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Western Europe: The Labor Unions of the Big Four in Flux [Redacted]

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An Intelligence Assessment

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*EUR 85-10005
January 1985*

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Western Europe: The Labor Unions of the Big Four in Flux



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An Intelligence Assessment

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**Western Europe:
The Labor Unions of the
Big Four in Flux** 

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Key Judgments

*Information available
as of 17 December 1984
was used in this report.*

Trade unions in the United Kingdom, France, Italy, and West Germany with few exceptions remain on the defensive despite Western Europe's modest recovery from three years of recession and record unemployment. The unions have suffered heavy losses in membership, an erosion of their members' living standards, cuts in hard-won social welfare benefits, and blows to their morale. Job security, consequently, has replaced wage increases as their highest priority.

The present uneasy truce with management and government, born of economic exigency, has been broken in a few instances this year by Communist- and leftwing Socialist-influenced unions, but their actions have served mainly to divide and thus weaken the union movement:

- In the United Kingdom, miners, led by a self-styled Marxist, have been on strike for more than 10 months but have not won significant support from labor or the general public. Instead, the strike has embittered the debate between leftist and moderate unions over the proper tactics to use against employers and the government.
- In France, the Communist-dominated Confederation Generale du Travail (CGT) has been threatening greater militancy since the Communist Party left the Mitterrand government in July, but appears prepared to attack only carefully selected targets. The union seems to fear that its rank and file may not respond to its call for general confrontation with employers and a government of the left. Nevertheless, the CGT's consistently more aggressive opposition to Mitterrand's austerity programs has further soured relations with the other major union federations.
- In Italy, the Communist-affiliated wing of the Confederazione Generale Italiana del Lavoro (CGIL) joined the Communist Party in challenging the Craxi government's efforts to readjust the automatic wage indexation mechanism. It fractured labor movement unity in the process, however, making union militancy on the national level less likely in the short run, although the three major confederations apparently are still capable of concerted action on a limited number of specific issues.
- In West Germany, the left-leaning metalworkers—the largest industrial union in non-Communist countries—and the hard-left printers struck for a 35-hour workweek this spring. The strike was unpopular even with large sections of the metalworkers' rank and file, however, and other unions are expected to continue the moderation traditional in West German labor relations.

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Individual outbursts of militancy are likely to recur, in our judgment, especially in the hardest hit unions, but in the short run almost all unions are unlikely to follow such a lead. We believe union moderation will continue at least for the next year or two despite the current uneven recovery, primarily because unemployment is widely expected to remain high. Similarly, we believe the unions will persevere in their grudging compromises with government austerity programs.

In the longer term, however, union militancy may revive, especially in France and Italy, should austerity programs continue to bite and to threaten existing jobs further. Union leaders, for example, may be more willing to undertake militant job actions if the erosion of their membership continues and rank-and-file frustration deepens. Communist-affiliated unions particularly are likely to take advantage of local labor troubles to try to restore their credibility with workers, especially if they continue to have difficulty in mobilizing national demonstrations. The prospects for increased union militancy depend also on the tactics of their affiliated political parties. Should the French and Italian Communists, for example, decide on a sharper antigovernment line, their labor union affiliates almost certainly will follow suit.

In any case, economic and political realities suggest that even a more militant approach is unlikely to slow the long-term decline of West European trade unionism. The political clout of the unions is shrinking because falling membership is reducing the electoral base they can claim to represent. At the same time, although the unions almost certainly will maintain their symbiotic ties to parties of the left, those ties are visibly fraying. In West Germany and the United Kingdom, substantial numbers of workers voted for parties of the right in the general elections of 1983. In France and Italy, the unions have been made painfully aware how limited their influence is even over left-led governments. The unfavorable prospects for their affiliated parties in the next several years, moreover, argue for continued decline in the unions' ability to win favors from governments. Consequently, we believe that it will be difficult for the unions to recover the political ground they are currently losing, especially given their narrowing base of support.

25X1

Secret

iv

Contents

| | <i>Page</i> |
|--|-------------|
| Key Judgments | iii |
| Introduction | 1 |
| Union Setbacks | 1 |
| Effects of Economic Decline | 1 |
| Rank-and-File Discontent | 4 |
| Political Reverses | 5 |
| Union Responses | 6 |
| The British Unions | 6 |
| The Italian Unions | 8 |
| The French Unions | 9 |
| The West German Unions | 10 |
| Outlook | 12 |
| Moderation in the Short Term | 12 |
| Militancy and Decline in the Long Term | 15 |

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Western Europe: The Labor Unions of the Big Four in Flux



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Introduction

Trade unions in the Big Four—West Germany, France, Italy, and the United Kingdom—remain on the defensive, economically and politically. They have regained some of the influence and self-confidence they lost during the recession that took hold in 1980, but, despite renewed militancy by some—mostly left-ist—unions, their position is weaker than before the recession. Although a modest recovery is under way in all four countries, such aftereffects of the recession as high unemployment and loss of political clout are likely to haunt the unions for several years.

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Nevertheless, the unions remain powerful enough to disrupt the economic strategy of their respective governments, if they choose, and to exert a sometimes considerable influence on domestic policy in general, both directly and through their attachment to major political parties (see table 1). Consequently, whether they will remain moderate, or whether renewed militancy—now confined largely to unions of the left—will spread, has direct implications for the political and economic future of the Big Four.

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Union Setbacks

Trade unions in France, Italy, the United Kingdom, and West Germany are weakened after three years of recession, despite the current recovery. They have suffered heavy losses in membership, an erosion of their members' living standards, threats to hard-won social welfare benefits, and blows to their morale. As a result, their political leverage has also weakened.

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Effects of Economic Decline

The economic decline and ensuing record unemployment impinged heavily on union membership. The losses were greatest in the highly unionized traditional industries hardest hit by recession, such as coal, steel,

shipbuilding, and textiles, but overall membership too is falling:

- The West German metalworkers union, IG Metall, the largest in the world, declined by 40,000 in 1983, and the West German chemical, printing, construction, railway, textile, and coal miners unions together lost an additional 57,000 (see table 2 for current membership figures).
- The British unions have lost over 15 percent of their members since 1980.
- The Italian Communist-dominated Confederazione Generale Italiana del Lavoro (CGIL) lost 246,500 members between 1979 and 1982 (roughly 7 percent of its membership), and the Christian Democrat-affiliated Confederazione Italiana Sindicale del Lavoro (CISL) lost 260,000 (10 percent of its membership) between 1980 and 1982. Only the Socialist-lay federation, the Unione Italiana del Lavoro (UIL), continued to gain adherents, although its membership, exclusive of retirees, fell by 15,000 in 1982.¹
- Even the French confederations, some of whose membership figures are deliberately inflated, have revealed that their numbers have fluctuated since 1976. The Confederation Generale du Travail (CGT), which now claims 1.9 million members, has admitted a loss of 600,000 in that period.

The losses, moreover, contrast sharply with the situation in the recessions of 1971 and 1975, when union membership at least held its own in the four countries.



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¹ Italian unions inflate their membership figures by counting retired members. The figures given here include active workers only, for all three union federations.



