

The Varying ‘Centralised Decentralisations’ of Industrial Relations in Denmark and Ireland

Seán Ó Riain and Felix Behling
National University of Ireland
Maynooth

Comparing Denmark and Ireland

- Small Open Economies
- Eurozone Context
- ‘Liberal’ Labour Markets
- Successful Social Pacts

- ‘Liberal’ vs ‘Social Democratic’

Liberalisation and Decentralisation

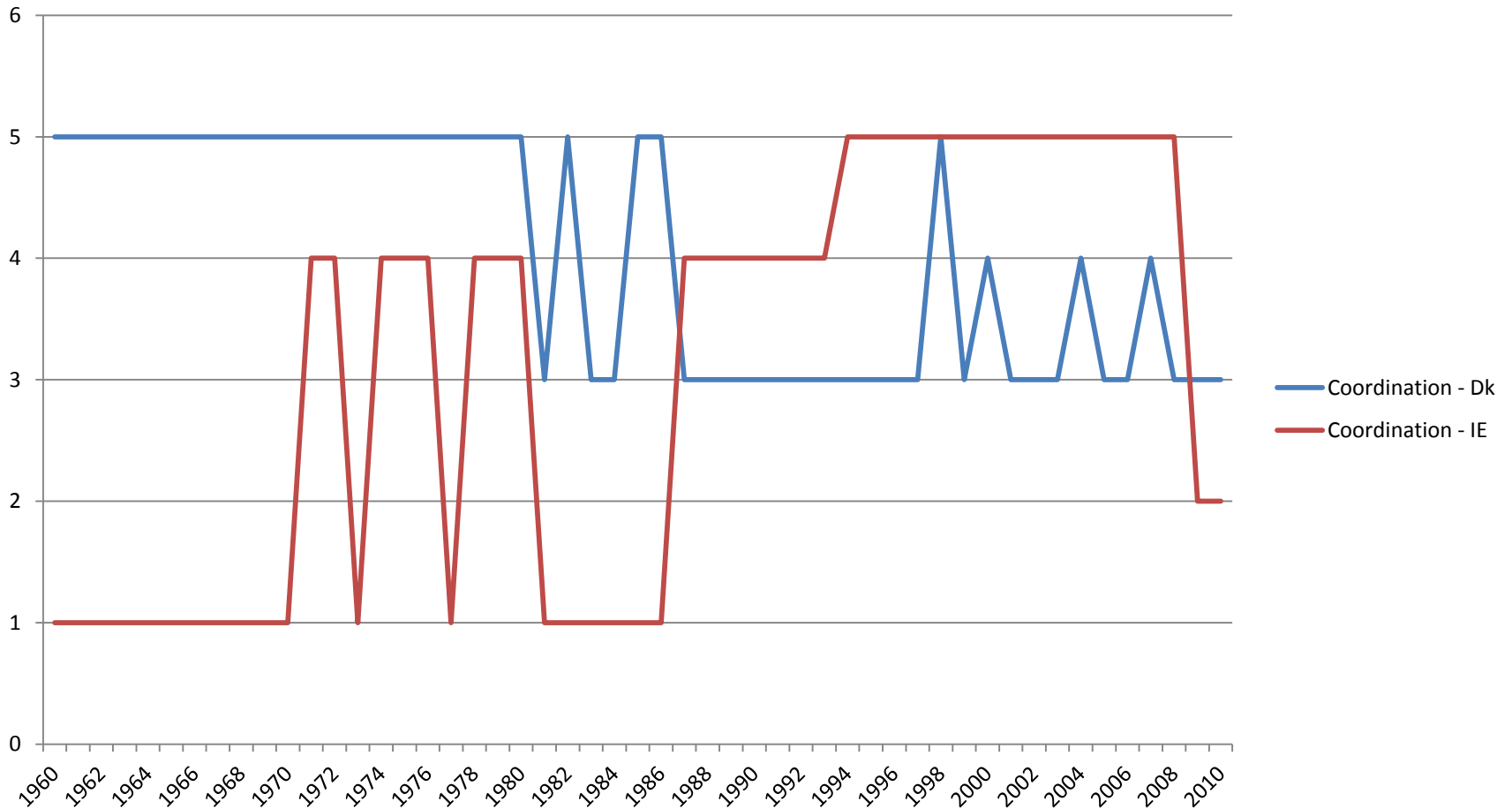
- Historical association between Liberal Political Economies and Decentralised Industrial Relations
- Centralisation as a component of Liberal Systems – Bug or Feature?
- Decentralisation in Social Democracies – Erosion, Reinvention or Uncertain Future?
- Varying Mixes of Centralisation and Decentralisation

