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Trade Unions and Industrial Relations in Switzerland

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Introduction

For European observers, Switzerland's system of industrial relations was for a long time synonymous for stability. During the post-war decades up to the end of the 1980s, neither Switzerland's trade union movement nor its liberal version of corporatism underwent major changes. There was no hot autumn 1969 and ensuing surge in unionism as in Italy; no extension of workers' co-determination rights as in Germany in the 1970s; no winter of discontent 1979 and crack-down on union rights in the 1980s as in Britain. Once the system of collective bargaining had been put into place at the beginning of the 1950s, Swiss trade unions settled into their role as subordinate partners in decentralized and consensual industrial relations. Confronted with very cohesive and powerful employers' associations, they stuck to industrial peace and reaped the benefits of almost uninterrupted economic expansion. The growing labour market meant that unions were able to keep their membership figures stable without expanding into new sectors. Changes seemed all the less pressing, as unions' economic influence was further backed by political power: Switzerland's consensus democracy provided unions with a central role as intermediary in the making and implementing of social and labour market policy (Degen 2006).

This stability came to an abrupt end in the 1990s, a decade that confronted trade unions with three major challenges. The first and foremost challenge arose from the unusually long recession of the early 1990s; in Switzerland, the cyclical slump dragged on from 1991 until 1996 and hit manufacturing and construction particularly hard. Thereby, it also dealt a severe blow to membership in the traditional union strongholds. A second challenge was raised by the neoliberal turn in business organizations. Employers' associations began – in the midst of the crisis – to call for less labour market regulation and less binding collective bargaining. After decades of consensual industrial relations, employers' move towards a more market-liberal position caught trade unions on the wrong foot. Thirdly, trade unions were challenged, at the end of the 1990s, by the imminent opening up of Switzerland's labour market to the European Union. The liberalization of labour migration was threatening to undermine unions' influence on wage-setting.

These challenges – notably declining membership and the questioning of collective bargaining – put unions under pressure to initiate revitalization efforts. After an extended period of disorientation, such efforts took place on three different fronts. First, Swiss unions responded to the harsher economic context by investing more resources into political action, using direct democratic instruments to block neoliberal reforms and hinder welfare state retrenchment. In parallel, they began to adopt new means of recruitment, targeting hitherto

almost union-free private services, and resorted more frequently to industrial disputes. No longer the junior partner in the corporatist growth pact, they began to reposition themselves as an oppositional force. Finally, the European wave of union mergers also seized the Swiss labour movement, caught in its struggle against ongoing membership erosion. Starting in the mid-1990s and gaining pace after 2000, a series of union mergers led to a profound restructuring of organized labour in Switzerland. We argue that efforts on these three fronts have helped Swiss unions to consolidate their influence and to partly compensate their historical weakness in private services.

Our discussion is structured as follows. We start out with an overview of Switzerland's union structure and briefly portray the era of stable industrial relations up to the end of the 1980s. A next section then shows how the neoliberal turn and economic crisis of the early 1990s shook Swiss corporatism to its foundations and put unions on the defensive. In the subsequent three sections, we discuss union responses to the new challenges by first looking at the strengthening of collective bargaining. We then discuss Swiss unions' adoption of new principles of organizing and how these innovations in collective action went along with both stronger implantation in the service sector and more frequent strikes. A last response discussed concerns Swiss unions' internal restructuring process through union mergers. Our paper concludes with an outlook on trade unions' role in Switzerland's contemporary political economy.

The post-war stability in Switzerland's industrial relations

In Switzerland, a consensus democracy holds together a multicultural society divided by cleavages of language, religion and class. The same pattern also applies to Switzerland's union movement, which is fragmented and, at the same time, embedded in a highly cooperative system of industrial relations. Unlike in Austria or Germany where the union structure was redrawn after World War II along the principle of 'one company, one union', organized labour in Switzerland still reflects the cleavage structure of the beginning of the 20th century (Ruf 1991: 39). It thus remains divided along confessional and class lines. This leads to a mixture of cooperation and competition between the social-democratic blue-collar peak association *SGB* (Swiss Trade Union Federation), its (formerly) Catholic blue-collar counterpart *Travail.Suisse* and several non-affiliated white collar unions.

Table 1 gives an overview of Switzerland's union structure. It shows that the two rivalling peak associations are both dominated by a large multi-sector union resulting from recent mergers: *Unia* within *SGB*, *Syna* with *Travail.Suisse*. Organized labour is fragmented and

decentralized. Fragmentation is illustrated by the fact that the largest peak association *SGB* comprises only 49 per cent of all union members in Switzerland, to which *Travail.Suisse* adds another 21 per cent. Moreover, unlike ÖGB in Austria or CGIL, CISL and UIL in Italy, the two peak associations *SGB* and *Travail.Suisse* possess only limited authority over their member unions (16 unions within *SGB*, 12 within *Travail.Suisse*). In Switzerland, power mainly lies with the single unions: they are the ones to collect member fees, organize wage bargaining and sign collective agreements. This is reflected in the resources the different organisations have at their disposal: the largest peak association *SGB* thus employs less than 25 people, its largest affiliated union *Unia* more than 900.

Table 1: Peak associations and their largest affiliated unions in 2008

	<i>SGB</i>			<i>Travail.Suisse</i>		Unaffiliated	
Members	368'400			161'200		222'500	
Affiliated unions	<i>Unia</i>	<i>SEV</i>	<i>vpod</i>	<i>Syna</i>	<i>Angestellte Schweiz</i>	<i>KV Schweiz</i>	<i>LCH</i>
Sector	Industry, construction, services	Public transports	Public sector	Industry, construction, services	White collar engineering, pharma	Commercial employees	Primary school teachers
Members	196'000	47'100	35'000	64'000	21'400	54'200	49'800

Source: Ackermann (2009)

Unions have traditionally been the junior partner in Switzerland's corporatist arrangement, where employers exchange the collective regulation of minimum working standards against labour peace and a climate of cooperation. The power asymmetry between capital and labour is particularly marked in Switzerland: even in the heyday of industrialism, union membership has been limited to a third of the workforce, and the left's political support has never exceeded a third of the national electorate. Thereby, union fragmentation stands in stark contrast with the high level of cohesion obtained by employers' organisations (Kriesi 2006).