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Table 1
A Cross-National Comparison of Unions

| | UK | Italy | France | West Germany |
|-------------------|---|---|--|---|
| Federation | Trades Union Congress (TUC) | Confederazione Generale Italiana del Lavoro (CGIL) Confederazione Italiana Sindicale del Lavoro (CISL) Unione Italiana del Lavoro (UIL) | Confederation Generale du travail (CGT) Confederation Francaise Democratique du Travail (CFDT) Force Ouvriere (FO) | Deutscher Gewerkschaftsbund (DGB) |
| Ideology | <i>TUC</i> unions: reformist in long-term objectives; work within mixed economy. Accept Keynesian framework for economic analysis. Pragmatic rather than ideologically inclined. Favor industrial democracy. A vocal left wing, however, presses a strongly anti-capitalist line, including opposition to industrial democracy. | <i>CGIL</i> : anticapitalist, radical in long-term objectives. <i>UIL</i> : radical, but tending toward reformist in long-term objectives. Accepts Marxist framework for economic analysis. <i>CISL</i> : reformist in long-term objectives. Accepts Keynesian framework for economic analysis. All three favor industrial democracy. <i>CISL</i> is separated from the other two federations because it is Catholic in origin. | <i>CGT</i> and <i>CFDT</i> : hostile to capitalism; radical in long-term objectives. <i>CGT</i> especially emphasizes ideological confrontation and propaganda. Accept Marxist framework for economic analysis. <i>FO</i> : reformist in long-term objectives; closer to British unions in orientation. <i>CGT</i> and some in the <i>CFDT</i> oppose industrial democracy because it distracts attention from fundamental class antagonism. | <i>DGB</i> : reformist in long-term objectives; works within market economy. Accepts Keynesian framework for economic analysis. Favors industrial democracy in the form of codetermination. |
| Organization | The <i>TUC</i> has little real power. Even central union organizations cannot always control their branches. Collective bargaining is largely decentralized. Most strikes are wildcat strikes. Both craft and industrial unions belong to the <i>TUC</i> . Approximately 50 percent of work force unionized. | The three major federations joined in a United Federation in 1972 for collective bargaining but dissolved it in 1984. The federations control bargaining and strike decisions, but a few exceptionally large unions such as the metalworkers have some negotiating autonomy. Unions are of the industrial type. The unions are financially weak and have no strike funds. Approximately 36 percent of work force unionized. | The three major federations exercise strong control over individual unions, including strike decision. Unions are of industrial type. (Note: nominal membership figures are inflated, especially in the <i>CGT</i> and are, therefore, unreliable.) Strike funds are small and dues are an uncertain source of funds. Approximately 23 percent of work force unionized. | Centralized structure both for <i>DGB</i> and individual unions, but unions have considerable autonomy. Unions control collective bargaining on regional or national basis. Strike decisions rest with central organization of individual union. Unions are of industrial type. Approximately 35 to 40 percent of work force unionized. |
| Party affiliation | Most unions belong to the Labor Party, in which they hold a voting majority. Relations between the unions and the Labor Party are otherwise similar to those in the FRG. The Labor Party depends heavily on union members for funds. | The <i>CGIL</i> is Communist-affiliated, but has a strong Socialist minority. The <i>CISL</i> is tied to the Christian Democrats. The <i>UIL</i> is a lay union with ties to the Socialists. All depend on their respective parties for funds (and some come from emigrant workers). | <i>CGT</i> is dominated by the PCF, and <i>CFDT</i> has close ties to the PS. Both confederations are a source of recruits for their respective parties. The <i>CGT</i> is funded by the PCF. All unions get significant sums from various government ministries. <i>FO</i> is politically independent. | Nominally nonpartisan, the <i>DGB</i> enjoys a symbiotic relationship with the SPD. Unions are a major source of party funds. |

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Table 1 (continued)

| | UK | Italy | France | West Germany |
|------------------|--|---|--|--|
| Legal regulation | The state is seen as an antagonist. Industrial relations are largely unregulated. Unions operate under voluntarily agreed rules, in the main not legally enforced. Recent government regulations limiting freedom to strike are much resented. | Pursuit of union goals is not hindered by the state, but unions remain wary of it. | Unions regard labor law as a protection, not a curb, but are wary of the state. | Unions consider the state neutral or their ally against employers. They see state action as an alternative to class conflict. |
| Tactics | Strikes are the commonest collective bargaining weapon. No central control of strikes—branches can defy unions and TUC orders with impunity. Political action usually taken through Labor Party. | Confrontation common, though less so in last few years. General strikes for social reforms or political reasons common from 1969 through mid-1970s. Recent policy more pragmatic. Strikes a ritual of collective bargaining process. Most strike-prone unions of the four countries studied here. | Highly politicized. CGT follows PCF tactical decisions. Other major unions have leftist sympathies but try to pursue independent actions. Strikes are frequent in collective bargaining, but less so than in Italy and the United Kingdom. Occasional political strikes occur. | Cooperation with government and employers formalized in "concerted action" agreement on incomes policy, 1967-77. Self-restraint in wage claims has continued since then. Code-termination is a source of moderation, because it ties unions to individual factory performance. Strikes are relatively rare. Conventional political lobbying and demonstrations are the main tactics. |

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Job security, consequently, has replaced wage increases as the highest priority for workers in Western Europe, especially in the Big Four. Growing interest in the 35-hour workweek rests on the belief that even if it creates no new jobs—despite union assertions that it will—at least it will preserve existing employment. Recent strikes by French auto workers, Italian steelworkers, West German metalworkers and printers, and British miners and dockers have at their heart the preservation of existing jobs. [redacted]

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General economic recovery has not much improved the workers' lot. In the present climate of austerity, the unions find their economic straits all the more galling because their material success before the recession was so impressive. In West Germany, workers have accepted wage increases below the inflation rate in every year since 1981, and in the current wage rounds are committing themselves to do so again in

1985. In 1983, for the first time, Italian unions were compelled to lower the rate of the *scala mobile*, the automatic wage indexation mechanism that functions as a quarterly cost-of-living escalator. The Italian real and nominal wage rate has continued to grow more slowly during the last two years. In France, real wages are higher than they were five years ago, but they have fallen during the past 18 months. Real wages in the United Kingdom alone have defied this downward trend, mainly because of the Thatcher government's successful fight against inflation. This year nominal wage settlements are expected to reach an average of 6.5 percent—some unions already have won 7.5-percent settlements—but inflation, now roughly 5 percent, also is expected to rise despite government claims that it will fall to 4.5 percent by the end of the year. [redacted]

