sensus between the IMF, World Bank and US government about market-oriented development policies emphasizing deregulation in trade and investment. The World Trade Organization (WTO) was created in this context in 1995 to replace GATT and provide a permanent institutional space for trade negotiations and the resolution of trade-related disputes.

After a half-century of increasing trade liberalization – particularly with the deepening liberalization brought about by the Washington Consensus and WTO – dissenting views against this process have also intensified. In 1999, street protests severely disrupted the WTO’s Fourth Ministerial Conference in Seattle, Washington; in the following year, a large number of protesters rallied in Washington, DC against IMF and World Bank policies. In 2003, the WTO’s Fifth Ministerial Conference in Cancun, Mexico, was broken off prematurely after Third World and First World nations reached an impasse over protectionist agricultural policies within the First World. The persistence of such dissent underscores the degree to which it appears that international trade liberalization will remain just as much, or even more of, a critical social and economic issue in this century as it has been in the last three.

References and further reading


TRADE UNIONS

Trade unions are complex and multifaceted actors, whose objectives and place in society vary over time and across countries. They were born as a defensive response to protect workers’ conditions in industry, but have come to play a much wider, though often unintended, role in the transformation of their economies and societies. In several countries trade unions became powerful organizations that fully internalized the requirements and mode of operation of capitalist systems, while still appealing to a collective identity which often embodied long-term goals conflicting with these systems. They have historically led industrial conflict and social mobilization, but have crucially contributed to the integration of large masses of workers in the economic, social and political systems of industrial democracies (Hyman 2001). Today trade unions are mostly seen by companies as rent-seeking bodies, but at the same time they often play key productive functions, by providing employees’ cooperation, by participating in incomes policies and by contributing to the regulation of work more generally.

Given this plurality of aspects and roles, trade unions have been a typical subject of interdisciplinary analysis for economists, political scientists and sociologists. Three main dimensions of unionism have been elucidated by cumulative research in the social sciences. First, the role of trade unions as associations that represent collective interests. Second, the problems and the opportunities faced by trade unions as organizations. Third, their role as economic and political actors.

Any trade union is an association of individual members, whose functional interests it aims to represent collectively. The difficulties with a collective representation of functional interests lie in the inevitable modification of rank-and-file demands by the association that articulates
them. In fact, any trade union association must first collect and interpret employees’ demands, giving voice to what are often vaguely expressed needs or grievances. Second, the need for consistency, organizational stability and recognition prevent even highly representative associations from articulating demands that contradict their long-term strategy. Third, if it is to gain concrete benefits for its members, a trade union must make such demands negotiable, transforming any expressive behaviour into instrumental claims. Finally, to represent interests collectively, it must aggregate individual demands, that are normally dispersed and potentially contradictory. The need to go through these processes explains why, irrespective of the quality of internal democracy and of the responsiveness of its leadership, any trade union association cannot but filter and even profoundly change the demands set forth by the employees it seeks to represent. Furthermore, if it is to be considered a reliable partner by the companies or public institutions with which it reaches agreements, any trade union must control and to some extent police its members to ensure conformity of behaviour to the rules agreed upon.

This gives rise to potential ‘crises of representation’, that unions must learn to control if they want to survive and to keep performing their role. Neo-corporatist systems of interest representation deal with this problem by granting trade unions monopoly of representation, a high degree of centralization and privileged access to state resources. Trade unions in pluralist systems characterized by numerous and dispersed associations, on the other hand, rely on a lower modification of their members’ demands, since they do not aim at aggregating interests beyond the level of individual companies, crafts, geographical areas or industries, and can therefore more easily stay in touch with, and be responsive to, their rank and file. In both systems, crises of representation may materialize in several ways, including wildcat strikes and loss of membership. In fact, the rate of unionization or ‘union density’, namely the percentage of union members in the workforce, is usually considered the best indicator of a trade union ability to represent employees’ interests, and indeed of its strength. As much research shows, however, its variation across countries is heavily dependent on several other factors, including the role of trade unions as providers of services – a role they play most prominently in the so-called ‘Ghent systems’, where they administer social security benefits (Ebbinghaus and Visser 2000). Also, union density is highly affected by the varying degree of ‘coverage’ of collective bargaining, which in several countries is established by the law, so that collective agreements are extended to all employees irrespective of whether or not they are members of the unions signing those agreements.

Trade unions, however, are not simply associations formed if and when employees feel a need for collective representation of their interests. After the initial constitutive period, everywhere they have become stable organizations, whose logic of action is oriented as much by the goal of maintaining and enlarging their power vis-à-vis other organizations, as it is by the original objectives of representing their members’ interests. This logic of action leads trade unions to try and optimize their resources whenever they have to find solutions to the dilemmas they face.

