



INSTITUTO PORTUGUÊS DE RELAÇÕES INTERNACIONAIS
UNIVERSIDADE NOVA DE LISBOA

WORKING PAPER 19

The Europeanization of Portuguese Interest Groups? Trade Unions and Employers' Associations

Sebastián Royo,

Director Suffolk University Madrid Campus; Associate Professor of Government, Suffolk University-Boston; and affiliate and co-chair of the Iberian Study Group at the Minda de Gunzburg Center for European Studies, Harvard University

Introduction

The process of European integration has exerted significant influence in the industrial relations realm, not only through the implementation of the *acquis communautaire* and European regulation on social affairs, but more importantly by fostering the opening of the Portuguese economy to increasing competition, which has led to privatizations, downsizing and internal restructuring of economic sectors, and the liberalization of the economy. These developments have generated pressures and have had enormous influence in the social actors contributing to the emergence of a new pattern of industrial relations. Yet, the legacies of authoritarianism and the experience of the revolutionary period have hindered efforts to institutionalize a modern and stable industrial relations setting based on trust and cooperation. This paper will look at the transformation of the Portuguese trade unions and employers' associations and outline the main features of the Portuguese industrial relations framework.

Historical Background

In Portugal a military coup installed a new authoritarian regime in 1926. In the 1930s the establishment of an authoritarian corporatist regime (the *Estado Novo*, or new state) by the new dictator, António Salazar (1932–68), and the approval of a new constitution in 1933, led to the replacement of all independent political parties by the *União Nacional* (National Union, UN), and the banning of all independent unions in favor of new corporatist bodies. This regime lasted for over forty years.

The long legacy of intervention by an authoritarian corporatist regime has left a strong imprint on the configuration of the Portuguese labor market and its trade union structure. The regime was also characterized by direct state intervention in the economy and authoritarian regulation of labor relations through corporatist institutions. The state was in charge of licensing new firms, external tariffs, foreign investment, finance, planning, and control over prices, wages, and rents (Barreto 1992, 452). A modified version of the Italian National Labor Statute (the *Estatuto de Trabalho Nacional*) was introduced. It would regulate labor relations and interest group representation for the next forty years. The authoritarian government sought to supersede the class struggle. In the industrial relations' realm, the regime created a corporatist system of industrial relations based on *sindicatos nacionais* (national trade unions) and *grêmios* (employers' guilds), which had a legal monopoly of representation and were controlled directly by the government. While union membership was voluntary, nonmembers were forced to pay dues and the government promoted collective bargaining very early, although it was a state-directed process, and since it was voluntary, it happened very rarely at company level. Until the 1960s wages and most labor regulations were established directly by the government. The law admitted only individual grievances. Strikes were illegal and repressed.

The long heritage of authoritarian corporatism led to a state-dominated industrial relations' setting. During the last period of the regime, the new leader,

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations***Sebastián Royo*

Marcelo Caetano, tried to foster more union autonomy and strengthen collective bargaining—which became legally compulsory—to improve productivity, management, and increase wages. These reforms introduced limited autonomy and fostered collective bargaining. Strikes remained illegal, but the government developed state-sponsored conciliation and arbitration procedures to address industrial disputes. The organization of free elections in union organizations resulted in the penetration of these organizations by people opposed to the regime, particularly Communists. They mobilized workers against the regime, which led to repression in the regime's final years, and a dramatic radicalization of class relations in the transition period. These activities resulted in a renewed membership drive, fostered by the new status and respectability of these organizations.

The fall of the regime in 1974 resulted in the dismantling of the corporatist system. In 1974 military officers concerned about the future of the country and disaffected by the colonial wars staged a coup that ended the authoritarian regime. This triggered a democratic transition process that had enormous consequences for Portugal's labor market and economic institutions. The transition to democracy, however, was not smooth. Democratization was threatened in 1974–75 by a Communist revolutionary movement, which was directed toward the construction of a Socialist society, and took the country to the brink of conflict. The social and political climate during the revolution was radically anticapitalist. The Communist Party gained control of the Ministry of Labor and another government post. This resulted in a shift in the balance of power in favor of the workers who exerted pressure, including intimidation and violence, and led to a spectacular increase in pay and social security benefits.

This revolutionary period, although short, left an enduring legacy in the country. As we have seen, in contrast to Spain, where the unions largely submerged their ambitions within the overall project of gradual reform, in Portugal the revolutionary nature of the transition process fostered workers' radicalization, deepened resentment between workers and employers, and hindered the development of a new bargaining culture based on compromise. This legacy is still felt in the country and has hindered the modernization of the Portuguese industrial relations system. In addition, state intervention increased during the revolution and the new constitution enshrined a new system of industrial relations very favorable to Portuguese workers. All national banks and insurance companies, as well as many manufacturing firms, were nationalized. At the same time, the revolutionary government approved new labor laws that were inflexible. For instance, norms regulating redundancies, dismissals, and the rules on severance pay were very restrictive.¹ Moreover, the constitution of 1976 enshrined the right to job security, and this prevented successive governments from reforming the labor laws. Social security was extended to the whole population in 1974, but some benefits remained low for European standards. Furthermore, most workers were covered by statutory regulation, the government introduced a minimum wage in 1974 that is revised every year, and it approved a new law in 1975 that made collective dismissals difficult. These measures were slowly reversed in the 1980s when successive governments led by the liberal-conservative Social Democratic Party, PSD, reformed the constitution and approved labor laws introducing a more flexible

legislation that facilitated collective dismissals and reduced the costs of severance (Barreto 1992, 454–55; Barreto and Naumann 1998, 402). These developments resulted in a dramatic deterioration of economic conditions, with mass unemployment, high inflation, huge budget deficits, and recession that exerted heavy pressures on the labor market and on companies, and led to deflationary policies by subsequent governments. Failed coup attempts in 1974 and 1975 gave way to a new phase in the transition process that culminated in free elections based on universal suffrage in 1975 and 1976. After the elections the Socialist Party (PS), led by Mario Soares, became the largest party, and the Community Party was excluded from power. A new constitution was approved in 1976. This paved the way for the establishment of a new industrial relations framework. The following sections will outline this development.

The Main Actors

Trade Unions

A Communist-led union coalition (*Intersindical*) emerged from the illegal and clandestine union opposition movement during the authoritarian regime. This union formed the basis of a national labor confederation after the Revolution, *Intersindical Nacional*, which emerged in 1974 when it gained control over most national unions. Two-thirds of existing unions joined *Intersindical* in 1974–75. *Intersindical* sought the monopoly of the labor movement and advocated a unitary labor organization.² The Communists' influence during the revolutionary period facilitated this objective, and the *Intersindical* achieved legal monopoly of representation under the union law of 1975. They failed, however, to control the rank and file. New representative bodies, the *comissões de trabalhadores*, or workers' commissions, emerged spontaneously in the workplaces outside of union control. The leaders of these commissions got involved in negotiations with employers, organized strikes, and in some cases even managed hundreds of small companies. Yet the leaders of these commissions opposed the Communist Party and challenged the dominant position of the *Intersindical*. They received support from organizations and individuals opposed to the PCP, which viewed them as an alternative to *Intersindical* (Barreto and Naumann 1998, 409). In 1976 these commissions were legally recognized by the constitution. Subsequently, they were regulated by a 1979 law that restricted their role, and attributed to them the supervision of management and the participation in the administration of welfare issues within the firm (see the section on collective bargaining below).

The end of the revolutionary period resulted in the approval of the 1976 constitution, which abolished the legal monopoly for the *Intersindical* (Nataf 1995, 131; Barreto and Naumann 1998, 410). The new constitution adopted a model of pluralistic representation, which allowed for the establishment of trade unions at any level. Pluralism reflected the divisions of the revolutionary period. Disputes within the left between the Communists and the Socialists/Social Democrats who resented the Communist control over the labor movement resulted in the organization of new unions in all sectors. After the collapse of the authoritarian regime, all parties sought roots in the working class, and party

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations***Sebastián Royo*

activists played a relevant role in the emergence of new unions. In a 1977 Congress the *Intersindical* became the *Confederação Geral dos Trabalhadores Portugueses*, (the General Confederation of Portuguese Workers, CGTP-IN).

Immediately after the formal abolition of the unity clause, thirty unions led by sectoral unions for the banking, insurance, and office employees came together, and with the support of the Portuguese Socialist Party, PS, and the liberal-conservative Popular Democratic Party (PPD, later Social Democratic Party, PSD) founded the *União Geral de Trabalhadores*, (the General Union of Workers, UGT).³ The major aim of the new organization was to challenge *Intersindical's* monopoly of the labor movement. This development led to union pluralism and interunion competition at the workplace level. As a matter of fact, UGT was able to achieve a near monopoly in certain sectors, such as the financial sector, and grew rapidly in the manufacturing sector by signing collective agreements refused by CGTP. The *Intersindical*, however, has been able to maintain a position of dominance within the labor movement. It has 150 affiliated unions (UGT has 63). CGTP is dominant in manufacturing, construction, electricity, road and urban transport, post and telecommunications, and large sections of the civil service. UGT, for its part, is dominant in banking, insurance, several industries and services, and education, as well as in white-collar occupations.

In the 1980s the number of unions increased dramatically as new groups sought to represent particular groups of workers. These new groups, however, do not consider themselves part of the union movement. This development has resulted in the fragmentation of the labor movement. CGTP represents 60 percent of unionized workers, UGT 30–35 percent, and independent unions less than 10 percent (Barreto 1992, 464–66; Barreto and Naumann 1998, 412). As we will see below, despite repeated attempts by UGT to consolidate and concentrate the union movement, fragmentation and divisions have remained. Only in 1988 did CGTP establish formal relations with UGT. In the 1990s there was a process of rapprochement between both unions, and some initiatives for both organizations to merge. Nevertheless, as we will see below, the relationship between both confederations remains strained.

