Can strike theories introduced in 1960s and 1970s explain different levels of strike trends in the Nordic Countries in 1980s and 1990s?

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ABSTRACT

This paper deals with strike theories that were put forward in the 1960s and 1970s which explain different levels of industrial conflict in various countries. Here the focus is on the Nordic countries.

Different strike theories and reasons for the high or low level of industrial conflicts is not the same for every country at the same period of time, every country has its peculiarities. All the Nordic countries except Finland were institutionalised early but the structure of collective bargaining and composition of politics was different. In Sweden, Norway and Denmark the collective bargaining was centralised in the 60s and 70s but in Finland and Iceland decentralised and in these latter named countries strike activity was high. It was not until late 80s and 90s that centralised collective bargaining occurred in these strike prone countries and simultaneously they experienced a reduction in strike activity.

In Sweden, Norway and Denmark the strong presence of social democratic parties along with social democratic hegemony within the labour movement played its role in enhancing industrial peace. In Finland and Iceland the left of the politics was divided, with small social democratic parties and strong communist parties. The labour movement was also divided with competition between communist and social democrats

Keyword: Industrial conflict, strike theories, decentralized collective bargaining, centralized collective bargaining, institutionalization of conflict.
I. Introduction.

In this paper I will try to demonstrate whether the strike theories introduced in 1960s and 1970s which explained different levels of industrial conflict in various countries can be used to understand the strike trends of the 1980s and 1990s. Here I will look at the Nordic countries, Sweden, Norway, Denmark, Finland and Iceland and explore strike activity in these countries. All these countries were institutionalised early except Finland. In Sweden, Norway and Denmark industrial peace was relatively stable in the 60s and 70s with social democratic hegemony within the labour movement and strong social democratic parties. In these countries the structure of collective bargaining was considerably centralised while Finland and Iceland experienced decentralised structure of collective bargaining, weak social democratic parties and divided left, both within the labour movement and politics and with strong communist parties. In these countries strike activity was very much higher than in Sweden, Norway and Denmark. In the 1980s and 1990s we have a totally different picture. The fall in strike activity in Finland and Iceland has been considerable. In both these countries the structure of collective bargaining is very much a like the centralised collective bargaining that the other Nordic countries experienced in the 60s and 70s, but the trend in Sweden and Norway in the 80s and 90s has been towards decentralisation and at the same time there has been an increased strike activity. While Denmark has been fluctuating between centralisation and decentralisation in collective bargaining the situation has remained much the same. It is difficult to say what explains this difference in the Nordic countries, every country has its peculiarities, what they all have in common for the last decade or so is the economic recession where unemployment is continuously rising and
the labour movement is bargaining under much more unfavourable conditions.

I will begin by introducing some of the strike theories that were put forward in the 60s and 70s and then I will write about individual countries and try to demonstrate how their experience goes together with these theories or whether the explanation in more pacified labour movement lies somewhere else, whether the ‘withering away’ of strikes is because of the ‘resurgence of labour quiescence’ or something else remains to be seen.

II. Strike theories, institutional and political theories.

Various strike theories explaining different levels of industrial conflict were introduced in the 60s and 70s. One approach was the ‘Institutionalisation of conflict’. (Dahrendorf, 1958; Kerr et. al. 1962; Ross and Hartman, 1960; Clegg, 1976; Kassalow, 1977 and Ingham, 1974). According to the theory institutional mechanism of negotiation such as collective bargaining procedure reduces industrial conflict (Bean, 1994). This theory has benefited from the fact that for a long period of time highly developed systems of industrial relations (such as in Sweden and Norway) have tended to be associated with low levels of conflict (Olafsson, 1982). Thus Sweden, Norway, and Denmark have often been singled out as an examples of countries which have developed a model system for industrial peace, characterised by a highly centralised labour movement, comprehensive formal means of negotiations, effective legal regulations of strike activity and efficient dispute procedure (Olafsson, 1982).

One important factor in the institutional theory is the structure of collective bargaining (Clegg, 1976). One of Clegg’s finding was that
patterns of industrial conflict were closely associated with collective bargaining structure and the difference in the level of conflict was mainly related to the institutional structure and characteristics of collective bargaining.

