State, Economy, and Society in Western Europe 1815 – 1975

A Data Handbook in two Volumes

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Franz Kraus and Winfried Pfenning

Volume II

The Growth of Industrial Societies and Capitalist Economies

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PREFACE

Tempus fugit. When I finished the preface to the first volume of our handbook in 1982, it was summer and I was still living in Florence. The magic of Tuscany may have deluded my mind. I thought that we would be able to finish the second volume within a year. We were not. It is now almost Christmas in the winter of 1985. I am surviving in Mannheim, and Tuscany's magic has long since disappeared in the cisalpine clouds. Is there a convincing explanation for this delay which caused our publisher so much despair? There is none, at least I can't find one, or there are too many.

Among the many reason, the most important was the decision by Franz Kraus and Winfried Pfenning to establish a completely new data collection on the structural change of the labour force, based on more than a hundred population and occupational census. This great endeavour was only the last step in raising their former status of near slavery in the first volume to full authorship in the second. However, their merits go far beyond this.

Franz Kraus was also responsible for the two chapters on the growth, origin and use of national product, which he finished more than five years ago. Furthermore, and this will be his *opus magnum*, he has created a unique collection of historical data on income distribution drawn from tax statistics. The chapter in this volume contains only a part of this collection. An analysis of the whole data set will be published in 1986 as a separate study within the series 'European Social Science Studies' at Campus Verlag.

Winfried Pfenning was responsible for the chapter on labour disputes (which he finished), as well as the chapter on trade unions (which he did not finish). He deserted academia for commercial market research in the summer of 1985, I can't blame him. A completion of his chapter on trade union development would have held up the publication of the second volume for at least another six months. Therefore, we decided to drop it. This is unfortunate, not only for reasons of substance, but also for reasons of symmetry. The second volume now has only nine chapters instead of ten.

However, one must do Winfried Pfenning justice. He was responsible for the computerization of our data sets and laid the basis of the machine-readable documentations. For three years this work was funded by the Stiftung Volkswagenwerk. Once again, I take the opportunity to thank the foundation for its manifold support of our projects. I also extend my thanks to the students who assisted Winfried Pfenning when he worked at the Zentralarchiv in Cologne: Sofia Bengel, Irene Bolz, Hannelore Burmann, Annekatrin Gehring, Rolf Knepperges and Sabine Rest.

The first four chapters have a long and confusing history. Parts of them were finished successively in Mannheim (1973–76), Cologne (1976–79), Florence and Cologne (1979–82) and again in Mannheim (1982–85). All those who have made contributions to the earlier phases have been credited in the preface to the first volume. Here I should mention again Kurt Seebohm who has contributed much to the data collection on population and family movements. And I should also again thank the central archive of the ICPSR at Ann Arbor for helping us in the computerization of our complex tables on population structure, a work which was largely completed in Cologne (1979–82).

In the last years in Mannheim, a whole battalion of students has worked on the completion of the chapters on urbanization and housing, the labour force and labour disputes. I would like to thank Bernhard Ebbinghaus, Katrin Behagel, Reinhard Goehrtz, Thomas Huber, Uwe Keil, Klaus Mayer, Klaus Overhoff, Elmar Rieger, Michael Schönemann, and Siegbert Sussek (who also made the graphs). I am most indebted to the two Ursulas who typed most of the tables, Ursula Nocentini at the European University Institute and Ursula Rossi at the University of Mannheim. Last not least, I wish to thank Margaret Herden for her attempt to split unreadable German sentences into more comprehensible English phrases.

Let me finish with a sigh of relief and an oath: NEVER AGAIN!

Peter Flora — Mannheim, Christmas 1985

The two volumes of the handbook

The structure and contents of the first volume of this historical data handbook are closely related to Stein Rokkan's macro-model of Europe in which he tried to develop a systematic account of the major variations among the European nation-states. Of the four phases of political development which he distinguished, *the growth of mass democracies and welfare states* form the core of the first volume. Due to limitations of available data, the other two processes of state formation and nation-building, which in the European context predated the institutionalization of political and social rights, are dealt with to a far lesser extent.

That political development in Europe would lead to a system of nation-states was not evident at the beginning. If one follows Charles Tilly (1975), then the nation-state represented only one of five possible paths of development in the thirteenth century; the others being the persistence of feudalism, the evolution of an embracive trading network, and the creation of a political or a theocratic empire.

Today, we know of course that the nation-state finally triumphed: a relatively centralized political system with a consolidated territory, differentiated political structures and a monopoly of the legitimate use of force. It triumphed for several reasons. Most important were probably the political fragmentation of Europe and the openness of her periphery, but also early capitalism, the growth of cities, commerce and manufacturing, which offered the resources for centre building and state formation.

It took some time, howerver, to triumph; at least until his sixteenth century when the Hapsburgh failed to consolidate their empire. According to Wallerstein (1974), this failure was an essential precondition for the emergence of a capitalist world-economy which none of the emerging nation-states could control.

A world-economy, in Wallerstein's understanding, is one of two types of world-system which he defines in terms of a relatively closed division of labour and plurality of cultural systems. In contrast to a politically unified world-empire, a world-economy embraces several political systems. In a capitalist world-economy, production is predominantly oriented towards market exchange, and profit becomes the driving force in quantitative expansion and qualitative improvement. It is furthermore characterized by labour becoming a 'commodity', i.e. by the extension of a labour market, in contrast to a system in which the owners are mainly small farmers and artisans.

What one today calls modernization, started in Europe in the context of an international system of nation-states and a capitalist world-economy. This framework has shaped the European development, and with Europe's expansion it has left its imprint on other world regions. Thus the nation-state, although hardly achieved anywhere, is still the predominant model of political development. And the position of the newly independent states in the international division of labour – a structure of dependence and inequality – sets limits to the options open for national development.

At the same time, however, we have learned today that there are more paths to modernity, more ways to build industrial and urban societies, than those suggested by European experience. 'Capitalist development' or even 'capitalist-democratic development' is only one form of modernization, and history has certainly not yet exhausted the combinatorics of modern institutions. Beyond the variations in basic political and economic institutions, however, all modern or modernizing societies share many fundamental characteristics. This combination of uniformity and variety is expressed by the title of the second volume of the handbook *'The growth of industrial societies and capitalist economies'*.

Capitalist development, industrialization, modernization

When Tocqueville wanted to know more about the future of France he went to study American democracy. When Marx wished to understand more about the future of Germany he began to study English industrial capitalism. They could do this only because both of them had concepts of a *general* development, different as these were. But Tocqueville was a little more prudent. Not only was he aware of the unique features of American democracy, he also conceived of alternative developments of democracy, pluralistic and totalitarian as we would call them today. Marx, on the other hand, cared less about the unique features of English capitalism, and he did not conceive of forms of non-bourgeois or even non-capitalist industrialization.

Marx' reliance on England as exemplifying capitalism made him underestimate the role of the state in capitalist development. His conception of capitalism as a general and necessary stage of development gave him no reason to distinguish between 'capitalism' and 'industrialism'. Marx was primarily interested in the class character of capitalist societies, based on the institutions of private property and wage labour; and he was interested in the logic of capitalist development, as shown in the process of capital accumulation and endemic crises of overproduction. From this point of view 'industrialism' is important only insofar as the existence of a capitalist society presupposes a high level of industrialization.