At this point it is important to stress that the Portuguese legislature has not given preferential treatment to any unions. In Portugal all unions are the same and have equal rights. Despite being highly interventionist (e.g., in the procedures covering collective bargaining), the Portuguese law does not include any criteria for representatives or recognition procedures.

An important feature of Portuguese unions is their relative weakness and scarcity of financial resources (see Barreto and Naumann 1998, 412–15). As we will see below, membership declined dramatically in the 1980s after the conclusion of the democratic transition. They lack strong financial resources and often depend on external help for their survival. They also have few employees. Furthermore, a major feature has been the support given to unions by political parties. Up to the late 1980s, Portuguese Communist and Socialist trade unions have maintained historically interlocking directorates between parties and unions. Their different ideological orientations were mirrored in

their statutes and programs. Up to the late 1980s, union leaders had party responsibilities and in many cases political jobs. They have also been elected to Parliament. In Portugal the PS and the PSD have been dominant within the UGT, and the PCP within the CGTP. These institutional links between unions and parties still prevail in Portugal, although partisan control of the unions is also waning.⁴

Finally, Portugal experienced high levels of labor conflict in the 1970s. Most of it was politically motivated and connected to the transition to democracy. Industrial conflict, however, declined sharply in the second half of the 1980s, despite the success of the general strike organized separately by all major unions in 1988 to oppose the government's plan to liberalize the labor market and facilitate collective dismissals.

The Union Structure

In Portugal, union fragmentation has had deleterious consequences for collective bargaining because it has hindered efforts to centralize and rationalize the outdated structure of collective bargaining. The combination of political cleavages between the major unions, and the craft and territorial divisions imposed in the "vertical unions" during the authoritarian regime have hampered the development of strong and articulated union structures. This problem is particularly acute in Portugal where centrifugal pressures caused by regional, political, and occupational rivalries have generally impeded the development of concerted and unitary strategies by unions.

Dispersion and fragmentation are the predominant features of Portuguese union structure (Naumann and Stoleroff 2000, 557). Political schisms within *Intersindical*, coupled with the emergence of UGT and resistance from certain occupational groups (particularly office workers and professions with special functions) to integrate into centralized organizations, hindered efforts to centralize and rationalize the outdated union structure. As a matter of fact, the number of individual unions increased from 307 in 1974 to 383 in 1996. This was the result of two main processes. On the one hand, new unions were created in sectors in which union activity was banned during the dictatorship (i.e., the public sector in central and local administration, education, health services, and public enterprises).⁵ On the other hand, political competition and class consciousness intensified centrifugal pressures that hindered rationalization efforts.

CGTP and UGT remain confederations of vertical federations in which the degree of organizational consolidation varies. CGTP is a confederation of about twelve vertical federations complemented by unions at the local level organized within twenty district unions or *uniões* that have autonomous status within the confederation. To complicate matters further, many of CGTP's small union affiliates and even some federations (i.e., the teacher union) are not officially affiliated with CGTP but are associated and integrated into CGTP's structure. UGT, for its part, has a dual regional and functional organization. Its structure is unbalanced. It has sixty three affiliated organizations led by the three regional

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations***Sebastián Royo*

unions of bank employees, by the office workers' unions with an average of about 15,000 members, and by a large remaining group of smaller organizations.⁶ In addition, federations are less important within UGT, and they focus mostly on the coordination of collective bargaining. Furthermore, nearly 100 independent unions, mostly concentrated in the public service sector, are not affiliated with the two main confederations.⁷

Union fragmentation intensified further with the foundation of all public sector unions after the revolution and the emergence of new associations to cater specific interests of certain groups of workers and professionals in the second half on the 1980s. Political competition and status consciousness have intensified these processes. The consequence of these developments has been that since the revolution the number of service sector unions has increased considerably (see Naumann and Stoleroff 2000, 554–57). Finally, at the end of the 1980s, the PSD labor organization, TSD, decided to create a third confederation of its own and terminate the alliance with the Socialists. This attempt failed when the majority of PSD activists within UGT rejected this proposal and remained inside UGT. Consequently the so-called Convention of Independent Unions, CSI, has a limited social base and low representativeness, with only seven occupational unions and five sector unions. In sum, during the 1980s and 1990s there was a contradictory evolution within the trade union structures. On the one hand, CGTP and UGT attempted (with limited success in the case of UGT) to reorganize their structures and deepen their vertical integration. On the other hand, the emergence of new occupational independent unions intensified the fragmentation in Portuguese unionism. There are now 370 unions as compared with 328 in 1974 (Barreto and Naumann 1998, 410–11).

At the beginning of the new century, the basic institutions of Portuguese industrial relations are clear. Union members at the enterprise level elect union delegates who become the main interlocutors with management. When there are several unions present, the unions' delegates establish an enterprise-based interunion committee (Naumann and Stoleroff 2000, 550). Based on a 1979 law, in a limited number of firms, all workers elect worker commissions (*comissões de trabalhadores*), which in most cases are run by the dominant union representatives (Stoleroff 1995). Hence, in some medium-sized firms and in the majority of large companies, there is a dual model of workers' representation with trade union representation (in the form of shop stewards, joint shop-steward committees, or *comissões sindicais*) and the workers' commission. In practice, however, this dual system of workers' representation stipulated by law is the exception. The existence of these representative bodies depends largely upon company size and to a lesser extent upon union membership density in the company (see Stoleroff 1995). Furthermore, as we will see below, these workers' commissions only have statutory rights of information and consultation, and they exist only in a considerably smaller proportion of companies than do trade union organizations.⁸ In addition, the right to call strikes, negotiate, and sign collective agreements is reserved for union representatives. This institutional setting is closed at the macrolevel with the Standing Committee for Social Concertation (CPCS), a tripartite institution in charge of social bargaining.

Union Density

During the dictatorship membership in the "vertical" unions was compulsory except in those sectors, such as the civil service, in which union organizations were illegal. Hence, the collapse of authoritarian regimes allowed unions to "inherit" a large number of members. In addition, the disappearance of the official unions, which motivated workers to join new unions that could articulate their demands, coupled with the euphoria associated with the transition to democracy and the wish by Portuguese workers to participate in public life and contribute to the democratization processes, fostered the high levels of union affiliation (Naumann and Stoleroff 2000). Consequently, during the first years of the transition process, affiliation was high. Between 1979 and 1984, union membership (as a percentage of wage and salary earners) reached 58.8 percent of salaried workers (Cerdeira, 1997, 46; see also Stoleroff and Naumann 1993; Naumann and Stoleroff 2000, 557).

This development, however, proved short lived. The political and economic conditions for union participation deteriorated sharply in the second half of the 1970s. After the height of the transition period, unions failed to live up to the expectations of their affiliates and were not able to achieve outcomes favorable to their members. They also failed to develop services to affiliates that would have made membership more attractive. Therefore, once the transition euphoria dissipated, workers decided to cancel their memberships. In Portugal this process was hastened by the Socialist government's decision in 1977 to repeal the automatic deduction of union dues from wages, with the aim of weakening CGTP.⁹ The economic crisis that resulted in increasing unemployment, the significant rise in temporary work, and informal employment in the black economy,¹⁰ coupled with the growth of the service sector and the underground economy, as well as the emergence of new forms of business organizations wherein traditional blue-collar unskilled workers were no longer dominant, have also been mentioned as some of the reasons for the sharp decline in union membership during those years. Other explanations for falling membership include: poor member services, interunion competition, union politicization, and employers' pressures (Ribeiro, Leitão, and Harouna 1993). Finally, other authors have stressed the impact of the statutory extension of collective agreements to nonmembers. Since all workers benefit from the agreements, they have little incentive to join trade unions and pay union fees (Malo 2001; Bover, García Perea, and Portugal, 1997).

As a result of these developments, the proportion of union members in the labor force has declined sharply over the past two decades. The level of affiliation reached its bottom in the mid-1980s.¹¹ Between 1988 and 1990, there were approximately one million members or 30 percent of dependent employed (Naumann and Stoleroff 2000, 557). Since then union membership (as a percentage of wage and salary earners) has declined 44.2 percent between 1985 and 1995 and in 2000 stood at 25.6 percent. This places Portugal in the group of Western European countries with low to medium union density, significantly ahead of France or Spain. Union density is also unequally distributed. In Portugal union density is higher in the primary sector and public services, and it is slightly below the general level in private industries and services. In addition,

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

it is important to stress that in Portugal union membership is close to 100 percent in sectors where unions have the monopoly of health care provisions (i.e., banking, insurance, and telecommunications) (Bover, García Perea, and Portugal 1997, 14). For instance, in contrast with the general trend, banking unionism in Portugal approaches 90 percent and membership has doubled since the revolution.¹² Levels of unionization are therefore particularly strong in railways, banking, insurance, transport, and public companies, and rather weak in construction, commerce, textiles, food industries, and ceramics. In Portugal the combination of increasing union fragmentation, and an overall decline in union density has resulted in a decline in the total number of unionized workers per union (from 2,600 members per union in the late 1980s to 2,000 in the late 1990s) (see Table 1). At the end of the 1990s, CGTP and its closely associated unions represented over 71 percent of all unions members, and UGT less than 23 percent (see Naumann and Stoleroff 2000, 557–58).