Several reasons have been invoked to explain this structural weakness of the labour movement. In Switzerland's culturally fragmented society, the strong salience of confessional and linguistic identities hampered the political articulation of the nascent class conflict from the beginning. In parallel, Switzerland's decentralized pattern of industrialization – based on hydropower (rivers) instead of coal as energy source – delayed the emergence of an urban working class. Unlike in Austria, Britain or Germany, many industrial workers remained well into the 20th century in rural labour markets, keeping older political loyalties intact (Gruner 1988: 54). Moreover, since the late 19th century up to today, Switzerland's working class has been internally divided not only by linguistic and confessional conflicts, but also by the

existence of a large migrant – primarily Italian – proletariat. Finally, unlike in Scandinavia, Switzerland's labour movement failed in winning the peasantry as political ally. Since the early 20th century, farmers and industrialists joined forces in an unusually solid national-capitalist bloc, thus efficiently isolating the left (Gruner 1988: 1408).

In sum, the balance of power does not tip towards unions. Still, corporatism is actively promoted by the federal government: faced with multiple social conflict lines and weakened by federalism's division of power, it strongly invests into interest accommodation through institutionalized exchange with both employers and unions. While Switzerland's liberal version of corporatism has never relied on Keynesian demand management, organized capital and labour are integrated into the development and implementation of social and employment policy (Mach 2006). Unions' position in corporatist policy-making is to some extent secured by Switzerland's direct democratic institutions: by enabling large interest groups to call a referendum on laws they oppose, they give unions a semblance of veto power (Armingeon 1997, Fischer 2003).

Swiss unions' solid integration into the political sphere stands in contrast to their weak embeddedness at the company level. Unlike in Germany, a close-knit system of influential works councils has not come into being. With the exception of the engineering and chemical industries and a series of large companies in other sectors (notably banking), works councils play a subordinate role in Swiss industrial relations. Accordingly, elections into works councils have also much less bearing on union influence and union finances than in France, Italy or Spain. In Switzerland, unions depend for their resources primarily on member dues and additionally on solidarity contributions from collective agreements (dues raised by employers on non-unionized workers' wages). The state neither directly nor indirectly subsidizes the union system.

At the end of the 1980s, Switzerland had a reputation as a haven of social peace. The long period of economic expansion, a stable system of sectoral collective bargaining and unions' integration into corporatist policy-making led to a particularly consensual and cooperative culture of industrial relations – to 'social partnership' in the Swiss jargon. Accordingly, during the 1970s, 1980s and 1990s, the number of working days lost through strikes per 1000 employees was in no other West European country as low as in Switzerland (see table 2). This had not always been the case: In the years up to World War I, capital and labour had been opposed in bitter antagonism, and between 1904 and 1913 strike incidence in Switzerland was almost as high as in Germany and higher than in France (Hirter 1988: 855). Industrial conflict had reached a peak 1918 in an almost country-wide general strike. The signature of a series of

sectoral agreements reduced disputes in the interwar years. Yet Swiss industrial relations were only pacified at the end of the 1940s, after an extended strike wave had afforded unions with the set-up of numerous collective agreements. Between 1945 and 1950, bargaining coverage was thus extended from about a fourth to half of all wage-earners (Degen 2006: 216-7, Rieger 2009: 103-4). This structure mainly based on sectoral collective agreements remained in place almost unchanged until the beginning of the 1990s.

Table 2: union density (in %), bargaining coverage (in %), strike incidence (workdays lost per 1000 employees)

		1970	1980	1990	2000
Austria	Density	63	57	47	37
	Coverage	-	98	98	98
	Strike	11	1	4	100
Belgium	Density	42	54	54	56
	Coverage	-	95	95	95
	Strike	275	-	34	42
France	Density	22	18	10	8
	Coverage	-	85	92	95
	Strike	286	119	77	103
Germany	Density	32	35	31	25
	Coverage	-	70+	60+	60+
	Strike	52	27	11	4
Italy	Density	37	50	39	35
	Coverage	-	80+	80+	80+
	Strike	1511	623	158	140
Netherlands	Density	37	35	24	23
	Coverage	-	85	82	86
	Strike	40	15	22	14
Sweden	Density	68	78	81	79
	Coverage	-	80+	83	92
	Strike	46	182	50	42
Switzerland	Density	29	31	24	20
	Coverage	-	50+	50+	45+
	Strike	2	0	2	4
United Kingdom	Density	45	51	39	30
	Coverage	-	71	47	35
	Strike	569	334	29	29
United States	Density	24	20	16	13
	Coverage	-	26	18	14
	Strike	507	123	40	52

Note: Strike incidence is the yearly average over a decade (70-79, 80-89, 90-99, 00-03)

Sources: union density: Visser (2006: 45); bargaining coverage: Visser (2007); strike incidence: Addison et al: (2007: 6).

