

# *Politics, Work and Industrial Relations in Ireland and Denmark: Rethinking the Worlds of Capitalism*

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# Outline

- Overview
  - Denmark and Ireland: Complexities of Comparative Political Economy
  - Work Organisation and Comparative Political Economy
- Industrial Relations
- IT Workplaces
- Conclusion: Some Contributions to Comparative Political Economy

# Why Denmark and Ireland?

- Small, Open, Homogenous
- Recent Histories (Begg, 2016)
  - 'Potato Cures' from 1980s
  - Employment Miracles in the 1990s
  - Finance-Property Bubbles in 2000s
  - Crisis and Its Aftermath
- Longer Histories
  - Agricultural
  - Dependence

But .....

- How many Industrial Revolutions they missed
- 1899 September Compromise vs 1903 Wyndham Land Act: Workers vs Smallholders
- Two 'Red-Green Alliances'
- From Agriculture to Industry: Medium vs Small Landholders

# Complexity I: Employment and Inequality

2016	DK	IRL
Agriculture	2.3	4.6
Manufacturing	11.8	11.7
Construction	5.5	6.8
Retail	15.1	13.8
Accommodation/ Food	4.3	7.4
Education	9.0	7.6
Health	17.4	12.7
Finance	2.8	4.6
IT	4.3	4.4
Prof Services	5.4	5.9

c. 2013	DK	IRL
Market Gini	.48	.58
Post-Transfer Gini	.25	.29
Top 10% Share	25%	36%
Post-Transfer:		
P90/P10	2.9	3.8
P90/P50	1.6	2.0
P50/P10	1.7	1.9

# Complexity II: Which Kind of Capitalism?

## WORLD OF WELFARE

	DK	IRL
Tax and Transfers	Redistributive	Redistributive
Services	Universalist	Wage Earner

## MACROECONOMIC MODEL

	DK	IRL
Currency	Hard	Externally Led
Fiscal	Conservative	Private Keynesian

## BUSINESS SYSTEM

	DK	IRL
Economic Orientation	Export Oriented	Export Oriented
Key Firms	Medium Domestic Manufacturing	Foreign (US) Investment

# Complexity III: Which Corporatism? Conservative, Competitive, Creative (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&amp;D</i>	<i>Business Funded R&amp;D</i>	.82	.70	1.48	1.93	1.31	1.72	.86	.74
	<i>Government Funded R&amp;D</i>	.29	.38	.78	.79	.79	.84	.55	.56

# Work, Production and the Worlds of Capitalism

## Comparative Political Economy

- Esping-Andersen: Class (Society) without Production/Work
- Comparative Case Studies of Work: Work without Society

## Varieties of Capitalism

- Brought production back in
- Problems with Market/ Coordinated Binary
  - Comparative analysis problems – especially for Nordics
  - Leaves “the market” analytically untouched, ironically
  - Parsimony constrains the analysis of politics and possibilities

## Workplaces construct....

- Identities and Interests
- Organisational configurations: toolkits for action

# The Central Place of Work Organisation in Danish Equality

## The Narrow Band

- Wage negotiation
- Working Hours – 30 to 37
- Public-Private Sector linkage
- Removal of Taylorism, Simple Work
- High Intensity in Bounded Jobs

## Productivity and Investment

- Learning Economy
- Investments of diverse kinds

## The Production of Solidarities

- The Negotiation process
- Collective conflict is routinised



# The Fragmented Irish World of Work

- Diverse range of work regimes
  - Comparative New Deals research
  - Roche (1998) – segmentation of domestic enterprise, public sector, high tech sectors
- Weak Productivity Coalitions (Larragy)
  - Polarised Productivity and Segmented Worlds of Work
  - Weak Investment
- The Importance of US Organisational Models
  - Direct organisational connections
  - State promotion of new ways of working
  - Largely limited to high tech sectors, may be shifting
  - Conflict is routinized to the individual level

