SERVING THE PUBLIC, FIGHTING AGAINST THE STATE

LABOR UNREST IN THE PUBLIC SECTOR ACROSS THE EU

by

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Declaration

I hereby declare that this dissertation contains no materials accepted for any other degrees, in any other institutions. The dissertation contains no materials previously written and/or published by any other person, except where appropriate acknowledgement is made in the form of bibliographical reference.

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Abstract

Why has the public sector become the main source of unrest in European labor relations? Why do nurses, doctors and teachers organize protest action despite their tradition of being quiescent? Based on the analysis of eight conflict events in four countries - Hungary, Estonia, Ireland and Denmark, over the period 1999-2014 - I explain public sector labor unrest trough the concepts of marketplace power, sovereign power and discursive power. First, I challenge the prevailing view in comparative political economy that associates labor militancy with a protected (sheltered) status of employees from the market. Instead, I claim that in a large part of the sector – health care – employees challenge the status quo relying on their strong position on the market. I borrow the notion of marketplace power from Beverly Silver, but refine it based on the least likely event of junior doctors' resignation campaign in Hungary in 2011. I apply the marketplace power argument to three other conflict events in health care, which followed a similar pattern despite large differences in the institutional environment.

Marketplace power is the source of employee-initiated conflict, but sovereign power provides the most coherent explanation of employer offensives. The state uses its sovereign power as a legislator and as a policymaker to terminate institutional compromises with public sector unions, who call defensive protest in response. The least likely case of the Danish school lockout in 2013 demonstrates the sovereign capacity of the state to challenge strong unions. The sequence of labor protest and patience in the wake of austerity measures in Ireland shows how governments can use their sovereign power not only to provoke conflict but also to curb it.

While I explain the eruption of conflict with the notions of marketplace power and sovereign power, I also bring in the concept of discursive power to understand the outcomes of conflict. Discursive power denotes the ability to frame disputes in a way that convinces patients, parents and the general public that their interests are also served by employee protest. By identifying these three concepts of power and by teasing out the ways in which they lead to conflict and influence the result of conflict, I contribute to the political economy and the social movements literature. I also provide new insights to practitioners on the chances and risks of protest in a quiescent era of employment relations.

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critical social science, and I might never have learned that knowledge is not about knowing something but about being able to explain it to someone else.

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Abbreviations

ASTI- Association of Secondary Teachers of Ireland
CPSU- Civil and Public Service Union, Ireland
DLF - Danmarks Lærerforening – Danish Union of Teachers
DPER - Department for Public Expenditure and Reform, Ireland
DSR – Dansk Sygeplejeråd – Danish Nurses Organization
EA - Eesti Arstide Liit - Estonian Medical Association
EAKL – Eesti Ametiühingute Keskliit - Estonian Trade Union Confederation
EC – European Commission
EDDSZ – Egészségügyi Dolgozók Demokratikus Szakszervezete - Democratic Union of Health Care Workers, Hungary
ENYKK - Egészségügyi Nyilvántartási és Képzési Központ – Health Registration and Training Center, Hungary
ETK - Eesti Tervishoiutöötajate Kutseliit - Estonian Union of Health Care Workers
FAOS - Employment Relations Research Centre of the University of Copenhagen
FEMPI –Financial Emergency Measures in the Public Interest
FoA – Fag og Arbejde, (until 2005 Forbundet af Offenligt Ansatte) Danish Union of Public Employees
GRA – Garda Representative Association, Ireland
ICTU - Irish Congress of Trade Unions
ILO - International Labour Organization
IMO - Irish Medical Organisation
IMPACT – Irish Municipal, Public and Civil Trade Union
INO - Irish Nurses Organisation (until 2010)
INMO - Irish Nurses and Midwives Organisation (from 2010)
INTO - Irish National Teachers' Organisation
ISIC - International Standard Industrial Classification
ITGWU – Irish Transport and General Workers Union
KL - Kommunernes Landsforening – Local Government Denmark
MOK – Magyar Orvosi Kamara – Hungarian Medical Chamber
MOSZ – Magyar Orvosok Szövetsége – Federation of Hungarian Physicians
MRSZ- Magyar Rezidensszövetség – Hungarian Resident Physicians' Association
NACE - Nomenclature statistique des activités économiques dans la Communauté européenne - Statistical classification of economic activities in the European Community
NPC-PP - National Parents' Council, post-primary section, Ireland
OECD – Organization for Economic Cooperation and Development
OKÉT - Országos Közszolgálati Érdekegyeztető Tanács - Public Sector Reconciliation Council, Hungary
PDSZ - Pedagógusok Demokratikus Szakszervezete – Democratic Union of Teachers, Hungary
PSZ – Pedagógusok Szakszervezete - Union of Teachers, Hungary
SIPTU - Services Industrial Professional and Technical Union, Ireland
TUI- Teachers Union of Ireland
WHO – World Health Organization