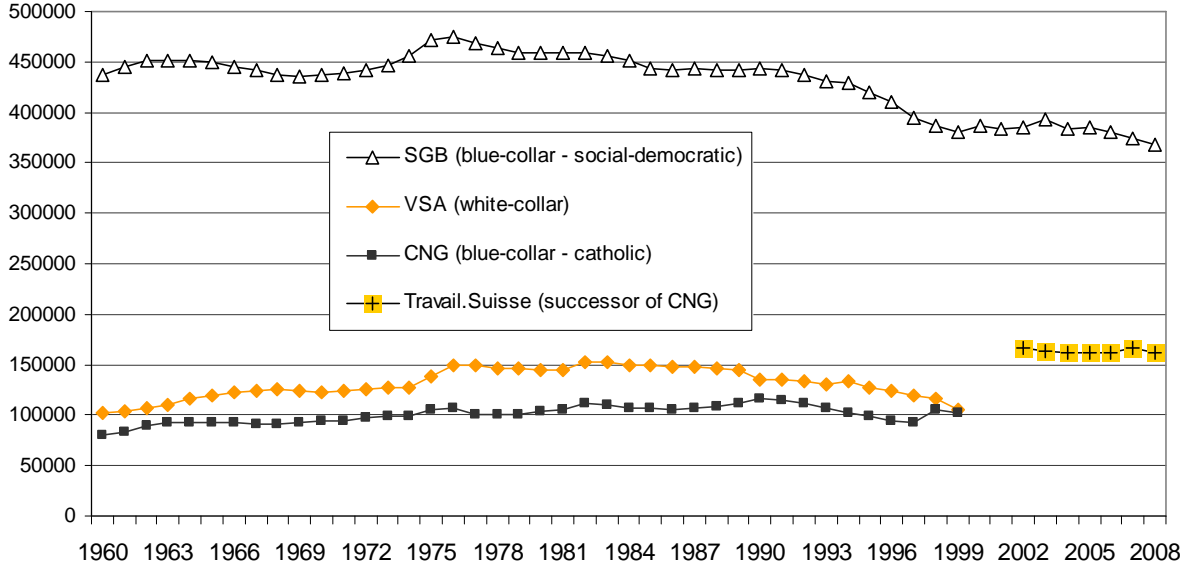
With a collective bargaining system that only covered half of the workforce, Switzerland ranks in international comparisons among the most market-liberal systems such as Britain or the United States – at the opposite end of other small export-oriented European countries such as Austria, Belgium or Sweden with coverage rates of 80 per cent and higher (see table 2). Yet in combination with full employment and the strict regulation of labour migration,

collective bargaining nonetheless provided a safety net for Switzerland's low-wage sector and thus moderated earnings inequalities.¹

In the post-war decades, not only collective bargaining was marked by stability, but also union membership (see figure 1). The largest confederation SGB counted at the beginning of the 1960s about the same number of members as at the end of the 1980s (445'000). Membership had peaked after the oil crisis 1976: in the absence of a state-run unemployment insurance and with unemployment rates rising, workers joined unions in great numbers to get access to an unemployment scheme (Ruf 1991: 48). These gains were, however, transitory and membership stagnated during the 1980s. Since this stagnation took place in the context of a strongly expanding labour market, union density (the number of unionized workers as percentage of all workers) fell from about 31 per cent in 1980 to about 24 per cent in 1990. Yet for Switzerland's trade union movement, the wake-up call only came with the sharp decline in membership in the early 1990s.

Internationally, Switzerland ranks today in the bottom third in terms of union density, which is much higher in Austria, Belgium and above all the Scandinavian countries, similar in Germany and the Netherlands, but lower in France and the U.S. (see table 2).

Figure 1: evolution of members of Switzerland's peak associations, 1970-2008



Source: Swiss Federal Office of Statistics

Note: Travail.Suisse is a result of the merger 2002 between the Catholic peak association CNG with a few unions of the then dissolved white-collar peak association VSA.

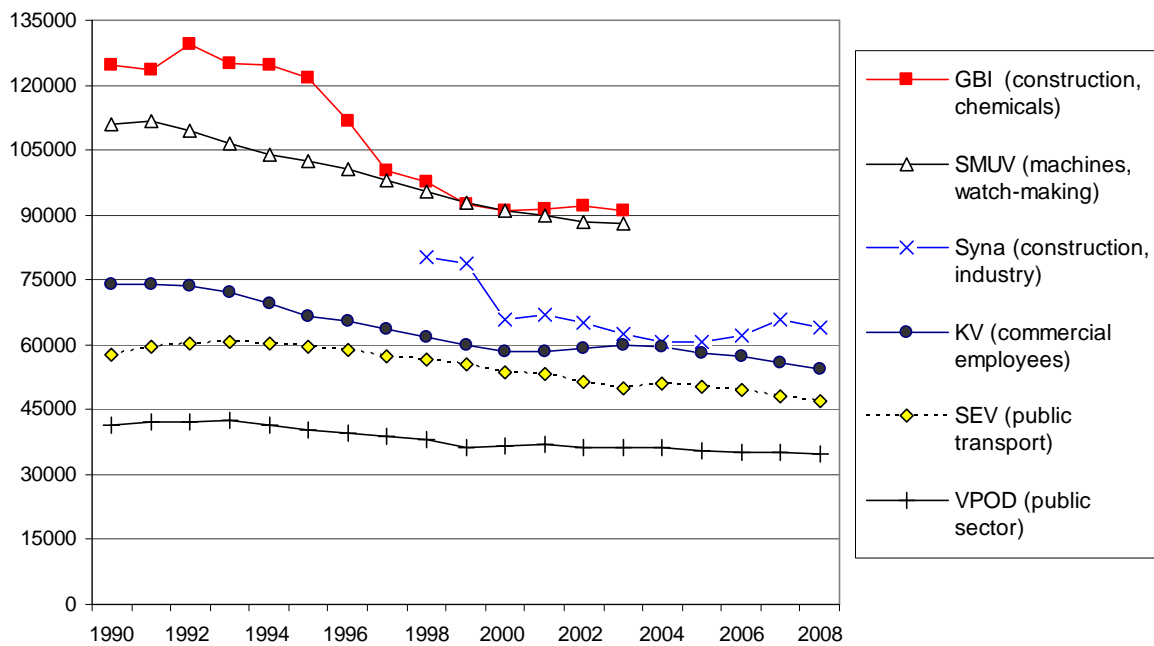
¹ While full employment strengthened workers' bargaining position, migration policy enshrined job preference of residents over migrants – who, moreover, could only be employed after the authorities had deemed their work contracts in accordance with regional working conditions.