# What Happens When Work and Production Changes?

- Fragmentation of Production, Fragmented Workers: What does solidarity mean for workers in diverse situations?
- Finance and Employers: Can they keep their side of the bargain?
- Two Challenges
  - Coherence, Solidarity, Equality: Industrial Relations and 'Centralised Decentralisations'
  - Drift and Fracturing of Workers and Workplaces: IT Workplace Bargains

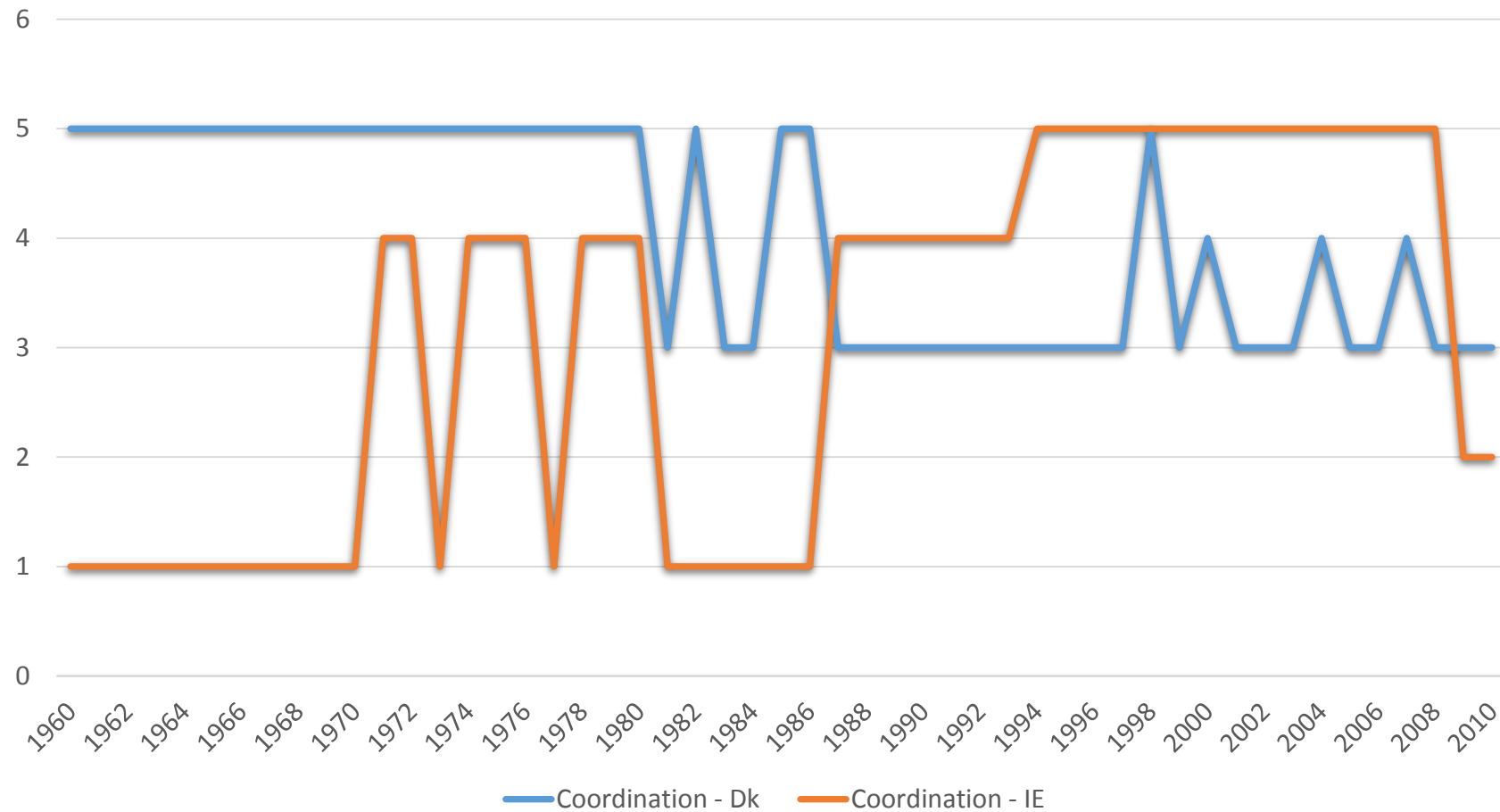
# Industrial Relations

Varieties of 'Centralised Decentralisations' before and after the Crisis

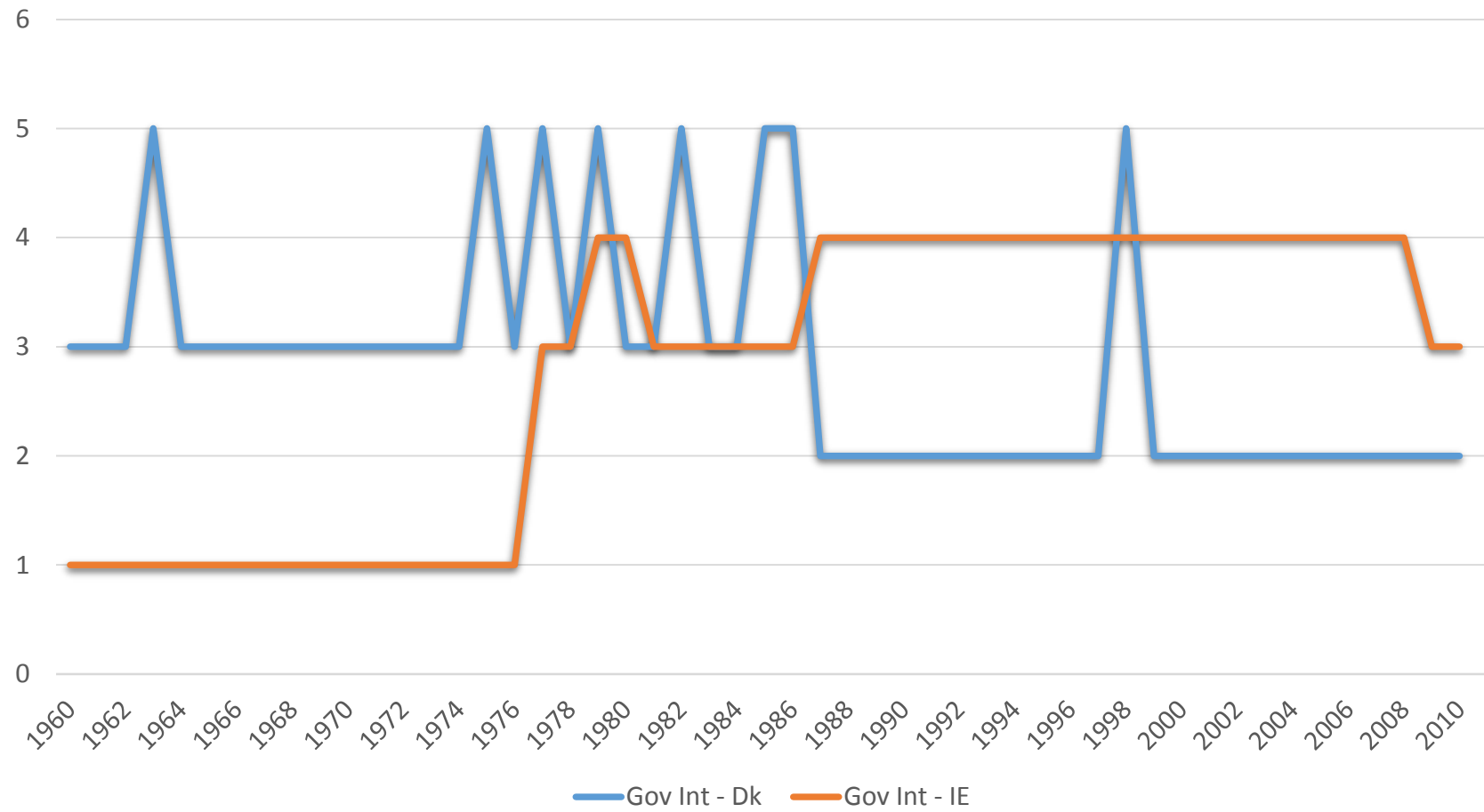
# Liberalisation and Decentralisation?