The ‘Institutionalisation’ theory was originally used by Ross and Hartman in the beginning of the 1960s (Bean, 1994). They tried to determine the factors which influenced strike activity within fifteen countries. They argued that countries with stable and unified labour movements recognised and accepted by employers and with well developed collective bargaining procedure were those which experienced industrial peace (Bean, 1994). So according to Ross and Hartman, centralised bargaining system reduces the level of industrial conflict ‘since worker and employer organisations are enabled to impose real behavioural constraints upon their respective member ‘ (Bean, 1994: 138). Sweden, Norway and Denmark fall into this category; in these countries the labour movement have had firm and stable membership and consolidated and centralised collective bargaining procedure (Bean, 1994).

But this alone does not explain the reduction in the level of industrial conflict. Within the industrial relations systems exist various institutions, some which depend primarily upon differences in the ‘industrial infrastructure’ (Ingham, 1974). The economic structure and mode of production of the country concerned is important. The prominent parts of industrial relations were influenced by the early stage of the course of industrialisation. One factor is the extent of the industrial concentration (Bean, 1994) where small countries have to rely on export and international market. Kassalow (ibid) argues that countries which primarily depend upon international trade understand the importance of the exports for their economic well being. This is the one of the
arguments that have been used to explain the low strike propensity of many western European countries (Bean, 1994).

Though the ‘institutionalisation’ explanation is a significant one it is not the primary cause of any substantial decrease in the level of conflict. As Korpi (1980) points out, looking at Sweden and other Nordic countries, the prominent changes in strike activity appears to lie elsewhere i.e. outside the scope of the industrial relations institutions. The explanation for reduced strike activity can be found in the political environment. Korpi along with Shalev (1979) comes to the conclusion that governments with strong social democratic governments or at least a strong social democratic presence in government and centralised and unified labour movement enjoy low level of industrial conflicts. Korpi (1980) claims in the case of Sweden, that the main factor in the decreased level of industrial conflict is to be found in the political changes which followed the election of the social democrats in 1932 and their continuous presence in office until 1976. The coming to power of social democrats gave the labour movement access to the political and legislative power which resulted in a reduction of the need to fight for rights in the industrial sphere. This brings to our minds the notion of Shorter and Tilly (1974) who described the strike as an instrument for political action, where the working class is not admitted into the political arena and is not allowed to take part in government process the strike weapon becomes a mean of workers participation in the political process.

For Sweden, Norway and Denmark strike activity fell after the second world war because it was no longer necessary for the labour movement to influence political decision-making through the use of strikes. Here the crucial factor is that industrial conflicts and arguments over distribution of national income production are shifted to the political
arena (Hibbs, 1978). Hibbs tries to explain the low level of industrial conflict in Sweden and Norway by referring to the effectiveness of social democratic governments ‘in socialising the consumption and final distribution of national-income’ (Bean, 1994: 148-149). Here the main thing is not necessarily the coming to the power of social democratic government, rather it is the change in policy of the distribution of national income by the welfare state policies.

We have looked at various strike theories but alone they are not sufficient to explain different strike trends between countries, every country has its peculiarities. The question is can we use these strike theories to explain the trends in strikes during the 1980s and 1990s. Is Ross and Hartman’s argument of the ‘withering away’ of strikes valid or is it as Shalev (1992) argues that the 80s and 90s mark a ‘resurgence of labour quiescence’, that unfavourable economic conditions and more aggressive government policies have weakened the bargaining strength of the labour movement. By looking at the Nordic countries Sweden, Denmark, Norway, Finland and Iceland I will try to answer these questions or as Shalev puts it whether there is a ‘convergent trend towards declining strike activity’ (Shalev, 1992: 102)

