Trade unions and the work-family balance
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2 TRADE UNIONS: (NON-)MEMBERS AND COORDINATION

Since the objective of this dissertation is to ascertain the forces that affect union agenda setting, two things need to be observed. First, there are two types of employees covered by CLAs that trade unions bargain over: those that are a member of the union and those that are not. Employees who are covered by a CLA but who are not a member of a trade union still enjoy the benefits of trade unions’ bargaining efforts, since the terms and conditions declared in the CLA are valid for all employees, whether they are a member of the union or not. The second observation to be made is that there are two types of coordination mechanisms that trade unions use to facilitate agenda setting: vertical and horizontal coordination. Both observations will be discussed in this chapter. First, however, collective bargaining itself is discussed.

2.1 COLLECTIVE BARGAINING

Work-family provisions in collective labour agreements come about through bargaining processes between employers and trade unions. In order to understand the role of unions in this process, we first need to know more about collective bargaining and agenda formation.

In the ILO’s terminology, collective bargaining is considered to be the activity or process leading up to the conclusion of a collective agreement (Gernigon, Odero and Guido 2000). Collective agreements are defined as “all agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers’ organisations, on the one hand, and one or more representative workers’ organisations, or, in the absence of such organisations, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other” (ILO 1951). Furthermore, collective agreements are meant to be binding instruments for the signatories, and stipulations in the collective agreement overrule individual contracts unless the individual contract is more favourable to the employee (ILO 1951).

Employers and trade unions bargaining over collective agreements can be termed opposing because in principle, employers’ main objective is making a profit through selling products or services, and doing this in an efficient and effective way (Rojer 2002), while the unions’ first responsibility is to defend and improve employees’ rights and terms of employment, which are naturally costly to the employer. Nevertheless, the opposing parties also share a common interest: the continued existence of the company and an employment situation that is satisfactory for both employer and employees (Schilstra, Smit and Paauwe 1996). It is this mutual dependence that forces parties into cooperation and collective bargaining.

In her classic book on trade unions, Booth (1995b) introduces two basic assumptions that most economic theories about trade union objectives are based upon. These are the assumption that all workers are identical and the assumption that the union is only concerned with the economic welfare of its members. From these two assumptions, two basic models of trade union objectives are constructed which form the basis for several derivative models. The first is the utilitarian objective function, which models the utility of the union as a function of wage and employment. The union’s main goal is wage maximisation, where wages also include fringe benefits. The second model is expected utility objective function, which can be characterised as a rent maximisation objective. Whereas the utilitarian objective function assumes an absolute wage increase to be the union’s main objective, the expected utility objective function focuses on wage increase relative to non-union members.

Trade unions are member organisations and should therefore be concerned with the wellbeing of their members. The typical union member is male and of an age that childcare issues are no longer relevant. Why then should trade unions worry about preferences of female employees? In order to stay representative, trade unions should not only be worried about the wellbeing of their existing members, but also with attracting new members. If both the female employment rate and the share of female employees in the labour market are growing, trade unions need to take preferences of these potential members into account when drawing up their policies and bargaining agendas. Most social-psychological research on
Trade union membership motivation is rooted in one of three theories. The first is frustration-aggression theory, which describes how employees are moved to become a trade union member as a result of frustration with their current employee benefits or conditions of employment. The second theory, interactionistic theory, underscores the importance of social interaction and normative pressure, while the third - rational choice theory - explains membership motivation through employees who measure costs and benefits of joining the union. Klandermans and Visser (1995) have integrated these three theories into one model, in which frustration-aggression theory and interactionistic theory explain employees’ attitude towards trade union participation; interactionistic theory also explains normative pressure to become a member; both attitude, normative pressure and rational choice theory explain employees’ motivation to become a member; and motivation can lead to actual union participation. The interest Dutch trade unions display in female employees’ preferences contradicts Booth’s assumption that all workers are identical. Obviously, not all workers are identical, because some workers appreciate specific employment benefits more than other workers. To be precise, female employees are on average more interested in work-family provisions than their male counterparts. It also contradicts the widely used Median Voter model (Freeman and Medoff 1984), since it does not seem to reflect its current members’ preferences. Apparently, trade unions are a special kind of member organisation in which democracy is not absolute (see e.g. Lipsett et al 1956). Trade unions are centralistic organisations whose negotiators face a dualistic task: on the one hand, they try to convince target groups, i.e. female employees, to become a member, while on the other hand they must convince existing members about the logic of reacting to non-members’ preferences.

Trade union objectives may sometimes be conflicting. For instance, wage increase may be achieved at the expense of employment. This explains why all economic models and derivations that Booth describes are in one way or another based on the multiplication of wage level and employment level. These factors also exist in the two canonical models of union behaviour as described by Teulings and Hartog (1998). These are the Labour Demand Curve model and Efficient Bargaining model. In the first model, employer and trade union bargain over wages only, after which the firm sets the level of employment. This means that the firm can pick the highest profit to the number of employees ratio. In the second model, the union also has bargaining power in second phase, so that it can negotiate
about employment of workers. This implies that trade-offs between wage and employment are possible. Unions obviously want to protect employment, and may do so at the cost of wage increase. Teulings and Hartog state that the LDC model describes reality best, but it should be observed that these models are developed for settings with one firm and one union and homogenous labour, and therefore not specifically for the Netherlands.

**Bargaining levels**

Collective bargaining between trade unions and employers may take place at different levels. Traxler (1994) distinguishes three levels: economy-wide, sectoral and company level. At the highest level, negotiation takes place between union federations, employers’ associations and possibly government representatives, often on macroeconomic issues and with the intention of providing a basis for lower level bargaining. The next level is that of the industry, at which trade unions and employers’ associations negotiate over terms of employment of all employees in one branch of industry. This type is predominant in most continental West European countries. The lowest level is the company level, at which trade unions bargain with employers; in Anglo-Saxon countries, this is the main form of collective bargaining (Traxler 1994).

