ageing membership and failure to mobilize young people (Ebbinghaus 2002: 472).

governance”²⁰ (Dølvik 1997: 5), implies a structural disadvantage for trade unions, whose rights and means stop at national borders, whereas key economic policies are Europeanized (ibid.). Social policy stays the prerogative of the member state, whereas e.g. macroeconomic policy coordination in connection with the **European Monetary Union** (EMU) and the subsequent Stability Pact underlies European supervision. In consequence, the EMU increasingly puts national systems of collective bargaining under adjustment pressure, as weaker economies are no longer able to compensate their competitiveness via currency devaluation (Schroeder/Weinert 2005). Further in that context, the traditional trade union claim to keep wages and social conditions out of competition seems to be under alteration and replaced by a

“new European ‘peace formula’ between capital and labor (...) [emphasizing] the sharing of economic risk and responsibility in a less predictable environment and the joint search for ‘win-win’ strategies in competitive markets” (Streeck 1998: 439).

Another external factor that has its impact on the supranational union structures is the one of **Enlargement**. In its internal consequences it also implies a need to transfer trade union policies into a wider context. So far, each round of Enlargement had broadened the scope of divergent views on European integration. The most recent Eastern Enlargement (2004) e.g. divides between French or German unions fearing de-/relocalization and the loss of jobs to the new member states, for which the attraction of foreign direct investment (FDI) marks a priority. In order to briefly refer to this, partly highly tensed, debate from my point of view, it has to be acknowledged that it is not in the interest of the national unions of the new member states to support ‘social dumping’²¹, moreover it is their interest to raise social standards and to catch up with the old member states, but as they are weak positioned (Kohl/Platzer 2004) this is a difficult task with which they should not be left alone and rather attract solidarity from the old member states than distrust²².

²⁰ Where market integration is part of supranational decision-making, but social and labour market policies remain to a great extent in the field of activity of the nation-state (see chapter 3).

²¹ I.e. the deliberate undercutting of wages and social standards in order to attract FDI. See also www.eurofound.eu.int/areas/industrialrelations/dictionary/definitions/SOCIALDUMPING, 05.05.2006.

²² See further e.g. Weiss (2004).

4.2 Internal Factors

Turning now to the internal factors determining the role of the trade unions within the European integration process, the emphasis lies mainly on inter-/ intra-organizational circumstances and influences. The most dominant factor is thereby the inherent high degree of **membership diversity** within ETUC. It ranges from:

- Ideological cleavages²³
- Rivalry between private sector and public sector unions²⁴
- Differences in the extent of support for European co-operation
- Varying access to decision-making processes
- Different legal status
- Diversity within financial resources
- Variations within membership density/quantity

With reference to the cleavage of varying support for European co-operation in general, it further can be specified that “unions which still enjoy considerable access to decision-making at the national level are less likely to support the establishment of a European industrial relations system” (Bieler 2005: 479). This aspect is crucial for the perspectives of ETUC, as it particularly has to rely on these unions in order to strengthen its resources and reputation. Goals agreed upon at the European level (ideally in cooperation with the national membership base) do need to be transferred into national union work programmes in order to have an effective and congruent impact via two channels of lobbying; either directly towards the Commission (especially in the agenda-setting process) or more indirectly via briefed national governments in the Council (Sturm/ Pehle 2001).

The above shown cleavages do further illustrate the difficult task ETUC **leadership** has to fulfil in order to overcome inherent collective identification problems. I.e. it has to establish a **strategy/vision** that the majority or moreover (due to the existing consent culture) all members are able to subscribe to, limiting its scope and causing -in the absence of collective support- rather vague outcomes. As any discussion close to the finality question of the European integration process is a challenging terrain (revealing another cleavage between unions supporting a more federal Europe and those fonder of the conservation of sovereign member states), more subtle claims in order to influence the further development of the EU are needed. By promoting ‘Social Europe’ an appropriate terminology seems to be at work, that is furthermore highly ranked within the current discourse about ‘bringing Europe closer to its people’, related to the search for causes of the failed referenda in France and the Netherlands (2005) on the pending Treaty establishing a Constitution for Europe (2004). However, the

²³ e.g. between Christian and Socialist Unions (Catholic unions in Italy, Protestant unions in the Netherlands, close to/ or Communist in France or Socialist unions in Germany).