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1 Introduction: unusual suspects, dangerous events

> *"Some of the unions are confronting [..] the sick, they are confronting the old, they are confronting the children. I am prepared to take on anyone who is confronting those and who is confronting the law of the land..."*
> Margaret Thatcher on the Jimmy Young show, 31 January, 1979 (as quoted in Sandbrook, 2012, pp. 763–764)

A growing share of labor protest in the developed world now comes from the unusual suspects. As noted by many scholars, the epicenter of labor unrest in Europe and North America has moved towards the public sector, where white-collar employees - with more and more women among their ranks - protest against the government as their employer (Gall, 2013, p. 201; Hyman, 1978, p. 42; Shalev, 1992, pp. 118–121; van der Velden, Dribbusch, Lyddon, & Vandaele, 2007; Vandaele, 2011). Nurses, teachers and doctors do not only take part in strike action, but organize other, non-conventional forms of protest, such as mass resignation campaigns, sick-ins, work-to-rules and recruitment boycotts (Altwicker-Hámory & Köllő, 2013; Briskin, 2011, p. 490; McCartin, 2006, p. 80; Spillane, 2015, p. 157).

These groups are unusual suspects for militancy. In the past, they were held back from industrial action by their own professional ethics, by prohibitive legislation or by both (Hyman, 1978, p. 43; O'Connor, 1973, p. 238). Restrictive measures were - and in many countries still are – in place to prevent the damage that work stoppages may inflict on the core functions of the state and on vulnerable service users: the children, the sick and the elderly (International Labour Office, 2006).

The spread of workplace-related protest among public service professionals is a puzzling phenomenon not only taking into account their own traditions, but also compared to the new norms of the trade union movement that surrounds them. Struggles between the state and its own employees

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take place in an era of overall labor quiescence (Gall, 2013; Gumbrell-McCormick & Hyman, 2013; Shalev, 1992)[1]. Let it be the result of declining employment in former strongholds of union militancy (such as mining or the steel industry), the weakness of unions in expanding private services, or the compromise between capital and labor in export industries, the new norm of industrial relations is cooperation. This general quietness provides a contrasting background for labor unrest in the public sector.

Why do employees traditionally averse of industrial action raise their voice exactly in a period when quietness is becoming the norm for the rest of the labor movement? In other words, why have public sector employees become the renegades of patient times? If they take action, when do they succeed and when do they fail, and what are the consequences of their struggles for other employee groups? The dissertation seeks to answer these questions through the analysis of contentious events in the public sectors across four small European states: Hungary, Denmark, Ireland and Estonia. In these countries, labor protest now almost exclusively comes from the public sector or has never taken place in the private sector. Moreover, within the public sector, professional groups - doctors, teachers and nurses - are the main source of contention in all four countries.

Based on evidence from the detailed study of eight protest events in these countries between 1999 and 2014, I identify two types of labor unrest in public services. In the first type, employees fight for proactive demands, taking advantage of their marketplace power, while in the second type they engage in defensive struggles against the government's sovereign power. I also argue that the outcome

[1]To be more precise, the first large wave of militancy in the public sector erupted in the 1960s and 1970s, which was also the peak of labor protest in the private sector. Since then however, private sector protest has fallen to historically low levels, while public sector protest seems to be a sticky phenomenon. This dissertation does not deal with protest in (public) transportation, which seems to be one of the most stable sources of labor militancy over time – train drivers and airline pilots have always been relatively militant - probably due to their strategic location in the production process (Silver, 2003). However, the overall less vulnerable position of service users distinguishes these areas from health care or education.

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of these struggles depends on how the employer and the employee side frame the conflict and which side manages to link its demands more convincingly to broader societal issues such as the quality or the cost of public services.