Comparing countries has many difficulties. One problem is the difference of strike definitions and method of compiling data. For the Nordic countries there are some different criteria for inclusions of stoppage in the statistics. For Denmark the minimum criteria for inclusion in statistics is 100 or more days lost, in Finland more than one hour duration, in Norway at least one day’s duration, in Sweden one working day lost (Employment Gazette Dec.1994) and in Iceland it is four hours of work or more and four workers or more involved. All of these five countries includes political stoppages but only Finland and Denmark includes indirectly affected workers. (EG Dec.1994 and Bean,
The method of compiling data varies. In Denmark there are voluntary reports from employers’ organisations sent annually to the statistical office, in Finland it is information from employers, employees and press, in Norway it is based on questions sent to employees’ and employers’ organisations, in Sweden it is press reports compiled by state Conciliation Service which are checked by employers’ organisations and sent to the Central Statistical office. (EG. Dec.1994). The Icelandic data is gathered by the Wage Investigation Committee, which is a standing commission with equal representation from main employers’ organisation and labour (Olafsson, 1982).

In an international comparison some of the known problems of comparability should be born in mind. The Nordic countries are a good sample of comparison because they are relatively homogeneous, both ethnically and religiously, they even share the same labour market (Yearbook of Nordic Statistics, 1992). In 1954 the Nordic countries entered an agreement about a common free labour market. This agreement allows nationals of these countries to take job and live in any of the countries without a special permit.

III. Sweden, Norway and Denmark, ‘The Nordic model’.

The literature of industrial relations often refers to the notion of ‘Scandinavian’ model or the ‘Nordic’ model of industrial relations. In this part of the essay I will talk about Denmark, Norway and Sweden since they have had relative low level of industrial conflict compared to Iceland and Finland. In Sweden and Norway the structure of collective bargaining has been relatively centralised (Kjellberg, 1992, Dolvik and Stokland, 1992) but Denmark often experienced a fluctuations between decentralised or centralised bargaining round (Scheuer, 1992). In the 60s
and 70s there was a strong centralised collective bargaining process in these countries, strong social democratic parties which were often in government and relatively weak communist parties (see appendix). All these countries were ‘institutionalised’ early in the twenty century. In Denmark the so-called September compromise (September forliget) marked a beginning of the ‘historic compromise’. Employers prerogative was recognised by unions in exchange for recognition of basic trade union rights. The most essential factor for introducing these compromises was the ‘social democratic hegemony within the labour movement’ (Kjellberg, 1992: 89). In Norway similar agreement were reached in 1936 and in 1938 Sweden (Saltsjöbaden) with important precursor, the December compromise in Sweden in 1906 and the Metal compromise in Norway in 1905. All these three countries had strong labour movements represented by strong social democratic parties with great strength and influence in the political sphere. They all contained the main factors that were conducive to industrial peace according to the strike theories of 60s and 70s. Centralised structure of collective bargaining (Ross and Hartman, 1960 and Clegg, 1976), strong social democratic governments amongst centralised and unified labour movement (Korpi and Shalev, 1979) and the pursuing of interventionist economic and social policies where the government moved the locus of conflicts out of the labour market and into the political arena (Hibbs, 1978). These countries have had relatively low volume of strike activity and short duration of strikes, except Norway with higher duration (see appendix). But in the 1980s there was a backdrop in the typical industrial peace of the ‘Nordic’ type along with increased tendency (Kjellberg, 1992) towards decentralised collective bargaining.
In Denmark (Amoroso, 1991) the labour movement had a much more limited negotiation power in the 1980s because of state intervention. The coming to power of the Conservative-liberal government, under the leadership of Paul Schluter in 1982, was a watershed. The political climate became less friendly for the labour movement and the new government introduced labour market policies which aimed to diminish the influence of trade unions and their membership (‘Thatcherism’ in Denmark?). Trade union leaders lost their close contacts with ministers (Scheuer, 1992), unemployment benefits were lowered and the corporatist system of co-operation was reduced.

During the 1980s there was an increase in the level of industrial conflict with a peak year in 1985 which ended in state intervention because of increased politicisation of collective bargaining since some of the major unions ‘saw industrial confrontation as a way of bringing down the Schluter government’ (Scheuer, 1992: 189) For the last couple of years the strike rate has been falling and the ‘Nordic’ way (Scheuer, 1992) of handling conflicts and collective bargaining in a ‘institutionalised’ manner is still the fact in Denmark.