²⁴ See further e.g. Visser (1995), public sector unions are more concerned about the consequences of international completion, whereas public sector unions are interested in levels of government spending and domestic expenditure (ibid.: 52).

unity about the support of a more ‘Social Europe’ does not indicate that for each national union this term implies an identical set of associations. As trade organizations are “the children” (Schroeder/Weinert 2005: 320) of welfare state structures, they are deeply enrooted in its respective tradition (see e.g. Esping-Andersen 1990).

Financially, for whatever project ETUC wants to pool resources in the future, it extensively has to look for their most **effective usage** as they are increasingly diminishing and as it is in ETUC’s own interest to limit its resource dependency on the Commission; a potential source of mistrust in the relationship to its members. Ideally, ETUC should take advantage of a more lively **division of labour** between its leadership and the national membership base. This relationship is influenced by an underlying choice between either focusing on a logic of influence or logic of membership (Dølvik 1997, 1999). ETUC’s recent emphasis thereby seems to lie on the former, as it is more directly linked to its efforts in trying to influence EU decision-making based on its own convictions and only limited based on the articulation of the wishes of its members. This surely has its reason in the instance, that exactly those wishes are rather diverse and committed to individual welfare arrangements; nevertheless this part of its responsibility/legitimacy source and should not be underestimated. Cleavages do exist and require leadership attendance in order to prevent desocialization.

5. Analysis

Finally, the upcoming analysis will provide a completing assessment of the internal/external factors (chapter 4) and the general neofunctionalist assumptions (chapter 5). Particularly, it will be discussed how powerful Haas' predictions are in explaining the current degree of trade union involvement at the European level and what kind of weaknesses have to be identified.

5.1 Explanatory Power of External & Internal Factors

Within this paragraph it will be questioned to what extent the internal and external factors introduced in the previous chapter are capable to deliver an explanation for the diagnosed mismatch between the neofunctionalist expectations and the actual features of European trade union involvement (3.3). Subsuming, I will try to find out, whether the discrepancy between each of the predictions and reality is either more dominantly externally or internally caused and expand the research pattern in this manner.

Generally, by distinguishing between external and internal factors, one working assumption immediately appears: external factors do not exclusively affect trade unions. They represent general influences with which all kinds of actors have to cope. Trade unions in particular represent the collective interest of workers and are therefore aligned to both the market and the state. This dual target structure is in flux (Globalization, Europeanization) and organized labour e.g. fears that e.g. the exit options of capital together with intensified cross-border competition might encourage 'social dumping' and "regime competition" (Streeck 1998). The recognition of these external treats among trade unionists is a comparatively recent phenomena, as it is e.g. for the case of the German DGB documented that until the late 1980s potential negative consequences of the integration process were no working field for European cooperation as its focus rather laid on preserving the subsidiarity principle (Fetzer 2005). The DGB used the powerful (but not very constructive) argument that "as long as the EC does not possesses any real democratic structures, the member states need enough political margin within the configuration of social security systems" (ibid.: 304)²⁵. However, it was not willing to participate in the evolution of a more democratic European system. In connection with the observed dependency of ETUC on the

²⁵ Original wording: "solange die EG noch keine wirklich demokratischen Strukturen besitze, müssten die Mitgliedsstaaten bei der Gestaltung der sozialen Sicherungssysteme genügend politischen Spielraum besitzen."

strategy of the most important national unions (Dølvik 1997, 1999) to which the DGB counts, this partly explains the long lasting inability of ETUC to become more than an administrative secretariat. As the DGB and later even TUC changed their strategies and entered supportive coalitions (even if unstable), ETUC gained authority. This change of strategy thereby stands in close relationship to the political/ external events of that time: the incentives offered by the Commission and the general revitalization of European integration²⁶. This instance is an example of the correlation of internal and external factors; most likely external factors have an impact on internal ones, which in turn have the ability to influence the external conditions.

Turning now to the consequences for the research pattern, in three out of five cases the explanatory variable can be located within the internal spectrum/failures. This suggests that the reasons causing the mismatch between the neofunctionalist expectations and the actual state of affairs are dominantly internally caused. In order to constitute my choices, I will now refer to each of the expectations.

The three predictions that to me are dominantly internally caused are *(b)*, *(d)* and *(e)*. The reasons lie in the case of *prediction (b)* about a spillover from labour to business, in the internally not unified and consistent convictions of the national member unions towards Europeanization (e.g. DGB). The labour movement alone thereby did not prove to be powerful enough in order to overcome business resistance in entering meaningful dialog, moreover for the emergence of the Social Dialogue a Commission initiative/guidance was needed.