The reverse, however, does not hold true. For this we should not blame Marx too much, because at the time when he was writing there was no example of non-capitalist industrialization. Even after the Russian Revolution and the accelerated industrialization of Russia in the 1930s, it took a long time until a clear distinction was drawn, first perhaps by Raymond Aron in his famous lectures on the industrial society of 1955 (1962). For Aron 'industrial society' is the general type of modern society, and he distinguishes subtypes by the form of ownership of the means of production and by the basic allocation mechanism. Accordingly, predominantly private ownership, wage labour and the division between employers and employees, profit orientation as crucial momentum, and decentralized allocation via the market, are the essential characteristics of 'capitalist societies'. To these Aron adds the openness of the national economy vis-a-vis the world economy with the resulting pressures of adaptation, the decisive influence of consumer decisions on the distribution of resources, and the existence of free trade unions.

These capitalist societies share, however, certain features with other industrial societies. Aron emphasizes above all the accumulation of capital and the concentration of the workforce, the high level of economic rationality, the extended division of labour within enterprises, and the separation of family and workplace. He also mentions the expansion of formal education, the importance of science and technology, the bureaucratization of production, the increase of dependent labour, and the regulation of work and work life. In this sense 'industrialization' has a standardizing impact on the social structure of modern societies, although differences in class structures and other aspects clearly persist. This limited convergence with respect to social structure, however, does not in Aron's view imply a convergence in politics, of democracy and dictatorship.

After Aron, and mainly under the influence of American sociology, the concepts of industrial society' and 'industrialization' were largely replaced by 'modern society' and 'modernization'. This was necessary, although it has not contributed much to the clarification of concepts. It was necessary, because the broad changes which European societies underwent for more than two hundred years and which other societies undergo today, cannot merely be interpreted as preconditions, implications or consequences of industrialization in a stricter sense. It has created conceptual confusion, because for a long time the uniformities of the modernization process were overstressed. This led to a neglect of the alternative paths to modernity which spring from differences in inherited institutions as well as from changing external conditions.

The vital revolution and demographic transition

The secular increase of Europe's population from the second quarter of the eigtheenth century was a revolution, but not a completely new phenomenon. In fact it represented the third major upswing in European population history, the first extending from the middle of the eleventh to the end of the thirteenth century, and the second from the middle of the fifteenth to the end of the sixteenth century. The third upswing was initially caused by a release from the population constraints associated with war and epidemic, and by considerable improvements in agricultural production and commerce.

Although population increase predated the Industrial Revolution in a stricter sense, it was this later process which transformed the third upswing into the Vital Revolution. This time the upward movement not only started from a higher level, but it was able to maintain, and for some time even to increase its momentum. Unlike the previous upswings, population growth was not terminated or reversed by catastrophes but was eventually slowed down by a change of the basic 'generative structure'.

The demographic revolution was broadly synchronized with the spread of industrialization and the shift from rural to urban life. In the nineteenth century improvements in the quality of food, shelter, clothing, water supply and sanitation gradually brought about a reduction in death rates, this reduction being accelerated after 1900 when modern medical science began more systematically to contain infectious disease and reduce infant mortality. This decline in death rates outweighed the usually later decline in birth rates, giving rise to a population surge which culminated in the period from the late nineteenth century to World War I.

In most instances fertility had already begun to decline in the nineteenth century and showed an irregular but generally downward trend from the turn of the century. Upsurges in birth rates after 1918, in the late 1930s, and after 1945 did little more than compensate in some measure for birth deficits associated with war and depression. For the first time, during the depression of the 1930s net reproduction rates (which measure the future reproduction of the population on the basis of the current rates of fertility and mortality) fell below the level of 1.00. After World War II, however, there was a widespread increase of birth rates, and it was not until the 1960s that they started to decline again, bringing net reproduction rates to even lower levels.

Europe's demographic development has formed the empirical basis for a generalized 'theory of demographic transition' which essentially states:

1. Pre-industrial societies are characterized by high levels both of fertility and mortality. Because of high fertility populations are young and because of high mortality population increase is small. Fertility generally is higher than mortality, but population growth is frequently checked by catastrophic mortality. This is due to the extreme vulnerability of pre-industrial societies to calamities of all sorts which makes epidemics in particular a regulatory device.
2. Fully industrialized and urbanized societies instead are characterized by low levels both of fertility and mortality. Because of low fertility populations are old and population increase is small or even negative. Due to the higher adaptive capacities of these societies mortality fluctuates only moderately whereas fertility is more volatile.
3. The demographic transition from high to low levels of fertility and mortality is characterized by a time-lag between the decline of mortality and the decline of fertility. This produces a high rate of natural population increase as a transient phenomenon. The reason for this time-lag is assumed to be that industrialization has a more immediate impact on mortality whereas a decline of fertility requires far more complex changes in social structure which ultimately are also produced by the process of modernization.

In terms of this simplified model one can specify some features of the demographic transition which are peculiar to Europe in comparison to the late-comers among the modernizing countries: a much slower and more gradual decline of mortality because of the later impact of modern medicine; a generally lower fertility because of a specific 'European marriage pattern'; as a consequence, a comparatively lower natural increase of population with demographic pressures further eased by the exceptional opportunity of intercontinental migration (between 1846 and 1932, according to Carr-Saunders (1936), more than 50 million Europeans emigrated overseas).

The first and last features speak for themselves, but the second needs some explanation. There is a distinctively (North-Western) European marriage pattern which can be traced back to the seventeenth century and which existed up to World War II. Its distinctive marks are (a) an advanced age at marriage and (b) a high proportion of people who never married (Hajnal 1965). This pattern was related to a specific household system in which the great majority of households were nuclear-family households which did not contain relatives, but which included life-cycle servants (i.e. young women and men who lived in the household of their masters).

Malthus thought that late marriage in Europe resulted in lower birth rates, as one of the 'positive' or 'negative' checks which would appear when population transcends its 'optimum size' and approaches a certain 'ceiling'. His model of development was formulated in terms of fixed land and population growth. Whereas the 'passion between the sexes' makes population grow in 'geometrical progression', food supply

only increases 'arithmetically'. With the supply of free land exhausted, the law of diminishing returns leads to a decline in labour's marginal product. This means a fall in living standards which in turn produces the above checks to population growth.

Ironically, Malthus, bound to traditional Europe, developed his gloomy futurology at a time when the technological process was beginning to invalidate the law of dimishing returns by constantly raising labour's productivity. Thus, by contrast with Malthus' theory of stagnation, Kuznets (1966), the great pioneer in the development of historical national accounting systems, regards population and economic growth as being closely related. He understands modern economic growth as a sustained increase in per capita or per worker product, most often accompanied by an increase in population and usually by sweeping structural changes.

The urban and industrial revolutions

Modern economic growth, according to Kuznets, is characterized by rates of increase in per capita product which range from less than 15 to about 30 percent per decade. Assuming a rate of population growth of about 10 percent per decade, this means an enormous growth of total output ranging from 20 to close to 50 percent per decade.

Sustained economic growth of these proportions was only made possible by the Industrial Revolution, the most dramatic of all revolutions in world history. In a narrow sense, the Industrial Revolution was a process by which societies accuired control over vast sources of inanimate energy. But such a definition does not do justice to the complex economic, social, political and cultural implications of this phenomenon. Kuznets therefore stresses that the rate of increase in per capita product was not primarily due to quantity of input, but to improvements in quality, i.e. increases in useful knowledge and better institutional arrangements for its utilization. Furthermore, the growth in efficiency was not only rapid but also pervasive. This means that the industrial revolution was preceded and accompanied by an agricultural revolution and by a striking increase in the capacity of transportation and communication.

The Industrial Revolution occurred in England because of a specific constellation of historical circumstances, and from England it soon spread to the rest of Europe. By 1850 is had penetrated into Belgium, France, Germany, and Switzerland; by 1900 it had extended to Northern Italy and Scandinavia. Until the entry of Japan in the late nineteenth century, followed by the U.S.S.R. in the 1930s, modern economic growth was concentrated in the European countries and their offshoots overseas. In these countries per capita incomes were well above the average even before industrialization.