A closely related concept is centralisation, the ratio of sectoral CLAs compared to company CLAs, or the hierarchical level at which employment terms and conditions are bargained over (Visser 2005). In countries with a high level of centralisation, like the Netherlands, most employees who are covered by a CLA are covered by a sectoral agreement, and relatively few by a company agreement. On average, this could imply that there is less variation in terms and conditions among covered employees, at least in comparison with countries where centralisation is low.

Within the boundaries set by national labour legislation, bargaining parties can choose the bargaining level, or mixture of levels, for their negotiations (Traxler 1994). A decision to generate a new sectoral CLA can make sense when new branches of industry are developing into maturity, which has been the case with the IT sector in the Netherlands in the nineties. A company currently covered by a
sectoral agreement can decide to withdraw from enveloping sectoral CLA and establishing their own company level CLA, provided that a legitimate bargaining partner for representing the employees is found.

How does the bargaining level affect the way collective bargaining is conducted, and the contents of collective agreements? I will consider only sectoral and company level bargaining here, because only these two result directly into collective labour agreements. The main difference that the level of bargaining has on the contents of CLAs is the extent of generality. In Dutch sectoral CLAs, for instance, between 100 and 750000 employees are covered\textsuperscript{14}, working for numerous different companies. It is not feasible to draw up one set of specific terms of employment for all these distinctive companies; it is necessary to keep the terms of employment general, to be worked out further by the companies themselves. As for company CLAs, the bargaining goals are much more concrete, since employees’ preferences can be determined more precisely, as well as the company’s ideas and economical situation.

Another difference between sectoral and company level bargaining is the negotiating party at the employer’s side. With company CLAs, it is the employer that negotiates with the trade union, whereas in the case of sectoral CLAs, it is an employers’ association that does the bargaining. The important aspect of difference lies in the fact that an employers’ association is a representative of a number of member organisations or firms, and thus, in economic terms, an agent representing a number of principals. It is difficult to determine how this particular setting affects collective bargaining outcomes, but a tentative guess may be that outcomes in sectoral bargaining do not mirror members’ preferences as completely as in the case of company level bargaining.

\textsuperscript{14} There is large variability in the number of employees covered by Dutch sectoral CLAs. When ordered by CLA size, the first 25\% ranges from 100 to 1400 employees, and the last 25\% ranges from 17000 to 750000. Two sectoral CLAs cover as few as 100 employees: Dutch Opera (‘Nederlandse Opera’) and Amateur Art (‘Amateurkunst’); the CLA with 750000 employees covers all Dutch temp workers (‘ABU: Uitzendkrachten’). Source: DUCADAM dataset, CLA years 1995 – 2003.
COLLECTIVE BARGAINING IN THE NETHERLANDS

In the Netherlands, labour relations at the national level have been characterised by consultation and cooperation for decennia. This culture has been termed the 'polder model'. Representatives of employers' associations and trade union federations confer in the Foundation of Labour ('Stichting van de Arbeid', STAR). Twice a year, during the spring and the fall talks, government representatives join them at the table to collectively discuss the basic conditions under which the employment policies should be made (Van Houten 2004). This advice is sent to central employers' associations and to trade union federations, to be distributed and fine-tuned by decentralised employers and employers' organisations, and by decentralised trade unions, respectively.

The Social and Economic Council ('Sociaal-Economische Raad', SER) is a governmental organisation that serves as a communication platform for deliberation and consultation between social partners and the government. These dialogues usually result in policy advice and recommendations, for instance about collective bargaining topics like the work-family balance.

As explicated before, decision-making and policymaking in Dutch labour relations typically take place at several levels rather than just at the national level. At the level of union federations, policy makers ideally use the advice of the Foundation of Labour as a guideline to establish their own union-specific agenda. This advice provides input for agenda-setting processes within all affiliated trade unions, after which the individual trade union negotiators draw up their bargaining agendas, specifically directed to the relevant company or branch of industry. According to Vossen and Engelen (2002), unions and employers bargain collectively over labour conditions of 80 per cent of the population in dependent employment in the Netherlands. According to Rojer (2002), 84 per cent of all employees in the Netherlands are covered by a collective agreement in 2002. These percentages are comparable to the average collective bargaining coverage level in the European Union. This EU average lies relatively stable around 75 per cent (Visser 2001,

16 The average relates to those 15 member states of the European Union that had become a member before 2004, at which time another 10 countries joined the EU.
percentage relating to 1995; Traxler and Behrens 2002, percentage relating to 2001).

<table>
<thead>
<tr>
<th>Employees in the Netherlands</th>
<th>(x 1000)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• not covered by a CLA</td>
<td>1152</td>
<td>16%</td>
</tr>
<tr>
<td>• covered by a CLA</td>
<td>6047</td>
<td>84%</td>
</tr>
<tr>
<td>o covered by a company CLA</td>
<td>1285</td>
<td>17.8%</td>
</tr>
<tr>
<td>o directly covered by a sectoral CLA</td>
<td>4011</td>
<td>55.7%</td>
</tr>
<tr>
<td>o covered only through extension by a sectoral CLA</td>
<td>751</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Table 2.1. Employees in dependent employment in the Netherlands in 2002, and collective agreement coverage rates. Sources: Rojer (2002); CBS/STATLINE 2002 (consulted May 2007).