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Table 2
Membership and Political Orientation of
the West German DGB-Affiliated Unions ^a

| Union | Membership | | | Political Orientation |
|---|------------------|------------------|------------------|-----------------------|
| | 1978 | 1982 | 1983 | |
| Total | 7,751,400 | 7,856,000 | 7,773,000 | |
| Metal Workers (IG Metall) | 2,680,800 | 2,576,000 | 2,536,000 | Left leaning |
| Public Service, Transport, and Bus (OeTV) | 1,099,400 | 1,180,000 | 1,174,000 | Center-left |
| Chemicals, Paper, and Ceramics (IGC) | 650,700 | 643,000 | 635,000 | Center-right |
| Construction, Quarrying, and Building Materials (BSE) | 517,800 | 531,000 | 524,000 | Center-right |
| Postal Workers (DDG) | 428,900 | 457,000 | 458,000 | Center |
| Railway Workers (GdED) | 414,200 | 392,000 | 387,000 | Center |
| Coal Mining and Power (IGBE) | 362,100 | 368,000 | 367,000 | Center-right |
| Commerce, Banks, and Insurance (HBV) | 314,200 | 368,000 | 360,000 | Left leaning |
| Textiles and Clothing (GTB) | 290,100 | 276,000 | 264,000 | Center-right |
| Food, Drink, and Catering (NGG) | 252,400 | 265,000 | 264,000 | Center-right |
| Education and Science (GEW) | 158,700 | 186,000 | 200,000 | Hard left |
| Police (GdP) | 152,500 | 169,000 | 167,000 | Center |
| Timber and Plastics (GHK) | 145,100 | 156,000 | 150,000 | Left leaning |
| Printing and Paper Manufacturing (IGD) | 146,000 | 145,000 | 146,000 | Hard left |
| Leather (GL) | 55,100 | 53,000 | 51,000 | Center |
| Arts (GK) | 42,100 | 48,000 | 48,000 | Hard left |
| Market Gardening, Agriculture, and Forestry (GGLF) | 41,300 | 43,000 | 42,000 | Center |

^a Two independent unions—the German Salaried Employees Union (DAG), with roughly 501,000 members, and the Christian Union Federation (CGB), with 287,000 members—compete with DGB affiliates but hardly rival them in influence or numbers. In addition, approximately 1.7 million permanent civil servants (Beamte) are not represented in collective bargaining because of legal restrictions and receive their pay increases directly from the Bundestag.

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Rank-and-File Discontent

Unions are facing a crisis of confidence, not only because the general public is ceasing to accept as self-evident their continued usefulness to society, but because union members themselves are growing disillusioned with their organizations.

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The legitimacy of unions is not in question—a recent French poll, for example, found 70 percent of the public opposed to abolishing them—but there is an increasing public impression that their power is excessive. In France, despite the accession of a government

of the left—widely believed to be pronoun—in 1981 public opinion polls showed rising hostility to trade union power. Moreover, according to a poll taken after the municipal elections in March 1983, “the greater role of the trade unions” was cited as a reason for voting for the opposition by 54 percent of those who did so. Similarly, in the United Kingdom, public opinion polls have recorded majorities in favor of the Conservative government’s legislation to curb union power. In Italy, 51 percent of the respondents to a survey in July 1983 believed the unions were scarcely

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Past Union Achievements

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During the heyday of the West European economic miracle, impressive new welfare benefits represented a considerable social as well as economic advance for workers. An unemployed British manual worker with a wife and two children, for example, may receive benefits equal to as much as 92 percent of his salary. Other countries' income maintenance and replacement benefits are almost equally generous. Improvements in old age, disability, health, and education benefits also owe much to union pressure. [redacted]

sides. The vast bulk of the trade union movement has studiously avoided giving the miners more than luke-warm verbal support. The interests of some unions, like the truckers who are crossing picket lines to haul coal to power stations and the steelworkers whose jobs depend on coke reaching their mills, are directly opposed to those of the miners. In West Germany, only a third of the members of the DGB, the major trade union confederation, favor the 35-hour workweek, according to opinion polls. Many metalworkers went on strike reluctantly in May, doing so to preserve labor solidarity rather than through genuine support for a shorter workweek.

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Optimistic union expectations of continued prosperity and increased rewards were reinforced by rising membership figures. During the 1960s and the first half of the 1970s, the rate of unionization grew steadily. In Italy, it reached an estimated 59.9 percent of the work force in 1977, one of the highest in Western Europe. In the FRG, total membership kept growing until 1982, despite worrisome declines in certain branches. British unions were flourishing as late as 1980, with unions recognized in 67 percent of workplaces and with 62 percent of all workers on union rolls. [redacted]

In Italy, the United Federation agreement of the three union confederations—committing them to bargain jointly with employers—broke down in February over proposed responses to the government austerity program; there was even talk of a secession by the Socialist wing of the CGIL. In France, many observers looked to the social security elections in October 1983 to provide clues to labor's mood. The result was a relatively disappointing showing for the leftist CGT and Confederation Francaise Democratique du Travail (CFDT) and a strong turnout for the centrist, rightist, and white-collar Force Ouvriere (FO), Confederation Generale des Cadres (CGC), and Confederation Francaise des Travailleurs Chretiens (CFTC). The enterprise committee elections this past March—held biennially in all industrial and commercial firms with more than 50 employees—confirmed the waning appeal of the CGT and CFDT. The FO, politically unaffiliated and more inclined to negotiate than to strike, was the chief beneficiary. The trend appeared to be slowing last November, but the US Embassy pointed out that it is too early to say whether it has stopped on the basis of two CGT victories in plants in troubled industries.

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Much of this membership growth was the result of unionization of the public sector, including many civil servants and workers in nationalized industries. This enlarged union horizons by extending their bargaining power with government and private employers. It also lent added force to continued union pressure for ever greater wage and benefit increases, through the beginning of the recent recession. [redacted]

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democratic, if at all. Only 28.8 percent thought they had the right amount of power, although almost a third thought they had too much.

Political Reverses

Within the unions, severe internal strains—caused by disagreements between leftists and moderates on goals and tactics and disillusion with the current crop of leaders—have breached the hard-won solidarity of the labor movement. Among the latest examples, the British miners' strike has not won universal approval even within the National Union of Mineworkers, and other unions directly affected are being forced to take

The political climate, too, is less congenial to the unions. The Thatcher government in the United Kingdom is unabashedly antiunion. In Bonn, the Christian Democrat-led coalition also is less sympathetic to union demands than the Social Democratic government it replaced. Even the Socialist government of France had to change its initial course of generosity to

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the workers, and the Socialist-led coalition in Italy is pledged to a tough austerity program that could affect the level of social welfare benefits, including pensions and the unemployment fund. [redacted]

In France until last July and—to a lesser extent—in Italy, union responses to the economic plight of their members were constrained by the need to support their affiliated political parties in government coalitions that initiated austerity programs. While the French Communist Party was a member of the Mitterrand government, the CGT moderated its customary level of confrontation with private employers and the state. The Socialist CFDT, by contrast, has remained generally supportive of government policy, with a few significant local exceptions such as the Talbot car plant strike in December 1983. In Italy, the presence of the Christian Democrats in the Socialist-led coalition is reining in its affiliated union confederation, the CISL. The strong Socialist presence in the UIL is doing the same for it. In addition, the Socialists in the Communist-dominated CGIL have been bolder in asserting Socialist party interests in the confederation now that a Socialist prime minister is in office, especially since the CGIL's number-two man, Ottaviano Del Turco, is a Socialist known to be close to Prime Minister Craxi. [redacted]