The Industrial Revolution gave Europe a tremendous advantage over the rest of the world, founding its world-wide predominance in the nineteenth century. But even within Europe, the different timing of industrialization or of the economic take-off as W. W. Rostow has called it, meant great inequalities in the rate of aggregate growth which often cumulated in marked shifts in relative economic and political power among the European nations.

Beyond the creation of new inequalities between countries, however, modern economic growth in general strengthened the interdependence between nations, in terms of the international flow of men, goods and capital. This is especially true for the period from the second quarter of the nineteenth century up to 1914. World War I radically changed these international flows. International migration has never resumed pre-1914 levels, whereas the flow of goods and capital did, but only after World War II.

Internally, modern economic growth produced a basic transformation of social structure. Two broad changes were especially important: the marked and rapid changes in industry, status and occupational structures of the labour force; and the great increase of mobility in its various forms, the occupational shifts within and between generations and the considerable migration within countries, urbanization being the most important form.

Urbanization is not the same as urban growth. Cities have a history of almost ten thousand years which is closely related to the creation of large political structures, the growth of great religious cults, and the expansion of trade. Urbanization, on the other hand, is a much more recent phenomenon. In its simplest ecological meaning it is an increase in the proportion of the total population of an area which is living in cities. Before the Industrial Revolution there was no country with much more than a tenth of its population living in cities, and few cities had more than a million people. Up to the mid-nineteenth century no society could be described as predominantly urbanized.

It is a curious fact that urbanized societies arose in a region, North-West Europe, which had not given rise to the major cities of the past. However, this region has given birth from the tenth and twelfth centuries onwards to a unique form of city. The cities of Medieval and Renaissance Europe had something essentially different from towns in other world regions. They were autonomous organisms, clearly separated from the surrounding countryside, the core of new social and political structures, of a new culture and a new economy.

At a certain point, however, these cities, founded on guilds and corporations, became an obstacle for an inter-urban restructuring of economic life. Thus, the current wave of urbanization started much later, around 1700, with the emergence of national states and the extension of the capitalist world economy. It developed into a truly revolutionary process through its connection with the later industrialization.

Industrial urbanization differs from other forms of urbanization not only in terms of pace, scale and thoroughness, but also in quality. It does not produce a city structure as a specific social form. The city instead tends to loose its different structural and cultural characteristics: it tends to coincide with global society. This is mainly due to the technological implications of the increasing division of labour. These have centralizing as well as decentralizing consequences, leading to urban concentration as well as geographical diffusion.

Modern urbanization thus is best understood in terms of its connection with economic growth. As Kingsley Davis (1974) has put it, urbanization is a finite cycle through which nations go in their transition from agrarian to industrial society and which can be represented by a curve in the shape of an attenuated S. However, even if this curve is similar for all modernizing countries, in comparison to the latecomers, urbanization in Europe had at least two specific marks: its pace was much slower and its connection with industrialization much closer.

Until the nineteenth century, Europe was agricultural and rural. Within a century it became industrial and urban. This long-term transformation is often described in terms of a sequence of different types of societies: a traditional society in which agrarian work predominates, an industrial society characterized by manufacturing, a post-industrial society in which service work prevails. Clark and Fisher were the first to analyze this development in terms of a sectoral change of the labour force. Somewhat later Jean Fourastié (1963) tried to incorporate these changes into a broader concept of a transitional period between a stable 'primary civilization' of the past and a stable 'tertiary civilization' of the future.

It is technological progress which destroys the traditional balance. It increases the productivity of capital and labour, but these productivity gains vary among economic sectors (being high in the 'secondary', medium in the 'primary', and low in the 'tertiary' sector). Because the elasticity of demand also varies among sectors (being low in the 'primary', medium in the 'secondary', and high in the 'tertiary' sector), intersectoral differences in productivity increases lead to a change in the structure of demand, and thus to a change in the structure of production, and ultimately to a change in the structure of employment.

Given these intersectoral differences, technological progress, according to Fourastié, produces the following:

- a steady decline of employment in the primary sector, essentially agriculture, in form of an inverted attenuated S, from almost 80 percent to maybe less than 5 percent;
- a steady increase of employment in the tertiary sector, basically all varieties of services, in a kind of mirror-image of the decline of agricultural employment;
- a transient increase in industrial employment, starting slowly, then accelerating in the 'expansion period' up to a maximum of say 50 percent, after which it begins to decline again, flattening out at the end at a much lower level.

The transitional period therefore is marked by the rise of industry to predominance, and by its subsequent relative decline. For Fourastié, this is a period of economic, political and social instability. The traditional crises of agricultural underproduction are replaced by crises of industrial overproduction with recurrent mass unemployment. The rapid and thorough changes in the structure of the labour force generate anomie, lead to a mobilization of large population groups, and create political conflicts and crises.

In a recent work, however, Hartmut Kaelble (1983) has shown that a pronounced period of industrial society can only be found in Europe. The modernization of advanced non-European societies was characterized instead by a direct transition from an agrarian to a service society. Only in Europe was industrial work the most dynamic sector of employment from the nineteenth century until recently, and even now the move towards a service society seems to be less marked than abroad. The explanation which Kaelble offers for this

– once more – unique European development lies, above all, in the high exportation of manufactured goods from Europe to the world market and in the labour intensive industrialization of Europe. The longstanding predominance of a large and homogeneous industrial working class has certainly contributed a great deal to the interpretation of European modernization as the emergence of class society.

The rise and subsidence of class society

One can define class in such a generic way that the term applies to all societies in human history which have surpassed the subsistence level and have a certain division of labour. In these societies the control of the means of production may be crucial in the structuring of social inequality. It seems more useful, however, to interpret class society as a modern phenomenon which emerged in Europe from the ruins of feudalism. The extension of markets in general and of the labour market in particular, was a precondition for the emergence of class society. Capitalism had to destroy the legally sanctioned differentiation between estates, the feudal bonds and personalized ties of fealty, and the relatively self-sufficient character of local communities.

In this perspective, class society is something essentially different from estate society. It is founded upon the differentiation of two institutional spheres, commerce and industry on the one hand and the state on the other, thus breaking up the old fusion of economic and political power. Classes are defined as large-scale (national or even international) groupings of nominally free persons who have a common relation to the means of production, and occupy a similar position in the division of labour and market exchange. They do not necessarily have a sense of identity, a common class consciousness or class organization.

Our understanding of the long-term change of class structures has been shaped again and again by the arguments of, with, and about Marx. This is not the place to repeat – yet again – his basic ideas. In one way he had a very clear view of the future development, namely that capitalism would lead to a concentration of productive capital in the hands of fewer people and that the share of dependent work would steadily increase. In another way, however, he was rather misled, namely that in the long run capitalist development would produce a much more simpified class structure and an increasingly clear-cut and overt class conflict. The contrary is true: today, the class structure is more complex than ever, and class conflict has become more diffuse and simultaneously more institutionalized.

In order to overcome sterile disputes about the existence of class society, Anthony Giddens (1973) has suggested that we speak about types and levels of class structuration, an idea derived from Weber's class analysis. For Weber a class structure is a specific form of social inequality in which life chances are essentially determined by market position. In this sense market position is class position. There can be a great variety of different market positions and therefore a plurality of classes, the two most important dimensions being property (ownership classes) and qualification (acquisition classes). The whole spectrum of classes may be more or less structured, according to Weber, depending on the extent of inter-class mobility. Class structuring will also depend, Giddens adds, on the typical division of labour and the authority structure in enterprises as well as on differentiations in the sphere of consumption.