Table 1: Reported Membership by Selected Unions in Portugal, 1995–98 (1,000s)

	CGTP		CGTP*				UGT	
	STFPS A	STIM MDP	CESP	SEP	STAL	SPGL	SBSI	SBN
1995– 8	35.7	19.8	26.8	17.4	44.6	19.9	49.7	18.9

Source: Naumann and Stoleroff 2000, Table PO.19, p. 572.

CGTP*: Associated (cooperating) unions.

Business Organizations

The authoritarian corporatist legacy also left an important imprint in the configuration of employers' associations. However, in Portugal the business associations were not integrated into the corporatist "national vertical unions." Businesses in Portugal created their own organizations, the *grêmios nacionais*, or "national guilds." Businesses, however, were reluctant to take part in the guilds. As long as they were not organized, firms did not have to bargain with labor, and this offered firms a strong incentive to remain outside of the guilds. These guilds also lacked power and autonomy. The inefficiency of the system led to a profound transformation in the late 1950s. Unions and guilds were viewed as classic organizations that impeded the overcoming of the class struggle. Therefore, the government introduced a new system based on *corporaciones* (corporations) that excluded single-peak associations (Barreto 1992, 453).

Before the revolution, seven corporate groups, which have grown under the protection of the "New State," had dominated the Portuguese economy. This

situation changed dramatically during the democratic transition. Indeed, one of the main consequences of the Revolution of 1975 was the expropriation of the whole domestic financial sector and important industrial and service companies (including oil, breweries, steel, transportation, and telecommunications). This development, however, proved short lived. The Cavaco Silva governments, as part of a comprehensive liberalization and privatization program, privatized virtually all of them by 1995.

After the collapse of the authoritarian regime the Portuguese business guilds (*grémios*) were disbanded. During the democratic transition, employers lagged behind in establishing their associations. Businesses are now organized in two separate structures: the employers associations and the regional associations. Employers created the CIP (the Confederation of Portuguese Industry) in 1974, which claimed to represent all sectors, with the support of influential members of the two traditional regional industrial associations (*Associação Industrial Portuguesa*, AIP Lisbon, and AIP Port) that had operated during the regime. Its main organizational foundations lay in regional associations in textiles, metallurgy, and construction. CIP is the dominating force on the employers' side. It was created to protect employers' interests at a time in which they were threatened by the impetus of the revolutionary movement. At that time it waged campaigns against state intervention, restrictive labor regulation, "Marxist" economic strategies, and nationalizations, while leading the employers' struggle for survival. In more recent years its priorities laid in reducing the state role in the economy and improving the competitiveness of Portuguese firms (Barreto and Naumann 1998, 406–8).

In addition, the CCP (the Confederation for Portuguese Commerce and Service) was founded in 1974. It is not as powerful as the CIP because of the conflicting interests of its affiliates (wholesale versus retail) and the fact that employers in some important service sectors, such as transport, banking, and insurance, are not included. The third employers' confederation, the CAP (the Confederation of Portuguese Agriculture), organizes large farmers¹³ (Naumann and Stoleroff 2000, 549–50). These organizations have sought to defend the interest of businesses and have also acted as channels of communication with the government. Their major objective in the 1980s was the reform of the prolabor legislation approved during the revolutionary period. The CIP rejected any bilateral negotiations with the union confederation until 1990, but they participated actively in the *Conselho Permanente de Concertação Social*.

These organizations provide a wide range of services to member firms. Membership data on these associations, however, are not reliable. The CPI is the strongest organization. It has claimed to represent 35,000 private companies, or 75 percent of Portuguese firms (Barreto 1992, 461; Barreto and Naumann 1998, 407).¹⁴ Internal differences over strategies (i.e., on state intervention, economic policy, European integration, and competitiveness) and regional rivalries have hampered the functioning of these organizations. CIP gained further legitimacy and strength by the entry of AIP Port and AIP Lisbon in the late 1980s and early 1990s. Internal challenges are more deeply rooted in the other two organizations. CCP is divided between wholesalers and retailers, and the major supermarkets created their own association (APED) outside of

the confederation. This has led to constant battles between retailers and supermarkets. In addition, employers' associations in banking, insurance, and transportation continue to be outside the confederal structure. Finally, CAP's social base is being challenged by a new confederation, the CAN, that organizes small and medium-sized firms, which constitute the majority of employers in the agricultural sector (Barreto and Naumann 1998, 408).

The business sector is also represented by regional associations that provide services such as sales promotion, fairs, training, and technological advice to member firms. These organizations are smaller, but they are better organized at local levels. The largest one is the *Associação Industrial Portuguesa*, AIP, based in Lisbon. This dual structure of employers' representation has resulted in competition among them. These associations differ in critical issues such as the role of the public sector and the state, economic policies, the EU, trade barriers, and competition policies. These differences have prevented the integration of these associations. Successive attempts to set up a unitary organization to represent business have failed. Only CIP, CCP, and CAP are recognized by the state as employers' representatives in peak-level bodies like the CPCS (Barreto 1992, 461; Barreto and Naumann 1998, 408).

Industrial Relations Under Democracy

Collective Bargaining and Wage Setting

A minimum wage is set by law each year and collective bargaining agreements set a starting wage for each of the occupational categories established in the agreement, which also act as wage floors. Portugal shows high wage flexibility, and the wage floors by categories are set in collective bargaining agreements at a much lower relative level, which gives employers more flexibility in wage determination.¹⁵

Portuguese legislation does not define any criteria for "representativeness" as applied to collective bargaining rights. The representation criteria and the rules regulating authority to negotiate agreements are key factors that have limited the unions' bargaining power in Portugal. In Portugal, the representation of trade unions and their ability to negotiate and sign collective agreements depends mainly on the level of trade union membership.¹⁶ The absence of criteria of representativeness means that all unions are considered to be representative and have the same rights.¹⁷ After 1976 the right to negotiate and sign collective agreements in Portugal has been reserved by law for union representatives. Workers' commissions only have statutory rights of consultation and information. Furthermore, collective bargaining is voluntary, since few sanctions can be imposed, and any union—including minority unions—can negotiate with management. Therefore, collective bargaining depends largely on the employers' willingness to negotiate with a particular union. Both sides must comply with all legal requirements only after they have agreed to bargain formally. These provisions have contributed to weakening unions in Portugal because they have allowed employers to ignore the strongest

union at the workplace and reach agreements with the "coziest" ones (Barreto and Naumann 1998, 411).

Since the Portuguese trade unions structure, as we have seen, is characterized by several unions acting in an uncoordinated fashion, the consequence of these developments has been that unions do not have as much leverage vis-à-vis employers. Other factors have contributed to limiting the power of unions in Portugal (Bover, García Perea and Portugal 1997, 115). Unions depend for their financing on the contributions from their relatively small number of members.¹⁸ Moreover, interunion coordination is also limited.

Furthermore, collective agreements only apply to workers represented by signatory unions. In practice, however, they are extended to all workers because the law does not allow for differentiated conditions within the workplace based on union membership (Barreto 1992, 470; Barreto and Naumann 1998, 417). As I indicated before, this also helps to explain the low levels of trade union membership in the country. Since all workers will benefit from the agreements, they have little incentive to join trade unions and pay unions fees (see Malo 2001).

Since there is no requirement for an absolute majority of the union representatives to reach an agreement, and there are no recognition procedures or criteria of representativeness, firms in Portugal have been able to open negotiations with moderate unions with whom they expected to reach more favorable agreements, (mostly independent unions and in some cases UGT). This has allowed employers to break the virtual "bargaining monopoly" that CGTP had in sectors such as manufacturing, construction, electricity, urban transport, post, telecommunications, and in large sectors of the civil service. Hence, in practice, a union, which is in a minority position in the sector, can reach an agreement with management that covers workers that are not members of that union because only one agreement is enforceable for the same group of workers within a company. This has limited unions bargaining power in Portugal and hindered the establishment of uniform conditions at the national level. Therefore it is not surprising that wage increases across sectors are not homogeneous (see Bover, García Perea, and Portugal 1997, 13). The consequences of an over-regulated and legalistic framework coupled with voluntary collective bargaining in Portugal helps explain the near absence of firm level bargaining in the private sector and the little impact it has over working conditions (Barreto and Naumann 1998, 418).

Once an agreement is reached and is registered and published by the Ministry of Employment, it remains in force until it is replaced by a new agreement, which legally cannot be less favorable overall to the workers than the preexisting one. The consequence has been that employers view an agreement as a potential milestone, because once an agreement is concluded, it will form the basis of further demands on the part of the unions.

Local unions or federations negotiate on wage and nonwage issues with the employers' associations, groups of companies, and in some cases large individual firms (*Acordo de Empresa*). The major objective of bargaining has traditionally been the settlement of wages. Yet, the government through the

annual revision of minimum wages mostly does this. Employers can only negotiate the differences between national and industry minimum rates (Barreto 1992, 472). In practice deviations from sector-level bargaining are common (Stoleroff 1995). This highly regulated framework for collective bargaining has thus resulted in limited collective bargaining in the private sector. Managers are reluctant to negotiate at the firm level out of fear of activating unions' activities. Unions, weak at the firm level, also prefer industry-level bargaining. Consequently, collective bargaining takes place mostly at the industry level, and government regulations still play an important role. Firm-level collective agreements are possible only by setting more favorable conditions than their corresponding sectoral agreement. This helps explain the low incidence of firm-level agreements (Bover, García Perea, and Portugal 1997, 14). As we have seen, there has been a tendency since the 1990s to move from regional to national industry agreements.