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Ties with political parties traditionally believed to champion union interests have suffered as well owing to recession-induced strains and the leftward lurch of some parties. In West Germany, the 20 to 30 percent of industrial workers that consistently voted CDU/CSU rather than Social Democratic is estimated to have swelled to approximately 40 percent in the March 1983 election. In the British election of June 1983, an estimated 60 percent of union members voted for the Conservatives or the Liberal-Social Democrat Alliance, rather than for the Labor Party. Even more damning, the Trade Union Act passed in July requires members of unions with political funds to vote by March 1986 whether to continue them. According to a recent opinion poll, 12 of the 15 largest unions might vote to abolish their political funds. Because unions provide 80 percent of Labor Party revenue, such a step could bankrupt the party. Equally significant, recent efforts to induce unions not already affiliated to join the Labor Party have been

utter failures, and there is strong rank-and-file sentiment in some of the larger member unions in favor of breaking their ties with Labor. We believe disaffiliation to be a remote possibility for individual unions, because it would gravely complicate their relations with the rest of the labor movement. But the existence of sentiment favoring such a move undoubtedly will continue to undermine union morale and prestige.

[redacted]

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Union Responses

The recession dampened union militancy, and its aftereffects have kept it relatively low. Not only is strike activity down even in the United Kingdom and Italy (see chart), but union expectations in collective bargaining have become more realistic than in the heady years of big wage increases before 1979. Moreover, the enforced restraint of union demands has led to often bitter disputes over tactics and shattered the unity of action forged by labor movements in more prosperous years. Although there are signs of renewed militancy among leftist and Communist-dominated unions in hard-hit traditional industries, these unions are exceptional and are strongly influenced by the tactical considerations of their affiliated leftist political parties. As yet their militancy has not infected other unions. [redacted]

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The British Unions

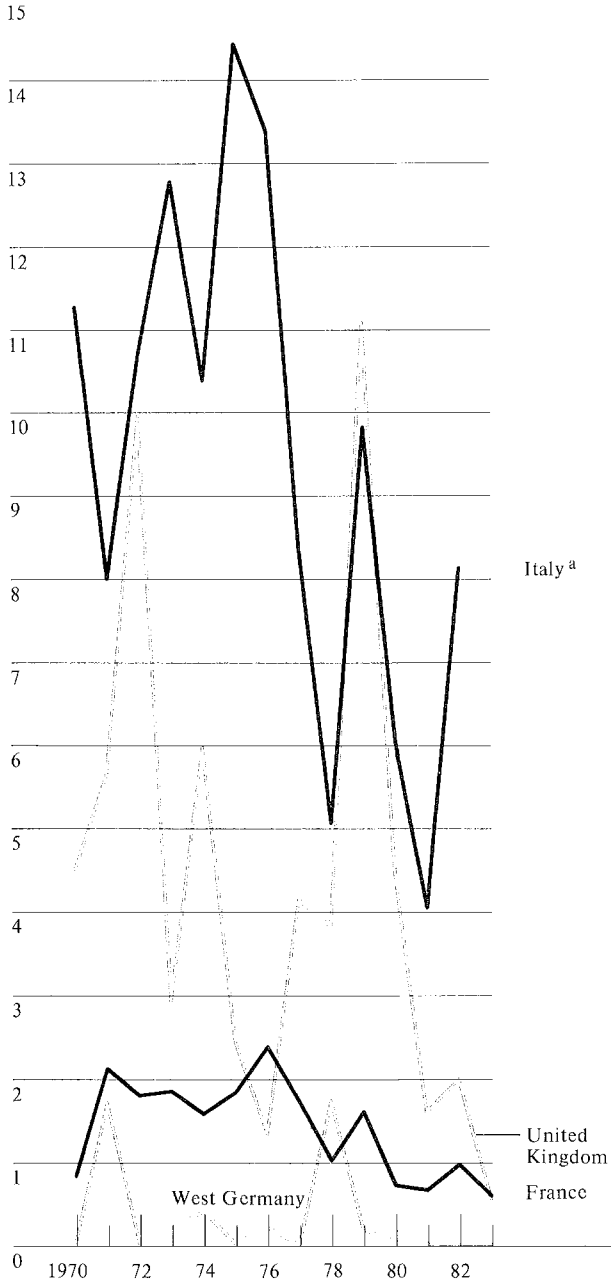
The recession has tamed even the British unions, which governments used to defy only at their peril. The Conservatives had played on the unbridled power of the unions in the 1979 election campaign, and their efforts to curb union militancy led to legislation in 1980 and 1982 restricting the unions' previously near absolute freedom to strike. The laws banned secondary picketing and sympathy strikes and subjected unions to fines and civil suits for infractions. The government also has passed legislation effectively requiring unions to conduct secret ballots in elections for national executive positions and before mounting strikes, which it hopes will reduce pressure on rank-and-file members to opt for extremist leaders and policies. [redacted]

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**The Big Four:
Trend of Working Days Lost,
1970-83**

Hundred working days lost per thousand employed



^a 1983 data for Italy are unavailable.

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Although Thatcher's hard-nosed approach has helped curb union militancy, we believe that the doubling of unemployment during the past four years has been the principal factor behind union moderation. Rising joblessness has weakened the unions organizationally and sapped their morale, as members have grown more concerned with saving their jobs than with winning gains. The steelworkers, for example, who last struck in 1980, have grown so gloomy that not even the loss of half their jobs since then has induced them to call another national strike. [redacted]

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Excluding the miners' strike, the number of working days lost to strikes since 1981 has been less than half the average for the 1970s. Although the Thatcher government sometimes has caved in to union wage demands, more often it has stood its ground. This was true of the printers' union challenge late in 1983 to the new laws against secondary picketing. It was also true of a union initiative last year that sought to reverse the government's decision to ban unions from its electronic intelligence center in Cheltenham on national security grounds. In both cases, the courts ultimately backed the government. The Trades Union Congress's subsequent attempts at confrontation neither mobilized the membership nor intimidated the government, prompting the leadership to seek a dialogue with the Thatcher administration instead. [redacted]

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Even the 10-monthlong miners' strike has evoked only lukewarm support from the rest of the labor movement. The strike is a tribute to the single-mindedness of Arthur Scargill, the self-styled Marxist leader of the National Union of Mineworkers (NUM) who has vowed to bring down the Thatcher government. The National Coal Board's (NCB) intention to close down 20 uneconomic pits in 1984, at the cost of 20,000 of the country's 180,000 mining jobs, provided Scargill with highly committed militants, especially among miners in Yorkshire and South Wales who will not migrate in search of work and who see little prospect of alternative employment to sustain their communities. [redacted]

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Even within the miners' union there is opposition to the strike. Nottingham area miners have refused to stop work without a national strike vote. In all, as

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many as 63,000 miners are estimated to be still at work, according to the NCB. Their numbers increased in a slow trickle until November, when some 12,000 miners returned to work, many apparently encouraged by the Board's offer of Christmas bonuses. Few miners have returned to work, however, in the diehard regions of South Wales and Yorkshire, and elsewhere the number of returnees has begun to fall.²

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From the outset, the extreme violence of the strike—including pitched battles between thousands of pickets and police, and on 30 November the killing of a taxi driver who was transporting a working miner—has cost the miners public support, according to numerous opinion polls. Attempts last autumn to drum up support from Libya and the Soviet Union—the press trumpeted Scargill's admission that the Soviets had given the NUM nearly \$1 million—are very likely to tarnish further the union's reputation.