The complexity of this concept emphasizes the difficulties involved in a systematic empirical analysis of the long-term change of class structuration in the process of industrialization. Especially as regards the distribution of property, social mobility, work and authority relationships in enterprises or consumption patterns, one has to rely mainly on case studies which never give a complete picture.

To some extent this is also true for the distribution of educational and vocational qualifications among the population, although in this case one can use – at least indirectly – the available information on the evolution of the national education systems. There can be little doubt that the extension of secondary and higher education has changed the form and extent of class structuration: by the upgrading of market capacities – in the form of 'human capital' – of broader population groups on the one hand, and by creating greater differences among the employed labour force on the other.

In principle, both tendencies must be reflected in the distribution of income, strengthening the middle income strata and differentiating income from dependent work. We certainly do not know enough about long-term changes in income inequality at the national level, as our information is dependent upon the – relatively late – introduction of national income taxation. Some broad trends, however, seem to be con-

firmed by existing studies (Kraus 1981). Changes in the top income strata seem to have been decisive for the trend in overall income inequality. The relative decline of top incomes appears to have been a general development, starting perhaps in the late nineteenth century and being most evident during both world wars. It is probable that all other income groups have gained to some extent from this relative decline, but the middle groups seem to have profited the most.

European societies have become less class structured because market positions seem to be more differentiated and market capacities more continuously distributed. They are also less class structured in the sense that today individual life chances are less determined by market position. Material welfare is much less dependent on market income. Direct and indirect taxes, transfer payments, and the provision of public services have clearly reduced the importance of wages and assets in determining economic status.

It is not unlikely that the initial phase of European industrialization was marked by an increasing class structuration (Kaelble 1983). But since the turn of the century this – real or presumed – trend has been reversed. The long-term process of class de-structuration has been paralled by an increasing organization and institutionalization of class conflict. In a very broad sense, this refers to the evolution of mass democracies which has frequently been interpreted as an institutionalization of class conflict, leading to the creation of welfare states. In a stricter sense, however, it refers to the establishment of trade unions and recognized forms of collective bargaining.

The trade unions, the second major pillar of the working class movement, developed throughout Europe as a product of the industrial revolution. However, the countries responded in very different ways to this general development. Reinhard Bendix (1964) has distinguished three broad types of policies. The Scandinavian and Swiss type can be characterized as a modernization of the traditional organization of crafts, allowing for a high degree of continuity and a low degree of repression. The absolutist type instead represented a major break with the traditions of liberty as a corporate privilege, leading to the repression of all sorts of associations. In the liberal type exemplified by England, workingmen's associations were also suppressed, but the right of association was preserved in other respects. Thus, the political and institutional frame work of trade union development greatly varied across Europe.

Trade unions were first organized by highly qualified groups in certain crafts with remnants of a 'guild spirit'. The raison d'être of these craft unions was not only to organize strike support, but also to provide social security on a mutual benefit basis and to monopolize qualified labour. The first national craft unions were established in the last third of the nineteenth century, and this process was largely concluded on the eve of World War I. The foundation of national trade union federations started at about the same time, culminating around the turn of the century.

The formation of industrial unions according to the principle of 'one establishment – one union' was a basic goal of national trade union federations everywhere, but the success with which the unions pursued this goal has greatly varied. To some extent, these variations are explained by differences in the early development of craft unions. This explains at least the major differences between the United Kingdom, Ireland and Scandinavia, where craft unionism still predominates, and the other countries where industrial unions were formed to a large extent. Some of the variations are also explained by later developments which have weakened the industry principle and furthered organization along status lines. The general change in the occupational structure, brought on by the growth of public and private bureaucracies and the emergence of new professions, has led to the formation of white-collar organizations in all countries, some dating back to the end of World War I. But again there are great variations in the form and the degree of the unionization of white-collar employees and civil servants.

Finally, one must also take into account the varying impact of rival political unionism on the structure of the trade union systems. Political cleavages were especially strong in the Catholic countries and the Protestant countries with a strong Catholic minority. Only in Austria and Germany, the cleavage between Catholic and socialist trade unions has been overcome. It persists in Belgium, France, Italy, the Netherlands and Swizerland, where unification attempts have largely failed. In several countries, the structure is further complicated by the varying splits between socialist and communist trade unions.

Differences in the organization of labour are closely tied to variatons in strike patterns. Over the last hundred years the form and frequency of strikes has profoundly changed. According to Edward Shorter and Charles Tilly (1974) three great changes have accurred in virtually all Western European countries:

- secular increase in the rate of conflict during the last quarter of the nineteenth century and the first quarter of the twentieth century, followed by a large-scale decline during the 1920s and the Depression;
- a secular decrease in the duration of conflict starting around the Great Depression, and continuing after the Second World War;
- an increase in participation in strikes, sometimes beginning during the Great Depression, sometimes beginning just after the Second World War.

The user of this handbook will be able to check these statements on the basis of the data given in the concluding chapter of the second volume. They will not be able, unfortunately, to analyse the relationships between changes in labour disputes and the development of the trade unions. The chapter on trade unions is missing for reasons explained in the preface.

The other chapters are structured according to the outline given in this introduction. The second volume starts with two chapters in Part VI both of which are related to the demographic transition. They are followed in Part VII by two chapters on the process of urbanization and the changing housing conditions. The two chapters of Part VIII then give the essential data on economic growth, i.e. on the growth of the national product, its changing origin and use. These are followed again in Part IX by two chapters on the most important concomitants of economic growth, a changing division of labour and a changing economic inequality.

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Chapter 10

LABOUR DISPUTES

This chapter presents basic data on the development of labour conflicts in terms of their frequency, size and duration. Time series are given for the following three main indicators: the number of labour conflicts, the number of workers participating in them, and the number of man-days lost due to them. These statistics are presented in the form of national aggregate data, as absolute figures and relative to the dependent labour force.

In most European countries, official statistics on labour conflicts became available around the turn of the century. This must be seen in the context of an increasing incidence of strikes at that time which in turn was largely the result of an improving organization of the working class. Frequently, it was a parliamentary commission which initiated the regular collection of official strike data. In some countries, non-official strike statistics, usually collected by trade unions or employers' associations, exist alongside the official ones. We have utilized these 'private' statistics only in exceptional cases, and when government-produced data are not available.

In the initial phase strike statistics developed rapidly, reaching the highest level of sophistication around World War I. Many of the detailed series on specific characteristics of labour conflicts end in the 1930s, at a time when the Great Depression led to a reduction of trade union power and strike incidence. After World War II strike statistics remained comparatively poor. This may be explained to some extent by the decreasing strike activity in most European countries, a development which led many observers to speak of a 'withering away of the strike'. Since the late 1960s, we know that this view of industrial relations was premature, but the widespread increase in labour conflicts has not led so far to any decisive improvement in strike statistics.

In dealing with these statistiscs, attention must be paid to the difference in the definition of labour conflicts adopted by the statistical agencies: how a single conflict is identified, how its participants are counted and how its duration is measured.

In principle, a strike is any collective work stoppage of dependent workers/employees. A first problem of this definition refers to the status of 'dependence'. There are cases of formally independent, self-employed persons (e.g. tenants of petrol stations or small shopkeepers) who use collective work stoppages as a weapon against private enterprises or public agencies upon which, in practice, they may be very much dependent. For the sake of conceptual clarity, these collective conflicts have not been included. They are also a relatively new phenomenon and not very relevant in terms of national strike statistics.