In most EU countries, including the Netherlands, it is sectoral rather than company CLAs that cover the majority of employees. Sectoral CLAs cover about 66 per cent of all Dutch employees, while less than 18 per cent of Dutch employees are covered by a company CLA (Rojer 2002). Table 2.1 shows the number of employees in dependent employment in the Netherlands in 2002, categorised by whether or not they are covered by a collective agreement, and if so, what type of collective agreement. More than four million employees are directly covered by a sectoral collective agreement, and another 751 thousand employees are covered by a sectoral collective agreement as a result of extension of these agreements. Extension of sectoral collective agreements is discussed in the next section.

**EXTENSION OF COLLECTIVE AGREEMENTS**

Once a collective agreement has been signed, bargaining parties can ask for the coverage of the collective agreement to be extended to all employees in the sector. The minister of Social Affairs and Employment must officially perform this extension. Collective agreements can only be extended under certain conditions: when requested by one or more of the bargaining parties; if at least 55 per cent of employees are already covered; if no objections are raised; and if the conditions in the agreement are not at odds with law or other formal conventions and covenants (Rojer 2002). Extension of collective agreement is quite customary: 70
per cent of all sectoral agreements in the Netherlands are extended in this way. Whereas 55.7 per cent of all employees in the Netherlands are covered directly by a sectoral collective agreement, as shown in Table 2.1, 66.1 per cent of employees are covered after extension of the collective agreements (Rojer 2002). The reason behind extending collective agreements is to force all employers in the sector to adhere to the same global employment terms, preventing unfair competition by employers trying to overbid on wages. Although this is a restriction to employers, many feel comfortable with this measure since it also provides some respite in the sector with respect to recruiting policies. If all employers in a sector have to adhere to the same terms and conditions of employment, then employers cannot economise more on labour costs than other employers in the sector – in other words, no employer has a financial advantage over others with respect to labour costs. The disadvantage for employers is lack of flexibility with respect to creating new terms and conditions of employment, at least theoretically (Rojer 2002). Empirical research by Heijnen and Van Rij (2003) confirms these theoretical assertions. Heijnen and Van Rij interviewed 726 Dutch employers about their opinions on, among other issues, extending collective agreements, and it appeared that employers agreed on the advantages it offered, especially those employers that were covered by a sectoral CLA. They also agreed on the fact that extending a collective agreement reduces flexibility in determining terms and conditions.

As listed in Table 2.1 in the previous section, more than 10 per cent of all employees in the Netherlands are covered by a collective agreement only as a result of extension of the agreement. These employees do not have any formal means to influence the contents of the collective agreement, not even if they are union members, but they are still bound by its terms and conditions. Would trade unions take account of this fact when drawing up a bargaining agenda for a sectoral collective agreement that is likely to be extended, and if so, how? The fact that a union’s bargaining efforts can possibly affect employees who are unable to formally influence or direct these efforts may move trade unions to pay more attention to the common interest. For instance, union negotiators may also include proposals in their agenda that affect all employees\textsuperscript{17}, rather than just proposals that are specifically targeted at employees covered directly by the collective

\textsuperscript{17} I.e. employees that are covered directly by the collective agreement and those that are covered only after extension.
agreement. The next section describes how policy formation processes take place within the Federation of Dutch Trade Unions (FNV).

**FNV POLICY FORMATION**

The Federation Congress (in Dutch: ‘Federatiecongres’) is the union’s highest decision-making body. The Congress consists of representatives of all associated FNV trade unions – the number of representatives per trade union depends on the trade union’s size (FNV Marketing & Communicatie 2005). In Figure 2.1, the unions, boards and bodies are depicted graphically. The Federation Congress meets at least every four years, at the four-yearly convention, where it makes decisions about the FNV’s policy strategies and chooses the four members of the Federation Board (in Dutch: ‘Federatiebestuur’) for a period of four years.

*Figure 2.1. Policy formation within the FNV.*

The Federation Council (in Dutch: ‘Federatieraad’) is the next highest decision-making body. It meets once every two weeks to develop and elaborate the broad
policies as formulated by the Federation Congress. The Federation Council consists of the Federation Board and the chairpersons of all FNV trade unions.

The Federation Board is in charge of the FNV’s day-to-day governance and meets once a week. It executes policies as formulated by the Federation Congress and the Federation Council. In this, Policy and Lobby Teams support the Board. These teams consist of policy advisors who prepare new policies and advice and draw up policy documents (FNV Marketing & Communicatie 2005). In so-called Policy Advice Councils, Policy and Lobby Teams and a member of the Federation Board regularly talk with FNV trade union negotiators to acquire knowledge about the shop floors. In this way, the FNV is able to gather information about employees’ preferences.\(^{18}\)

The Federation Work Corporation (in Dutch: ‘Vakcentrale’) supports the Federation Board through the previously mentioned Policy and Lobby Teams. It also facilitates the FNV trade unions by coordinating the bargaining process and managing the strike fund. Furthermore, it is in charge of publicity, it organises campaigns for school pupils and students and it serves as a platform for young FNV members.\(^{19}\)

Each year in September, the FNV publishes a set of central recommendations for collective bargaining objectives, called the ‘FNV Arbeidsvoorwaardennota’, which translates roughly to ‘FNV Memorandum of Terms and Conditions of Employment’. Since this extensive clause seems a bit unwieldy, the term ‘Arbeidsvoorwaardennota’ will be used instead. The affiliated FNV trade unions (see Table 2.2) then formulate their own policies at a more decentralised level, more attuned to their specific members, and with help from several internal commissions and councils (Royer 1996). Then it is up to the FNV trade union negotiators to formulate the bargaining agendas; during this process, they can take advice from policy advisors, CLA coordinators, lay officials and colleagues. This implies that a union negotiator has to take account of both the policy advice of the central trade union federation, the preferences of trade union members and the input of negotiators.