When it comes to *prediction (d)* regarding the importance of leadership, mostly internal reasons prevented it from fulfilling the neofunctionalist assumption of its constantly pulling forces, as it had problems to find a supranational role. It is not well equipped with authority and the national orientation of the members prevented a full awareness of supranational options.

Last but not least, *prediction (e)* about the importance of coalitions also can be qualified as mainly internally handicapped, as coalitions have proven to be unstable due to national uncertainties and a lack of consistency. The instance that the unions with considerable access to decision-making are “less likely to support the establishment of a European industrial relations system” (Bieler 2005: 479) limits the emergence of powerful coalitions as the weaker unions interested in cooperation with the stronger ones normally have a disadvantage.

Further, the two predictions whose mismatch I see as evenly externally and internally caused are *(a)* and *(c)*.

The problems in relation with *prediction (a)* about the transfer of expectations from the national to the supranational level, surely have its fundament in the resistance of the national members to overcome their predominantly national orientations, but at the same time it has to be acknowledged that such a shift of loyalties has to be stimulated by an externally appealing opportunity/target structure and as the EU is lacking social policy competences this is fairly given.

²⁶ Suggesting another fruitful analysis could e.g. be based on (historical) Institutionalism.

Ultimately, I classified *prediction (c)* concerning the function of the Commission under both external and internal causes, as it is in itself an external actor, but when it comes to the trade unions with several internalized ties (privileges, financial support etc.).

Research pattern: Key aspects of Neo-functionalism (update No 2)

	Observation (1958)	Prediction	Today	e/i
a) Transfer of expectations from the national to the supranational level	Trade unions discover supranational channels of co-operation/ influence	Extension of supranational power in labour/ social policy, the national level is losing relevance	-	e/i
b) Spillover from labour to business	Promising initial position of trade unions (existent international structures)	Trade unions overcome business resistance, leading to forms of collective bargaining	-	i
c) Function of the 'High Authority'	Predominant dependency on the 'High Authority'	To be overcome by intensified efforts	-	e/i
d) Importance of leadership	Leaders are aware of supranational possibilities and involved in Europeanization processes	Leaders will actively facilitate Europeanization (Elite driven process)	-	i
e) Importance of coalitions	Especially the weaker unions are pushing for more co-operation	Formation of coalitions will stimulate Europeanization	-	i

- = *NF-prediction dominantly not fulfilled*

+ = *NF-prediction fulfilled*

i = *dominantly internally caused*

e = *dominantly externally caused*

e/i = *evenly externally/internally caused*

5.2 Explanatory Power of Neofunctionalism

As the predictions used for this thesis estimate from Haas 'The Uniting of Europe' (1958), it relies on one of the earliest articulation of Neofunctionalism and probably suffers from its general shortcomings. In Haas' classical definition of integration²⁷, the focus lays on the process of integration and not explicitly on its background conditions. Even though they are acknowledged, they obtain special attention rather within later works (e.g. Lindberg 1963).

Generally, Haas developed his expectations on the basis of a pluralist environment, meaning "politics becomes more or less the competition between different groups for input into decision-making and influence over policy outcomes" (Rosamond 2000: 55). His closeness to pluralist thinking is therefore a potential weakness, as it comprises the tendency of assuming that a shared interest is a sufficient precondition in order to cause supranational mobilization. In contrast, the collective action problem, introduced by Mancur Olsen (1965), reveals the opposite by showing that "self-interested individuals would not always take part in collective action to further a shared goal" (Ward 2002: 66). This indicates that Haas' projection might have been too optimistic regarding the presumed powers of the integration processes so that prevailing obstacles were underrated. This is the case for the analysed case of the European trade union organization.

Another underlying principle of Haas' expectations is the instance that "Neofunctionalism was built around the proposition that an international society of states can acquire the procedural characteristics of a domestic political system" (Heathcote 1975 cf. Rosamond 2000: 56) In fact, the EU has developed into a political system *sui generis* and therefore this analogy cannot be entirely appropriate and has an impact on the diagnosed mismatch, as Haas expectations in that respect –again– fund on too optimistic expectations.

I now turn to the discussion of the research pattern, as during its analysis, further theoretical weaknesses will occur that than can be directly linked to an example. As the criteria for classification, I chose two categories: either the diagnosed mismatch between the theoretical expectation mirrors a general weakness of Neo-functionalism (*y*) or not (*n*).