A second problem is whether collective work stoppages, in order to be called strikes, must have strictly 'economic' goals, i.e. goals which can be attained in negotiations with employers. As we know, many strikes contain a 'political' element in the sense that they are used to influence government action. This political element is more important in some countries/periods than in others, and exclusion of 'political strikes' would seriously reduce comparability. Furthermore, there is no possibility, on the basis of official statistics, to consistently distinguish between 'economic' and 'political' objectives of work stoppage. We have therefore included all strikes, even when their political character was openly declared.

A third more general poblem refers to the distinction between strikes and lock-outs. First of all, there is a practical problem to draw a clear line between these two forms/sides of labour conflicts, because one may easily lead to the other. In addition, data on lock-outs are often not collected or they are not given separately in official statistics. Furthermore, in more recent times lock-outs may also be prohibited. At present, no distinction is usually made between strikes and lock-outs, both being counted as labour conflicts.

If a conflict involves a number of different establishments, is it identified as one strike or several? Disputes affecting several establishments may be counted as one case if they break out simultaneously, if they have a common purpose or if they are organized by one person or one organization. Apart from cases

vary greatly, leading to rather different aggregate numbers of strikes. Some countries therefore try to avoid these difficulties by counting only establishments involved in strikes and not the strikes themselves.

The aggregate number of strikes may be influenced by two further variations in operational criteria. One of them refers to the question of whether a minimum number of strikers and/or working-days lost is required. In more recent periods, this is a frequent procedure. Usually, a collective work stoppage is only counted as a strike if at least 100 workers are involved and/or 100 working-days are lost. This leads to a considerable underestimation of the frequency of strikes, as shown in empirical studies, especially in countries/periods in which small-scale and short-term strikes are relatively more frequent. Annual aggregate figures may furthermore be influenced by the method of counting strikes which begin in one year and end in the next. They may be counted only once, in the year when they start or end, or they may be counted in each year that disputes are in progress.

The number of strikes is an important measure of strike activity, but of course the number of strikers involved in each conflict may vary greatly. In counting participants one is confronted with two problems. The first concerns the distinction between workers who are directly involved in strikes, and those only indirectly involved who are much more difficult to enumerate. Usually, these are only included for establishments where conflicts took place. A second problem is whether the average or the maximum number of participants in a labour conflict is taken.

There is no general pattern in the long-term development of strikes except in their duration: strikes tend to last for shorter periods of time. Duration is an indicator of both the intensity of conflicts and the organizational capacity of workers to maintain solidarity. The simplest overall measure of duration is the number of working-days lost in conflicts. Caution must be applied when interpreting these data because of two problems. First, some big conflicts may distort the picture. Second, the method by which the number of working-days lost is obtained varies across countries and periods. They may be counted for each day and participant or calculated by multiplying the duration of the conflicts in terms of working-days by the number of participants. In the latter case, a strike may be said to last from its official declaration to its official end. However, the duration may also be measured from the time when the first workers lay down their tools to the time when the first workers go back on the job.

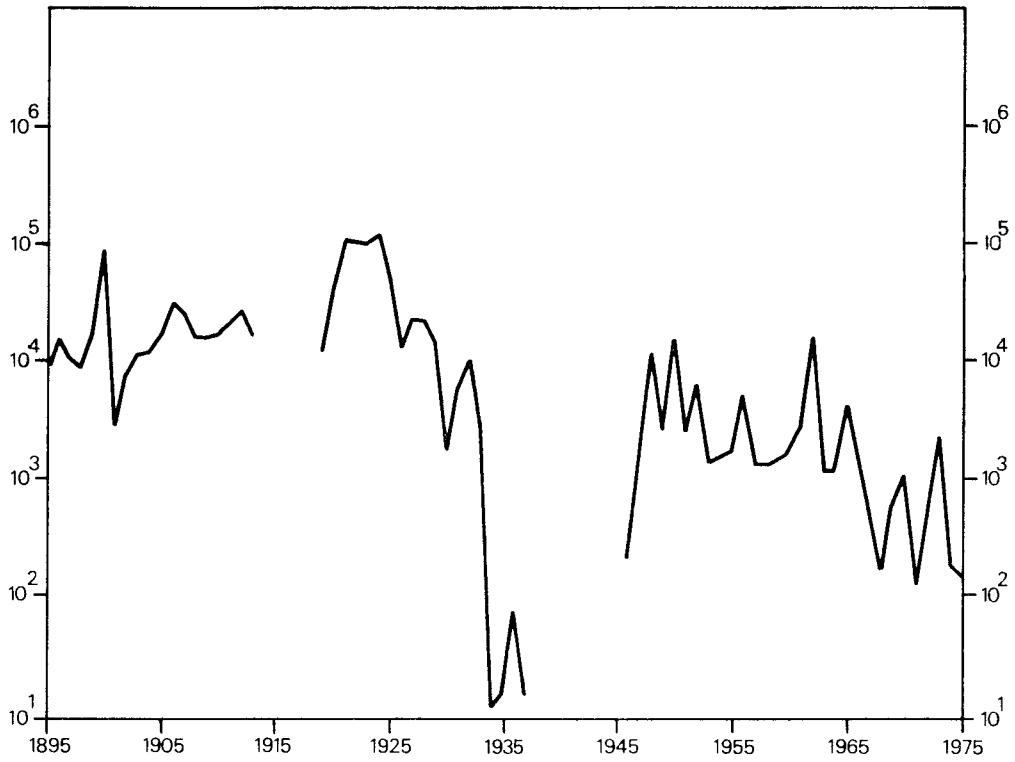
Major variations in the definition and measurement of labour conflicts are documented in the footnotes to the following tables. For each country, in alphabetical order, two tables are given, one with raw data and one with indicators. The first table contains (1) the number of conflicts (strikes, lock-outs, and total conflicts), (2) the number of participants (strikers, lock-outers, indirectly involved persons, and total participants), and (3) the number of working-days lost (by strikers, lock-outers, indirectly involved persons, and by total participants).

In the second table two types of indicators are given: firstly, indicators which define the shape of the typical strike in a given year, average size (strikers per strike) and average duration (working-days lost per strike and striker); secondly, indicators of the aggregate strike activity which take into account the great variations in the 'potential strike population', namely the dependent labour force. They give the number of conflicts, participants, and working-days lost per 100,000 non-agricultural wage-earners. Figures of the dependent labour force have been derived from the census data in Chapter 7. Census figures of the dependent labour force, expressed as percentage of the total population, have been interpolated for the inter-census years (except for the years around World War I and II for which the percentages have been extrapolated forwards and backwards). The percentages then have been multiplied by the total population figures given in Chapter 1. The tables are preceded by 13 graphs which show the development of the volume of labour disputes.