\(^{19}\) Source: http://www.fnv.nl, consulted on June 16th, 2007.
who work for his or her trade union (Rojer 1996). This dissertation investigates the role of trade union negotiators in work-family agenda setting processes.

<table>
<thead>
<tr>
<th>FNV Trade unions</th>
<th>x 1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FNV Bondgenoten</td>
<td>470,7</td>
</tr>
<tr>
<td>FNV Bondgenoten ZZP</td>
<td>5,2</td>
</tr>
<tr>
<td>ABVAKABO FNV</td>
<td>363,6</td>
</tr>
<tr>
<td>FNV Bouw</td>
<td>151,1</td>
</tr>
<tr>
<td>FNV Bouw ZBO</td>
<td>2,6</td>
</tr>
<tr>
<td>Algemene Onderwijsbond AOb</td>
<td>73,2</td>
</tr>
<tr>
<td>FNV Kiem</td>
<td>41,9</td>
</tr>
<tr>
<td>FNV Kiem ZZP</td>
<td>5,5</td>
</tr>
<tr>
<td>FNV Horecabond</td>
<td>27,5</td>
</tr>
<tr>
<td>AFMP</td>
<td>20,6</td>
</tr>
<tr>
<td>Nederlandse Politiebond NPB</td>
<td>22</td>
</tr>
<tr>
<td>Marechausseevereniging</td>
<td>5,9</td>
</tr>
<tr>
<td>Kappersbond FNV/FNV Schoonheidsverzorging</td>
<td>9,9</td>
</tr>
<tr>
<td>NVJ</td>
<td>7,3</td>
</tr>
<tr>
<td>FNV Vrouwenbond</td>
<td>5,9</td>
</tr>
<tr>
<td>FWZ</td>
<td>5,9</td>
</tr>
<tr>
<td>FNV Sport</td>
<td>1,5</td>
</tr>
<tr>
<td>Vereniging van Contractspelers VVCS</td>
<td>0,8</td>
</tr>
<tr>
<td>FNV Total</td>
<td>1221</td>
</tr>
</tbody>
</table>

Table 2.2. FNV Trade unions with member counts. Source: CBS/STATLINE, October 1st 2003.

**COLLECTIVE BARGAINING TOPICS**

In collective labour agreements, many employment issues are formally taken care of. One of the best-researched issues is wage and wage increase (see for instance Teulings and Hartog 1998; Bernstein and Schmitt 1998; Katz and Krueger 1992), among other reasons because it can be quantified very well. It is the most important and most basic employment condition for employees; without a decent wage, secondary and tertiary terms of employment have less meaning to employees, and unions would have a hard time defending a topic like care leave if the wage demand were below acceptable. In Box 2.1, a list of bargaining topics is given.

An analogy can be drawn between Maslow’s hierarchy of needs (Maslow 1954) and employees’ preference for types of employment conditions. Maslow’s prefer-
Trade Unions and the Work-Family Balance

Maslow’s hierarchy of needs model describes a pyramid of needs, in which higher needs cannot be fulfilled until the more basic needs are taken care of: food and shelter first, then social acceptance, and finally self-actualisation. Without the basic presence of food, for example, a human being could not seriously start considering to strive for acceptance by important others – exceptions omitted. In the same way, the benefit of a company car would be close to zero if the employer refrained from paying salaries. Herzberg, who outlined factors affecting people’s attitudes about work, takes a related but slightly different viewpoint (Herzberg 1959). He claims that for employees to be satisfied about their employment, work-related ‘motivators’ (achievement, recognition, the work itself, responsibility, and advancement) take precedence over environment-related ‘hygiene factors’ (company policy, supervision, interpersonal relations, working conditions, and salary). Absence of hygiene factors can make employment less satisfactory in the short term, but only the motivators really make a difference in job satisfaction in the long term.

Wages and other primary terms of employment are the most common reasons for unions to organise a strike. In circa two thirds of all strikes in the Netherlands between 1950 and 1995, wages were the main reason to strike (Van der Velden 2000). Next to wages, working hours and schedules are important elements of collective labour agreements. These describe the number of working hours in a fulltime week, the days and hours of the week during which employees are supposed to work, and possible part-time, irregular hours and overtime regulations. Research on this subject includes the often-addressed relationship between actual and preferred working hours, and between actual working hours and job satisfaction (see for instance Tijdens 2003; Böheim and Taylor 2004).

Other conditions of employment that are included in CLAs include leave and holidays, working circumstances, labour market policies, social security, employee voice, flex-workers, special employment conditions for older or younger workers, environmental issues, and last but not least, work-family arrangements (Schreuder and Tijdens 2003). Remarkable is that, although most collective bargaining topics benefit all employees covered by the CLA, some topics are only beneficial to specific groups of employees, like early retirement schemes (for older employees) and parental leave arrangements (for young parents). This implies that trade unions, when drawing up a bargaining agenda, need to make choices about putting extra energy into the demands of certain groups, and therefore less energy
into certain other groups. This is at odds with their principle of equality and the conviction that all employees are entitled to equivalent packages of conditions of employment, but it happens nonetheless. The story and reasons behind this will be described in more detail in Chapter 5.

**Conditions of employment included in CLAs**

1. Wages
2. Working hours and schedules
3. Leave and holidays
4. Working circumstances
5. Labour market policies
6. Social security
7. Employee voice
8. Flex-workers
9. Special employment conditions for older or younger workers
10. Environmental issues
11. Work-family arrangements

*Box 2.1. Conditions of employment included in CLAs.*

Finally, childcare and other work-family provisions can be an effective instrument to help employees combine work and family life. These CLA provisions facilitate women, or more generally, young parents entering into or remaining in the labour market. As mentioned before in Section 1.2, these include flexible work arrangements, childcare provisions, and several kinds of leave arrangements, like parental, pregnancy/maternity and paternal leave. By including work-family provisions, collective agreements can contribute to increasing the labour market participation in the Netherlands to some extent.