Prediction (a) immediately reveals an aspect of neofunctionalist theory that has the capability to affect the whole construct: the belief in a loyalty transfer to the supranational level in case interest groups can pursue their aims more effectively at that level. As trade unions at the national level are facing serious political challenges (e.g. welfare state reform as a mean to increase competitiveness) their formerly stable working environment is in flux. Consequently, it could be assumed that they realize by intervening at the

²⁷ "Political integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states." (Haas 1958: 16).

European level a more effective way in order to assure their privileges. Such a behaviour would be congruent with Haas line of thinking as he states: “the [trade] unions have no alternative but to unite in seeking to influence supranational authorities, especially if these are tempted to follow a free market doctrine.” (Haas 1958: 388). Nevertheless, a qualitative increase of EU power in the social policy field did not occur (political spillover) and unions so far didn’t react in the projected manner. According to Haas, trade unions thereby do not act rationally. However, their behaviour could be explainable with the help of another, general critic towards Neofunctionalism: the underestimation of nationalism²⁸. At large, trade unions developed strong national identities that estimate from “the successful national integration of the labour movement in the past” (Visser 1995: 52) and are therefore eventually too tied and convinced of their national background that they refuse to truly supranationalize.

Additionally, I identified as a potential reason why they are reluctant, their short-sighted strategic planning. As they continue to concentrate on the national setting, they hope to be more appealing/visible for potential members (as membership generally is in decline). I call this a short-sighted strategy, because they are thereby underestimating the impact of (global) changes, which in the long run will force them to offer new strategies for a new clientele as traditional labour conditions are in decline. Accordingly, the discussion of *prediction (a)* suggests that the mismatch between expectation and reality is linked to general weaknesses of the theory (implying actor rationality²⁹ and loyalty transfer).

Turing to *prediction (b), (c), (d)* and *(e)* this instance doesn’t change. As indicated in the discussion of the research pattern (2.3), all neofunctionalist expectations are connected by the precondition of an actual transfer of expectations to the supranational level (*prediction a*). Consequently, if this basic fundament shows weaknesses, all expectations are somehow affected.

In case of *prediction (b)*, this means that the reluctant transfer of expectations to the supranational level did have an impact on the question why no spillover from labour to business took place. In fact, the missing spillover estimates from internal obstacles such as the high degree of membership diversity that prohibited a common supranational identity from its emergence (and thereby mirrors the problems of the European integration process as such). Alongside, the successful joint persuasion³⁰ of business to enter Social Dialogue, by linking their concession with the general support of the Single European Act, is a practical example for the neofunctionalist idea of a cultivated spillover or ‘package dealing’ (2.1).

With reference to *prediction (c)* about the function of the Commission, its potential relevance is determined by the degree to which loyalties are transferred to the supranational level. Its opportunity structure thereby makes it more or less attractive for the trade union movement to enter a close relationship. Looking at

²⁸ Most commonly discussed in connection with the ‘empty chair’ policy of de Gaulle 1965.

²⁹ Further referred to e.g. by Lodge (1978): “Neofunctionalists, especially in their early work, tended to rely heavily on highly rationalist and utilitarian notions of how agents operate” (cf. Rosamond 2000:66).

³⁰ Facilitated by the Delors Commission.

the function it did fulfil, it generally can be acknowledged that it did “act as a sponsor of further integration” (Rosamond 2000: 51). Nevertheless, until the Delors Commission, this can’t be said to the same extent for the social policy field. This is probably explainable by its own classic neofunctionalist belief of political integration being a spillover effect of economic integration.

The problematic loyalty transfer to the supranational level further had its impact on *prediction (d)* and *(e)*. In case of *prediction (d)* about the behaviour of trade union leadership, it was by no means an unchallenged question (especially during the first years of ETUC’s existence), to what extent supranational options should be taken into account. Haas initially expected trade union leadership to act rationally and to easily adopt their loyalties to the new opportunity structure; a process that in fact takes much more time and has to overcome much more hurdles than he had assumed. Overall, “the socio-economic and political bases of the integration project may have been flimsier than had been apparent in the late 1950s” (Rosamond 2000: 68). Looking finally at *prediction (e)*, the formation of coalitions is also effected by a loyalty transfer to the supranational level, as the awareness of and reliance on supranational options/coalitions grows with it.

Recapulating, it is problematic that Neofunctionalism “seemed to suggest that integration was a linear, progressive phenomenon; that once started, dynamics would be set in place to continue the momentum” (Rosamond 2000: 63) not reflecting about what obstacles could occur and how they could be overcome.