Differences in the union structure have also had a significant impact on wage bargaining. The weakness of unions has hindered their attempts to set wages above the national minimum wage, particularly for lower and middle occupational categories of workers. It is not rare for firms to seek less favorable conditions than the ones established in sectoral-wide agreements, a process that requires the intermediation of the Ministry of Employment (Bover, García Perea, and Portugal 1997, 13–14).

Social Concertation

Following the revolutionary upheavals, intense efforts by the governments and social actors to normalize industrial relations in Portugal led to the development of social bargaining. Despite the antagonistic relationship between union and employers and the ideological divisions within the labor movement that had their roots in the context of the revolution, the social actors have moved towards a less polarizing industrial relations model. Indeed, in Portugal globalization and European integration have promoted rather than undermined social bargaining. Unable to escape from economic interdependence it has experimented with *social concertation*—that is, centralized agreements between business and labor organizations, often with the participation of the state, on wages and other social goals¹⁹—as a means to address and resolve tensions between economic interdependence and political sovereignty, and between monetary and exchange rate policies.

In Portugal social concertation started in 1987 and was consolidated throughout the 1990s. In Portugal, there have been social concertation agreements the following years: 1987, 1988, 1990, 1992, and 1996, an Agreement of Strategic Concertation for the 1997-1999 period, and two agreements in 2001.²⁰

Figure 1: Social Concertation in Portugal, 1986–2001

AGREEMENT	YEAR	SIGNATORIES
Agreement on Prices and Incomes Policy	1986–87	CIP, CAP, CCP, UGT, Government
Agreement on Prices and Incomes Policy	1988	CAP, CCP, UGT, Government
Economic and Social Agreement	1991	CIP, CCP, UGT, Government
Agreement on Incomes Policy	1992	CIP, CAP, CCP, UGT, Government
Short-Term Social Dialogue Agreement	1996	CIP, CAP, CCP, UGT, Government
Strategic Social Pact	1996–99	CIP, CAP, CCP, UGT, Government
Agreement on Employment Policies and Vocational Training	2001	CIP, CAP, CCP, UGT, CGTP-IN, Government
Agreement on Workplace Working Conditions, Hygiene and Safety, and to Reduce Work Accidents	2001	CIP, CAP, CCP, UGT, CGTP-IN, Government

The emergence of national social bargaining in Portugal took place at the outset of a dramatic economic crisis that took place from 1983-85. To give an idea about the magnitude of the crisis, in one year (1984) the GDP declined 1.6 per cent, investment fell 18 per cent, unemployment shot up to 8.3 per cent, inflation reached 29.3 per cent, disposable family income decreases by 3.7 per cent, and private consumption was down 3.0 per cent. The legislative elections of 1983 had resulted in a 'Centre Block' coalition between the conservative Social Democratic Party (PSD) and the Socialist party (PS) under the leadership Mario Soares, (leader of the PS) as Prime Minister. This government implemented an IMF stabilization plan, and created the Permanent Council for Social Concertation (CPCS) a state institution for tripartite macroeconomic and social bargaining in 1984 (see below). The positive outcome of these policies became evident in 1985 when the economy came out of the recession, and was harvested by the PSD in the 1985 legislative election under the leadership of Anibal Cavaco Silva.

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations***Sebastián Royo*

Throughout 1986 the economy continued to improve helped by the external conjuncture and the accession of Portugal to the EC. In order to reduce inflation the government pursued agreements with the social actors to implement incomes policy. Under the guise of 'recommendations on incomes policy' the members of the CPCS (the UGT, the government, and the three representative employers' associations, CIP, CCP, and CAP²¹) reached an incomes policy agreement in 1986, which fixed wage increases at 7 per cent, subject to actual inflation. This agreement dealt almost exclusively with the rate of growth of nominal wages for 1987 and it was based on inflation forecasts that proved correct, thus contributing to curbing inflation.

The process of social concertation continued after the legislative elections of 1987 when the PDS won a parliamentary majority. In October of that year CGTP, with the public support of the Communist part (PCP), decided to enter the CPCS. The unions linked the government's program of structural reform (aiming at the revision of labor legislation, privatization, and the revision of the Constitution and the Agrarian Reform) to incomes policy. On 18 January 1988 the social actors represented in the CPCS reached a new agreement on incomes policy (except the CGTP and the CIP which refused to sign it).

Contrary to expectations, the disinflation process stopped in 1988, and UGT withdrew its support for the agreement when the government refused to adjust wage increases to recognize higher inflation. The consequence of this development was that no agreements were reached for 1989 and 1990, although moderation continued to prevail in collective bargaining. The increase in inflation, however, fuelled by huge budget deficits pushed the social actors again to the bargaining table. In 1990 the government presented a social pact to the social partners, the Programa de Progreso Económico e Social para os Anos Noventa. This initiative led to intense negotiations that concluded in the Acordo Económico e Social (AES, the Economic and Social Agreement) signed by all CPCS members except the CGTP. This pact included the reduction of the workweek from 48 to 44 hours, with the goal to pursue a gradual reduction to 40 hours by 1995, as well as a wide range of other issues to be regulated by future legislation: dismissals, health, safety and hygiene at work, unemployment benefits, vocational training, working-time flexibility, supplementary social security in cases of industrial restructuring, and employment of minors. The AES also covered collective bargaining and included a recommendation on wage policy was also included (capping wage increases at 13.5 per cent). The AES also included (for the first time in the course of tripartite negotiations) the annual revision of the national minimum wage at 40,000 escudos.²² The AES led to a new Pacote Laboral in 1991 to revise the legislation on firing for inadaptation, work of minors, work hours, holidays, the rules of collective bargaining, and arbitration of labor conflict. In July of 1991, all the CPCS members including CGTP signed two 'sub-agreements' on work safety-hygiene and professional training.

Following the general elections of October 1991, which resulted in a PSD absolute majority, the social actors reopened negotiations in the CPCS with the aim of reaching a new AES. After gruesome and protracted negotiations over wage increases (marked by the government's insistence to contain wage costs),

the three main employers' confederation, the UGT and the government signed a new agreement on February 15th of 1992. This pact set wage increases at 9.75 per cent, and minimum wage increases at 11 per cent.

The victory of the Socialists Party in the 1995 general election led to the resurgence of social bargaining with the 1996 'Short-Term Social Dialogue Agreement'. This pact was followed by the 1996 Acordo de Concertação Estratégica, ACE (the 'Strategic Concertation Agreement') that covered the 1997-99 period. It comprised a catalogue of macro-economic aims and a program for employment and competitiveness. Among the issues included in this pact were: the contractual distribution of productivity gains, the promotion of competitiveness among Portuguese companies, and a policy of overall wage growth consistent with goals to achieve international competitiveness and the integration of Portugal into the European Monetary Union. This agreement covered most areas of macroeconomic and social policies, including the orientation of economic policies, incomes policies (the agreement set a reference to cap average wages and pensions), employment policy, professional training, labor legislation, collective bargaining, social security, and the contribution to the competitiveness of Portuguese firms. The agreement also established a commission to follow up and guarantee the fulfillment of its provisions integrated by representatives from the signatories.²³ Finally, the social actors reached two social pacts in 2001: the 'Agreement on Employment Policies and Vocational Training' and the 'Agreement on Workplace Working Conditions, Hygiene and Safety, and to Reduce Work Accidents'.

The predominant position in Portugal is that the concertation process has been very positive.²⁴ By allowing for a reduction of unit labor costs, they improved the external competitiveness of Portuguese firms, contributed to the reduction in inflation from 13.4 per cent in 1990 to less than 3 per cent in 1999, and kept unemployment at levels below those in other European countries (around 6 per cent). Finally, they also contributed to social peace. Portugal, which as late as 1997 was considered an outside candidate for joining the Eurozone, was able to comply comfortably with the Maastricht criteria, and, in part due to the concertation process, it was able to do it in a relatively painless way. For instance, Portugal was the only country able to reduce its budget deficit to below 3 per cent of GDP (the Maastricht criteria) while increasing current government spending. And this stands in stark contrast with the disappointing performance of the Spanish economy after concertation failed in 1986.

Table 2: CPI, Contractual Wages, Productivity, and Unemployment in Portugal, 1987–2000 (percentage change over previous year).

Year	1987	1888	1989	1990	1991	1992	1993
CPI	9.4	9.6	12.6	13.4	11.4	8.9	6.5
Contractual wages	14.4	9.9	10.6	14.1	14.2	10.9	7.9

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

Real Wages	5	.3	-2	7	2.8	2	1.4
Average Earnings	–	–	–	–	–	–	6.4
Real Average Earnings	–	–	–	–	–	–	-4
Unemployment	7.0	5.7	5.0	4.5	4.3	4.1	5.5
Productivity	3.7	2.3	2.6	2.3	-0.7	8.8	2.4
Unitary Labor Costs	–	–	–	–	–	–	7.9
Year	1994	1995	1996	1997	1998	1999	2000
CPI	5.2	4.1	3.1	2.3	2.8	2.3	2.9
Contractual Wages	5.1	5	4.7	3.6	3.3	3.6	3.4
Real Wages	-.1	.9	1.6	1.3	0.4	1.3	0.5
Average Earnings	5.9	6.1	6.2	5.1	5	5.1	–
Real Average Earnings	0.5	1.9	3.1	2.7	1.9	2.3	2.9
Unemployment	6.9	7.2	7.3	6.8	5.0	4.4	4.0
Productivity	3.4	3.1	3.0	1.7	1.3	1.1	1.5
Unitary Labor Costs	2.4	3.7	3.2	3.5	4.1	3.9	3.4

Sources: ILO, *Yearbook of Labor Statistics*. Various Years; and OECD: *Economic Surveys. Portugal*. Various years. The average productivity increase for the 1987-1996 period was 2.7%.