AUSTRIA

Volume of Labour Disputes

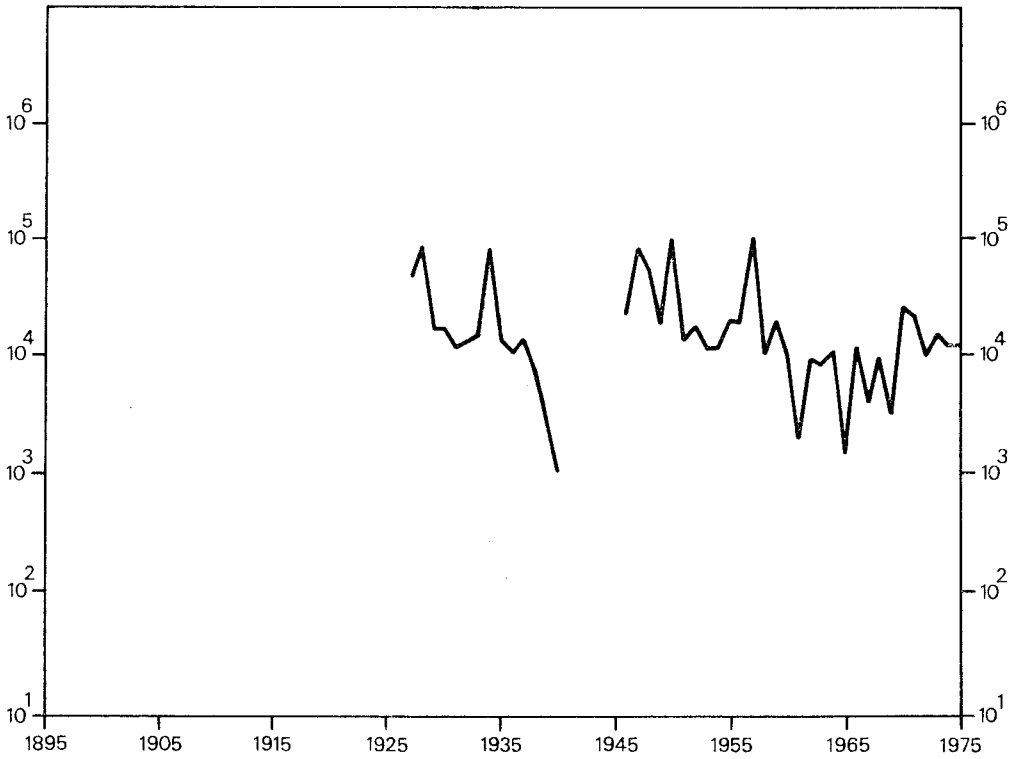
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



BELGIUM

Volume of Labour Disputes

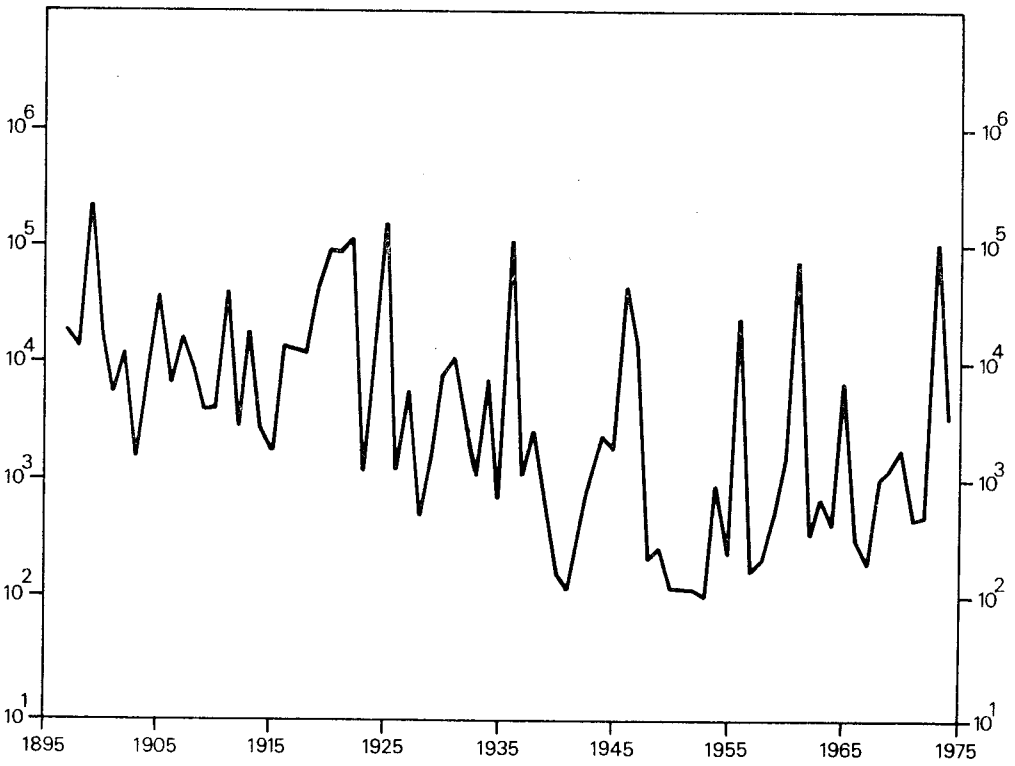
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DENMARK

Volume of Labour Disputes

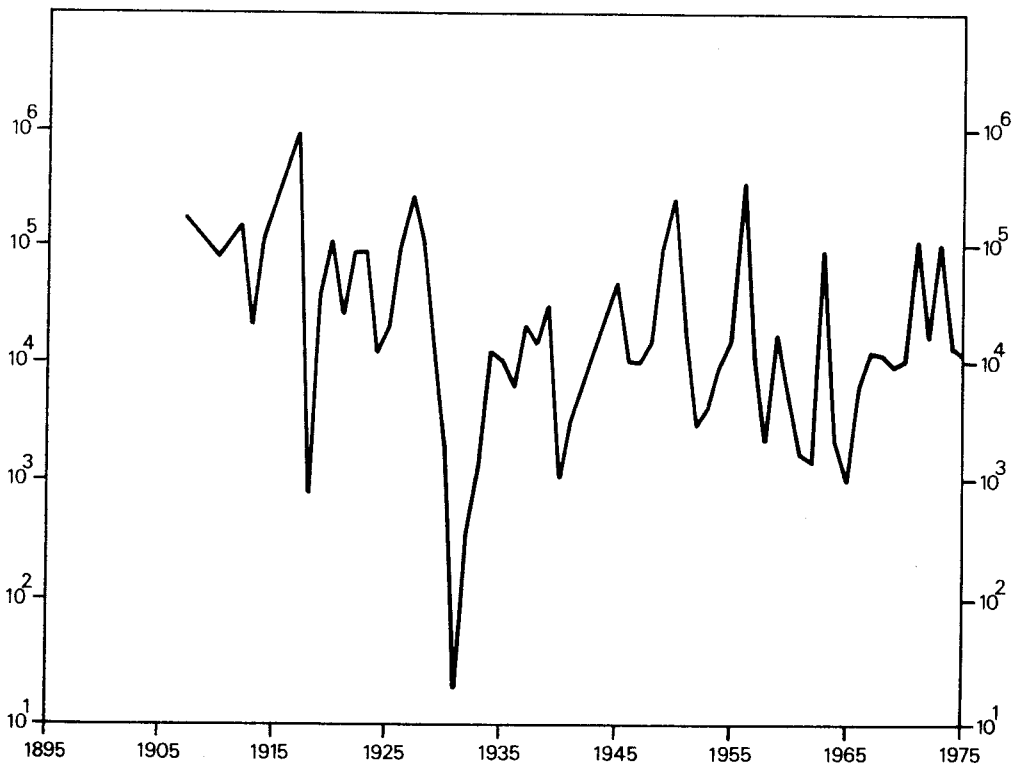
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