Trade unions in the crisis of the 1990s

For Swiss unions, the recession of the early 1990s marked the beginning of a troubled period. Starting in 1991, Switzerland's economy passed six years in row with GDP growth rates below one per cent. The unusually long recession went hand in hand with profound economic restructuring and resulted in a rise of unemployment from below 1 per cent in 1990 to above 5 per cent in 1997 – levels unknown in Switzerland since the 1930s. Employment losses were particularly large in those sectors where Swiss unions had traditionally been strong: the machine industry and construction. The export-oriented machine industry had been hit very hard by the slump in world demand, a slump made worse by high interest rates (1990-92) and a brisk appreciation of the Swiss Franc (1994-96). Similarly, the sheltered construction industry underwent drastic downsizing after Switzerland's real estate bubble had burst at the beginning of the 1990s. Accordingly, both the building and machine industry lost one out of four jobs during the recession.

Construction and machine industry were the key sectors of the then two largest unions (which were later to merge into *Unia*): the construction workers' union *GBH/GBI* and the metal workers' union *SMUV*. The first lost 30 per cent, the second 17 per cent of its members between 1992 and 2000 (see figure 2). While job loss was less marked in other sectors, the great majority of unions struggled with declining membership. Hence, over the same period, membership fell by 13 per cent in the public-sector union *vpod* and by 11 per cent in the public transport union *SEV*. At the level of the two peak associations *SGB* and *Travail.Suisse*, membership decreased by 14 and 10 per cent respectively between the beginning and the end of the 1990s. While this fall was less dramatic than in Germany (-33 per cent) and Britain (-23 per cent) over the same decade, it stands in stark contrast with the situation in other small countries such as Belgium, Denmark, the Netherlands or Norway, where the number of union members remained stable during the 1990s (Visser 2006: 43-4).

Figure 2: evolution of Switzerland's largest trade unions (without *Unia*), 1990-2008



Source: Swiss Federal Office of Statistics

Note: the largest union *Unia* is not shown. The result of a merger 2004 between GBI, SMUV and two small service-sector unions, it started out with 203'000 members in 2004 and counted 196'000 members in 2009.

In the 1990s, Swiss unions' failure to organize the private service sector and to establish themselves among white-collar employees came back with a vengeance. This vengeance was all the severer, as unions did not recover their membership losses once the labour market began to expand again after 1997. Although the recession had accelerated the decline, the main reasons for membership loss were structural: technological change (notably automation), educational expansion, service sector growth and occupational upgrading were all biased against Swiss unions' traditional clientele of male manual manufacturing workers (Oesch 2006: 169). Accordingly, membership continued to fall and union density declined from about 24 per cent in 1990 to about 20 in 2000, before stabilizing at around 19 per cent in 2008 (own calculations based on Swiss Federal Office of Statistics).²

The long period of economic stagnation in the 1990s prompted a second challenge to unions. In the midst of a stubborn recession, business representatives began to question the 'cumbersome' institutions of corporatism and insisted on the 'co-ordinated elimination of

² The concept of union density is notoriously difficult to apply empirically. It is meant to express the rate of 'actual' to 'potential' membership: the rate of union members over wage earners. Since the small non-affiliated unions are often not included in the official statistics, actual membership is very difficult to measure. Moreover, unions included in actual membership do not give separate figures for employed and retired members (an estimated 15 per cent of union members in SGB are retired). A comparison with survey results stemming from the Swiss Household Panel suggests that our calculations above are reliable: in 1999, 24 per cent of wage-earners declared being member of a union or professional association (Oesch 2006: 168).

excessive regulation' (Mach 2006: 276). Particularly the exponents of large, export-oriented firms argued that their capacity to rapidly adjust to competitive pressures was curtailed by collective bargaining. Employers' associations relayed this pressure in the different sectors by pushing for less constraining agreements and greater decentralization of wage-setting.

By and large, employers' initiatives were successful. The first victim of deregulation was the cost-of-living clauses which had been gradually embodied in most collective agreements over the 1970s. Between 1992 and 1996, the clauses linking wage adjustment to inflation disappeared, despite union resistance, from virtually all major sectoral agreements. In parallel, firms succeeded in increasing their flexibility by shifting bargaining over working time from (constraining) weekly working hours to (more flexible) annualized time schemes (Mach and Oesch 2003: 167-8). The most important change in Swiss industrial relations concerned, however, the *decentralization* of collective bargaining: over the second half of the 1990s, wage bargaining was shifted from the sectoral to the company level in key industries such as banking, the chemical and printing industries. In these sectors, yearly wage rounds no longer take place between employers' associations and trade unions for the entire industry, but between management and works councils within single firms. Given the weak legal position of works councils, the move towards decentralization increased employers' discretionary power in wage-setting, led to stronger individualization of their wage policy and was strongly resented by unions (Mach and Oesch 2003: 166, Rieger 2009: 108-9). After four decades during which Switzerland's system of industrial relations had remained largely unchanged – all the while setting down the incremental improvement of working conditions –, the 1990s brought about a significant dismantling of procedures and benefits.

In this context of a recession-ridden labour market and disrupted social partnership, a third challenge to Switzerland's labour movement surfaced: free movement of persons with the European Union. Unlike problems linked with the long economic crisis and dislocated collective bargaining, the transition towards a liberal migration regime did not originate in domestic politics, but was a by-product of Switzerland's increasing integration into the Common Market. It meant for Switzerland the opening of its hitherto very restrictive immigration regime and hence a significant change of its employment policy. Throughout the 20th century, Switzerland had imported foreign workers in great numbers. While taking care of labour shortage, immigration also enabled the government to constantly adjust labour supply to cyclical up- and downturns through the more or less restrictive use of quotas and work permits (Flückiger 1998: 384-5). Accordingly, annual net migration (immigration minus emigration) could oscillate between -66'900 at the height of the oil crisis in 1975 and +57'100

at the end of the economic boom in 1990. Moreover, in Switzerland's migratory regime, resident workers were always assured preference, since firms were only authorized to employ foreign workers if no residents had been willing to take up the job and working conditions were in line with local customs.