Denmark as with the other Nordic countries have been going through economic recession. Unemployment in Denmark has been relatively high since the beginning of the 70s compared to the other Nordic countries (see appendix) and current unemployment in Denmark is more than 12% which might affect the shape of collective bargaining (Edwards and Hyman, 1994) and made the labour movement more pacified (Shalev, 1992).

In Norway the alliance between the Labour party and labour movement (LO) has allowed the trade unions to maintain a compromise with the employers organisation (NHO), (Dolvik and Stokland, 1992). There has
been a long tradition of peaceful co-operation between the labour movement and employers. The structure of collective bargaining has been fairly centralised (ibid) with the state as an active participant in collective bargaining. From the mid 70s the stability of the Norwegian model has been reduced by structural changes. The Norwegian system of industrial relations has been confronted with pressure for change because of a growing internationalisation of the economy, changing structure of employment and tension within the political system (ibid). During the 80s Norway experienced both economic and political fluctuations, oil crises and increased unemployment (see appendix). In the beginning of the 1980s there was a radical ideological shift away from ‘state-led centralised corporatism’ (Dolvik and Stokland, 1992: 158) with the election of the Conservative government in 1981 under leadership of Kari Willoch. But a new labour government took over in 1986 and from that time there was a resurgence of ‘centralised corporatism’ (ibid: 155) where the leaders of the labour movement moved away from class politics to shoulder more economic responsibility. The year of 1986 signalled a radical change in the tradition of peaceful bargaining, the employers confronted the central negotiation procedure and insisted that only local wage increases should be granted to unions. (Dolvik and Stokland, 1992).

The state in the 1980s has not contributed as much as it did before in favour of centralised bargaining, one reason is the decline of the social democratic hegemony and trends towards market oriented policies. (ibid). The centralised bargaining structure is not as strong as it was, both in 1988 and 1990 the social democratic government, after consulting with LO and NHO, introduced a statutory pay freeze. Today the pressure on the Norwegian industrial system still exists (ibid). Unemployment has increased (see appendix) from being below 1% in
the 60s to much as 6% in 1994. But unlike other Western European countries which have been going through a period of recession (Shalev, 1992) Norway along with Sweden has experienced an increase in strike activity. According to Shalev a partial reason for this is that the dominance role of blue collar workers to initiate the bargaining proposal throughout the economy was undermined ‘by growth of unions and militancy in white collar and sheltered employment’ (Shalev, 1992: 113)

The Swedish model of industrial relations has often been called the model system of industrial relations with highly centralised bargaining system and co-operation between unions, employers, and social democratic government as neo-corporatism (Meidner, 1992). The most interesting part of the Swedish model is that through the years the Swedes have developed a system for solving the central problems for industrial societies by keeping full employment, economic growth, social security and industrial peace (ibid). The secret behind growing prosperity during the 50s and 60s (Rehn and Viklund, 1990) was the co-operation between labour movement and management, this co-operation facilitated industrial peace.

The ‘historical compromise’ in 1938 (Saltsjöbaden) set out a system of rules and procedures for negotiations and by 1956 a system of centralised bargaining between employers (SAF) and labour movement (LO) had emerged and it lasted for over 35 years. Centralised bargaining procedures (Kjellberg, 1992) suited the interest of both LO and SAF. For employers, centralised negotiation represented a means of moderating pay settlements as well as minimising industrial action. For the labour movement central negotiations were seen as the most appropriate means of implementing its policy of wage solidarity (Meidner, 1992), whereby
wage differentials are compressed and employees receive equal pay for equal work.

For 44 subsequent years, 1932-1976 Sweden was ruled by social democratic governments and it was pressure from such government (Kjellberg, 1992), reinforced by the close relationship between LO and the social democratic party (SAP) that promoted the policy of co-operation between LO and SAF manifested in the Saltsjobaden agreement in 1938. [Fulcher 1987 (see Edwards and Hyman, 1994: 256) points out that the institutionalisation of class conflict which resulted in the signing of the Saltsjobaden agreement was not only because of the shift of labour influence to the political power but rather a change in employers strategy. They feared state intervention and therefore they agreed on seeking regulation of conflict through co-operation with labour movement.]