Between Power and Uncertainty

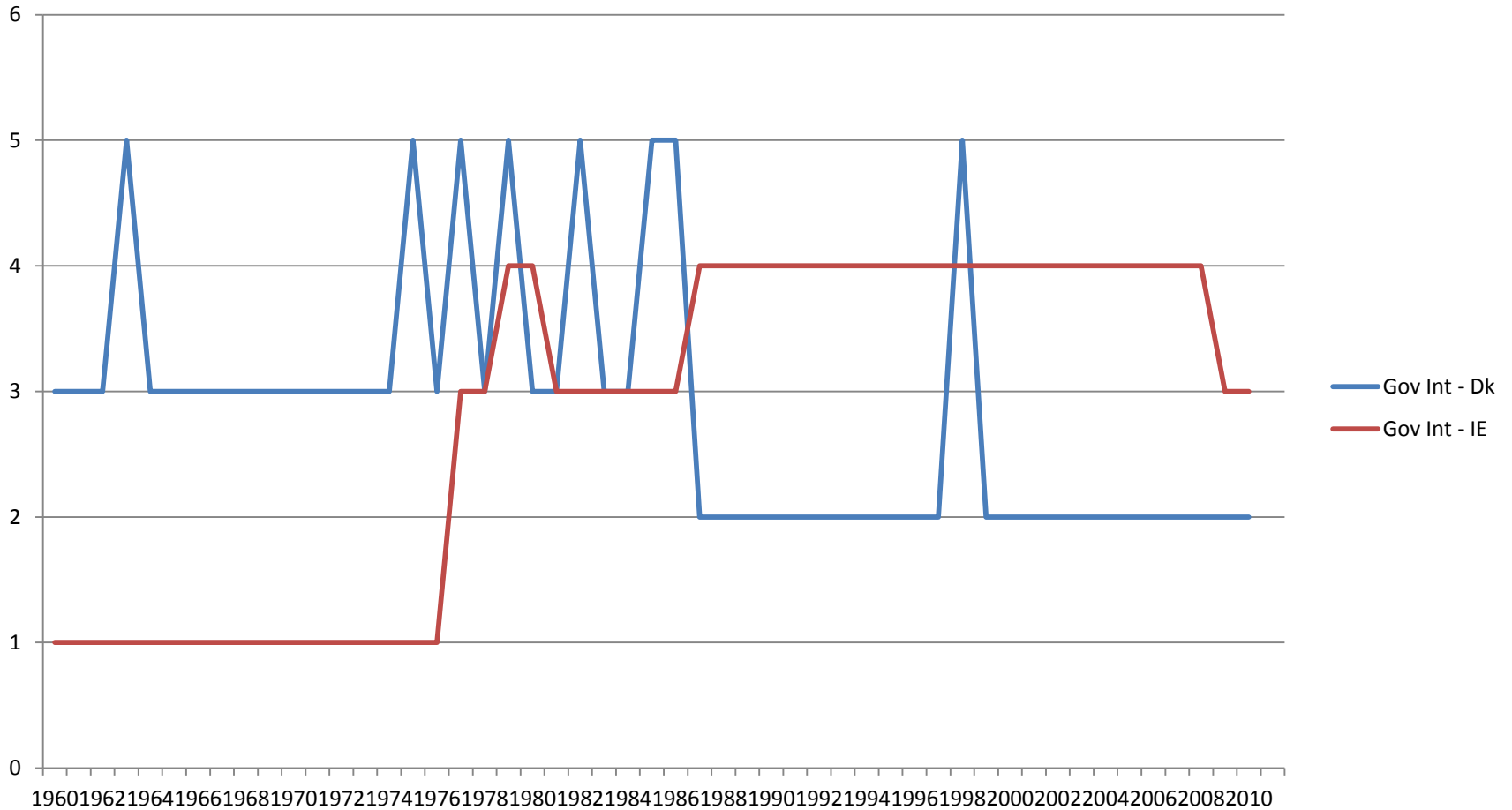
- Two alternatives to VOC's focus on types of 'institutional effectiveness'
 - Power – mobilising resources to win in political exchange
 - Uncertainty – pragmatism and puzzling through
 - Strong 'power over' (dominance) and weak 'power to' (constitutive)?
- Liberalisation between power and uncertainty
 - Markets: constituted through social institutions
 - Flexibilities: dependent on rigidities
 - Employers: why can't they deliver on their side of the bargain? (Thompson)