The imminent introduction of free movement of persons would put an end to this protectionist migration system and hence abolish an important safeguard of working conditions in the Swiss labour market. This confronted unions with a dilemma: on the basis of their Pro-European stance and their universalist position towards the defence of *all* workers' rights, they had to welcome the abolition of a restrictive migratory regime. Yet based on their interest to limit competition over jobs and enhance their bargaining position through a tight labour market, they had to oppose the liberalization of Switzerland's labour market. This seemed all the more pressing, as wage differentials between Switzerland and the neighbouring countries were still substantial. Unions finally responded by making their support of the opening conditional on the parallel political strengthening of workers' rights (see below).

In sum, the end of full employment, the disruption of consensual collective bargaining and the opening of the labour market towards Europe put an end to industrial relations as unions had known them for decades. Clearly, they needed to come up with new answers.

Efforts to strengthen political influence and collective bargaining

Swiss unions were taken by surprise by the new – and more difficult – external configuration of the 1990s. Yet since they continued to be solidly implanted in Switzerland's corporatist system and still carried – through their close link with the Social-Democratic Party – considerable political weight, they muddled through and hoped for better times. It was only in the second half of the 1990s that their continuous loss of members and influence on the industry and, above all, company level made a strategic reorientation inevitable. Such a reorientation involved three distinct responses: (i) the strengthening of their role as political actors, (ii) the adoption of new organizing strategies and a stronger focus on their strike capacity, (iii) the concentration of resources through mergers. These responses shall be discussed in turn.

In the 1990s, as unions' relationship with employers were becoming increasingly tense all over Europe, unions intensified everywhere their efforts to gain external support and to relaunch themselves as political subjects (Baccaro et al. 2003: 119-20). Weakened in their role as social partner in industrial relations, Swiss unions invested into the same strategy by turning to the legislative process and, above all, direct democratic instruments (Trampusch

2008: 70). Unions thus launched a series of referendum plebiscites and succeeded in blocking projects aimed at making labour law more flexible (1996), reducing unemployment benefits (1997), liberalizing the electricity market (2002) and retrenching pension rights (2004 and 2010) (Kriesi and Trechsel 2006: 109). Through these victories in referendum votes, unions forced the parliament to come up with more labour-friendly proposals. In parallel, they established themselves as Switzerland's primary economic oppositional force. This represented a break with the past: Swiss unions had not launched a single referendum plebiscite during the zenith of corporatism 1950-70 (Degen 2006: 246).

It was not in popular votes, but in the legislative arena that unions made the greatest headway. In 1999, they made their support for the bilateral treaty with the European Union – and hence, among others, the introduction of free movement of persons – dependent on the adoption of compensatory domestic measures. Both the government and business community were strongly in favour of a treaty destined to stabilize relations with the European Union. Yet faced with opposition from the national-conservative camp, they needed unions' support to win the referendum. This gave unions the leverage to impose so-called 'flanking measures' which brought about a re-regulation of labour law and a political strengthening of collective bargaining (Fischer 2003, Afonso 2010). Less than a decade after prominent business representatives had declared collective agreements a model of the past, employers' associations had to accept the reinforcement of collectively agreed minimum wages, the facilitation of extension clauses and the hiring of work inspectors. These 'flanking measures' were to be overseen by tripartite labour commissions, set up on the national level and in the cantons in order to observe the evolution of wages, once free movement of persons had been introduced.

It was, among others, thanks to these measures that unions were able to turn the tide in collective bargaining. After almost a decade of falling bargaining coverage, the number of wage-earners covered by an agreement started to rise again in 1999. From the pre-crisis level of 1.4 million covered employees in 1991, coverage gradually dropped to 1.214 million in 1996, before recovering in 1999 (1.269 million) and increasing to 1.414 million in 2003. In 2007 an all-time-high of 1.682 million employees were covered by a collective agreement. This corresponds to a coverage rate of about 50 per cent and signifies that about half of Swiss wage-earners are subject to union-negotiated conditions of employment (Oesch 2007a: 346). While Switzerland's coverage rate is low in international comparison (see table 2 above), there has not been an erosion of collective bargaining as in Britain during the Conservative reign – when coverage fell from over 70 per cent in 1979 to less than 45 per cent in 1997 – or

in Germany during the second half of the 1990s – when coverage dropped from 70 to 60 per cent (Visser 2007)

Collective bargaining expanded substantially *despite* the declining importance of the two flagship agreements of Swiss industrial relations: those of the machine and construction industry. Where then did growth in bargaining coverage take place? Three principal sources can be distinguished. First, the imminent introduction of free movement of persons led Swiss authorities to ease union fears about wage dumping by more frequently making minimum wages contained in collective agreements compulsory for all firms in a given sector. These government measures were not only supported by unions, but also by business representatives from sheltered sectors (notably construction). For they realized that compulsory minimum wages would make it more difficult for European firms to compete for service contracts in Switzerland by posting workers and benefitting from lower pay rolls. Thus, the administrative extension of existing agreements to entire sectors strongly gained in importance between 1995 (when it concerned only 14 agreements covering 320'000 employees) and 2007 (when 68 agreements covering 590'000 employees had been extended).

European integration and the more active use of extension clauses are not the only factors explaining the turn-around in bargaining coverage. A second determinant is the spread of collective agreements in formerly public utilities. With the abolition of civil servants' special legal status in 2001, collective bargaining found its way first into Switzerland's large infrastructure companies in postal services (*Post*), railways (*SBB*) and telecommunications (*Swisscom*). Then, an increasing number of (semi-)public establishments in public transports, health care and social services followed suit. Accordingly, wage rises and working time of bus drivers, nurses, kindergarten teachers and social workers are increasingly determined in negotiations with unions. Finally, a third determinant of growing bargaining coverage is linked to the renewal in unions' recruitment strategy in private services. Starting in the mid-1990s, an intensification of efforts led to the expansion of collective agreements in low-skilled services such as cleaning, private security and retail trade. These efforts are discussed in the following section.