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Scargill's militancy, moreover, has alienated many trade unionists. Moderate union leaders who spoke with the US Embassy last July dreaded a Scargill victory because it would pressure them into confrontations with employers, with disastrous consequences for the union movement as a whole. Some left-leaning unions, particularly the railwaymen and the powerful Transport and General Workers Union (TGWU), have voiced support for the miners, but the rank and file do not share their leaders' enthusiasm for active assistance, and continue to move coal across picket lines. Steelworkers, fearing that coke shortages would give the government an excuse to close obsolete mills, have encouraged truckers to continue hauling coal. Equally important, union workers at electricity generating plants have refused to call sympathy strikes. Even the traditionally militant dockers—part of the TGWU—refused to rally round the miners, ignoring pleas from TGWU leaders to refuse to unload imported coal and iron ore. The TGWU hoped to expand local dock strikes last July and August to support the miners, according to the US Embassy, but, once the dockers were assured that their own jobs were not at risk, they returned to work in embarrassing haste.

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² The NCB has proved unable to overcome the reputation for ineptitude it acquired early in the strike, thanks to repeated public relations gaffes. Its unskillful handling of the bonus offer, according to the press, is only the latest in a series of failures to capitalize on the union's unpopularity.

The miners' strike has so openly fragmented the labor movement that TUC leaders, fearing last September's annual TUC conference might founder on the issue, forced a compromise on Scargill and his supporters, according to the US Embassy. It papered over differences with the moderates and gave the miners far less practical assistance than they demanded. The key resolution, pledging to respect the picketing of coal shipments, depends on the backing of unions that have already rebuffed the miners.

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Even the Labor Party leadership finds the strike an embarrassment. The deputy party leader, Roy Hattersley, told the US Embassy in July that a Scargill victory would be "disastrous" for Labor and its new leader, Neil Kinnock. In October, the annual Labor Party conference did pass a resolution strongly favorable to the miners, over Kinnock's objections, but Labor support is unlikely to go beyond highly colored rhetoric.

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The Italian Unions

The Italian labor movement, even more than its British counterpart, entered the recent recession with a legacy of militancy and a decade of unprecedented gains in wages and benefits exacted from management and government, including an automatic wage indexation system, the *scala mobile*. With the sharp rise in unemployment during the last three years, however, matched by a decline in industrial production, Italian workers are no longer in a position of relative strength when faced with contract negotiations. Strike activity is down considerably from the record level of 1979. Moreover, labor unity, formerly a significant source of Italian labor's strength, has been shattered over the issue of *scala mobile* reform, although local unions occasionally manage to unite on a few issues.

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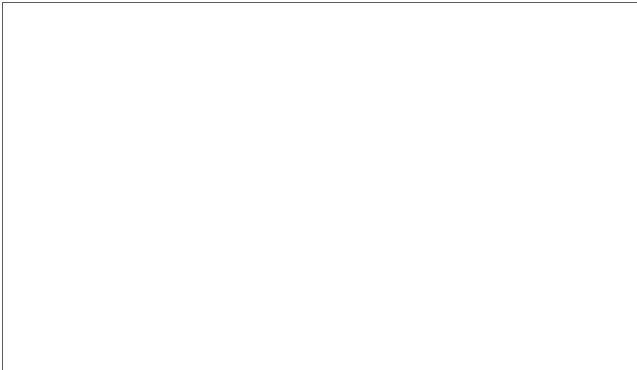
Until recently, the United Federation, consisting of the Communist-dominated CGIL, the Christian Democrat-linked CISL, and the Socialist-lay-affiliated UIL, presented a united labor front in collective bargaining. Politically, the UIL, the CISL, and the CGIL have been pressed to support the government's austerity program, which included a reduction in the *scala mobile*. Craxi's immediate aim was to reduce inflation, but his ultimate objective was to curb union

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power as a condition of improving national economic performance, according to Socialists who spoke with US Embassy officials. [redacted]



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The leaders of the CISL and the UIL, along with Socialist CGIL unionists, had for some time accepted—and occasionally even conceded to the press—that reform of the previously untouchable *scala mobile* was needed to keep labor costs down, increase productivity, and slow the growth of unemployment. Resistance by CGIL hardliners to any change, however, was compounded by growing intransigence on the part of the Communist Party, which, commentators generally agreed, feared the loss of blue-collar support. The three confederations did separately sign the labor cost agreement in 1983 that retained intact the principle and function of the wage escalator, but also committed Italian labor to accept a diminished *scala mobile* rate for the first time. Last February, however, CGIL hardliners balked at a further reduction in the *scala mobile*, and the United Federation, already under strain before Craxi took office, collapsed. On May Day, for the first time in 15 years, the three confederations held separate rallies, and the collective turnout was significantly smaller than in former years. The plaintive calls for renewed labor unity at each demonstration merely underscored the width of the breach. [redacted]

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For the CGIL, the PCI's success in blocking confirmation of the decree in the Chamber of Deputies in April³ and in allowing the passage of a watered-down version in June may have been a Pyrrhic victory. CGIL isolation from the other two confederations has emphasized—to its detriment—its political link to the PCI. In addition, internal tensions between the Communist and Socialist factions in the union have increased. The Socialists resented the Communist majority's actions but are compelled to stay, because they are too few to survive independently and too much at odds with the UIL leadership to join the Socialist-lay federation, [redacted]

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Even this display of CGIL militancy scarcely veils worker reluctance to take aggressive action. From the outset the PCI was more enthusiastic in challenging the government than the CGIL. Luciano Lama, the popular CGIL leader—a darkhorse candidate for the PCI leadership this year—consistently took a milder line against the decree than the PCI. CGIL-initiated “spontaneous” strikes were less successful than PCI-organized demonstrations, because the party's superior organizing machinery not only provided direct support, but mobilized other groups, including students, the unemployed, and pensioners, to give the impression of mass opposition to the government's proposals, as a CGIL Communist official admitted to the US Embassy. [redacted]

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We believe that the rift between Communist, Christian Democratic, and Socialist labor forces will not heal easily, although all appear to be seeking noncontroversial common ground for joint action. In July, for example, the three confederations jointly condemned the Polish Government's trial of trade union militants. As a result of the rift, labor unity henceforth probably will be nominal, although it may revive on some bread-and-butter issues on the local level. This portends a period of reduced labor militancy on the national level, at least in the short term, as well as a growing polarization of the work force that may diminish the unions' role. [redacted]

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The French Unions

Labor unions in France, generally less militant than their British and Italian counterparts, were initially buoyant under a government of the left that alone

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³ A decree law must be approved by Parliament within 60 days of enactment, or it will lapse. [redacted]