- Historical association between Liberal Political Economies and Decentralised Industrial Relations
- Varying Mixes of Centralisation and Decentralisation
  - Centralisation in Liberal Systems
  - Decentralisation in Social Democracies

# Wage Coordination: Ireland centralises as Denmark decentralises



# Government: Actor and Guardian



# “Centralised Decentralisations” across Levels of Partnership Agreements

	Denmark	Ireland
National	<p>Centralisation of Peak Associations</p> <p>State as Guardian of the Process</p>	<p>Centralisation of Peak Associations</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>Managerial Autonomy in context of cooperation</p> <p>Wages</p>	<p>Managerial Autonomy</p>

# 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"><li>-Training</li><li>-Pensions</li><li>-Leave</li><li>-Disability</li></ul>	<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)

# 'Doing social democracy without the politics'

(Begg, 2016)

- Weak capacity to build new capabilities

2000s:

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

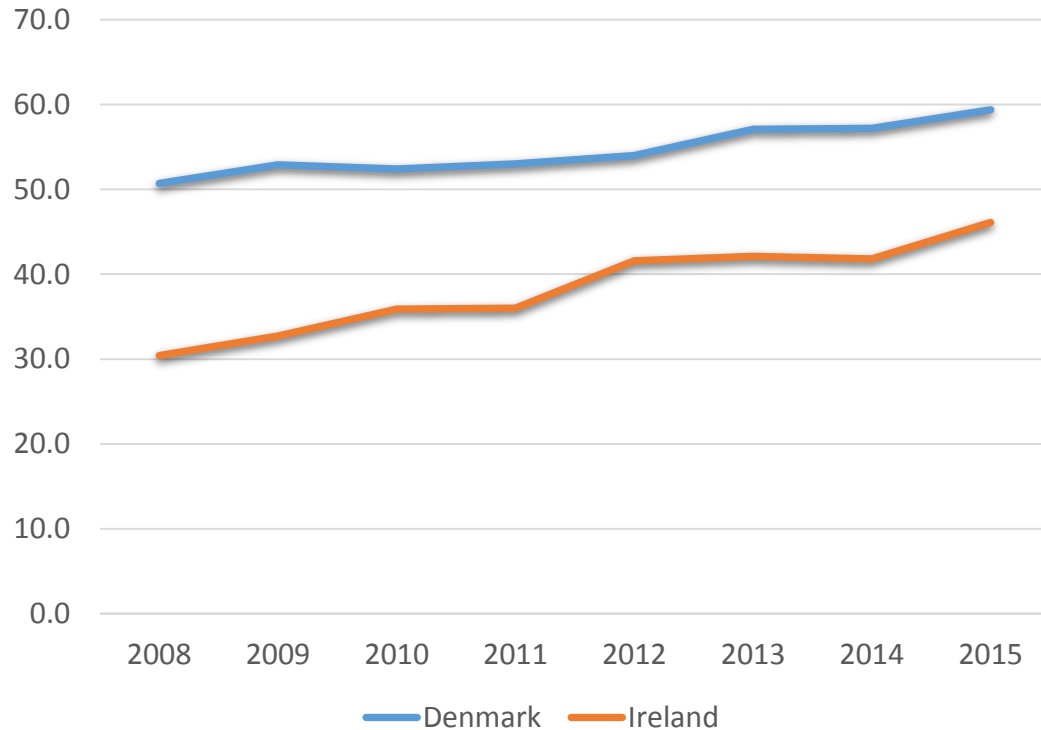
# Change and Crisis

- 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 (3 year deal in 2015)
  - Shrinking the Game: 'Polish employers', 'yellow unions' and the EU

IT: Leading Edge or Crack in the  
Dyke?