New union strategies of organizing in private services

The American sociologist David Stinchcombe (1965) noted in the 1960s that trade unions still bore the 'social imprint' of the employment structure and organizational model of the time of their foundation. For Switzerland's union movement, this observation still applied in the 1990s: membership was heavily dominated by production and maintenance workers in

manufacturing, construction and public utilities, whereas women, workers in private services and white-collar employees constituted a negligible minority. In the early 1990s, massive de-industrialization and crisis in construction had crudely exposed how narrow Swiss unions' membership basis had become. Besides their fragmentary organization in private services, unions were also confronted with the slow breakdown of their traditional recruitment strategy in manufacturing, notably in the machine industry: in this key sector, they had traditionally depended – comparable to unions in Germany (Windolf and Haas 1989: 155) – on works councillors to affiliate new members. Yet in the wake of production automation and educational upgrading, seats in works councils were more and more taken over by white-collar employees who showed less allegiance to unions. Thus, this recruitment channel began to dry out. As a consequence, union strongholds were reduced in the 1990s to construction and related crafts, watch-making, a few large firms in the printing and machine industry, and the public utilities in railways, post, telecommunications and municipal transports.

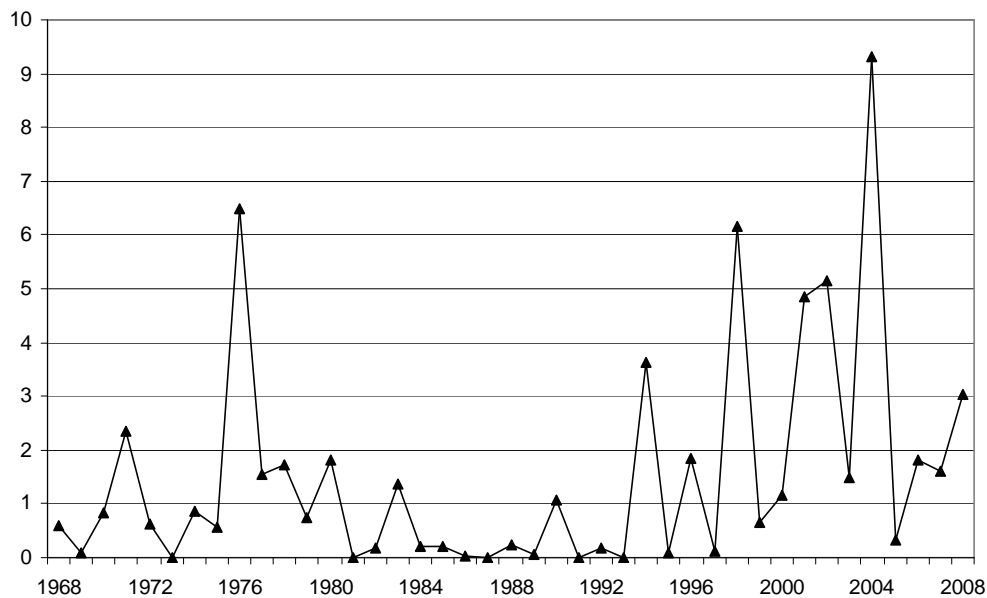
Clearly, labour market evolution was biased against unions' constituencies. With their backs to the wall, Swiss unionism's most consequential reaction came from the then two largest organizations *GBI* (construction) and *SMUV* (machines and watch-making) who joined forces in 1996 to co-found the union start-up *unia*, destined to organize workers in private services, notably in retail trade, hotels and restaurants. This enterprise was successful; in the eight years between its foundation and its merging with three other unions into *Unia*, it led to 20'000 new union members and paved the road for its successor organization to make further membership gains in private services (Oesch 2007b: 32).

Almost as significant as the gains in membership were the new forms of collective actions, first tried out in the start-up project *unia*. Since *unia* could not count on a strong membership basis in private services, its strategy was to move industrial relations beyond the company level and make it into a community issue. An example was the successful low-wage campaign (1998-2004): primarily targeting low-paid migrant and women workers in supermarkets, restaurants and hotels, it used elements of the American organizing approach to put firms under pressure by mobilizing public opinion and consumers against unfair working conditions – the principle of naming and shaming. The result was a strengthening of sectoral minimum wages and collective bargaining in these low-pay sectors (Oesch and Rieger 2006: 279). This campaign evidenced the two different logics of action inherent in the organizing model: while it puts heavy emphasis on worker mobilization and media coverage, it depends strongly on *professional organizers* to bring in the harvest and affiliate new members (Baccaro et al. 2003: 123). Accordingly, the union apparatus became of much greater importance for *unia's*

recruitment in the private services than it used to be in manufacturing firms with union-friendly works councils or in public utilities with strong union stewards.

The new focus on organizing went hand in hand with a reorientation of unions' approach towards industrial conflict. The deregulation strategy launched by business organizations in the early 1990s had caught the unions totally unprepared. After several decades of consensual social partnership, they had lost their capacity to organize strikes and impose their interests away from the negotiating table. The advent of a new generation of union leaders, notably in *GBI* 1992 (Vasco Pedrina), *unia* 1996 (Andreas Rieger) and *SGB* 1998 (Paul Rechsteiner), slowly changed this situation. These academically trained unionists had been socialized in the movements of the New Left and viewed the corporatist legacy of their social-democratic predecessors with scepticism. They came to power during the recession with the program to transform outdated 'economic boom unionism' into 'unionism in times of crisis' (Oesch 2007a: 342). As a consequence, the rehabilitation of strikes became a priority within *GBI*, *Unia* and the peak association *SGB*, and industrial conflict re-entered Swiss unions' repertoire of action alongside rank-and-file mobilizations and media campaigns.