In all four countries, employees in a large part of the public sector – health care – rely on expanding economic opportunities to challenge the status quo. The increasing global demand for health care deepens grievances of employees but also creates opportunities for them to take collective action. From this insight comes the first main concept of this dissertation: marketplace power. I borrow the term from Beverly Silver, but based on the least likely case of the junior doctors' resignation campaign in Hungary, I extend it to be able to account for the mechanisms which lead from individual marketplace power to collective action even in an environment characterized by weak bargaining institutions and trade unions (Silver, 2003). I also use a most different systems design to generalize the claims about marketplace power to countries with stronger healthcare unions.

In the second type of labor unrest, employees take a defensive position against a government that introduces austerity measures and employment reforms in the public sector unilaterally, by the force of the law. In fact, this is a wide-spread scenario within the EU after 2008 (Glassner, 2010; Nowak & Gallas, 2014; Vaughan-Whitehead, 2013). In the dissertation I will focus on the 2013 school lockout in Denmark and anti-austerity protests in Ireland after 2009 to outline the mechanisms that lead to the defensive protest of public sector employees. I claim that it is not austerity measures or reforms per se that trigger conflict but rather the way in which they are implemented. I argue that conflict ensues when the state exploits its sovereign power to abolish institutionalized compromises with public sector unions. Sovereign power, the second main concept of the thesis denotes the state's capacity to back up its unilateral decisions with legislation that cannot be challenged at the bargaining table but only through direct protest action.

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Explaining the eruption of conflict is however not the same as explaining its outcomes (Hamann, Johnston, & Kelly, 2013a). Either showing the marketplace power of employees or the sovereign power of the state, conflict means that the other side has the capacity to resist. At the moment of its eruption, conflict represent power ambiguity: the proactive agent has the power to challenge the status quo but is unable to get what it wants through the established institutions.

To resolve this dilemma and account for the outcome of struggles, I introduce discursive power as the third main concept of the dissertation. I develop the concept based on an engagement with the trade union renewal and the social movement unionism literature (Greer, 2008; Gumbrell-McCormick & Hyman, 2013, p. 31; Tattersall, 2013). Discursive power entails the capacity to gain public support during a conflict. As one of my interview partners from Denmark succinctly put it: "public sector strikes have to be won in the public" (Interview 18). The outcome of a public sector conflict is a matter of discourse and actors can maximize their discursive power through linking their own claims to issues of common concern with service users (pupils, parents and patients), or the public at large. I borrow the concept of framing around common concern from the social movements and the coalition unionism literature (Tarrow, 1998; Tattersall, 2013, p. 26). However, based on the Danish and the Irish case studies I also argue that this strategy is not a reserved domain of the employee side. Governments can use it as well, framing the conflict as a fight against privileged groups of workers and unions representing special interests (Cawley, 2012; Culpepper & Regan, 2014; Walsh, 2014).

Taking into account the often dominant government narrative and the vulnerability of service users, winning over the public is not a trivial task for the organizers of public sector labor protest. The findings of the dissertation suggest that in order to succeed, protest organizers as a first step have to reach a balance between being disruptive enough - or at least credibly threaten with disruption – to attract public attention, but not so disruptive as to threaten essential services and lives of citizens.

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Moreover, once they have public attention, they have to deliver a clear message that turns Margaret Thatcher's sentences – quoted at the beginning of this chapter - on their head: public sector workers have to prove that by taking collective action, they might confront the law of the land, but they do so in order to make life better not only for themselves but also for the sick, for the old and for children.

By exploring the economic as well as the political causes of conflict between the state and its own employees, and by highlighting the framing strategies that can lead to the success or failure of either side, the dissertation contributes to the comparative political economy and the social movements literature. It details the steps through which economic opportunities and marketplace power experienced at the individual level translate into collective action. It also identifies the means through which the state is able to change power relations in its own favor and against trade unions– in a short period of time. It also treats framing and discourse as concepts that have decisive short-term effects in determining conflict outcomes. This introductory chapter continues by presenting secondary evidence and primary data on the shift of labor conflict from the private to the public sector. Then it discusses the significance of public sector work stoppages in terms of the perceived or real threat that they pose to citizens, as well as to governments and to the economic competitiveness of a country. It moves on to identify the gaps in the literature with regard to the explanation of these conflict. Finally, it presents the main argument and the research design of the dissertation.