# ICT in Denmark and Ireland

## Employment in ICT (000s)

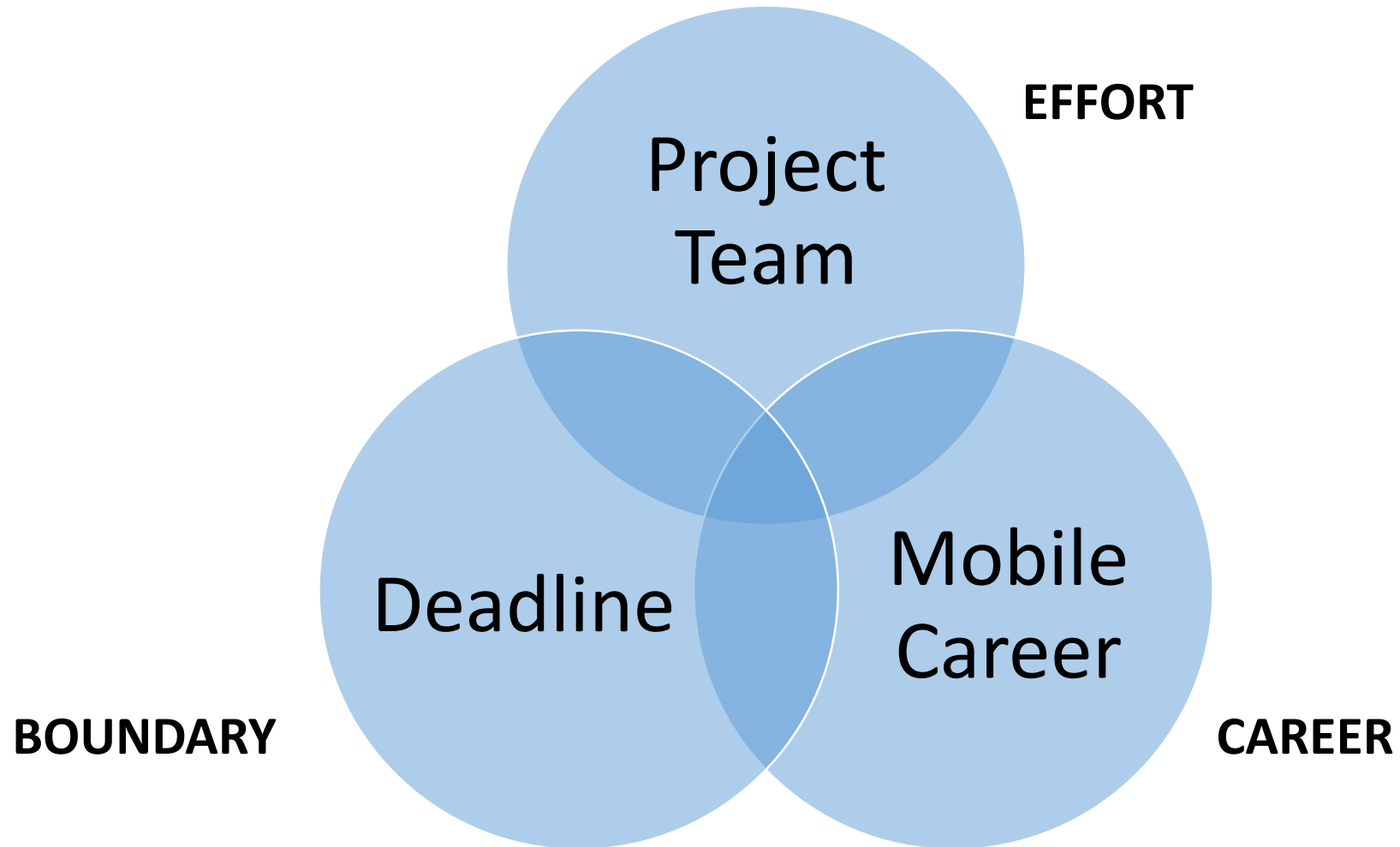


## National Differences Extend to IT

- Both have strong 'start-up' scenes, the 'Silicon Valley' model, but .....
- Danish IT as capability in wind, pharma, shipping etc:  
IT within the game?
- Irish IT based around big name US tech firms:  
IT the most powerful segment?