Figure 3: workdays lost in strikes (days per 1000 employees), 1968-2008



Sources: Federal Office of Statistics, Oesch (2007a: 343)

The result is visible in the evolution of workdays lost due to strikes (see figure 3). It shows for the 1980s an annual average of 0.4 workdays lost per 1000 employees – a value that gradually increased to 1.4 in the 1990s and to 2.9 in the 2000s. A comparison over time shows

that this increase in conflicts does not signify the demise of an industrial relations system based on consensus and cooperation. Before Switzerland's system of collective bargaining was established at the end of the 1940s, the number of workdays lost per 1000 employees stood at a much higher level than today: at an annual average of 81 days in the 1910s, 37 in the 1920s, 21 in the 1930s and 5 in the 1940s. Likewise, a look at international strike data shows Switzerland's bargaining system to be still among the most consensual ones (see table 2 above). With the exception of Japan and possibly Austria and Germany in some years, strikes are still of much greater economic relevance in all major European countries than in Switzerland. Hence, strikes led to much more workdays lost per 1000 employees in Britain (29), Sweden (42) or France (103) between 2000 and 2003 than in Switzerland (4) (Addison et al. 2007: 6). In other words, the increase in strikes shown in figure 3 does not indicate a radical change in Swiss industrial relations. Rather, it underlines how unusually consensual the decade of the 1980s was in Switzerland's (and Western Europe's) economic history.

The process of trade union mergers

A treatment of unions' revitalization strategies would be incomplete without a discussion of the merger process that seized Switzerland's labour movement in the 1990s and led to a profound re-engineering of its structure. In the last 15 years, union mergers have been high on the agenda of unions all over Western Europe, particularly so in Britain, Denmark, Germany, the Netherlands and Sweden (Waddington 2006). Confronted with falling membership, unions decided to cut personnel costs and overheads, to reduce inter-union competition, to respond to members' job mobility and to increase organizational efficiency. Swiss unions were no exception. The waltz of mergers was initiated 1992 by the fusion of the large construction workers' union *GBH* with the smaller industrial workers' union *GTCP*. This merger unbalanced Switzerland's union structure, creating a configuration within the large peak association *SGB* where the two dominant unions, *GBI* and *SMUV*, were active in recruitment areas that increasingly overlapped (in textiles, the chemical industry and diverse craft occupations). Yet instead of heightened competition, the new situation led to stronger collaboration; the neoliberal turn in employers' associations had brought the traditionally left-wing socialist *GBI* and the right-wing social-democratic *SMUV* closer together. Cooperation began 1996 with the common set-up of the already mentioned union start-up *unia* in the private services. In a process that took almost ten years, this led the two unions to merge all their activities – as well as those of three smaller unions – in 2005 (Oesch 2007b: 32-3). The

result was the creation of *Unia*, a conglomerate union based on a matrix organization with 14 regions and 4 economic sectors (construction, crafts, manufacturing, private services). A typical blue-collar union, *Unia's* implantation is particularly strong among foreign workers, who make up half of its membership.

In the shadow of this mega-fusion, a series of smaller union mergers took place (see the overview in table 3). Most relevant was the one leading in 1998 to the creation of the multi-sector blue-collar union *Syna*, the catholic equivalent of *Unia*. This merger illustrates that Switzerland's union structure was redrawn along the historical cleavages: mergers took place within – but not across – peak associations. As a result, both confederations are dominated by a large private-sector (*Unia* and *Syna*) and several smaller public-sector unions (*SEV*, *GeKo* and *vpod* within *SGB*, *transfair* within *Travail.Suisse*). This persistence of old division lines means that in most sectors, there is ongoing competition between unions for the representation of workers' interests. In the machine industry, *Unia* thus bargains alongside *Syna* (the catholic blue-collar union) and *Angestellte Schweiz* (the white-collar union).

Table 3: major union mergers in Switzerland, 1990-2008

Year	New union	Unions involved in merger	Members at time of merger	Members 2008
<i>Within SGB (blue-collar social-democratic peak association)</i>				
1992	GBI	GBH (construction, wood) GTCP (chemicals, textiles and paper)	129'300	91'000*
1999	Gewerkschaft Kommunikation	Five unions in post and telecommunications (PTT-Union, VSPB, VSTTB, SPV, PVB)	42'300	34'800
2005	Unia	GBI (construction, wood, chemicals) SMUV (machine, watch-making, crafts) VHTL (retail sale, food industry, trucking) unia (retail sale, tourisme) Actions (commercial employees)	203'000	196'000
<i>Within CNG (blue-collar catholic peak association)</i>				
1998	Syna	CHB (construction, wood) CMV (manufacturing) LFSA (multi-sector) SGG (printing industry) VCHP (public administration)	80'400	64'100
<i>Within Travail.Suisse (successor organization of CNG)</i>				
2006	Angestellte Schweiz	VSAM (white-collar, machine industry) VSAC (white-collar, chemical industry)	23'200	21'400

Note: smaller mergers have given rise to *comedia* (printing and media) in 1999, to *transfair* (federal employees) in 2000 and to *Garanto* (customs officials) in 2001. The catholic peak association CNG merged 2003 with several white-collar unions in order to become *Travail.Suisse*.

* 2003

Although mergers had reduced the number of unions originally affiliated to *SGB* from 16 in 1990 to 8 in 2008, the process of restructuring is probably not yet finished for Switzerland's organized labour, in particular not for fragmented public-sector unions. Yet even so, the redrawn union structure, notably the two multi-sector unions, seriously challenges the peak associations. Hence in 2008, *Unia* by itself accounted for 53 per cent of total membership in *SGB*, whereas *Syna* was responsible for 40 per cent of membership in *Travail.Suisse*. These are high proportions in international comparison: In Germany, the two largest unions *IG Metall* and *ver.di* account for 36 and 34 per cent respectively of *DGB's* membership, whereas *Unite* and *Unison* contribute about 30 and 21 per cent to membership of Britain's *TUC*.