The significance of labor protest in public services

There is broad consensus in the literature that the 1960s and 1970s saw the peak of labor unrest in Europe. Among the factors producing heightened tension in those years were the first large-scale strikes in the public sector (Birke, 2007; Crouch & Pizzorno, 1978; Haggrén, 2012; Sandbrook, 2012). Overall trends show a decline of labor unrest in Europe since then –this is again a consensual claim shared by many authors from different scientific traditions (Gall, 2013; Shalev, 1992; Vandaele,

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2011). The same accounts however also nuance the picture of decline by highlighting the prevalence of national and sectoral differences and the diverging trends in the types of strikes. One favored theme is the increasing importance of general (or political) strikes that are targeted against government policy proposals (Hamann et al., 2013a; Hamann, Johnston, & Kelly, 2013b; Lindvall, 2013; Nowak & Gallas, 2014).

Authors also point to a shift of labor disputes from the private to the public sector, as a process that started around the 1970s-1980s and is still ongoing (Gall, 2013; Gumbrell-McCormick & Hyman, 2013; Hyman, 1978, p. 42; Shalev, 1992, pp. 118–121; Vandaele, 2011). This trend overlaps with the shift of protest from manufacturing to services, but as private services are usually sparsely organized and mired with precariousness, the larger share of service protest comes from the public sector (Gall, 2013, p. 683). Working on a sample of nine EU countries, Gregor Gall estimated that 29 % of all significant strikes reported in the European Industrial Relations Review and the European Industrial Relations Observatory between 1986 and 2008 took place in the public sector (Gall, 2013, p. 676).

Even though the cited studies are based on extensive data collection, they are not explicit about their definition of the public sector, do not control for the changes in relative size (employment share within the economy), and only cover trends before the outbreak of the global financial crisis in 2008. To address these shortcomings, I created my own dataset of public sector strikes between 1995 and 2013, from the ILO's collection of strike statistics and national statistical offices, available for this period from twelve European countries (Denmark, Estonia, Finland, Germany, Hungary, Netherlands, Ireland, Poland, Norway, Slovakia, Spain and the United Kingdom). I used a definition of the public sector that covers the economic activities public administration and defense, compulsory social

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security, education, as well as human health and social work[2]. The remaining activities I grouped as the private sector.

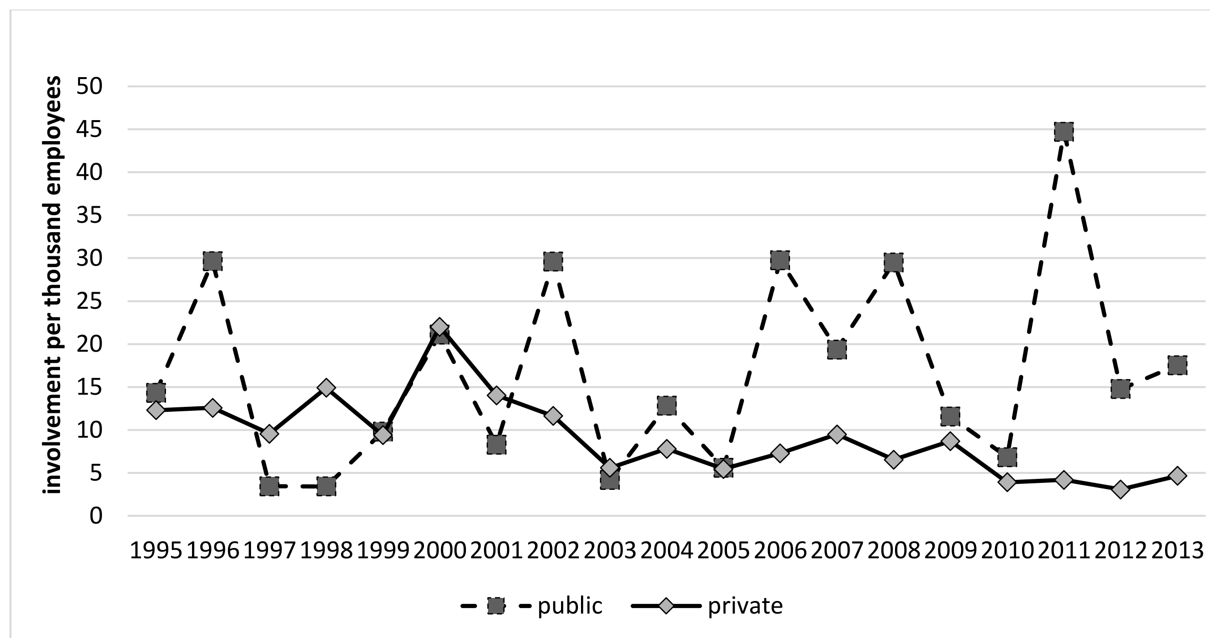

Figure 1.1: Relative involvement in labor disputes in 12 European countries, 1995-2013