Finally, the process of social concertation in Portugal has also been credited for its contribution to social bargaining, solidarity, and social cohesion. It has also helped develop institutional mechanisms that have allowed the social partners to participate in the decision making process, thus deepening democracy, and fostering social peace.

The resurgence of social concertation in Portugal was the result of the reorientation of the strategies of the social actors. A new set of constraints and opportunities has facilitated the emergence of new strategies among the social actors. First, in the new context of the 1980s and 1990s, trade union organizations have supported tripartite bargaining as a defensive strategy to retake the initiative and influence policy outcomes. The decision by the unions to return to the bargaining table was for the most part a defensive one,

motivated in part by their weakening at the firm level (evidenced by the relative decline in union density), and their incapacity to effectively mobilize workers in a response to manpower policies to liberalize the labor market. In other words, with their support for these macroeconomic agreements, labor sought to mitigate the decline in its bargaining power at the workplace level and participate in the policy-making process (Royo 2002).

In addition, the resurgence of social bargaining has been fostered by a process of institutional learning, which has led the social actors to conclude that previous confrontational strategies were detrimental to the interest of their constituencies and threatened their own survival. This development also reflects an attempt by the social actors to reconcile the need to control costs through more flexibility in hiring practices and the need for cooperative relations at the firm level in order to remain competitive. In other words, these agreements have constituted an institutional mechanism to support business competitiveness through consultative practices (see Regini 2000a).

Finally, the emergence of new institutions to promote tripartite social bargaining (i.e. the Permanent Council of Social Concertation, CPCS) has resulted in the institutionalization of the political struggle among the governments, employers, and trade unions, and it has contributed to a transformation in the pattern of industrial relations. In other words, the choices made by the social actors were less conditioned by preexisting institutions. On the contrary, the changing balance of power affected the predisposition of the social actors to pursue their strategies through a new set of institutions. At the same time, new emerging constraints and incentives to change largely determined their interaction and strategies (Royo 2002).

The Portuguese Social Bargaining Model

Institutional and structural conditions in Portugal provide a fruitful ground for analyzing the arguments developed by the neocorporatist literature. It lacks some of the conditions specified by the literature that characterize neocorporatist settlements: Portuguese labor unions do not organize a high proportion of the working population and do not have a monopoly of representation. Indeed, Portugal has divided and relatively weak labor unions with relative low levels of affiliation. Fragmentation is particularly acute although two major confederations, UGT and CGTP, dominate the labor movement. Moreover, the country has a tradition of confrontation among the major confederations along ideological lines, and a Communist-oriented union has been dominant for an extended period of time. The CGTP has taken steps to break some links with the Communist Party, but the PCP is still influential within the union and plays an important strategic role. This has prevented the consolidation of good relationships between UGT (in which the PS and the PSD still play a role) and CGTP. Moreover, unions are also understaffed and lack the organizational and financial clout of their European counterparts. Moreover, there is also fragmentation among employers, with three associations vying for the support of firms. Finally, Portugal has a relatively decentralized systems of

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations***Sebastián Royo*

collective bargaining, a development, according to the neocorporatist literature, not conducive to wage moderation.

Other factors, however, have favored the development of social concertation. For instance, unions prefer centralized bargaining to decentralization in order to overcome their weakness at the firm level. Furthermore, there are relatively strong business organizations that monopolize the representation over business. These organizations are not adamantly opposed to unions and are willing to avoid ideological attacks against the labor movement. They have also been willing to negotiate with unions to reach a social compact.

The Portuguese concertation model has been characterized by several specific features that have configured a concertation process markedly different than the one that took place in other countries, such as Sweden, Austria, and the Netherlands. In Portugal and the social bargaining process has been characterized by: The primacy of political considerations over other objectives, strong state intervention, a unique institutional setting, specific goals related to the existing political and economic framework, and unions' subordination to political parties (see Royo 2000, 210–14).

A key factor that helps to explain the evolution in industrial relations' patterns that has emerged in Portugal has been the mode of the democratic transition. The revolutionary phases of the democratization process fostered the radicalization of workers and intensified class antagonisms (Barreto and Naumann 1998).²⁵ This development has left a legacy of distrust among the actors and has deepened the politicization of the industrial relations' system. Portuguese labor was a major actor during the transition process and participated actively in the development of the 1976 Constitution, which resulted in the proworkers' stance of that constitution (see Durán Muñoz 1997). The consequence of this development has been that successive democratic governments have faced constraints when they tried to reform labor laws to make them more favorable to business. For instance, in 1987 the Portuguese Constitutional Court declared unconstitutional a labor reform approved by the PSD government. Consequently, businesses' point of view has never had hegemonic influence and were aware that they had to negotiate with labor to reform labor laws.

In addition, one of the major features that facilitated the development and institutionalization of social concertation in Portugal was the creation in 1983 by the PS-PSD government of the *Conselho Permanente de Concertação Social*, (CPCS), the Permanent Council for Social Concertation. This institution was in charge of forging consensus among the social actors and facilitating concertation. The major function of this institution is to formalize mechanisms of participation, guarantee the secrecy and transparency of the bargaining process, and make sure that the agents' opinions are taken into consideration when approving legislation that affects them. The CPCS has been able to moderate CGTP's opposition to centralized bargaining, and has fostered collaboration between UGT and CGTP.

Furthermore, in Portugal the party in government has never been able to forge a constitutional majority to impose its views—that is, the PSD never

received a sufficient majority to reform the constitution by itself, hence the need to forge alliances with the other social actors to reform the system. Institutional factors also help to account for outcomes. Portugal has a presidential system. While the president does not have the powers of the French president—or even the U.S. president—he has been able to block government proposals when he opposed them. One of the major features of the Portuguese presidential system is the president's power to refer controversial legislation to the Constitutional Court. This balance has been reinforced when the country elected a president from a different party than the one in government. In the second half of the 1980s during the PSD' rule, Mario Soares was elected President with the support of the PS and PCP parties. He was able to restrain the reform impetus of the PSD government and safeguard the rights of workers. In 1986 he prevented the implementation of the labor reform approved by the PSD government. He sent it to the Constitutional Court, which declared it out of conformity with the regime's constitution. He used this power thirty three times since 1986 and succeeded two-thirds of the time in forcing the PSD to redraft important legislation (Nataf 1995, 191).

Finally, the country's political parties still play a critical role in the unions (and vice versa). There are representatives of unions elected to Parliament in party lists and party representatives in the unions' executives committee. This has a critical role in concertation because it has allowed parties (particularly the PSD and PS) to influence unions (UGT) to reach concertation. The UGT is not only dominated by a single party; both the Socialist Party, PS, and the Social Democratic Party, PSD, control the unions that integrate UGT (in 1981 the PS controlled 20 unions and the PSD 24). The executive is organized along party lines, and both parties agree that the union should be involved in a national dialogue about economic policy. Hence, the UGT rejects a class-conflict approach and defends consensus and negotiation over confrontation (Nataf 1995, 143).

CONCLUSIONS: The Europeanization of Interest Groups?

The process of European integration has exerted significant influence in the industrial relations realm, not only through the implementation of the *acquis communautaire* and European regulation on social affairs, but also by promoting elite socialization and the development of transnational networks, which proved vital for the strengthening of interest groups (they received substantive support from their European counterparts). Furthermore, the development of economic interests and networks at the European level also strengthened the support of economic actors for democracy, and the European economic and social model. The most important effect, however, has been that Europeanization has fostered the opening of the Portuguese economy to increasing competition, which has led to privatizations, downsizing and internal restructuring of economic sectors, and the liberalization of the economy. These developments have generated pressures and have had significant influence in the social actors thus, contributing to the emergence of a new pattern of industrial relations.

Yet, the legacies of authoritarianism and the experience of the revolutionary period have hindered efforts to institutionalize a modern and stable industrial relations setting based on trust. Indeed, Portuguese industrial relations are still marked by the heritage of authoritarian corporatism and the specific characteristics of the democratic transition, in particular, the fact that revolutionary mass mobilizations fostered radicalization and class antagonism and led to state interventionism and regulation (Naumann and Stoleroff 2000, 547). The absence of trust is rooted in the revolutionary turmoil, linked with the goal to eliminate capitalism, and the establishment of legislation beneficial to workers. These developments shifted the balance of power between labor and capital and consequently the political role of organized labor has been fairly strong vis-à-vis organized business. The interclass conflict was aggravated by the split between the Communists and the Socialists which led, as we have seen, to the fragmentation of the labor movement. As a result, differences in strategy, structure and practices impede closer relations among unions. The consequences are still felt today and have mitigated the effects of Europeanization and limited its impact on the behavior and ideological outlook of actors, thus hindering the establishment of a model based on trust and cooperation: Ideological divisions and polarization, fragmentation of the labor movement and business, rigidities in the labor market (i.e. limited redundancies and narrow definition of fair dismissals); antagonistic relationship between labor and capital; and high levels of mobilization and conflict.

The current state of affairs has significant consequences. One of the main challenges for the so-called under-organized economies is to build the coordinating capacity among the social actors that will allow them to respond to international pressures and solve the economic problems that result from increasing international competition and market integration.²⁶ Unfortunately in Portugal there have been limited improvements in technology, management, and commercial strategies, as well as limited growth of productivity. Competitiveness is still based on low wages. However, this model is not sustainable in a global world in which Portugal faces increasing competition from the new EU member states and from the low cost economies of East Asia.