**HOW DID WORK-FAMILY PROVISIONS COME TO BE A PART OF THE UNION AGENDA?**

In the Netherlands, childcare provisions have not always been organised and financed by employers and government. In the 1960s and 1970s, day-care centres and crèches were the most common forms of formal childcare (Tijdens and Lieon 1993). Pressure on the government to take responsibility for the childcare problem increased during the 70s and 80s. However, actions taken by the government, like implementing laws that should facilitate women combining work and care, did not reduce the problems. Until the mid eighties, FNV trade unions were
of the opinion that facilitating childcare was the government’s responsibility, but since no effective measures were taken, and because childcare issues did have to be taken care of for women to be able to work, the Women’s Secretariat of the FNV decided in 1987 that the subject had to be part of the union’s agenda (Tijdens and Lieon 1993). From then on, unions viewed the responsibility for financing childcare as shared by government, employers and employees.

Reasons for employers and trade unions to bargain over work-family items include the following. The existence of work-family provisions in the CLA can help satisfy current employees’ preferences about terms and conditions of labour, especially those that have childcare responsibilities. In times of scarcity in the labour market, this can be an opportunity for employers to attract new personnel, especially if they are looking for employees in the age category where young children are an issue. Similarly, for trade unions, it is a way to satisfy current and attract new members from a still under-organised segment of the labour force: women, and young people in general. Furthermore, including work-family provisions in collective agreements can improve women’s opportunities to enter or stay in the labour market, which is in line with trade unions’ mission of providing equal labour opportunities for all employees and potential employees. This dissertation will address these issues in detail.

2.2 Trade unions, members and non-members

How do unions deal with the fact that both members and non-members benefit from labour conditions that unions bargain over? Whose preferences do they take as a starting point? Two opposite hypothetical models can be devised with respect to trade union agenda setting, namely one in which trade unions focus solely on the preferences of their members, and one in which they focus on all employees covered by the CLA. Figure 2.2 shows the continuum extending from a focus on members only to a focus on all employees. Note that in the latter model, union members are included in the group of employees. In reality, most trade unions will be positioned somewhere in the continuum between these two focuses, but for the sake of clarity, we will focus on these two extremes.
In the first model, trade unions bargain only for their members. Why would it make sense for them to do so? The legitimacy of trade unions focusing solely on union members, as illustrated in the left part of Figure 2.2, lies in the fact that trade unions are associations, or membership organisations. Employees who want to have a voice in the way their labour terms and conditions are formulated may choose to become a member and pay a nominal fee, for which they expect the union to represent their interests. Teulings and Hartog begin their renowned book on international comparison of labour contracts, institutions and wage structures with the statement that unions have little incentive to invest in non-members’ interests, particularly since that could only be done at the expense of members (Teulings and Hartog 1998, p.1). This is indicative of the model in which trade unions concentrate exclusively on the preferences of their members.

![Figure 2.2. Two opposite models of trade union focus.](image)

The concept of trade unions bargaining only for their members can be taken a step further, by realising that they sometimes target only small groups of members. Issues like work-family provisions benefit the young parents, for instance, and additional leave for older workers is specifically directed at older employees. In the microeconomic literature, it is often assumed that unions try to maximise the utility of their members, under the assumptions that the member group is homogenous and that membership levels are fixed (Ulph and Ulph 1990). Why would unions bargain for small member groups, when on average more utility could be gained by targeting larger member groups? In reality, union membership composition can be quite diverse, especially in countries with a high degree
of union concentration. This makes it difficult to create a bargaining agenda whose items are equally beneficial to all members; only primary benefits would fit this requirement. Obviously, secondary and tertiary employment conditions are part of the union agenda too, but not all union members will appreciate these items to the same extent. In other words, these are inevitably targeted towards specific member groups.

In the second model, trade unions focus their agenda setting processes on preferences of all employees in the sector. Why would it make sense for them to do so? In the model in which unions focus on all employees rather than just their members, in the right part of Figure 2.2, their legitimacy to do so stems from the fact that, in the Netherlands, the large majority of employees trade unions are bargaining for are not a union member. Of all employees covered by a collective agreement, only 22 per cent is a union member while 78 per cent is not.20 And since the CLA is binding for every employee that is covered by it, irrespective of his or her member status, trade unions have the responsibility to bargain for all employees. Focusing on all employees instead of merely union members implies that trade union policy makers will set up their labour policies according to what they believe to be good labour conditions for the sector and all of its employees. In the case of the Netherlands, for instance, trade unions would then adopt a strategy to concentrate on bargaining over work-family topics, because of the union’s conviction that all (potential) employees should have equal opportunities to be active in the labour market, and work-family provisions in collective agreements can facilitate female employees in doing so.

The implication of this strategy is a reduced incentive for employees to join the union as a member, since their interests are represented in any case. Without a sufficiently large rank and file, trade unions will see the credibility of their strike threat decrease, and along with it their bargaining power. In order to remain a credible bargaining partner, a different basis for trade union authority must be found, for example through the development of new legislation that describes trade unions’ legitimacy. Absence or near absence of members would also endan-

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20 Union coverage is the share of employees covered by a collective agreement compared to the total labour force in waged employment. 7.83 million employees in the Netherlands are covered by a CLA (Rojer 2002) and 1.73 million people aged under 65 are member of a Dutch trade union (Statistics Netherlands 2002). Assuming that most if not all union members are covered by a CLA, 22 per cent of all employees covered by a CLA is a union member, which means that 78 per cent is not.
ger the financial viability of trade unions, although recruitment costs would drop significantly. If trade unions were to be able to continue functioning effectively, the abovementioned scenario would probably necessitate government financing, which seems justified since unions would serve the interests of the large majority of employees. Solidarity and informal opportunities to influence the union’s bargaining agenda, however, would still serve as reasons to become a union member.