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among the Big Four pursued expansionary economic policies to combat the recession and implemented new workers' rights. The negative consequences of these policies, however, led the government to switch to a regimen of austerity in 1982, resulting in erosion of real wages, a large number of business bankruptcies (with fewer government bailouts), and higher unemployment. [redacted]

For the most part, leftist labor groups continue to back the government despite its turn toward economic austerity, including a temporary wage and price freeze in 1982. Most of the rank and file are mindful of the alternative to the current government and, according to opinion polls, recognize that French economic difficulties are inextricably linked to the broader West European industrial decline and to world economic conditions. As a result, many apparently accept the need for industrial restructuring. Nevertheless, French workers are increasingly restive, and each of the three leading labor confederations has sought to differentiate its position from the others in order to retain credibility among its rank and file. Consequently, as in Italy, labor unity has dissipated. [redacted]

Worker discontent thus far has erupted only in sporadic outbursts, which have been consistently supported only by the CGT. The government's plans for industrial restructuring—involving 200,000 job cuts in the sectors of coal, steel, shipbuilding, automobiles, and telecommunications—crystallized labor disenchantment and sparked considerable demonstrations throughout the spring. The Communist-dominated CGT took the lead in challenging the Mitterrand program, in close collaboration with the PCF, despite Communist participation in the government at the time. The other confederations, although often as vocal, were less active in rejecting the government's line. [redacted]

In some major industries, notably coal and steel, the CGT rode the crest of a wave of unrest that carried the other unions along; elsewhere, it set the pace. Coalminers struck nationwide in March to protest pit closures they estimated would cost more than 25,000 jobs over the next four years. In the same month, steelworkers in Lorraine rioted over reported government plans to cut between 12,000 and 20,000 jobs by

1987, and thousands of demonstrators brought the region to a halt on 4 April. In May the CGT closed down a large Citroen factory near Paris, to protest the laying off of 6,000 workers—14 percent of the company's work force—and the strike soon spread to four other factories. [redacted]

The militancy of the CGT contrasts sharply with the generally more conciliatory attitude of the CFDT and the FO, according to the US Embassy and press reports. They joined in the protests in Lorraine, but distanced themselves from the CGT's hardline rejection of the government steel plan. The CFDT was prepared to negotiate with the government, and the FO hedged its objections and acknowledged Mitterrand's good will. True, the CFDT did instigate the Talbot strike in December 1983, but, at Citroen in May, it took a milder line, while the CGT flatly rejected any compromise. [redacted]

Internal debates on the extent and duration of continued cooperation with the government wracked both the CGT and the PCF, according to the US Embassy [redacted] and kept up the pressure on the union for militant action. [redacted] the CGT, in fact, had taken the lead in urging the PCF to quit the coalition, a decision it finally made on 19 July, when the new Socialist Prime Minister, Laurent Fabius, refused to make concessions on the government's austerity program. The US Embassy notes that Henri Krasucki—not only head of the CGT but a member of the PCF Politburo—and other union leaders had been contending for months before the final breach that by sharing responsibility for unpopular economic decisions the party was fraying its ties to its working-class base. [redacted]

The West German Unions

The election of the Kohl government combined with the recession to unsettle West German unions, even though militancy is alien to the country's tradition of

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labor relations. With few exceptions, such as the metalworkers' and printers' strikes this year, the unions have been far less strike prone than their British, Italian, and even French counterparts (see chart). The waning of the German "economic miracle," however, is damaging the common assumptions upon which labor peace has rested. Although the social consensus is still intact, labor, industry, and government are increasingly wary of one another.

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[redacted]

Traditionally, the unions have been moderate in their wage claims, in part because labor is entrenched in the economic and political establishment.⁴ The codetermination laws put workers' representatives on the supervisory boards of most large private and publicly owned companies, giving them an especially large influence in the coal and iron industries. The unions themselves own several large companies that give them a stake in the overall health of the economy. The recession-induced shift in union priorities from wage increases to job preservation also is keeping down wage demands. Since 1981 all the unions have accepted annual wage increases below the inflation rate.

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[redacted]

Stresses in union relations with management and the Kohl government are jeopardizing labor peace, although it continues to hold, with notable exceptions. The hard economic times are forcing some employers to rescind supplementary wage and fringe benefit agreements at the factory level, as a metalworkers' union official told the US Embassy, and prompting a second look at concessions already made in other areas such as codetermination. The Kohl government's proposed social welfare cuts in maternity and other benefits, meanwhile, are modest in themselves. But to Germans accustomed to one of the most generous benefit packages in Western Europe, any diminution is a serious psychological loss. More significantly, the government, already suspected of attempts to compromise the traditional autonomy of the collective bargaining process, openly sided with the employers in the recent printers' and metalworkers' strikes, further straining its ties to labor.

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Nevertheless, even the metalworkers' strike, the longest and costliest West German labor conflict since the end of the Second World War, failed to override the fundamental unwillingness of most West German workers to undertake militant action and illustrated how far out of touch with the rank and file union leaders had become. Only a perceived threat to the solidarity of the union brought the metalworkers onto the picket lines, and, except for the leftist printers, no other union struck for the 35-hour workweek, although it has been a DGB priority since 1982.

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Led by the giant, left-leaning metalworkers' union, IG Metall, the DGB contended that a 35-hour workweek (at 40 hours' pay) would practically restore full employment—a claim most experts dispute. But at bottom, the unions were even more concerned to protect existing jobs with this scheme than to create new ones, according to the US Embassy. From the outset, the unions themselves were divided on the merits of the 35-hour workweek, and several, including the miners and construction workers, now find early retirement schemes a more attractive alternative. The textile workers' union settled for an early retirement scheme at the height of the metalworkers' strike. Moreover, the US Embassy and longtime observers of the labor scene all agree that the rank and file had never been consulted about the original decision to press the issue, and the leadership did not try to generate enthusiastic support until the strike was under way. During the past two years, opinion polls repeatedly have shown that at most one-third of all West German workers approve of a 35-hour workweek.

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Despite lukewarm worker interest, and the DGB's carefully qualified promises of support, the metalworkers' and printers' leaders decided to make the 35-hour workweek the principal subject of this year's labor negotiations, because preserving threatened jobs had become an urgent goal. In addition, the hard-leftist printers have a history of militant confrontation. They were prepared to strike this spring even though the failure of their last strike, in 1978, had left them so deeply in debt that they still had virtually no strike funds.