The competitiveness challenge requires structural reforms and productivity growth, which will demand higher investment in infrastructure, efforts to increase the quality of education, the rigorous promotion of competition in all areas, and tax simplification. Portugal needs to shift from a low-cost model toward high-value added one based on value-added the capital intensity of production. This will demand investment in capital technology, a new culture of entrepreneurship, human capital with strong skills, and more importantly (and connected to this paper) a flexible and adaptable industrial relations framework based on trust and cooperation. Indeed, while changes in production regimes and occupational structure demand greater flexibility, increasing competition rewards institutional mechanisms that facilitate co-operation among the social actors and tilt the balance of wage-setting toward the tradable sector of the economy. Hence the importance of social bargaining, which is key to promote a shift from a low-cost model toward high-value added one.

What are the prospects for national social bargaining? It is still not clear whether current trends will persist in the future, whether they will consolidate the traditional dominant role of the state in industrial relations, or permit the social actors to take the initiative and assert their autonomy. The success (or failure) of these initiatives will determine the consolidation of this approach. As we have seen, the return of national social bargaining has had positive consequences for the Portuguese economies and contributed to sustained rapid growth. At the same time, the preceding discussion suggests, that the motivations that led the social actors to return to national social bargaining, are more structural than the goal of participation in EMU and are likely to persist into the future. The social actors should have powerful incentives to continue this approach given the difficulties that the government and employers had in the past controlling overall wage growth without the support from unions, coupled with the erosion that further fragmentation would have on the position of the main confederations. Furthermore, the examination of the role played by the CES and the CPCS suggest that a co-operative strategy based on social bargaining will last longer the more the social actors have been able to develop a capacity for strategic learning.

At the same time, other developments favor the continuation of these processes. First, wage moderation is key to close the gap with the EU richer countries (GDP per head in Portugal is only 74 per cent of the EU average), to exploit Europe-wide specialization, and to attract investment from its European partners (average hourly compensation in manufacturing is still less than half the German level). In addition, the abandonment in of comprehensive macrobargaining strategies—that covered every issue and culminated in macroagreements—in favor of a new strategy based on different bargaining tables is more conducive to agreements. The Portuguese social actors have adopted a more flexible approach through the parallel negotiation of various social concertation agreements, each of limited scope. This bargaining strategy is based on package deals that include both labor market organization and flexibility, as well as substantial social policy reforms. The new pacts seek to maintain equilibrium between flexibility and solidarity, and between equity and efficiency. They are part of a political exchange: social benefits and employment in exchange for flexibility and wage moderation. In countries such as Portugal, where unilateral reforms have not been effective and have encountered significant resistance, governments are likely to continue using this strategy in order to gain legitimacy for unpopular labor and social reforms and to overcome the institutional veto by the social partners. The social partners, in turn, are likely to accept this approach as long as they participate in the policy-making process and receive compensation. Finally, an additional incentive is the fact that social bargaining helps prevent a negative spillover from social policy into wage bargaining.²⁷

For Portugal, with an industrial relations' settings deeply rooted in the law and with strong state intervention, the challenge will be to build new institutional mechanisms that will provide the instruments needed for governments to adopt the adequate supply-side policies and contain inflation while maintaining sound fiscal policies, and for the micro actors to have the necessary internal and external flexibility and the lower costs to compete

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

effectively in a globalized market. Social bargaining is the adequate instrument to achieve these goals. It provides the social actors with processes to achieve a balance between efficiency and solidarity while overcoming veto points.

Finally, European Monetary Union will mean further restrictions on domestic economic policies because monetary union subjects macroeconomic policy in the EMU area to a single monetary authority, the independent European Central Bank. Although some scholars have already predicted the dismissal of centralized concertation schemes, new analyses are proving the importance that incomes policy will have in the context of the monetary union.²⁸ Incomes policy, with its influence on labor relations and labor costs, seems to continue to be an adequate instrument to enhance competitiveness and contribute to the convergence objective pursued by the European economies. The benefits of centralized wage bargaining, however, hinge largely on the ability of union leaders to control overall wage growth in order to avoid monetary policy measures that will result in higher unemployment.²⁹ The EMU will result in the decentralization of the level of wage bargaining across the EU because overall, the most encompassing union organizations will be less inclusive, and, therefore, they may have less incentives to internalize the inflationary pressures of wage increases.³⁰ The risk will be that in the new EMU context, in which wage bargaining is relatively fragmented but there is a single monetary authority for the area, wage bargainers will be less responsive to threats from the ECB. Nevertheless, since unit labor costs will still remain a critical factor in improving competitiveness, there will be strong pressures on governments, employers, and unions to pursue national social bargaining.

NOTAS

¹. A paradox, however, was that legal rules covering temporary hiring were permissive. This allowed Portuguese employers to hire workers on a temporary basis and bypass the restrictions covering dismissals and the high costs of severance pay. The result of this development has been—as in Spain in the second half of the 1980s—the increasing segmentation of the labor market and a sharp increase in temporary hiring.

². United union activism during the dictatorship had been facilitated by the common struggle for democracy. Unions pursued different strategies. While the radical Left, the Communists, and the Catholic labor movement sought to overcome the existing capitalist system, the Social Democrats supported a more reformist strategy. These contrasting political strategies became critical during the transition and hindered unification efforts. The struggles among labor activists were mirrored by partisan conflicts that split the unions movement into two groups, with Communist and non-Communist currents. (see Naumann and Stoleroff 2000, 552–53).

³. The Socialist and Social Democratic Parties had at that time very limited influence in the unions. The Socialist Party (PS) was founded in 1875, but it had virtually disappeared in the 1930s. The Popular Democratic Party was founded shortly after the fall of the authoritarian regime. In contrast, the Communist Party had survived the dictatorship and had infiltrated the corporatist unions, which gave the Communists leverage during the transition because the unions were at the forefront of the process (Barreto and Naumann 1998, 409).

⁴. In Portugal, although formally only personal ties exist between unions and parties, in reality union leaders and activists are given political jobs and party responsibilities and are frequently appointed to party executive bodies (although this is theoretically prohibited by union laws). For instance, during the 1980s between 5 and 9 percent of MPs were UGT and *Intersindical* union officers or confederal leaders. Consequently, unions have functioned largely as vehicles of political influence. Some of the factors that explain the predominance of political action in Portuguese trade unionism include the historical role of societal self-regulation compared to statutory regulation, partisan control of the unions, unions' endemic weakness, and the tendency on the part of employers to rely on the government to achieve its goals. The economic crisis of the 1980s reinforced these tendencies. The unions have used political action, including the organization of a general strike in 1988, to defend the protective labor legislation inherited from the revolution that protected union rights and job security (Barreto and Naumann 1998, 414).

⁵. There are now more than 150 independent unions, most of them small and occupational based (e.g., airline pilots, train drivers, civil servants, and dockers). They operate as labor market cartels or lobbying groups. Many of them are highly cohesive and effective. These unions seek to defend the particular interests of their constituencies and to preserve their autonomy. They oppose solidaristic policies. They are deeply resented by UGT and CGTP, which view them as egocentric organizations that defend the privileges of certain groups (Barreto and Naumann 1998, 410).

⁶. UGT with close links with Scandinavian and Central European unions, wanted to follow the organizational structure of the German or Austrian unions, characterized by a limited number of national industrial unions. The opposition from existing unions (particularly the stronger ones in sectors such as banking, insurance, services, or education), which have defended traditional demarcations and mergers, has hindered plans to achieve the vertical integration of these unions. In addition, the national industry-based UGT unions in sectors such as clothing, chemicals, textiles, metal, construction, and so forth, are weaker than the corresponding *Intersindical* federations (Barreto and Naumann 1998, 410).

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

7. A group of independent unions, joined in the Convention of Independent Unions, were founded by the labor wing of the PSD. They have not been able to challenge the dominant position of the major confederations and have low representativeness.

8. For instance, an *Intersindical* survey revealed that in 1993 about 60 percent of 1,076 registered commissions were inactive (Barreto and Naumann 1998, 415).

9. Public enterprises have agreed to deduct fees since 1977, but private firms and employers' associations have refused to cooperate, hence, contributions are now mostly collected by unions (Barreto and Naumann 1998, 412).

10. This problem is particularly acute in some economic sectors such as construction (where the estimated proportion of informal employment is 50%, and union density reaches barely 10%), clothing and footwear industries, as well as certain services (Barreto and Naumann 1998, 412).

11. It is important to emphasize that due to the lack of systematically collected data, it has been difficult to estimate the exact number of union members. Unions are not particularly forthcoming either about distributing this information. This has been a very confrontational topic among researchers in Portugal. See, among others, Cerdeira 1997; Stoleroff and Naumann 1993; Naumann and Stoleroff 2000.

12. In the banking sector services to union members are well developed, collective bargaining and industrial disputes procedures work very effectively, strikes are subject to ballots, and internal election for unions governing bodies are well contested and have a high turnover (Barreto and Naumann 1998, 413).

13. Small and medium-sized farmers are mainly organized by the CAN (the National Confederation of Farmers).

14. This claim is disputed. Other scholars (Cardoso, Brito, and Mendes 1990) argue that new empirical evidence indicates a 60 percent rate of affiliation. Unions for their part argue that employers' membership is even lower than unions'.

15. A consequence of this development has been that in Portugal actual wages generally exceed industry wage agreements, a development that does not take place in Spain. In this country agreed-upon wages are binding for unskilled and semi-skilled workers (see Bover, García Perea, and Portugal 1997, 11).