In exchange for social reforms and improved living conditions the labour movement were ready to shoulder social responsibility. The link between SAP and LO provided a ‘two way channel’ of discussion (Kjellberg, 1992) and influence between government and LO. The employers also used informal channels, influencing governmental policies (ibid) by means of ‘non-political’ experts and through representation on government rather than supporting the bourgeois parties in parliament and mounting a political challenge to SAP.

In the 1980s there has been a change in the traditional centralised bargaining structure of the Swedish model (Kjellberg, 1992). Swedish employers are seeking for a more decentralised bargaining procedure. The Engineering Employers Federation (Rehn and Viklund, 1990) introduced decentralisation to the bargaining process. In 1983 the SAF refused to participate in the central negotiations and introduced a new strategy for decentralising wage policies. In 1984 the engineering
employers and metalworkers union signed a separate agreement without interference of the LO and in 1992 (Kjellberg, 1992) the SAF no longer took part in government committees. Their policy was, that it should be the role of the government to run the country and by withdrawing from all governmental bodies the SAF had more freedom to shape its own policy and claims. The employers intention was to influence government directly rather through participation in state agencies. The political climate in Sweden was also changing, in 1991 with the election of Conservative and Liberal government under leadership of Carl Bildt the environment became more friendly towards employers (Kjellberg, 1992). The new ‘ideology’ encouraged employers to go for a profound change in the system.

The level of conflict during the 1980s in Sweden has been increasing. Part of the explanation is the ‘centralisation within the group of white collar and public sector unions’ (Kjellberg, 1992: 164) and more fragmented labour movement with a system of unions blocs relatively equal in strength. The LO no longer had a dominant position. The economic condition in Sweden during the 80s were not as favourable as they were during the period when the LO and SAF agreement was a rule without exceptions. Increased inflation and unemployment (see appendix) did not act as a deterrent in strike activity (Edwards and Hyman, 1994) as it did elsewhere in Europe. In Sweden (Shalev, 1992) the number of workers involved in strikes grew from an annual average of only 1000 days lost in the 1960s to nearly 40000 in the 1980s. As Shalev argues that the strike activity in Sweden has become too ‘extensive to justify characterising it as a country of industrial peace’ (Shalev, 1992: 112).

IV. Finland and Iceland, no longer the exception?
One of the characteristics of Finnish industrial relations is the high level of industrial conflict (Edwards and Hyman, 1994) where the high strike rate has been dominated by the timber industry. According to Lilja (1992) the system of industrial relations has lacked long term consistency with the main changes taken place in the structure of collective bargaining. The structure of collective bargaining in Finland was different from the other Nordic countries where industry level collective bargaining was established early in the 20th century but in the case of Finland the Finnish employers refused to participate in collective bargaining until after the second world war (Edwards and Hyman, 1994 and Lilja, 1992). Since late 60s the Finnish industrial relations system has become more a like the ‘Nordic model’ (mainly Sweden) but the main difference was the high strike activity (Lilja, 1992). One of the main resemblance towards the ‘Nordic model’, according to Lilja was the trend towards more centralised collective bargaining.

One of the reasons for high strike activity in Finland relates to the late recognition of employers’ confederation in accepting union representatives as the negotiating party (ibid), this acceptance did not occur until the end of the 60s and the institutionalisation mechanism for workplace industrial relations was not established until late 70s. One crucial factor in explaining the militancy of the labour movement is, according to Lilja (1992) the political rivalry within the labour movement amongst the political parties of the left. Within the Finnish labour confederation SAK, there has been competition since the 1960s between social democrats and communists and among communist themselves which were diveded since 1969. This political division within the labour movement has made it difficult to put constraints on various blocs within the labour movement. As Lilja (1992) points when
elections take place within the unions, strike activity increases because competition between communist and social democrats for positions inside the trade unions facilitate a militant attitude in collective bargaining round. Thus unions have a tendency to move away from the centralised agreement and independently they try to get better agreements by threatening a strike.