The challenge thus posed to Switzerland's peak associations is all too obvious: conglomerate unions – often the result of recent mergers – tend to become large enough to act alone as the interlocutor of government and business associations (Streeck and Visser 1997). *SGB* responded to this concentration by launching an offensive to integrate hitherto unaffiliated white-collar unions. The neoliberal turn and recession of the 1990s had heightened distributional tensions and thus shifted these traditionally moderate white-collar unions (notably in public administration and banking) towards the political left. As a consequence, nine new white-collar unions accounting for 45'000 members joined *SGB* between 1998 and 2009. Combined with *Unia's* renewal efforts, these new affiliations enabled *SGB* to partially make up its long-standing deficit among women. After years of stagnation, *SGB's* female membership thus began to rise in the 1990s, increasing from 56'000 in 1990 to 80'000 in 2000 and reaching 101'000 in 2009 (*SGB-Newsletter* 4/2010).

In the field of organizational consolidation, *SGB's* catholic concurrent *CNG* went a step further and merged 2003 with several white-collar unions into the new peak association *Travail.Suisse*. At stake in the initiatives of both *SGB* and *Travail.Suisse* was the tentative to bring white-collar unions into the realm of the two (historically) blue-collar federations. The different mergers result thus in a situation where one fifth of Switzerland's *white-collar* unions are organized in *SGB* (notably bankers and federal public servants), another fifth in *Travail.Suisse* (notably employees in the machine and chemical industries), while the strongly coveted rest remains, for the moment, unaffiliated (notably teachers, policemen and nurses).

While support for union restructuring by mergers is widespread among European trade union officials, external observers are more pessimistic as to their benefits. Baccaro and colleagues (2003: 125) argue for Germany that union mergers have primarily been defensive, and contrast them with the revitalization efforts made in organizing by American unions. Similarly, Jeremy Waddington (2006: 631) argues that mergers risk inhibiting renewal

policies as attention is directed towards internal structural change at the expense of energies spent on revitalization. *Syna's* post-merger experience seems to confirm the academics' scepticism, as it closely mirrors the inconclusive result of Germany's monster union *ver.di*: between 1998 and 2008, *Syna's* membership declined by 20 per cent – a value comparable to *ver.di's* membership loss of 22 per cent since its merger 2001. In contrast, *Unia* has been able, so far, to limit membership decline to a total of 4 per cent between 2004 and 2009.

Conclusion

After decades of stability, Switzerland's union movement entered a phase of turbulence in the early 1990s: its status as junior partner in the corporatist growth pact was challenged by the economic crisis, the neoliberal turn in business organizations and an abrupt decline in union membership. Switzerland's informal system of wage regulation, based on the combination of full employment, collective agreements and restrictive immigration, came thus under pressure: The recession of the 1990s led to high levels of unemployment, firms pushed for the decentralization of wage bargaining, and integration into the Common Market brought about a liberalization of the migratory regime. Interestingly, it was this latter element – free movement of persons – that stabilized collective bargaining: by creating a divide within the Right, European integration forced employers to collaborate with unions in order to obtain sufficient political support. Business organizations thus traded a strengthening of tripartite labour market institutions in against a better access to the Common Market. Thereby, external liberalization of migration went hand in hand with domestic re-regulation of employment policy, reflected in increasing bargaining coverage and the growing importance of union-negotiated minimum wages.

However, if Swiss unions have – at least partly – overcome adversity, this is neither due to European integration nor to direct-democratic veto points, but to their internal renewal strategies. European integration only provided unions with political leverage once they had decided in the mid-1990s to break with their traditional pro-European positions – at the risk of alienating their strongly pro-European Social-Democratic partner – and make their support conditional on side-payments from employers. Likewise, while direct-democratic institutions may permit unions to block an unpopular reform, the collection of signatures and the running of vote campaigns imply high financial strains (campaign costs) and opportunity costs (unions' daily business at the workplace is neglected). Most importantly, however, unions are only capable of cashing in their influence at the polls and in tripartite consultation bodies as

long as they are backed up by a solid membership basis. An organization without a strong power base rapidly becomes irrelevant in politics, be they direct-democratic or representative.

Hence, decisive for the accomplishment of unions' mission – the improvement of wage-earners' conditions of employment –, is their influence at the level of firms and industries. This influence is, in turn, a function of their membership basis and, accessorially, their mobilization capacity. In other words, unions' role in Switzerland's political economy crucially depends on their capacity to keep old members and recruit new ones. Having missed out the transition from high industrialism to a service economy in the 1970s and 1980s, unions struggle with an important backlog in the organization of new sectors. This explains the Swiss peculiarity that organized labour's most important stronghold is constituted by construction workers, while the public-sector unions organizing welfare state workers are – in stark contrast to the situation in Denmark or Sweden – both much smaller and less influential.

Notwithstanding this delay, Swiss unions did engage in organizational and programmatic renewal. Besides the rationalization of their organizational structure through mergers, this happened through the affiliation of white-collar unions, the gradual implantation in low-skilled services and the adoption of the organizing approach. Here, their strategy resided in moving industrial relations beyond the company level and transforming it, through media campaigns, into a community issue. This reorientation was led by *Unia* and went hand in hand with the more frequent use of strikes. Efforts proved successful in supermarkets, hotels and restaurants, resulting in membership growth and expanding collective agreements. Nonetheless, the transition from manufacturing to private services proves tricky for unions. Not only is the rotation rate among members significantly higher and membership contributions lower in private services than manufacturing.³ Moreover, as long as unions cannot count on organizational relays in private services such as works councils in manufacturing or shop stewards in public utilities, further expansion remains a costly undertaking.

It is thus a reasonable guess to hold skilled employees in public services key for the future of Switzerland's labour movement. While white-collar unions organizing the growing occupations in health care, education and the police often feature a high density rate, they are fragmented, lack a professional apparatus and are mostly situated outside the two peak associations. Even so, it is difficult to prognostic a serene future for Swiss unionism – unless these white-collar unions rationalize their structure, enter into larger alliances and begin to

³ Between 2006 and 2008, *Unia's* annual exit rate among members in private services was 17% as compared to 11% in manufacturing.

shape industrial relations alongside their counterparts in construction, public utilities, manufacturing and private services.

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