16. One of the key outcomes of the 2001 "Agreement on Workplace Working Conditions, Hygiene and Safety, and to Reduce Work Accidents" will be that it will help clarify the actual representativeness of Portuguese unions. This pact renews the commitment (established in 1991) to create Work Place Committees for Health and Safety and establishes a six month deadline to develop the legal regulations for election procedures for representatives of workers in these committees. These elections will clarify the actual support of workers to individual unions.

17. Although there are some legal requirements, they are not enforced on the grounds that they may be unconstitutional (Barreto and Naumann 1998, 411).

18. The government gives unions a small "allowance" for their participation in the CPCS (generally less than 10% of their annual income). Declining membership has led to increasing financial difficulties, particularly now that aid from foreign union movements has largely dried up. Confederations rely increasingly on the contributions from a small number of unions and

European state agencies. In 1990, for instance, over 50 percent of UGT income came from just one of its then sixty one affiliates, the Union of Banking Employees of Southern Portugal (Barreto and Naumann 1998, 412–15).

¹⁹. As I indicated elsewhere (Royo 2000 245–46), social concertation or concertation refers to centralized agreements between leaders of unions and business associations pursuing shared macroeconomic objectives. Although this term is less common in the United States, it is used by the neocorporatist literature both in Western Europe, Latin America, and the United Kingdom. In these agreements unions are willing to moderate and limit wage growth. Government's participation is not mandatory. These agreements are usually negotiated and signed by trade unions and business organizations with centralized structures and hierarchical powers and are followed (and implemented) by the majority of business and workers. They cover incomes policies and industrial relation topics, as well as other issues—that is, productivity, absenteeism, working hours, training, and so on. They also include provisions dealing with macroeconomic issues—that is, redistribution, inflation targets, competitiveness, and so on—and institutional issues—that is, participation of the social actors in economic policy making, participation in state institutions, and so on. SD governments have often participated in these agreements seeking to fulfill their economic objectives and have offered compensation—such as, subsidies, increases in public expenditures, public jobs, fiscal benefits, and so on—to the social actors for their cooperation. In this book I shall refer to these arrangements indistinctly as "social democratic corporatism," "social bargaining," "corporatism," "neocorporatism," or "concertation." These definitions were explored in Schmitter 1974a. In Spain, when writing in Spanish, some authors use *corporativismo* to refer to the "old" corporatism, and the neologism *corporatismo* for the "new" corporatism. See Martínez-Alier and Roca 1986a, 23–26. In Portugal they refer to this system of interest representation as *corporativismo*.

²⁰. In 1991 the social actors signed two complementary agreements regulating professional training, hygiene, and security in the workplace.

²¹. The Confederation of Portuguese Industry (CIP), the Confederation of Portuguese Commerce (CCP), and the Confederation of Portuguese Agriculture (CAP). The Communist union (CGTP), which had refused to participate in the CPCS and pursued a strategy of strike politicisation, refused to participate in this agreement.

²². The CGTP, demanding a 15 per cent wage-increase and a minimum wage of 41,500 escudos, refused to sign the agreement, although its secretary general, Carvalho da Silva, insisted that 'positive things have been negotiated' and agreed to take the agreement to the CGTP plenary for debate. The CAP also refused to sign this agreement. See A. Stoleroff, 'Between Corporatism and Class Struggle: The Portuguese Labour Movement and the Cavaco Silva Governments', *West European Politics* 15/4 (Oct. 1992), pp. 118-150.

²³. See J. Da Silva Lópes, 'El Consejo Económico y Social de Portugal', in F. Durán López, (ed.), *El Dialogo Social y su Institucionalización en España e Iberoamérica* (Madrid: CES 1999), pp. 95-96.

²⁴. Da Silva Lópes, 'El Consejo Económico y Social de Portugal', p. 95. For a more sceptical view of concertation's effects see Stoleroff, 'Between Corporatism and Class Struggle.'

²⁵. Other scholars have argued that the Spanish model seems to confirm that a coalition of "intraregime softliners" and "extraregime softliners" results in a more conflictive model of industrial relations that diminishes the role of unions because they are not necessary for the consolidation of that coalition's goals. In Portugal, in contrast, "extraregime softliners" played a central role in the democratization process, and this resulted in a more inclusive system of industrial relations, because they needed labor to consolidate their program (Nataf 1995, 210).

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

²⁶. Hall and Soskice, *Varieties of Capitalism* pp. 1-70.

²⁷. A. Hassell, and B. Ebbinghaus, 'From Means to Ends. Linking Wage Moderation and Social Policy Reform', in G. Fajertag and P. Pochet, (eds.), *Social Pacts in Europe. New Dynamics* (Brussels: ETUI 2000).

²⁸. T. Iversen, *Contested Economic Institutions: The Politics of Macroeconomic and Wage-Bargaining in Organised Capitalism* (New York: Cambridge University Press 1999).

²⁹. Pérez 'Yet the Century?', p. 22; and P. Hall, and R. Franzese, 'Mixed Signals: Central Bank Independence, Co-ordinated Wage-Bargaining, and European Monetary Union', in *International Organisation*, 52/ 3 (1998), pp. 505-535.

³⁰. 'Towards a Euro Wage?' by the U.K. research institute, Industrial Relations Services, suggests that the Euro will push bargaining systems both ways, toward centralisation and decentralisation, depending on the regions, economic sectors, and firms. See *Financial Times*, October 13, 1998, p. 3. Sirkka Hamalainen from the European Central Bank's executive board stated in a speech in London that labor flexibility has improved and wage settlements have become more moderate since the euro's introduction. She stated that "there is evidence of a very significant change in labor market behavior in the euro area countries, particularly in the field of wage negotiations...discipline has greatly improved in that field, with wage demands apparently assuming a permanently lower level of inflation and adjusting faster to cyclical conditions that was the case prior to the introduction of the euro." See 'ECB hails euro effects on labour markets,' in *Financial Times*, Tuesday February 26, 2002, p.4.

BIBLIOGRAFIA

Barreto, José, 1992. "Portugal. Industrial Relations Under Democracy," in A. Ferner and R. Hyman, eds., *Industrial Relations in the New Europe*. Cambridge: Blackwell.

Barreto, José, and Reinhard Naumann, 1998. "Portugal. Industrial Relations Under Democracy," in A. Ferrer and R. Hyman, eds., *Changing Industrial Relations in Europe. Portugal*. Cambridge: Blackwell, pp. 395–425.

Bermeo, Nancy Gina, 1998. "Learning from the Portuguese Experience. Some Quick Conclusions about Some Long Processes," in Antonio Costa Pinto, ed., *Modern Portugal*. Palo Alto, CA: The Society for the Promotion of Science and Scholarship.

Bermeo, Nancy Gina, ed., 1999. *Unemployment in Southern Europe. Coping with the Consequences*. Special issue in *South European Society & Politics*. Vol. 4, no. 3. Essex, UK: Frank Cass.

Bover, Olympia, Samuel Bentolila, and Manuel Arellano, 2000. "The Distribution of Earnings in Spain During the 1980s. The Effect of Skill, Unemployment, and Union Power." Servicio de Estudios. *Documento de Trabajo* # 0015. Madrid: Banco de España.

Branch, Ann P., 1998. "The Impact of the European Union on National Trade Unions." Paper presented at the Annual Meeting of the American Political Science Association, Boston. September 3–6.

Brandão de Brito, José Maria, 1998. "The Portuguese Economy. From Salazarism to the European Community," in Antonio Costa Pinto, ed. *Modern Portugal*. Palo Alto, CA: The Society for the Promotion of Science and Scholarship.

Campos Lima, Maria da Paz, and Reinhard Naumann, 1997. "Social Dialogue and Social Pacts in Portugal," in Giuseppe Fajertag and Philippe Pochet, eds., *Social Pacts in Europe*. Brussels: ETUI.

Campos Lima, Maria da Paz, and Richard Naumann, 2000. "Social Pacts in Portugal. From Comprehensive Policy Programmes to the Negotiation of Concrete Industrial Relations Reforms?" in Giuseppe Fajertag and Philippe Pochet, eds. *Social Pacts in Europe—New Dynamics*. Brussels: ETUI.

Cabral, Antonio José, 1996. *Crescimento, Competitividade e Emprego*. Lisbon: Conselho Economico e Social.

Cardoso, J. L., J. Brito, and F. Mendes, 1990. *Empresarios e Gestores da Indústria em Portugal*. Lisbon: Dom Quixote.

Carvalho da Silva, Manuel, 1997. "O Sistema da Concertação Social, O Dialogo e a Negociação Colectiva em Portugal. Riscos da Sua Corporativização." Lisbon: CGTP Intersindical Nacional. Mimeo. October 22.

Carvalho da Silva, Manuel, 2000. "A Reforma do Pacto Social," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM.

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

Cardeira, Maria da Conceição, 1997. *A Evolução da Sindicalização Portuguesa de 1974 a 1995*. Lisbon: Ministério para a Qualificação e o Emprego.

Cardeira, Maria da Conceição, 1999. "Mudanças Organizacionais e Negociação Colectiva," in *8 Encontro Nacional da APSIOT*. Lisbon: APSIOT.

CGTP, 2000. *Congresso CGTP. O Sindicalismo do Século XXI. Programa de Acção e Resoluções*. Lisbon: CGTP

Conselho Económico e Social, 1993. *Os Acordos de Concertação Social em Portugal (I–Estudos)*. Lisbon: CES.

Da Costa, Pedro Ferraz, 2000. "A Evolução Dos Salários e a Competitividade Externa." Mimeo. Lisbon: CIP.

Da Silva Lopes, José, 1997. "A Concertação Social em Portugal." Lisbon: Conselho Económico e Social. December 12. Mimeo.