The reduction in strike level is not only because of the changing structure of collective bargaining there are some other factors. Finnish economic performance has been improving for the last two decades (Lilja, 1992) and the standard of living has been increasing. Economic growth has created an opportunity for ‘political exchange’ between government and the labour movement. [Though the Finnish economy has been growing in the 70s and 80s the effects from the sudden collapse of its largest trading partner, Soviet Union has been considerable. And in the last couple of years Finland has been going through recession with unemployment as high as 19% in 1994 (Economist, 1994)].

Finnish governments have generally consisted of coalitions between socialists and non socialists and the communist party who have been relatively strong, (see appendix) (Lilja, 1992). However, over the last years the position of the communist party, SKDL, representing communist and radical leftist has been weakening both in parliament and labour movement followed by the political upheaval in Eastern Europe, mainly the disintegration of the former Soviet Union. The Finnish People’s Democratic League, SKDL, was formally dissolved in 1990 and from that time the political party representing socialists was called the Leftist Union (Berglund, 1991). The role of the social democrats has been crucial, it is the largest political party and the backbone of the government. So by the fall of the communist the social democrats have
come more closer to a hegemony in the labour movement as in Sweden, Norway and Denmark.

If we look at Finnish industrial relations from the view of the strike theories mentioned earlier, Finland has lacked the consistency that their neighbour nations Sweden and Norway have had. The absence of the ‘historical compromise’, decentralised collective bargaining, employers that did not want to participate in collective bargaining, a divided labour movement with great competition between social democrats and communist and divided left arm of the politics with relatively small social democratic party (compared to Sweden) and strong communist party are not factors which are conducive to industrial peace according to strike theories.

If we look at Shalev (1992), the link between unemployment and reduction in strike activity could be one factor explaining the changes or in all respects shaping the bargaining policies (Edwards and Hyman, 1994) between labour movements and employers. Thus increased unemployment, economic recession, more centralised collective bargaining and weakening of the communist both in the political sphere and within the labour movement plays its role in the reduction of industrial conflict in Finland.

Iceland is of interest for the institutionalisation and political theory because it has a ‘Nordic’ type industrial relations system, which is commonly associated with a very high regulation potential (Olafsson, 1982). But unlike Sweden, Norway and Denmark the level of industrial conflict had been very high until the late 80s and 90s.

The main legislation on unions and industrial conflicts was introduced in 1938 and has changed little since (Backman, 1978). The law was modelled on similar laws in Sweden, Norway and mainly Denmark.
Thus unions were legally recognised as the main bargaining body on behalf of employees (ibid).

The Icelandic labour confederation, the ASI, represents both white collar and blue collar employees and plays an important role in the collective bargaining process. The confederation harmonises the strategies of its affiliated unions and it usually negotiates with the employers’ organisation, the VSI, on issues which concern all the unions equally (Olafsson, 1982). The bargaining process often leads to a ‘frame agreement’ which forms the basis for formal agreements on a national level. At local level the members unions negotiate more specific issues which the ‘frame agreement’ does not cover. The policy of the labour confederation is to represent all the individual unions and to accumulate the bargaining power by facing employers with a united front (Olafsson, 1982). The labour confederation does not always succeed in this and often the result is either a centralised or decentralised bargaining process.

The main difference between Iceland and the other Nordic countries is the scope that individual unions bargain on behalf of their members, and though the ‘mother federation’ ASI has reached an agreement with the employers organisation, individual members of the trade unions have to ratify all agreements at local level by a vote, this applies to frame agreements as well as special agreements. In the other Nordic countries the ratification of the ‘frame agreement’ takes place at confederate rather than union level and the vote is binding for all the unions members. Thus Icelandic collective bargaining procedure is either centralised, when individual unions transfer their bargaining right solely to the ‘mother federation’ and agrees to ratify the ‘frame agreement’ in forehand or decentralised when individual unions bargain with employers organisations themselves. According to this the structure of the Icelandic labour movement is much less centralised compared to the other Nordic
countries. The general rule (Snaevarr, 1993) is that centralised bargaining process occur when the labour movement, during recession, is defending its member purchasing power but during prosperity individual unions aim their demands toward employers in hope for increased wages.