# What's the Deal?

## Work Organisation in Software



# 1) Employment without Expectations?

- Employment Mobility
  - Stock option illusions, intellectual property rarely extends beyond small group
  - Employment income crucial
- Employment Mobility
  - Networks and Reputation
  - A commercialised profession
  - Weak Expectations of Long Term Relationship
- But...
  - Key role of large firms (tech, insurance, telecoms..)
  - Small firms and start ups as an externalised R&D strategy



# Mobilities

## Denmark

“And how to stay above the water surface in the layering situation, you need *continuous education* and that is *not covered by employers anymore*. That is a bit difficult situation and you need *networking* a lot. And conference is one part and social media is also an important part.”

## Ireland

“I think there is just a belief that there is *enough IT work around* Dublin that I would be able to find another job. And probably as well *I know enough people*, not talking about getting favours done but that if somebody is looking for somebody that I would suit that I have worked in two of the biggest software companies in Dublin, it is hard to have a huge degree of separation from probably anyone working in IT having worked in two of those companies.”

## 2) Inside Project Teams: Egalitarian Culture in Danish IT

Interviewer: Which is interesting in the IT world because if you take the Silicon Valley type stuff, that is about standing out, that is about being the entrepreneur and going for it and earning millions and those kind of things.

Interviewee: That is the opposite culture and here the work environment is affected completely by the culture. So what you find in the everyday life, you also find it in the working environment in this regard.

Interviewer: In that nobody wants to stand...

Interviewee: Nobody wants to stick out, nobody wants to be the leader. That is amazing. In Italy everybody wants to be the leader and then once you are the leader you expect a certain amount of additional respect shown to you by people because of your position, and that is sad and bad to say the least. It shows that you are a small person. Here it is the opposite.

# The Politics of Individual and Collective

## Ireland : Networked Individuals

- Key Individuals within Teams
  - Key expertise
  - Core developers and external contractors in key positions
- Contested
  - Strong team interactions and interdependencies
  - Brokers and communicators (highly gendered)

## Denmark: Collective Production

- “Innovation is environmental, not individual!”
  - Importance of being able to work within team context
  - To coordinate work with others
- Contested
  - “Jante Law” the target of startup discourse
  - “I wish our developers would show more passion”

# 3) The Politics of Time and Boundaries

- Working Time
  - Variations in working time flexibility and control
  - Porosity and extended hours
  - Worst case: presentism plus porosity
  - The Danish answer: 9.30pm
- How 'the market' enters working life
  - Direct demands of customers
  - The deadline

# Comparing Deadline Politics: Managing and Making Managers

## **Ireland: Strategic Action of Workers and Managing Managers**

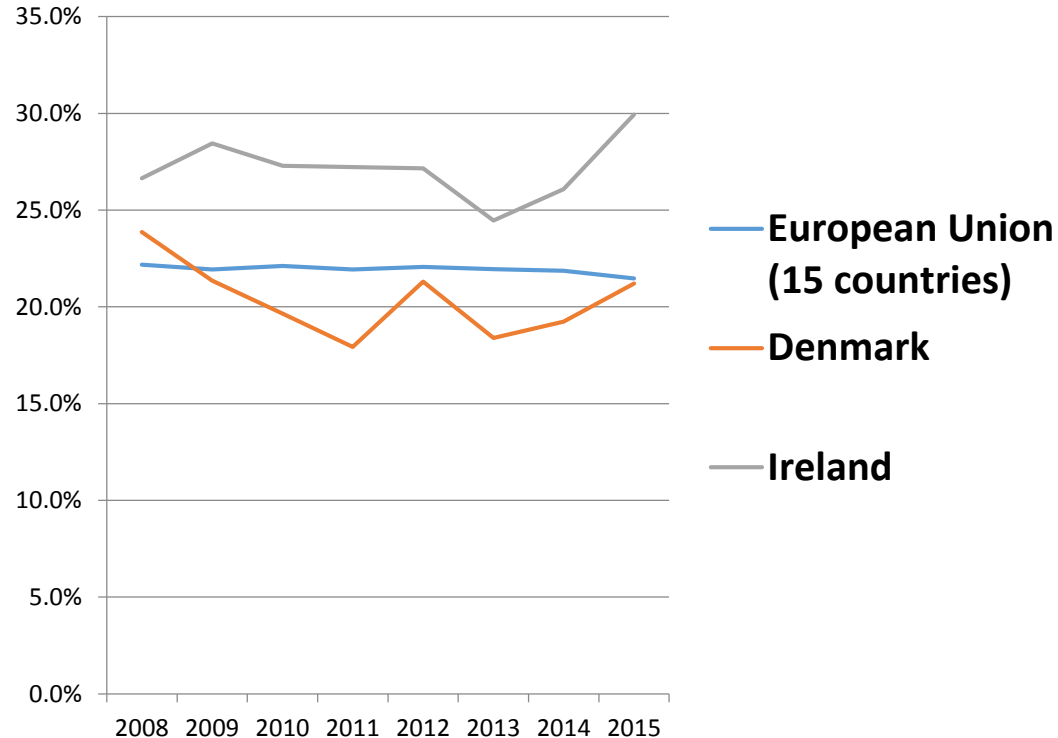
“So with one company that I was working with for a few years I would know they have this, this and this, these are the pointers in the year where it is going to be tough and where there is additional work so I kind of know what will be coming up there. And then I will think, ok I don't need a clash there so I try and start figuring out if that happens how I am going to manage it.”