**Four theoretical union-member models**

The existing literature on trade unions reveals several different models describing the relationship between trade unions and trade union members. Booth (1984, 1995b) and Naylor and Cripps (1993), for instance, developed a public choice model in which the assumptions of fixed membership rates and homogeneity are absent. In this model, unions are seen as political organisations that represent different member groups, and the influence of potential members on the union’s bargaining agenda is taken into account. The public choice model corresponds to the model in Figure 2.2 in which unions focus on preferences of all employees, rather than just their members.

Freeman and Medoff (1984) stated that unions can be seen as vehicles for collective expression of concerns and desires. Taking account of the aforementioned issues, the question arises in what way trade unions are influenced by employees, be they members or non-members, whose terms and conditions they bargain over. The nature of the union-member relationship is often seen as either economic or solidaristic. In the economic exchange model, members are assumed to be self-interested and to use the union in an instrumental way; unions are characterised as service providers, and nothing more (Bamberger et al. 1999). This implies that unions would have to take precise and thorough account of their members’ preferences, and draw up their bargaining agenda accordingly, if they want these members to keep appreciating the utility of their membership. There would not be a lot of room for issues for the ‘common good’, or issues that would mostly benefit potential members. The economic exchange model can be placed at the left-hand side of the continuum in Figure 2.2, where only members’ preferences are taken into account.
When viewing the relationship between unions and their members as one of solidarity, like Bacharach et al. (2001) do, emphasis is placed on social obligations. Members feel a social obligation to support their union, and union officials have an obligation to take care of their members. As in the economic exchange model, trade unions focus on members’ preferences, although the motivation for both trade unions and union members to do so is one of solidarity rather than self-interest. This model can also be situated on the left-hand side of the continuum.

Snape and Redman (2004) argue that another view needs to be added to the economic exchange and social exchange models: the covenantal relationship, which goes beyond economic or social exchange. Employees become members of a union because of intrinsic motivation to help the union and fellow employees, rather than out of considerations of economic or social exchange. They find empirical evidence for this in their study of members of the U.K. National Union of Teachers. In this view, trade unions have quite a lot of flexibility in setting up their agenda with respect to the target group or groups. In this view, there are opportunities for preferences of non-members to be included in union agenda setting, which implies that this model should be placed on the right part of the continuum in Figure 2.2.

While the economic and the social exchange models focus exclusively on the relationship between trade unions and their members, the public choice model and the covenant model clearly touch on the field of tension between members’ preferences and preferences of employees in general. Trade unions will have to find a balance between agenda setting which favours their (membership fee paying) members, and agenda setting which favours the majority of employees affected by collective bargaining. In branches of industry in which union density is relatively low, i.e. in which a larger than average share of employees is not a union member, it would seem acceptable to move the focus to non-members’ interests. The union’s bargaining agenda may then include relatively many items that negotiators believe to be beneficial to non-members. Since union members tend to be male and of middle age, non-members’ interests could lie, for instance, in the area of work-family provisions. In empirical research, union density is often associated with union bargaining power (Booth 1995a, Belot and Ours 2000), and since low union density implies low union bargaining power, a drawback of bargaining primarily for non-members is a possible decrease of the union’s chances.
of success in collective bargaining. This adds another dimension to the field of tension mentioned earlier. In branches of industry with high union density, on the other hand, trade unions may be more inclined to focus on preferences of their members rather than employees in general, which will lessen the field of tension between members’ and non-members’ interests.

This short treatise about the four models of trade unions, union members and non-members shows the dilemma that trade unions face: bargaining over terms and conditions of employment for their members versus bargaining for all employees in general. This is especially relevant in work-family issues, where the main beneficiaries (women and young parents) are predominantly non-members. In the next section, this dilemma is discussed further.

**EXISTING MEMBERS VERSUS POTENTIAL NEW MEMBERS**

In economics and sociology, the fact that employees who are not a union member still benefit from collective bargaining is commonly known as the ‘free-rider dilemma’. This is a situation in which a public good is available to everyone, even to those that do not contribute their share to the production of the public good (see for example Olson 1971, Buchanan 1973, Hechter et al. 1982). The dilemma lies in the fact that free-riders cannot be prevented from benefiting from the public good, but neither can they be coerced to contribute to the production of it. In collective bargaining, non-members cannot be excluded from the regulations agreed upon in the collective agreement, since that would not only be considered unjust inequality but also against the law; at the same time, trade unions usually cannot oblige employees to become a union member. It is not the objective of this dissertation to resolve the free-rider dilemma, which is an inherent part of the Dutch industrial relations system, as it is in many other countries. However, the free-rider dilemma has an important consequence for trade unions. There is a real possibility of members leaving the union, knowing that they can still benefit from the advantages of collective bargaining without being a union member.

21 In the Anglo-Irish countries, before the Second World War, trade unions were able to make ‘closed shop’ agreements with employers, which required all employees covered by the agreement to join the union. By the end of the century, the practice was made illegal in Great Britain, and it has become less widespread in Ireland (Ebbinghaus and Visser 1998). On the continent, the system has always been either unconventional or unconstitutional (Visser 1991).
Since membership rates are not fixed, but subject to change, it is important for unions to respond to member preferences in order to prevent the membership rate from dropping. Aside from member preferences, unions might want to look to the preferences of non-members too, because here lie opportunities for attracting new members. Lowering the membership fee is a way to attract new members, thereby increasing union size and union density (Ahmed and Miller 1999). However, the membership fee must not be decreased so much that, in spite of potentially increased union size, union funds become too small to organise strikes. One of the bases for union power is their ability to call a strike, or to threaten with calling one, but such a threat would be futile if the union’s strike fund is insufficient to actually organise a strike (Van der Velden 2000).