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Aware of their limited support—an April poll revealed that only 20 percent of IG Metall members favored a strike for the 35-hour workweek—the metalworkers decided to confine their action to Baden-Wuerttemberg and Hesse, in part because these were the two areas where they were most certain to win the 75-percent majority required by law in favor of a walkout. Even so, the 80-percent “yes” vote in Baden-Wuerttemberg was the lowest mandate for a strike in the metal industry since 1956. Only loyalty to the union—the foremost theme among interviewed workers—kept the rank and file off the job. The printers had to rely on strikes only in selected newspaper and printing plants, because of both worker apathy and lack of funds. []

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The strikers failed to draw much more than lipservice from the labor movement. The DGB did organize a mass demonstration in Bonn on behalf of IG Metall but successfully fended off the urging of militants for nationwide work stoppages. Even while the strikes were in progress, six unions, including an independent white-collar union, accepted expanded versions of the government’s early retirement plan in settlements that preserved the 40-hour workweek. []

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Once the metalworkers realized their isolation, and the government grew alarmed by the mounting political and economic costs of the strike, a face-saving compromise was cobbled together through mediation. IG Metall came to terms at the beginning of July and the printers soon settled for much the same benefits. Neither side achieved its stated goals. IG Metall failed to win a 35-hour workweek, and, even within the labor movement, there was general agreement that the settlement would create no new jobs. Nevertheless, the union did win a 38.5-hour workweek with no loss of pay, a useful step toward safeguarding existing jobs and a precedent for further reductions in working time. The price of this victory, however, was a wage settlement once again below the inflation rate, and renunciation of its hard-won right to control work schedules. At the same time, according to the US Embassy, employers believe that they are well placed to recoup at least part of the estimated 5 percent the settlement will add to their costs, because the newly granted flexibility in work schedules should enable them to raise productivity. []

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Outlook

We believe that, over the next year or two, trade union militancy in West Germany, and to a somewhat smaller extent in the United Kingdom, France, and Italy, will remain at a relatively low level, with only occasional outbursts of labor unrest in depressed regions or hard-hit sectors of industry. Relative moderation is likely to continue beyond 1985 in the United Kingdom and West Germany, although the potential for increased militancy exists, especially among left-leaning British white-collar unions, and in further union-government friction in West Germany. By the end of 1985, however, French and Italian unions may try to recoup their losses by taking more militant strike actions, and by attempting to mobilize their remaining clout at the polls. In our judgment, economic and political realities make it unlikely that renewed militancy will reverse the decline of the West European labor union movement. []

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Moderation in the Short Term

Union militancy in the **United Kingdom** is likely to be curbed at least through 1985 by continued high unemployment, especially in heavy industries where unions traditionally have enjoyed their greatest strength. Moreover, unions no longer can count on the unhesitating and unanimous support of their members, and moderates continue to preach cooperation with government and employers. The violence of the miners’ strike and the intransigence of its leaders also are discrediting militant tactics. Some unions are so fearful of layoffs and falling membership, especially in the engineering industry, that they are trading no-strike agreements and flexible work practices for exclusive organizing and negotiating rights—a significant departure from traditional British industrial relations. []

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The TUC annual conference in September demonstrated the unwillingness—and inability—of the unions to return to the mid-1970s style of confrontation. The “new realism” of 1983—a readiness to cooperate with employers and the government—is discredited, but hardly dead. Moderates retained the balance of power on the TUC Executive Council, albeit with a reduced majority. In striking contrast to

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its largely rhetorical support of the miners, the TUC decided to resume participation in the tripartite talks with the government and industry on economic development that it had broken off in March over the banning of unions at Cheltenham. We believe that this sort of limited cooperation with government and employers probably will continue, to the extent that government policies and employers' economic constraints do not wholly undermine moderate leaders, because there is no realistic alternative available to the unions. [redacted]

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The great exception to this increasing union moderation, the miners' strike, is likely to drag on for several months, having passed the 10-month milestone in mid-December with the two sides as far apart as ever on the central question of closing uneconomic pits. Beyond the immediate impasse, it will be difficult to reconcile the disputants, because at bottom they are struggling to decide who controls the coal industry. Moreover, although the strikers are suffering privations, they apparently feel prepared to endure them indefinitely, partly out of loyalty to the union, partly thanks to help from the national social safety net and financial aid or credit offered by local governments, other unions, mortgage holders, and local merchants. [redacted]

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The strike probably will peter out, in our judgment, once it becomes clear to a still-intransigent Scargill that the government and the coal board can outlast the isolated miners. Provided the government does not further undercut union moderates and provided it can keep the economy in fuel through the winter, we believe it will be difficult for militants to whip up more than verbal support for the miners. Eventually, we believe, a face-saving formula will be found that nonetheless preserves the NCB's freedom to close uneconomic pits. [redacted]

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Any such settlement of the miners' strike, however tactfully worded, will discredit militant tactics and leave the union—and the labor movement—noticeably weaker. The mutual recriminations within the NUM between strikers and those who kept working are bound to weaken it as much as the inevitable layoffs. Within the TUC, the split the miners' strike provoked will be slow to heal. The public display of labor movement disunity has already harmed its

reputation and diminished its effectiveness. At the same time, we believe a defeat for the miners is likely to continue the demoralization of British labor, already frustrated by its inability to mount an effective challenge to government policies that militants claim are intended to break the entire union movement.

[redacted]

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We believe that the **Italian** labor scene will remain relatively quiet at least through the autumn of 1985. Militant CGIL Communists may be expected to mark their differences from further austerity moves by a government excluding the PCI, but further modest reductions of the *scala mobile* when the current limitations that expire at the end of this year are likely to arouse less passion than the current one did.

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[redacted]

[redacted] Moreover, although the PCI appears prepared to thwart Craxi's program, the CGIL has carefully distanced itself from recent PCI efforts to hold a referendum on the cost-of-living adjustment reduced by Craxi's decree law. In our estimation, CGIL General Secretary Lama's enhanced prestige will enable him to maintain the moderate line he has consistently advocated, despite any PCI efforts to the contrary. Moreover, if he is succeeded at the end of 1985 by Bruno Trentin—currently the slight favorite, according to US Embassy interlocutors—relations with the other major federations may improve, further strengthening the hand of CGIL moderates. [redacted]

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[redacted]

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The destruction of the United Federation also is likely to lessen labor militancy on the national level in 1985. The labor movement is organizationally weaker now than it has been in nearly 20 years. Despite efforts by all three confederations to find common ground for renewed unity of action on bread-and-butter issues, it is likely to be many months before they can reestablish the coordination and easy working relationship they enjoyed before the split. They did manage to come together for a national strike in November—the first since the split in February 1984—in favor of

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fiscal reform, but, in Florence and Milan, leftwing workers hooted UIL speechmakers, signifying that a unitary strike does not necessarily demonstrate labor unity. In the interim, we believe the CGIL leadership will try to avoid militant tactics that would emphasize the gulf separating it from the other confederations or reopen the wounds it inflicted on its own Socialist minority. [redacted]

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We anticipate only selective displays of union militancy in **France** in 1985, although the PCF's departure from the government gives it and the CGT a freer hand to challenge Mitterrand's economic policies. Following the PCF congress in February 1985 and the redefining of party objectives, the CGT may launch a somewhat broader campaign against Socialist austerity programs, but we believe it will choose its targets carefully. The CFDT and the FO will continue to support the government, in our judgment, but workers' discontent, disillusionment with austerity measures, and fear of unemployment probably will inspire strikes in selected cases. [redacted]

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Although the CGT urged Communist withdrawal from the government, the confederation is reluctant to commit itself to a strategy of confrontation before it has had time to mull its choices and learn PCF wishes. [redacted]