## **Denmark: Negotiating the Deadline and Enforcing Cooperation**

“Here is it more a matter of we would like this to happen but it should also be done the correct way. So if I say it is going to take two months then that is what it is going to take, and if something comes up which makes it take three months, if I can just explain why it is going to take longer then it is not a problem.”

# Gendering IT: High Demands of Career Reproduction

## Computer Programming – % Female



- Female participation higher in Dk, but not in Danish IT
- Masculinities: Gendered interactions and networks
- Danish work-life balance: good enough for men, but not for women?
- Better options in other sectors?

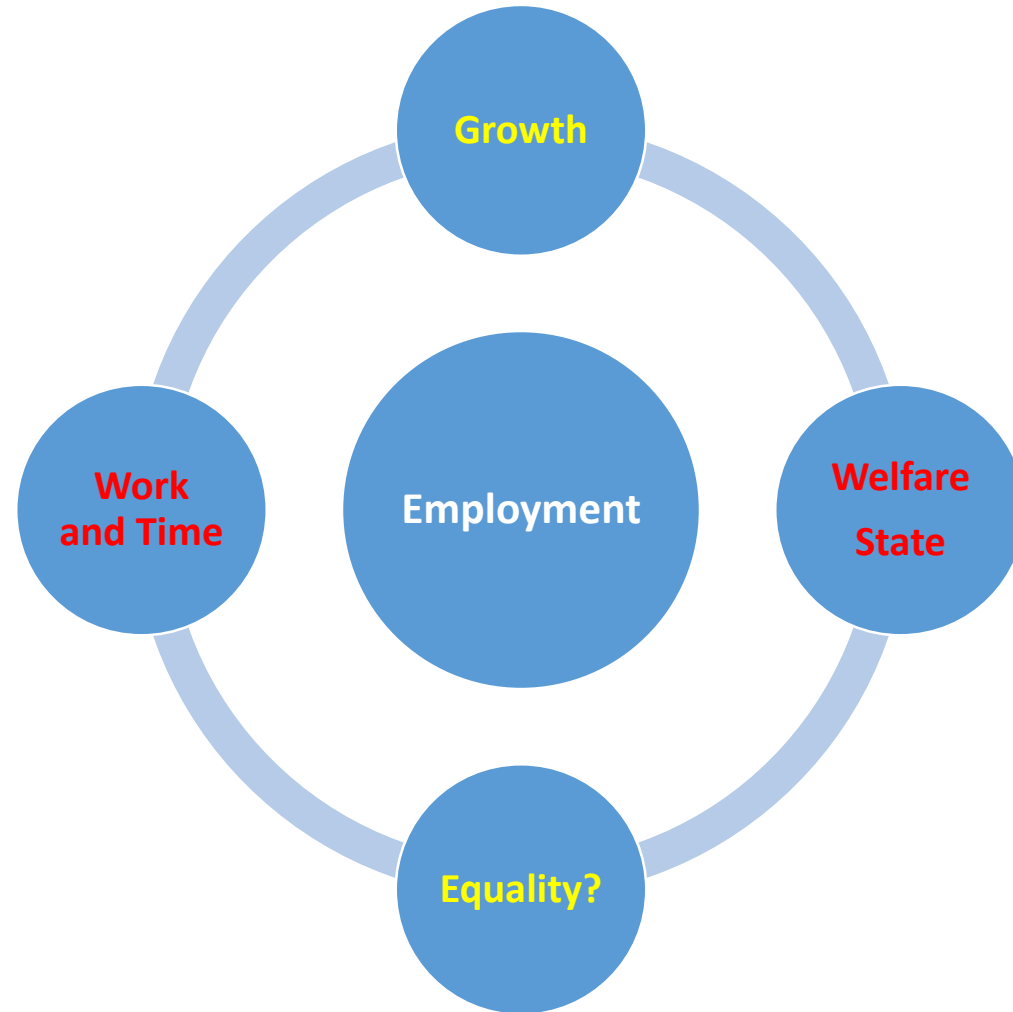
# Making the ‘Good Manager’