FINLAND

Volume of Labour Disputes

Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



FRANCE

Volume of Labour Disputes

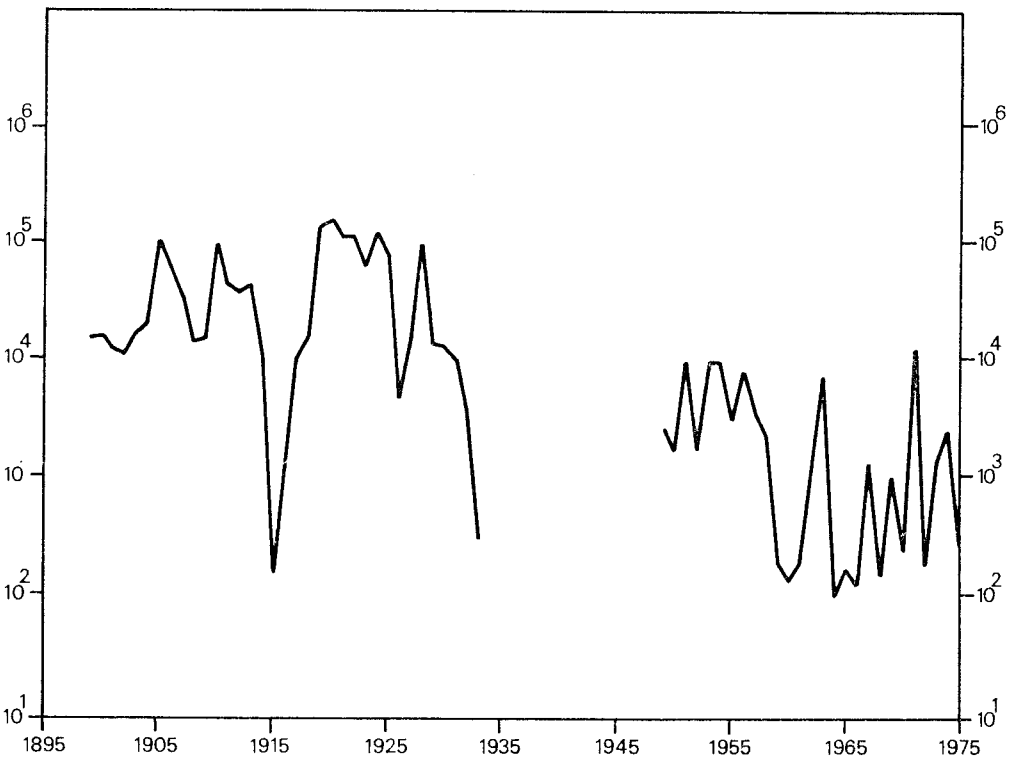
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



GERMANY

Volume of Labour Disputes

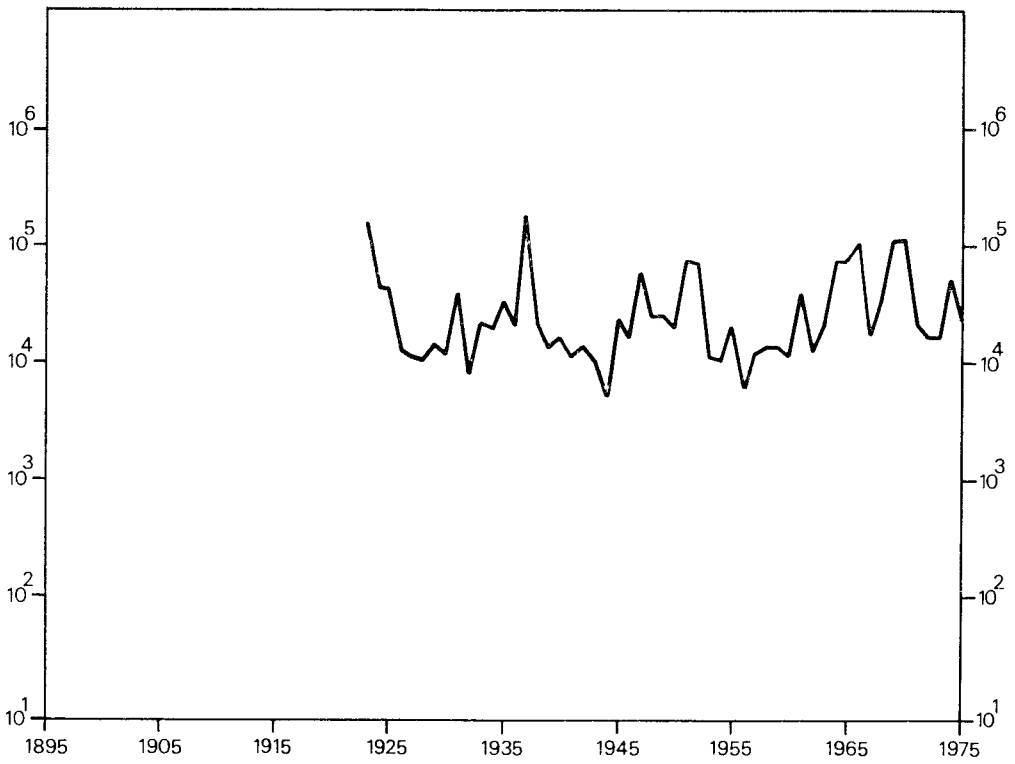
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



IRELAND

Volume of Labour Disputes

Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)

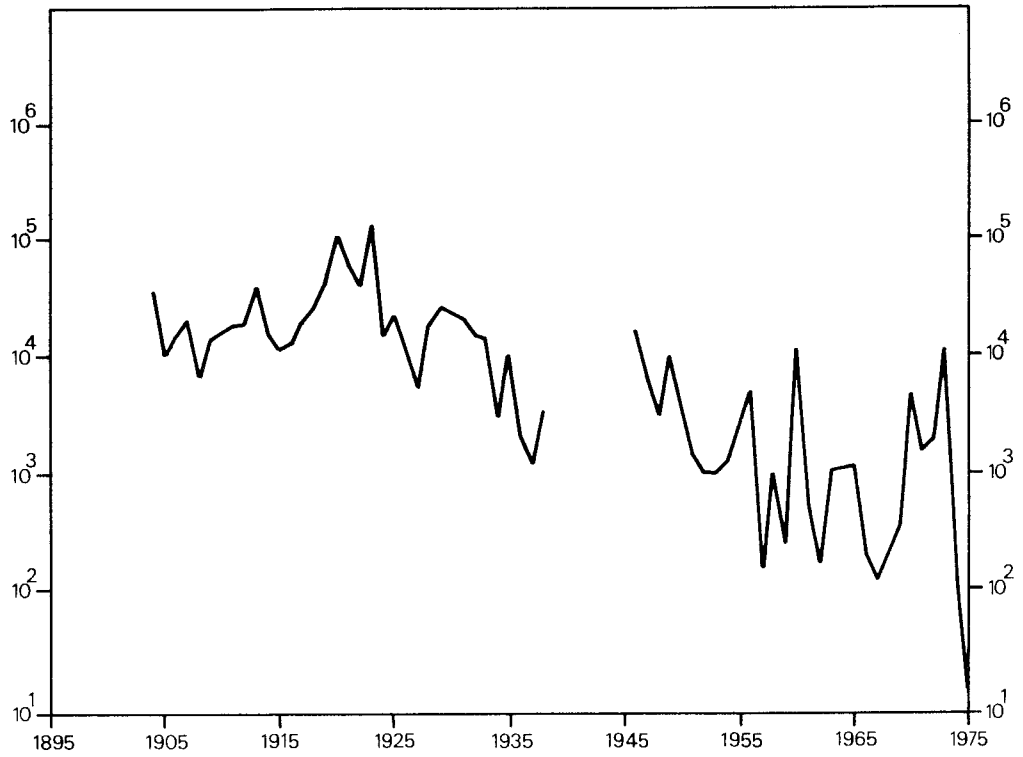


ITALY

Volume of Labour Disputes

Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)