A different way to attract new members is through placing on the agenda bargaining topics that are beneficial to employees who are not a member. For example, since trade unions traditionally have few female and young members, agenda items targeted at these groups, like childcare provisions and parental leave provisions, may persuade female and young employees to show solidarity and join the union. This example explains why unions sometimes target small, non-member groups when setting up their bargaining agenda. Lowe and Rastin (2000) argue in favour of unions doing so, if new members are to be recruited. In the discussion of their research on employee willingness to join a union, they state that needs and experiences of specific age cohorts are to be recognised. Therefore, if unions want to attract young members and female members, they might add childcare items to their bargaining agenda.

There are many considerations to be made by trade unions when deciding which employees to focus on, and one field of tension is always tangible. On the one hand, focusing exclusively on union members ignores the preferences of non-members, the majority of employees in the Netherlands. On the other hand, focusing on all employees may result in members feeling neglected. In reality, trade unions may try to find a balance between providing services for their members and regulating labour conditions for all employees. In order to set up trade

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22 In the protection of collective interest, trade unions are faced with the problem of free-riders. When protecting individual (member) interests, another problem exists: competition from other professional
Trade unions: (non-)members and coordination

union policies that satisfy both members’ and non-members’ labour preferences, a measure of coordination is necessary. In Chapters 3, 4 and especially 5, this issue will be examined in further detail.

2.3 COORDINATED AGENDA SETTING

In the introduction of this chapter, two coordination mechanisms were mentioned that streamline trade union bargaining: vertical and horizontal coordination. In this section, these two concepts will be discussed.

At national level, coordination on collective labour agreement formation can be interpreted as the level of cooperative rather than competitive interaction between the social partners and the government (cf. Van den Toren 1996). Coordination is a common instrument for creating employment policies in corporatist countries. At central levels, actors talk and negotiate about future wage levels and additions to labour conditions, like the provision of childcare, in an intentionally cooperative way. These actors are representatives from government, from employers or employers’ associations and from trade union federations.

At the level of trade union federations, vertical coordination exists via the formation of central policies about collective bargaining topics. These policies, which include broad guidelines on bargaining targets, are disseminated to all trade unions that are affiliated to the federation, and they are supposed to serve as guidelines for drawing up detailed bargaining agendas. Within trade unions, negotiators may ensure horizontal coordination by discussing and evaluating one another’s bargaining agendas and strategies.

VERTICAL COORDINATION THROUGH CENTRAL POLICY DEVELOPMENT

Countries differ notably in the extent to which collective labour agreements are coordinated between social partners and government, and levels of coordination organisations that can also provide employees with services in the field of labour law and information (Klandermans and Visser 1995). When striving to retain existing members and attract new members, trade unions must find a balance between these two activities.
change over time as well (Visser 2005). The Mediterranean and the Anglo-Saxon
countries (Ireland excluded) know relatively little coordination, while in Central-
Western and Scandinavian countries and in Ireland, coordination is a prominent
instrument in formulating employment policies. Coordination is called direct, or
overt, when the principal agents of collective bargaining – trade unions, employ-
ers and possibly government – explicitly state goals that must be achieved in the
bargaining process. Indirect or covert coordination is embedded in the internal
governance of the agents themselves (Traxler 1994).

Coordination can easily be linked to another concept of economic theory: corpora-
tism. In the words of Hartog et al (2002): "Corporatism is a structure of well-
organized interaction and consultation between union federations, employer fed-
erations, and the national government on all issues of social economic policies,
including labour legislation and social protection." Corporatist countries are for
instance Austria, Sweden and the Netherlands. The US are an example of a non-
corporatist country. In corporatist countries, coordination institutions guide and
steer the formation and development of collective terms of employment.

The question could be raised how coordination institutions affect collective bar-
gaining. In what way do collective bargaining processes in corporatist countries
differ from those in less coordinated systems? Industrial relations institutions like
the Foundation of Labour regularly issue a research-based advice for the social
partners, usually with respect to a new period of collective bargaining. It is cus-
tomary for the Foundation of Labour to proclaim a number of bargaining topics
that are relevant for the coming few years, coupled with outlined ideas about the
direction in which these topics are to be developed. If the advice is heeded, each
trade union federation will include the Foundation’s recommendations in their
agenda. Therefore, in corporatist countries, the contents of a bargaining agenda
drawn up by one trade union negotiator may show a lot of similarities with the
bargaining agenda’s contents of any other negotiator. Coordination at national
level implies, up to a point, that consensus exists between the social partners
about bargaining outcomes. Since both parties will realise that they have a com-
mon goal to achieve, the bargaining parties will act cooperatively rather than
competitively, as opposed to social partners in non-corporatist countries. In Hop-
mann’s (1974) words, we will see ‘soft’ bargaining, which tends to result in
agreement between parties more often than ‘hard’ bargaining. Taking a problem-
Trade unions: (non-)members and coordination

solving perspective rather than a non-cooperative bargaining point of view yields both more flexible and more durable, equitable and efficient collective agreements, as most empirical research into this topic concludes (cf. Hopmann 1995, Scharpf 1997). As long as the interests of trade unions and employers diverge only moderately, Hopmann may have a good point. When distributional issues are involved, however, and bargaining gains for one party imply bargaining losses for the other, as is the case with bargaining over wage levels, coordination measures such as the Foundation of Labour’s recommendations may not be so effective.