Unlike their counterparts in Sweden and Norway the Icelandic employers organisation is at the present time calling for more centralised labour movement (Thorarinsson, 1991), they want the ‘frame agreement’ to be binding for every union and its members.

Though the Icelandic industrial relations system resembles the other Nordic systems (mainly Denmark) the industrial conflict has been, until last seven years, endemic. As Korpi and Shalev (1979) points out, in Iceland ‘involvement in strikes since the 1960 has been higher in relative terms than in all but three of the eighteen countries we have studied, and conflicts are also relatively long duration’ (Korpi and Shalev, 1979: 184). The volume, working days lost in Iceland (see appendix) is very high compared to other Nordic countries. What explains this high strike activity since Iceland possesses some of the characteristic which have often been regarded as conducive to industrial peace? For example, the country is very small in terms of population, ethnically and religiously homogenous and the country is extremely dependent on foreign trade. Apparently these characteristics have not been effective as deterrent of industrial conflicts in Iceland. Olafsson (1982) comes forward with two main explanation of high strike activity in Iceland. First, the union movement has been occupied in an intensive struggle against frustrating economic policies which have affected the outcome of the bargaining agreements. Secondly, the organisational structure of the labour movement is also an important factor, the lack of effective political representation of the labour movement and the structure of collective
bargaining are crucial factors. The lack of leftist governments (only 3 since WWII) has as Hibbs (1978) suggests failed to move the locus of class struggle out of labour market and into the political arena. Icelandic politics have been dominated by a large Conservative party and a divided left, with a small social democratic party and strong communist party (see appendix). The notion that leftist governments tend to move the struggle out of the labour market and into the political process can be clearly seen by coming to power of the leftist coalition government in 1971 without participation of social democrats. This government (Olafsson, 1982) co-operated and consulted with the labour movement. For the first time since 1960, an agreement between unions and employers was in force and it lasted for two years. The unions were bargaining in much more favourable condition and real wages rose. In 1970 there were 65 stoppages and total 304000 days lost but in 1972 only 5 stoppages and 12000 days lost, (Wage Committee, 1994), the record low for the 70s.

For the last seven years or so there has been a dramatic fall in strike activity, in 1990 there was only one stoppage and 231 days lost and in 1993 two stoppages and 120 days lost. One of the explanation of this reduction in the level of industrial conflict could be as Shalev (1992) suggests, are unfavourable economic conditions and that workers are, as they often do during times of recession, ‘storing up grievances’ (Shalev, 1992: 103). What the Icelandic economy has been facing is serious recession caused by a dramatic fall in the cod catch, which is the main export production (record low since WWII). In the wake of the recession the Icelandic government (now a coalition between conservatives and social democrats) has asked the labour movement (Kristinsson, 1993) for a more responsible policy and to moderate its demands, in exchange the government has promised to emphasise on increasing employment. The
result of all this has been the so-called ‘national concertation’ (ibid) where the structure of collective bargaining has been becoming increasingly centralised and the ‘mother federation’ is bargaining on behalf of its affiliated unions, both for white collar workers and blue collar workers.

As Shalev (1992) argues, there is little knowledge about the accurate nature and scope of the ‘resurgence of labour quiescence’. Among the possibilities that Shalev mentioned is that the decline in industrial conflict in favour of more co-operation could be limited to certain sections of the labour market where some parts of the labour market continue to show labour militancy. In Iceland this appears in more pacified private sectors in contrast with volatile public sector industrial relations. The public sector employees only received the right to strike in 1977 (Backman 1978) and since then they have counted for the majority of strikes in 1977, 1984 and 1989.

Iceland like other Western European countries has experienced increased unemployment. In the first decades after WWII the unemployment was low, below 1% and sometimes there was a shortage of labour but current unemployment is more than 7% (see appendix). Maybe this increased unemployment has reduced the strike activity (Shalev 1992) or affect the bargaining policies between the labour movement and employers (Edwards and Hyman, 1994). One of Shalev’s (1992) conclusions is that strikes have declined because workers are building on their little resources and ‘that their militancy tends to evaporate in the face of determined employer resistance’ (Shalev, 1992: 121). In Iceland the bargaining position for employers is much stronger and they only listen to demands for pay rises in return for more flexibility and rationalisation, and this bargaining advantage has
encouraged employers to hold out for victory since the Icelandic working class can not ‘afford’ to go on strike.