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The CGT is likely to be constrained also by the unwillingness of other unions to join a general attack on the government. The CFDT still generally supports the Socialists, especially on wage policy. The less confrontational FO is not only glad to see the Communists out of the government, it has a reputed former member, Michel Delebarre, as Labor Minister. The important national teachers' union, FEN, is controlled by Socialists, and has been enervated by its recent unsuccessful campaign against the private school system. A major CGT campaign against government economic policy would court an embarrassing failure in the likely absence of support by these unions. The CGT had a foretaste of this on 25

October when it failed publicly to mobilize the rank and file in a civil servants' strike. In addition, we believe the CGT will wish to tread carefully to avoid giving the impression that, alone among the unions, it is trying to destroy a government of the left. [redacted]

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At the same time, the CGT has more leeway for promoting or exploiting industrial unrest now that the PCF is in opposition. Despite Mitterrand's success so far in defusing union demands one by one, even in industries such as steel and coal, where the CGT is strong, private-sector wages, shipyards, and national talks between labor and management over increased flexibility in hiring, firing, and benefits are issues the CGT may exploit. The climate of labor relations probably will deteriorate, in our judgment, since the government remains determined to push through its fundamental plans. Government intransigence may lend an air of legitimacy to CGT militancy and help to reestablish its traditional leadership of the French trade union movement. [redacted]

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The CGT also may adopt a more militant stance after the PCF congress in February 1985—if not in the runup to it—because CGT and PCF leaders believe their equivocation on economic policy, while Communist ministers were sitting in the Cabinet, badly eroded their credibility with their working-class base. To recover lost ground and to rebuild the morale of its cadres, the PCF may wish to accentuate its differences with the government, using the CGT as a spearhead. [redacted]

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Despite the growing stresses within the **West German** union movement, in our judgment, the probability of continued moderation is high for the next year. Old habits of cooperation die hard, and there is still broad agreement among union leaders, industry, and government on the limits of economic concessions. At the same time, this cooperation is growing strained. [redacted]

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Now that the pace-setting metalworkers have come to terms, similar settlements are likely to become the norm even for unions in favor of the 35-hour work-week. The large center-left public service workers union, OeTV, for example, which had demanded 10 paid days off as an equivalent to a 38.5-hour work-week, settled in November for a modest 3.2-percent raise in 1985 and two additional days off. More conservative unions, including the chemical workers, certainly will not abandon their accustomed moderation in upcoming negotiations with management.

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high proportion of women and part-time workers—traditionally hard to organize—and because, [redacted]

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[redacted] many white-collar workers are developing antiunion attitudes. [redacted]

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The political clout of the unions is shrinking—a trend we believe the unions will find hard to reverse—because falling membership is reducing the electoral base they can claim to represent. At the same time, although the unions almost certainly will maintain their symbiotic ties to parties of the left, those ties are visibly fraying. In West Germany and the United Kingdom, substantial numbers of workers voted for parties of the right in the general elections of 1983. In France and Italy, the unions have been made painfully aware how limited their influence is even over left-led governments. The unfavorable prospects for their affiliated parties in the next several years, moreover, argue for continued decline in the unions' ability to win favors from governments. Consequently, we believe that it will be difficult for the unions to recover the political ground they are currently losing, especially given their narrowing base of support. [redacted]

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The fundamental moderation of West German unions asserted itself even during the recent strikes. The DGB's pessimism about its remaining clout led it to restrict its support for the strikes, [redacted] We believe it will continue to offer only limited aid under similar circumstances, as long as the moderates retain the balance of power.

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Militancy and Decline in the Long Term

Beyond 1985, we believe the unions in the Big Four are likely to remain moderate, on the whole, since the trends currently putting them on the defensive are likely to continue to weigh on them at least for the remainder of this decade. Unemployment is almost certain to remain high through the end of the decade, economists generally agree, and governments are unlikely to change their austerity policies to create new jobs. Consequently, we believe fears for existing jobs are likely to make the unions tread warily before undertaking militant action on a national level. The continuing disillusionment of the rank and file with militant tactics also is likely to constrain the unions. On the other hand, should current policies of cooperation with governments and employers fail to yield results, moderate union leaders too may be discredited, further alienating workers from the unions. [redacted]

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Nevertheless, the potential for increased militancy exists, particularly in France and Italy. In Italy, all three confederations may undertake selective strikes in the autumn of 1985 and in 1986, in connection with the triennial contract negotiations in major industries. Moreover, some unions traditionally less amenable to central control, such as the metalworkers, may resume militant actions on the local level, regardless of confederation wishes. In addition, we believe that the impetus for more militant actions among Italian workers will grow, particularly in the industrial sector. The government's dim prospects for encouraging or creating service-sector jobs to offset industrial losses may prompt unrest in hard-hit industries. Labor leaders may be compelled to engage in militant behavior in order to reassert some of the strength that unions have lost with declining membership. Equally, government austerity plans and efforts to restructure industry may lead to disruptive action by threatened workers, comparable to last summer's strikes of CGIL longshoremen in Venice and Trieste—backed by the

In addition, unions probably will lose still more members—and with them political clout—as restructuring and the contraction of old, declining industries continue. At the same time, new service and high-technology industries are likely to remain less fertile ground for union recruitment, because they contain a

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25X1 PCI out of fear of losing a valued political base—to protest efforts to break their expensive and inefficient stevedoring monopoly. Finally, a change in PCI tactics or a government headed by a non-Socialist might prompt a more militant CGIL stance and remove a constraint on UIL freedom of action. In France, if the government's economic policies do not visibly ease labor's economic burdens and relieve its fear of large-scale layoffs in declining industries, we believe the militancy of all three major union federations is likely to increase.

Politically, the DGB leadership is likely to remain moderate during the next three or four years given the results of union leadership elections held during the last three years. Nevertheless, the potential for increased leftist influence remains, especially among the younger generation, and union leaders in any case will continue to try to mollify leftists in order to maintain labor unity.

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25X1 Even in the United Kingdom and West Germany, increased militancy cannot be ruled out. The miners' strike demonstrates that left-led militancy in Britain is far from over. Similar—though rather more limited—actions may occur over the longer term as other unions—like the dockers or the printers in the National Graphical Association—find themselves so squeezed by layoffs and falling membership that they have less to lose by challenging management and braving the antiunion laws. The brief dock strikes, the recently averted rail strike, and the narrow avoidance of selective strikes last fall by white-collar local government workers similarly show that job security and wage claims may spark worker unrest. In the public sector especially, which contains both declining industries with hard-pressed unions and public services with militant white-collar unions, we believe further outbursts may be expected.

25X1 In West Germany, the scope for militancy will broaden after 1985. The metalworkers already have served notice that they intend to push for a further reduction in the workweek when their current wage contract and the master agreement with employers expire in 1986. Employers privately fear a political spillover onto the 1986 negotiations because they will take place just as the union is choosing a new president—probably the present deputy leader, the militant Franz Steinkuehler—and only a few months before the 1987 national elections. Moreover, labor relations are likely to be clouded in the future because of the friction between the unions and the other social partners that has accumulated in recent years.

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