(1) Directions of Change

Wage Coordination: Ireland centralises
as Denmark decentralises



Government: Actor and Guardian



(2) Combinations of centralisation and decentralisation

	Denmark	Ireland
National	<p>Centralisation of Peak Associations</p> <p>State as Guardian of the Process</p>	<p>Wages</p> <p>State as Actor: Tax Cuts Benefit Payments</p>
Sectoral	<p>Structured Bargaining across Sectors</p> <p>Non-wage issues</p>	<p>Segmented Sectoral Patterns</p> <p>HRM Strategies</p>
Enterprise	<p>Wages</p> <p>Management in context of cooperation</p>	<p>Managerial Autonomy</p>

(3) Dynamics: Denmark

- Migration of wage determination downwards
- Non-wage issues into sectoral bargains
- Not just transfer of issues across realms (from welfare to industrial relations) but creation of new collective capabilities

Non-Wage Issues in Social Pacts

	Denmark	Ireland
Substance	<p>New investment capabilities</p> <p>Including</p> <ul style="list-style-type: none">-Training-Pensions-Leave-Disability	<p>Tax Cuts and Benefit Payments</p> <p>General public policies attached to agreements</p> <p>Attempts to shape long-term policy directions through NESC</p>
Political Origins	Social Partners	Parliamentary and Civil Service Politics

Dynamics : Ireland

- 1987-94: Macro-stabilisation – thin combination of macro and micro
- 1994-01: a meso-level project
 - Policy committees
 - Local area partnerships
 - Workplace partnerships
 - “Creative corporatism”? (Ornston)

		<i>Ireland</i>		<i>Denmark/Fin</i>		<i>Aus/ Belgium</i>		<i>UK</i>	
		<i>Late 90s</i>	<i>Mid-2000s</i>	<i>Late 90s</i>	<i>Mid-2000s</i>	<i>Late 90s</i>	<i>Mid-2000s</i>	<i>Late 90s</i>	<i>Mid-2000s</i>
<i>Risk Capital</i>	<i>Early Stage Venture Capital (% of GDP)</i>	5.2	2.0	6.7	4.5	4.4	1.2	4.7	8.7
	<i>Sectoral Aid (% of GDP)</i>	.69	.19	.81	.55	.37	.13	.18	.08
<i>Active Labour Market Supports</i>	<i>% of Labour Costs spent on Training</i>	2.4	2.2	2.7	2.1	1.5	1.5	3.6	1.3
	<i>Spending on Active Labour Market Policies (% of GDP)</i>	0.95	0.53	1.35	1.04	0.67	0.67	0.09	0.05
<i>R&D</i>	<i>Business Funded R&D</i>	.82	.70	1.48	1.93	1.31	1.72	.86	.74
	<i>Government Funded R&D</i>	.29	.38	.78	.79	.79	.84	.55	.56

‘Doing social democracy without the politics’

- Weak capacity to build new capabilities – failure of ‘ratcheting’ strategy

2000s:

- Party politics re-asserts itself, across the levels of action
- From creative corporatism to (financialised) political exchange

Change and Crisis

- Ireland
 - Re-assertion of direct central state power
 - Weak mechanisms to deliver desired ‘reforms’ – public, sectoral, regional
 - Segmented institution building

- Denmark
 - Shifting Balance of Power within a Persistent Game
 - Shrinking the Game: ‘Polish employers’, ‘yellow unions’ and the EU

Varieties of Puzzling Through the Liberalisation Project

- Embedded flexibilisations
- Inter-sectoral variation
 - Patterning in Denmark
 - Segmentation in Ireland
- In wage decentralisation, welfare politics becomes crucial
- Reconnecting party and unions more difficult but more crucial
 - Ireland: Party politics undermined partnership capacities to develop welfarist programmes
 - Marginalisation of universalist welfare programmes
 - Denmark: Sidestepped by direct role of partners
 - Segmentation of the welfare state as partners take on state roles?

VoC: From Lenses to Blinkers

- Out of the Binaries
 - At least five worlds in Europe
- Always embedded markets > markets vs coordination
- Capabilities for action > Coordination
- Semi-coherence, hybridity and transformation > institutional complementarities
- Institutions as continually reproduced structures and resources for action > functional institutions

The problem with parsimony

- Blinding to complexity
- Binary was radical for economics but is constraining for socio-economics
- Weak explanatory power of key concepts
- Generalising to what?
- Ignoring Possibilities