V. Conclusion.

According to the above we can see that different strike theories and reasons for the high or low level of conflicts is not the same for every country at the same period of time, every country has its peculiarities. All the Nordic countries except Finland were institutionalised early but the structure of collective bargaining and composition of politics was different. In Sweden, Norway and Denmark the collective bargaining was centralised in the 60s and 70s but in Finland and Iceland decentralised and in these latter named countries strike activity was high. It was not until late 80s and 90s that centralised collective bargaining occurred in these strike prone countries and simultaneously they experienced a reduction in strike activity. But it is difficult to discriminate between cause and effect. Is the reduction in strike activity in Iceland and Finland due to change in the structure of collective bargaining or as Shalev (1992) suggests that unfavourable economic condition has made the labour movement less militant? Sweden and Norway have been going through recession but unlike other countries the strike activity has increased, part of the explanation could be the change in the structure of collective bargaining towards more decentralisation or change in the composition of the labour market with white collar and sheltered employment more militant.

In Sweden, Norway and Denmark the strong presence of social democratic parties along with social democratic hegemony within the labour movement played its role in enhancing industrial peace. In Finland and Iceland the left of the politics was divided, with small social democratic parties and strong communist parties. The labour movement
was also divided with competition between communist and social democrats. In Iceland the lack of leftist government only three since WWII could be a part of the explanation of the high strike activity in this tiny country, or as Kassalow (1959) argues ‘that the lack of a clearly defined labour party necessarily will continue to throw heavy burdens on collective bargaining’ (Shalev, 1980: 28).

What explains the reduction in level of strike activity in Finland and Iceland for last couple of years when Denmark is still relatively stable but Norway and Sweden experience an increase in strike activity? Is what Shalev (1992) suggests that the ‘resurgence of labour quiescence’, because of unfavourable economic conditions along with aggressive government strategies the main reason for the weakening bargaining position of the labour movement? Or is it the change in the structure of collective bargaining a part of the explanation? One approach could be one which combines both. All the Nordic countries are experiencing economic recession and high level of unemployment but while decentralisation in collective bargaining is occurring in Sweden and Norway, with Denmark either centralised or decentralised collective bargaining, the collective bargaining in Iceland and Finland is continuously being more centralised. Thus it can be helpful to use institutionalisation and political theories to explain strike activity but alone they are not sufficient. There are more factors that have to be considered, such as unfavourable economic condition, increasing unemployment and change in the structure of employment.
Appendix. Tables.

**Frequency: Strikes per million employees.** (Source, Edwards and Hyman(1994). Figures for Iceland calculated from the Yearbook of Nordic Statistics).

<table>
<thead>
<tr>
<th>Year</th>
<th>DK</th>
<th>SF</th>
<th>NOR</th>
<th>SWE</th>
<th>ISL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-64</td>
<td>18.8</td>
<td>27.0</td>
<td>8.9</td>
<td>5.3</td>
<td>478.0</td>
</tr>
<tr>
<td>1965-69</td>
<td>13.0</td>
<td>41.3</td>
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**Volume: Days lost per 1000 employees.** (Source, Edwards and Hyman (1994). Figures for Iceland calculated from the ILO).

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Duration: Average number of days on strike. (Source, Yearbook of Nordic Statistics).

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The electoral outcome of social democratic parties (SDP) and communist parties (CP) in Iceland, Finland, Sweden, Norway and Denmark since WWII. Average percentages. (Source von Beyme and Yearbook of Nordic Statistics).

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Unemployment in the Nordic countries, average percentages per period. (Source, Yearbook of Nordic Statistics, figures for 1994 are from The Economist 5th November 1994).

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VI. Bibliography.


13. *Frettabref kjararannsoknarnefndar* (Reports from the Icelandic Wage Committee) various issues.