Da Silva Lopes, José, 1998. "A Flexibilidade no Mercado de Trabalho e o Emprego em Portugal," in Various Authors, *Flexibilidade e Relações de Trabalho*. Lisbon: CES.

Da Silva López, J., 'El Consejo Económico y Social de Portugal', in F. Durán López, (ed.), *El Diálogo Social y su Institucionalización en España e Iberoamérica* (Madrid: CES 1999), pp. 95-96.

Dornelas, António, 1999. "As Relações Industriais em Portugal. É Possível Mudar? É Possível Não Mudar?" Paper presented during the conference "Portugal. Strategic Options in a European Context." Center for European Studies, Harvard University, Boston. November 20–21.

Dornelas, António, 2000. "Interrogações Sobre as Perspectivas Futuras das Relações Industriais em Portugal." Paper presented at the 8th Conference of the APSIOT, Lisbon:

Dornelas, António, and Pedro Dias, 1992. *Neo-Corporativismo? Sobre o Desenvolvimento da Concertação Social em Portugal*. Dissertação de Licenciatura em Sociologia Política. Mimeo. Lisbon: ISCTE

Durán Muñoz, Rafael, 1997. *Acciones Colectivas y Transiciones a la Democracia. España y Portugal, 1974–1977*. Madrid: Centro de Estudios Avanzados en Ciencias Sociales.

Ferraz da Costa, Pedro, 2000. "Depoimento," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM.

Ferreira, António Casimiro, 1996. *Problemas Actuais da Contratação Colectiva em Portugal e na Europa*. Lisbon: Fundação Friedrich Ebert.

Freire, João, 1995. *O Trabalho Independente em Portugal*. Lisbon: Centro de Investigação e Estudos de Sociologia.

Gama, Vasco da, 2000. "A Reforma do Pacto Social. Painel: Negociação Colectiva e Concertação Social," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM.

Hall, Peter, and Robert Franzese, 1998. "Mixed Signals. Central Bank Independence, Coordinated Wage-Bargaining, and European Monetary Union," in *International Organization*, 52, no. 3, pp. 505–35.

Hall, Peter, and David Soskice, eds., 2001. *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. New York: Oxford University Press.

Hassel, Anke and Bernhard Ebbinghaus, 2000. "From Means to Ends. Linking Wage Moderation and Social Policy Reform," in Giuseppe Fajertag and Philippe Pochet, eds., *Social Pacts in Europe. New Dynamics*. Brussels: ETUI.

Wage-Bargaining in Organized Capitalism. New York: Cambridge University Press.

Lima, Marinus Pires de, et al., 1996. "A Organização da Indústria Automóvel na Península de Setúbal," in *Análise Social*, no. 139, 1996.

Lima, Marinus Pires de, 1999. "Reflexões Sobre a Negociação Colectiva e a Concertação Social em Portugal." Paper presented at *the Confêrencia Internacional Sobre A Reforma do Pacto Social*, Lisbon: November 8 and 9.

Lima, Marinus Pires de, 2000. "Reflexões sobre a Negociação Colectiva e a Concertação Social em Portugal," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM, pp. 301–75.

Lopes, Fernando Ribeiro, 1998. "A Contratação Colectiva," in Antonio Moreira, ed., *I Congresso Nacional de Direito do Trabalho*. Coimbra: Almedina.

Lucena, Manuel, and Carlos Gaspar, 1991. "Metamorfoses Corporativas? Associações de Intereses Económicos e Institucionalização da Democracia em Portugal (I)," in *Análise Social*, Vol. XXVII, no.114, pp. 847–904.

Lucena, Manuel, and Carlos Gaspar, 1992. "Metamorfoses Corporativas? Associações de Intereses Económicos e Institucionalização da Democracia em Portugal (II)," in *Análise Social*, Vol. XXVII, no.115, pp. 65–90.

Magone, José M., 2001. *Iberian Trade Unionism. Democratization Under the Impact of the European Union*. Somerset, NJ: Transaction Books.

Malo, Miguel Angel, 2001. "Elecciones Sindicales y Comportamiento de los Sindicatos Españoles. Una Propuesta," *Estudios Sobre la Economía Española # 93*. Madrid: FEDEA.

Marvão, Josefina Pinto, 1993. "O Acordo de Segurança, Higiene e Saúde no Local de Trabalho," in Conselho Económico e Social, *Os Acordos de Concertação Social em Portugal*. Lisbon: Conselho Economico e Social.

Monteiro Fernandes, Antonio, 1999c. "La Concertación Social y el Tripartismo. La Concertación Social en Portugal," in Federico Durán López, ed., *El Dialogo Social y su Institucionalización en España e Iberoamerica*. Madrid: CES.

Monteiro Fernandes, Antonio, 2000. "Competitividade, Cidadania e Direito do Trabalho," in Various Authors, 2000. *A Reforma do Pacto Social*. Lisbon: INCM.

Mozzicafreddo, Juan, 1995. "Concertação Social e Exclusão Social," in *O&T*, pp. 97–119.

**The Europeanization of Portuguese Interest Groups?
Trade Unions and Employers' Associations**

Sebastián Royo

Mozzicafreddo, Juan (1997) 2000. *Estado-Providencia e Cidadania em Portugal*. Oeiras: Celta Editora.

Mozzicafreddo, Juan, 2000a. "Concertação Social. Processos de Institucionalização e Efeitos Sociais," in Mozzicafreddo, Juan, *Estado-Providencia e Cidadania em Portugal*. Oeiras: Celta Editora, pp. 71–94.

Nataf, Daniel, 1995. *Democratization and Social Settlements. The Politics of Change in Contemporary Portugal*. Albany, NY: State University of New York Press.

Naumann, Richard, 1997. "Portugal" in Various authors, *Collective Bargaining in Western Europe 1996–1997*. Brussels: ETUI.

Naumann, Richard, 1998. "Portugal" in Various authors, *Collective Bargaining in Western Europe 1997–1998*. Brussels: ETUI.

Naumann, Richard and Alan Stoleroff, 1996. *Handbook of Trade Unions in Europe. Portugal*. Brussels: ETUI.

Naumann, Reinhard and Alan Stoleroff, 2000. "Portugal," in Bernhard Ebbinghaus and Jelle Visser, eds.. *The Societies of Europe. Trade Unions in Western Europe Since 1945*. New York: Grove's Dictionaries.

Pérez, Sofia, 1998. "Yet the Century? The Return to National Social Bargaining in Italy and Spain, and Some Possible Implications." Paper prepared for delivery at the 1998 Annual Meeting of the American Political Science Association, Boston, August.

Proença, Joao, 1999. "Diálogo, Negociação e Concertação em Portugal." Lisbon: Uniao Geral de Trabalhadores. Mimeo.

Proença, João, 2000. "Diálogo, Negociação e Concertação em Portugal. Comentário," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM

Ribeiro, J., P. Granjo, N. Leitão, and A. Harouna, 1993. *Posições Face à Sindicalização, Desafios de Mudança*. Lisbon: Edições Cosmos.

Rodrigues, H. Nascimento, 1996. "Os Acordos de Concertação Social" in Barreto, Antonio. *A Situação Social em Portugal 1960–1995*, Lisbon: ICS.

Rodrigues, H. Nascimento, 2000. "Depoimento," in Various Authors, *A Reforma do Pacto Social*. Lisbon: INCM.

Rodrigues Lopes, Ernâni, 1993. "Concertação Social e Política Económica. O Caso Portugues 1974–1992," in Conselho Económico e Social, *Os Acordos de Concertação Social em Portugal*. Lisbon: Conselho Económico e Social.

Royo, Sebastián, 2000. *From Social Democracy to Neoliberalism. The Consequences of Party Hegemony in Spain 1983–1996*. New York: St. Martin's Press.

Royo, Sebastián 2001. "Ainda o Século do Corporativismo? – O Corporativismo na Europa Meridional. Espanha e Portugal numa Perspectiva Comparativa", in *Análise Social*. Lisbon: no. 158. June.

Royo, Sebastián, 2002, *A New Century of Corporatism? Spain and Portugal in Comparative Perspective*. (Westport: Praeger).

Royo, Sebastián, 2002a. "A New Century of Corporatism? Spain and Portugal in Comparative Perspective," in *West European politics*. July Vol.25, No.3.

Schmitter, Philippe C., 1974b. *Corporatism and Public Policy in Authoritarian in Portugal*. Beverly Hills, CA: Sage Publications.

Soares, Maria Cândida, 1993. "Os Acordos de Concertação Social e o Emprego," in Conselho Económico e Social, *Os Acordos de Concertação Social em Portugal*. Lisbon: Conselho Economico e Social.

Stoleroff, Alan D., 1992. "Between Corporatism and Class Struggle. The Portuguese Labour Movement and the Cavaco Silva Governments," in *West European Politics*, vol. 15, no.4, pp. 118–50.

Stoleroff, Alan, 1995. "Elementos do Padrao Emergente de Relações Industriais em Portugal," in *Organizações e Trabalho*, no. 13. April.

Stoleroff, Alan, 1999. "Trade Unionism, Industrial Relations, Politics and the State in Portugal. Between Democratization and European Integration." Paper presented at the conference *Contemporary Portugal. Reflecting on 25 Years of Democracy*. Center for Portuguese Studies and Culture, University of Massachusetts–Dartmouth. October 2–3.

Stoleroff, Alan, 2000. "Portugal. Union Development within the Changing Contexts of Political Economy and Industrial Relations," in Jeremy Waddington and Reiner Hoffman, 2000. *Trade Unions in Europe. Facing Challenges and Searching for Solutions*. Brussels: ETUI.