The first such dilemma is how to define their sphere of representation, namely the boundaries of the interest group whose demands they aim to advance. Historically, the main alternative has been between ‘associational’ and ‘class’ unions. The former choose to confine their sphere of representation to the members they actually recruit, whether within a company, a trade, a geographical area, an industry or the
whole economy. The latter claim to speak on behalf of all workers, whether union members or not. A second dilemma is how to define a trade union’s sphere of action: will it give priority to action in the market, addressing demands to companies and negotiating with them, or in the state, targeting public institutions as the main recipients of its claims and its main partners? However they define whom they want to represent and whom they want to interact with, trade unions still have several alternatives among which to choose. One such alternative concerns the instruments for action, which can range from collective mobilization and conflict, to collective bargaining, to several forms of cooperation, joint management or partnership, to tripartite concertation. Another is about the level of action, which can be centralized at the industry or cross-industry levels, or decentralized at the company or territorial ones. Comparative research in economic sociology and industrial relations shows that the more a trade union has become a large-scale and stable organization, the more the solutions to these dilemmas will follow an organizational logic of optimization of its resources (Regini 1992).

Besides being associations that represent collective interests and large-scale organizations, trade unions have become important actors in several political economies. Where they have overcome an exclusively distributive function, they have come to play a wider role in economic development. On the one hand, in fact, they can be decisive factors of labour market rigidity and of over-generous social expenditure leading to huge public deficits. On the other, they can play positive functions for companies by organizing workforce cooperation to the new modes of production and by contributing to its skill formation. Also, they can help governments to improve economic performance by coordinating wage dynamics according to an incomes policy and by contributing to labour market and welfare reforms, as the recent experience of ‘social pacts’ in several European countries shows.

Whether we regard trade unions primarily as associations for interest representation, as organizations, or as economic and political actors, the importance they acquired in most advanced economies in the latter part of last century is increasingly challenged by several developments. Most important is perhaps the continuing fragmentation of employees’ interests and demands brought about by such processes as the re-organization of production, the search for flexibility, the growth of the service sector and of non-manual and atypical work. It may become increasingly difficult for trade unions to build their demands around key professional figures as was the assembly-line worker in the Fordist factory. Not only has it become more difficult to aggregate demands and pinpoint ‘general class interests’: as individual workers identify less and less with the ‘working class’ as a whole – and with the plans for economic and political reform historically promoted by the labour movement – they also tend to identify more with the company or production unit they belong to. In other words, the traditional attempt by trade union organizations to impose uniform protection standards on employers is now regarded by many employees as an undue simplification of their needs and capabilities.

In conclusion, the role of trade unions in the new millennium seems to include a number of negative connotations, but also new possibilities. Among the former, we should no doubt include the reduction of the trade unions’ scope for action within the economic system as a result of industrial restructuring processes and of labour markets’ increased precariousness. More generally, we must recognize the disappearance of a certain type of solidarity based on homogeneous working and living conditions, ideology and ability to standardize
demands. On the other hand, the new possibilities open to trade unionism seem to depend above all on the ability to interpret and mediate management’s growing need to involve workers more closely in the company, by qualifying the requested cooperation/involvement and subordinating it to the attainment of workers’ general interests and objectives. From this point of view, it may become very important for trade unions to develop an ability to induce companies and institutions to give up market strategies based exclusively on costs, and to adopt, instead, a competitiveness model based on product quality and a highly skilled workforce – that is, a model aimed at the full development of human resources rather than the development of only a few crucial segments of the workforce.

References and further reading


MARIO REGINI

TRADITIONAL ECONOMIES

Anthropologists have generally used a substantive definition of economy as a system of production, distribution and consumption of material goods and services. This definition allows for study and comparison of traditional, mercantile and capitalist economies, in which traditional economies have been described as those in which mercantile and capital integration are marginal (Earle 2002), but not necessarily entirely absent. The enormous variation in traditional economies, past and present, studied by anthropologists and archaeologists, suggests that it is more appropriate to think of a continuum of economies, in which trade and capital are more important in some economies than in others, than of different types of economies.

Traditional economies are subsistence economies in which households produce most of their wants, although exchange figures prominently because of temporary resource deficiencies as well as sociocultural reasons. Traditional economies are often classified by their primary food procurement strategy and studied as adaptive systems to the environment. Anthropologists distinguish four basic adaptive strategies: foraging, horticulture, agriculture and pastoralism. The terms ‘adaptive strategies’ and ‘modes of production’ are often used interchangeably as both concepts rest on the notion that the way people make a living has predictable consequences for a society’s culture and social structure. Julian Steward (1955) was the first to outline this in a theory of cultural ecology, arguing that a society’s culture core, i.e. the features closest related to subsistence activities, which include social, political and religious patterns, can be explained as adaptations to the environment.

Studies of recent and contemporary foraging populations – San in southern Africa, Inuit of northern America, and Northwest Coast Indians in northern America – have shown that the life of foragers were not as nasty, brutish, and short as once thought. On the contrary, the foraging strategy is characterized by relative abundance of food sources and efficient food procurement, meaning low work hours and energy expenditures, such that Marshall Sahlins (1972) described it as the original affluent society. Foraging societies are generally characterized by small group size, high mobility, flexibility in group composition, and a relative egalitarian social structure. However, there is a significant variation in the culture core, which is partly explained by differences in the foraging environment, e.g. seasonality of resources, availability of meat. Reciprocity is the