The third update of the research pattern accordingly reveals one result of this study: the mismatch of Haas’ predictions and reality is affected by the general shortcomings of neofunctionalist theory.

Research pattern: Key aspects of Neo-functionalism (update No 3)

	Observation (1958)	Prediction	Today	e/i	NF
a) Transfer of expectations from the national to the supranational level	Trade unions discover supranational channels of co-operation/ influence	Extension of supranational power in labour/ social policy, the national level is losing relevance	-	e/i	y
b) Spillover from labour to business	Promising initial position of trade unions (existent international structures)	Trade unions overcome business resistance, leading to forms of collective bargaining	-	i	y
c) Function of the 'High Authority'	Predominant dependency on the 'High Authority'	To be overcome by intensified efforts	-	e/i	y
d) Importance of leadership	Leaders are aware of supranational possibilities and involved in Europeanization processes	Leaders will actively facilitate Europeanization (Elite driven process)	-	i	y
e) Importance of coalitions	Especially the weaker unions are pushing for more co-operation	Formation of coalitions will stimulate Europeanization	-	i	y

- = NF-prediction dominantly not fulfilled

+ = NF-prediction fulfilled

i = dominantly internally caused

e = dominantly externally caused

e/i = evenly externally/internally caused

y = mismatch result of a general weakness of NF

n = mismatch result of a general weakness of NF

6. Conclusions

What is the outcome of this study? Why do trade unions at the European level not play as an important role as early neofunctionalist theory had foreseen? The answer that this study suggests is twofold. Firstly, a general disparity between the neofunctionalist perceptions of the conditions that would shape the EU and with it the opportunity structure of ETUC had been identified. Secondly, ETUC's role is too a high extent determined by internal obstacles and problems to organize unity in diversity.

Regarding the theoretical implications, the instance that a transfer of loyalty from the national to the supranational level is not a purely rational process as early Neofunctionalism had projected and therefore much more difficult to achieve had its impact on the lacking accuracy of Haas' predictions. Further, the comparison of Haas' predictions and reality shows that the concept of spillover has its weaknesses with reference to the social policy field, generally suggesting that political integration requires more than purely economic integration.

So far the European level does not possess a social policy structure/scope that is comparable or replacing the one of the individual member state. The state remains the prior addressee of trade union action and therefore limits the national trade unions interest in Europeanization.

Another general weakness of the trade unions at the European level has it been, that its bargaining position is comparatively low. In a political system *sui generis* where social policy plays an overall inferior role and social (re-) regulation rests within the member states, they do not possess their traditional bearing channels and they are therefore looking for more promising areas they could operate in. Promoting Europe's 'Social Dimension', which embraces more than traditional workers rights, is one attempt whose success or failure further has to be evaluated and marks one potential area of future research. Additionally, valuable studies could be conducted regarding the question whether the convergence of social problems in Europe incrementally leads to (or what kind of) convergence of national trade union organization (causing a harmonization of welfare systems as such?). Furthermore, the implications of the Open Method of Coordination (OMC) towards a potential decentralization of trade union structures could be analysed. Finally, I would be interested in expanding this study with the help of a research on the divergent perceptions of ETUC and national trade union elites of reality and identify potential national differences.

To conclude, I will one last time quote E.B. Haas in how he summarizes his view on the trade union movement back in the late 1950s:

“The evolution of a European regional labour ideology is a response to a mixture of internal and external stimuli, including internationally shared values of welfare planning, disappointment with the possibilities of purely national reform, and the conviction that only united action can result in bending the policy inclinations of supranational agencies in a pro-labour direction.” (Haas 1958: 388).

To me this statement invites to underline the differences of his perception and the actual state of development with the help of some slight changes in his terminology:

The evolution of a European trade union organisation is a response to a mixture of internal and external stimuli, including the wish to preserve the European ‘Social Model’, disappointment with the possibilities of purely national reform, and the conviction that only additional united action can result in bending the policy inclinations of supranational agencies in a less exclusive pro-business direction.

Replacing e.g. “internationally shared values of welfare planning” with the wish to “preserve the European ‘Social Model’” one recent concern of the European trade union movement is emphasized and by adding the word “additional” (forth line) it should be pointed out that the European level by now is not replacing the national one but amends it. Finally, it seems to me to be more appropriate to shift the emphasis of the last sentence from a facilitated “pro-labour direction” to a “less exclusive pro-business direction” of the supranational agencies, thereby adding a reference to the current neoliberal Zeitgeist.

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