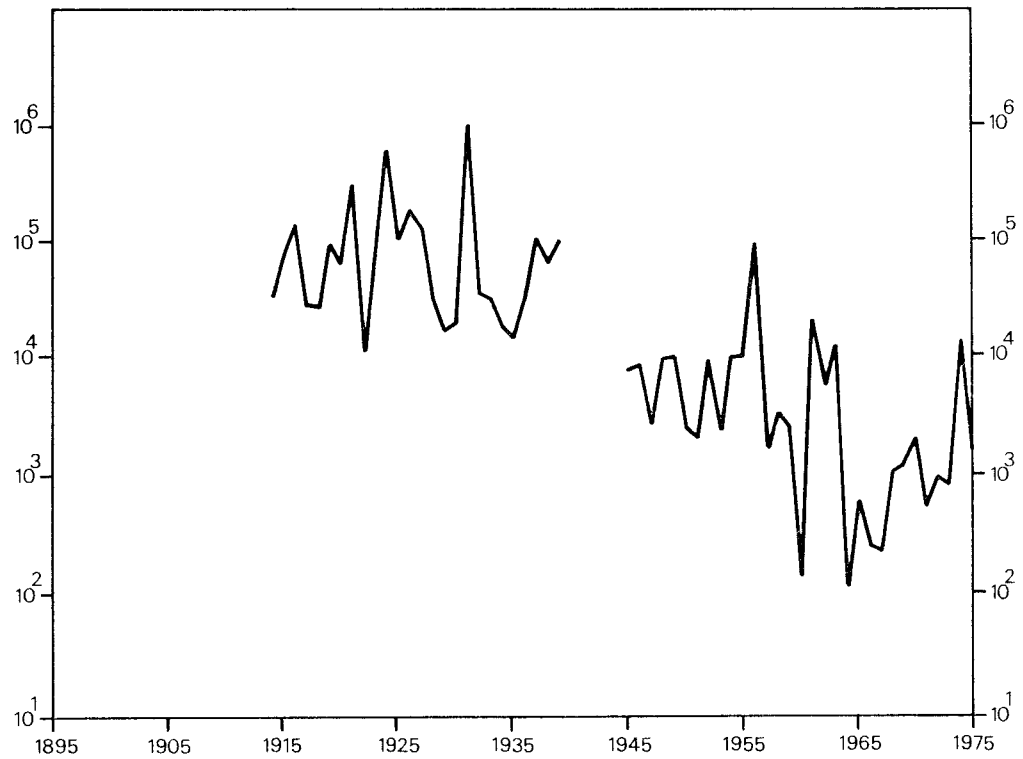




NORWAY

Volume of Labour Disputes

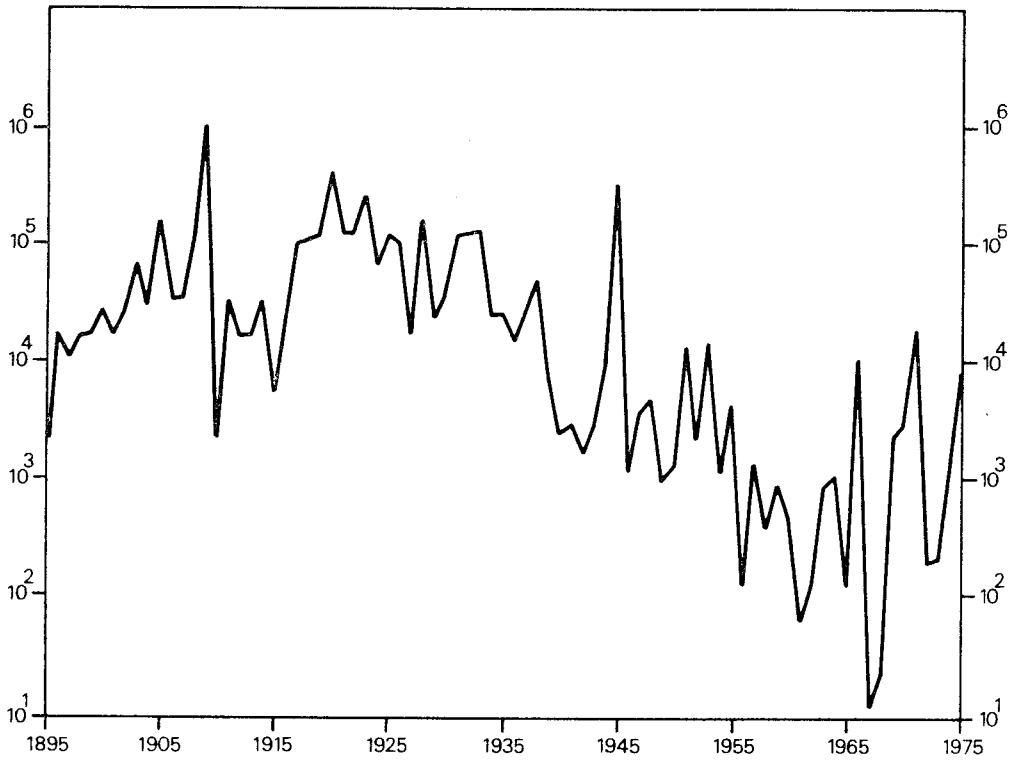
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



SWEDEN

Volume of Labour Disputes

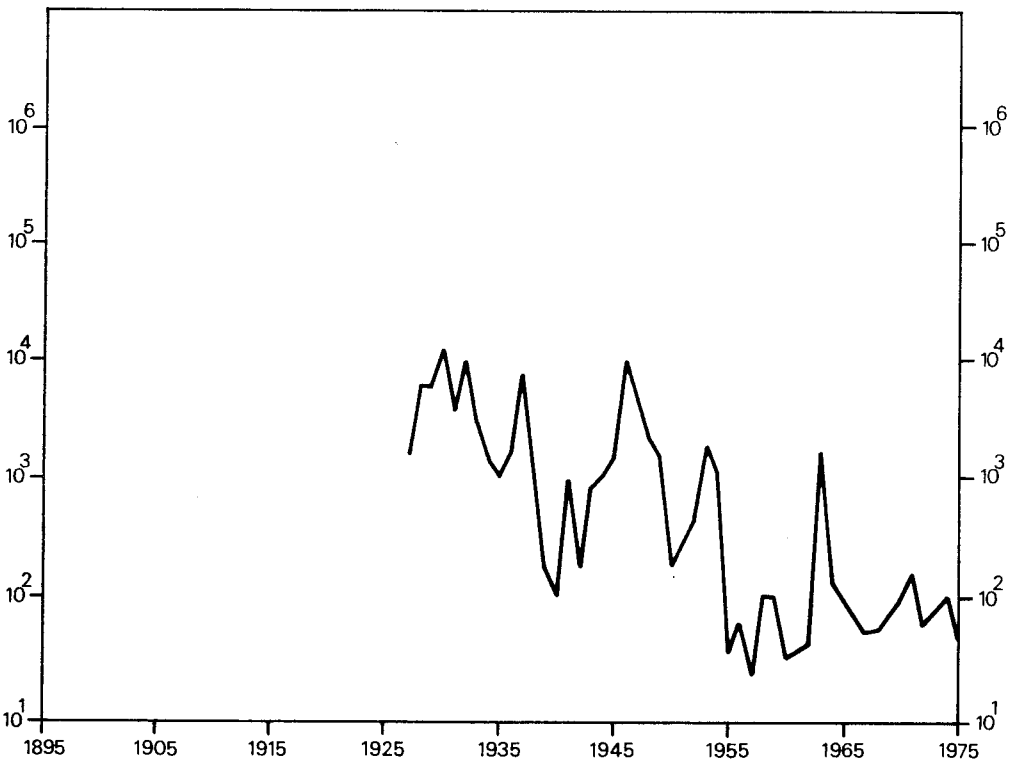
Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)



SWITZERLAND

Volume of Labour Disputes

Man - days lost er 100,000 non - agricultural wage - earners (logarithmic scale)



Volume of Labour Disputes

Man - days lost per 100,000 non - agricultural wage - earners (logarithmic scale)