- “Bad managers” make bad conditions
  - “the manager really has a huge influence on people's lives, his or her personality type, if they expect people to do stuff that is irrational, people do it. And they really set the tone in a group.” (IE)
- Beneficial constraints and “Good managers” in Denmark
  - Shadow of collective agreements
  - Workplace cooperation and legislation on working environment
  - Legitimacy of organisational debate
  - Diversity of managerial labour market?
- Capabilities
  - Work-Life supports: childcare, leave, etc
  - R&D and training investments higher (private and public)

# Denmark: A Different Path for IT?

Interviewer: So in your job here, if we take your job here and the exact same job in London, in terms of just the working conditions you would have the same level of control in terms of doing your tasks but in London you would more than likely have more monitoring of your work and your results and stuff. And also you might not be able to shape your day in terms of other non [work demands]...

Interviewee: Yes that is what I think, without knowing.





Conclusion

# How should we characterise these Worlds of Capitalism?

- Thelen: Varieties of Liberalisation
  - Embedded Flexibility
  - Deregulation
  - Dualism
- Economic Sociology: the 'always embedded market'
  - Are all economies characterised by 'embedded flexibility'?

# Liberal and Social Democratic Varieties of “Embedded Flexibility”

## **Social Democratic**

- Extensive market mechanisms
- Protections around the market
- Coordination through networked agreements (eg patterned collective agreements)
- Demand for markets
  - As discipline (Ornston)
  - As equalising force (Thelen)

## **Liberal**

- Extensive market mechanisms
- Protections in the market
- Coordination through public and private hierarchies, networks of heads of hierarchies (governmental intervention)
- Demand for hierarchies
  - job control
  - government ‘intervention’

# Making Markets Real

	DK	IRL
<b>Rationality</b> Ordering Actors' Preferences	In civil society Through collective agreement process	Through Networks
<b>Full Information</b> Collective Learning	Mix of jointly sponsored research, negotiation relations, agreement process	Through Networks
<b>Equal Bargaining Power</b> Power Resources and Modes of Bargaining	Investment in individual and organisational capabilities	Mediation through State
<b>Unique Equilibrium</b> Construction of Shared Expectations of the Future	Locked in to negotiation process	Erratic Futures

# Capitalisms 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
- The Dilemma of the Age?
  - Strong 'power over' (dominance) and weak 'power to' (constitutive)?
  - Employers: why can't they deliver on their side of the bargain? (Thompson)
  - Can institutions construct solid futures from enactment of the present?
- Liberalisation between power and uncertainty: Imagining Futures
  - Markets: constituted through social institutions
  - Flexibilities: dependent on rigidities
  - Which rigidities?