At the level of trade union federations, vertical coordination functions in a similar way, steering and guiding policy formation at lower levels. Within the federation, representatives of the affiliated trade unions deliberate on future policies on relevant bargaining topics. This results in a policy document that is meant to be input for the bargaining agendas of the affiliated trade unions. The fact that input for the central policy originates from the trade unions themselves may increase commitment to this policy at trade union level. Thus, negotiators from these trade unions are coordinated hierarchically, or top-down. A different type of coordination they may experience is the horizontal kind, from colleagues.

**Horizontal coordination through communication between colleagues**

Wherever people form groups, be it a family, a class room, an organisation or a country, they are likely to interact and thus influence each other. A trade union negotiator finds him- or herself in a lot of different professional social networks, and thus has contact with many different types of actors, like employers, politicians, members, employees, colleagues from other unions and colleagues from their own union. These last mentioned colleagues can be seen as the peer group, potentially influencing our negotiator, who is also a part of the group. This type of influencing is called ‘peer pressure’.

Many empirical studies into behavioural influence of peer groups focus on children and adolescents, particularly with respect to either learning behaviour and educational attainment, or types of behaviour that are generally considered unwanted by the majority of society, like smoking, drinking, doing drugs, and committing criminal acts (Evans et al. 1992, Ennett and Bauman 1993, Urberg et al. 1997,
Ryan (2001). However, little research has been done on colleague interaction and influence. Dillon (1989) describes a university faculty that tries to introduce distance teaching, a concept that involves students learning through courses that are given not face to face, but by use of telecommunications. She found that the opinions of colleagues matter significantly when it comes to teachers’ acceptance of this relatively new method of teaching. Cox (1999) wrote an article about his experiences as head of a Teacher Training Centre (TTC), and about medical teachers trying to persuade their colleagues to adopt a new teaching curriculum. Teachers would follow courses and workshops at TTC, after which these trainees went back to their faculty in order to encourage their fellow teachers to change their way of teaching. Cox has two main conclusions after more than twenty years in this business. First, cooperation, time and commitment are as important as persuasion, because of the complexity of educational change and its many stakeholders. Second, the real change begins not with the influencer but with the person that is influenced; it works best if actors convince themselves, rather than being convinced by others.

Greco and Eisenberg (1993) have surveyed and categorised a number of studies in which physicians were subjected to persuasion to change their practice. They found six different types of persuasion, or intervention: education of physicians, feedback about physicians’ practice, participation by physicians in efforts to bring about change, administrative rules concerning physicians’ practice, financial incentives, and financial penalties. Greco and Eisenberg conclude that combinations of methods work better than when used in isolation, and that attention should be paid to whether the chosen method fits the desired change in practice, and whether the physicians support the intervention. Greer also asserted that physicians are more likely to adopt new techniques or interventions if they can rely on their own experience or colleagues’ recommendations (Greer 1988).

Horizontal coordination through peer pressure assumes active influencing on the part of one or more actors. A different form of social interaction in which the actions of others influence one’s behaviour or decisions to behave in a certain way could be called ‘copying’. This means that actors copy the behaviour of other actor in their environment without being influenced on purpose. Research by Hedström, Kolm and Åberg (2003) adequately illustrates this phenomenon. They researched all 20 to 24 year-olds living in the Stockholm metropolitan between
Trade unions: (non-)members and coordination

1992 and 1999, 180 thousand people in total. 95 thousand of these were unemployed at least once during this time. Hedström et al. show that the social and psychological costs of being unemployed are positively related to actors’ behaviour towards remaining employed or searching for employment. In practice, this means that actors are affected by people in their environment, which functions as a generalised other or social aggregate, to adapt to their employment situation. For instance, if most or all family members and friends of unemployed actor X are employed, actor X may feel a normative pressure to start looking for work too and earn a living. Actor X might be ashamed about not working if his or her reference group is different, in this case employed. Alternatively, if the same actor X finds him– or herself surrounded by family and friends who are also unemployed, the urge to look for a job will remain small. The phenomenon observed here is actors copying the behaviour of their reference group, propelled by a desire to fit in. Copying as a social process described above will probably often coexist with peer pressure – friends may urge the unemployed actor X to become active in the labour market. In quantitative data analysis, these two processes may be difficult to entangle unless respondents are specifically asked about them. Therefore, in Chapter 5 of this dissertation, the method of interviewing will be used to check the preliminary conclusions about copying behaviour drawn in earlier empirical chapters.

To summarise, there is evidence that people who are active in the labour market can be induced, either actively through influencing by others or ‘passively’ through imitating their reference group, to accept new ideas or behave in a certain way. This is especially true when these ideas and forms of behaviour are considered normative in the relevant social environment, when the influencing actors use multiple methods and when the transferred ideas confirm or strengthen the workers’ own ideas. When translating this into trade union negotiators’ settings, they may be able to effectively influence each other on, for example, issues that should deserve attention on the bargaining agenda. Following the idea that union-level central recommendations are leading for negotiators’ own agendas, negotiators’ minds should already be set roughly in the same direction. Empirical research will have to reveal whether trade union negotiators actually conduct bargaining with colleagues as well as with employers.
The four approaches to trade union agenda setting as sketched in this chapter may create fields of tension. Preferences of union members may conflict with preferences of employees at large, central trade union policy may collide with convictions of trade union negotiators, and employee preferences may diverge from union policy, be it central or decentralised. In this dissertation, I try to disentangle the individual and combined effects these factors may have on trade union agenda setting, with respect to the topic ‘work-family balance’. Figure 2.3 shows a graphical representation of these factors (in the black-lined boxes) affecting union agenda setting. Several issues that were discussed in Chapter 2 and that may play a role in the processes are positioned over the arrows. Hypotheses drawn from this model will be formulated and discussed in the next three empirical chapters.