Source: Own calculations based on data from ILOstat and national statistical agencies. Source table available from the author.

Figure 1.1 presents trends of relative involvement in labor disputes across the public and the private sector, based on a pooled sample of 12 countries between 1995 and 2013. Relative involvement measures the number of participants in strikes and lockouts per 1000 workers. From every 1000 public

[2]Taking the sum of certain activities as the proxy of the public sector was necessitated by the absence of strike data based on legal status, ownership or the main source of financing of the economic entity from where the strike was reported. However, at the aggregate level a case can be made that these three activity groups are good proxies for the public sector because they are primarily financed – if not always provided – by governments. Among these three groups, public administration, defense and compulsory social security is the almost exclusive domain of the state. Regarding the other two activity groups, in the EU, governments are responsible for 88% of total expenditure on education (as of 2011, data from Eurostat) and for 77% on health care (as of 2011, data from WHO's Global Health Expenditure Database and the World Bank's World Development Indicators). All the rest of ISIC/NACE activities have a much more liomited presence of the state.

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sector employee, on average 17 were involved in strikes and lockouts in this period and the same number for the private sector is only 9. Moreover, during these 19 years, private sector involvement declined, while public sector protest intensity was growing. Until 2003, developments in the two sectors mirror each other, but afterwards there is not a single year in which relative involvement in the private sector would be higher than in the public sector. I have to add that the magnitude of the disputes in terms of working days lost can be very low compared to the multi-sectoral militancy of the 1960s and 1970s – public sector strikes are short, often one-day events. Figure 1.1 also shows that public sector protest trends are volatile: years of very high involvement are followed by years with little protest activity.

Labor unrest in the public sector however has a significance that goes beyond statistical aggregates, as each specific conflict event involves a threat of damage to service users, governments and the rest of the economy on a scale that is much larger than in the private sector. In other words, public sector labor conflicts have a disruptive potential that is larger than in the private sector. The term disruptive potential was coined by Luca Perrone, who contemplated the politically dangerous nature of strikes in public services, but in his empirical research only dealt with the private economy (Perrone, 1983).

The disruption that a public sector strike can cause has two dimensions. The first dimension is immediate in timing and political in nature, and it affects consumers of public services and governments. The disruption is immediate because the product is the interaction between producers (teachers, nurses) and consumers (pupils, patients), which – unlike material products - cannot be stockpiled or transported. A strike in the garment or in the computer industry will not affect "ordinary citizens" as long as there are stocks of these products available. A strike in health care and education is a different matter, as consumers feel the effects at the moment when doctors or teachers refuse to take up work. Lessons and medical consultations have to be canceled right away.

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If it was only about the speed at which the effects of the work stoppage reach consumers, a strike by teachers would not be so much different from a strike by waiters, who – to use the terminology of Daniel Oesch - also work according to an interpersonal service logic (Oesch, 2008). There is however an enormous difference in the political significance of these two events which, I argue, results from the vulnerable position of the consumers of public services.

Citizens consume public services usually when they are in a vulnerable position: in childhood, during sickness or old age. Less often, people have to rely on state services as victims of a crime. The vulnerability of consumers also implies that the effects of public sector strikes extend beyond the people who directly rely on the services: they affect not only children but also their parents, not only patients but their relatives too. As a rule, core activities of the state are safeguarded by essential service requirements, meaning either that the state prohibits industrial action in these areas altogether or that the parties in a dispute have to agree on certain minimum provisions before industrial action can be launched (International Labour Office, 2006). However, legal requirements are often ignored by employees and employers alike, and there are a few empirical examples of worst-case scenarios of service disruption becoming a reality.

In the opening quote of the chapter, Margaret Thatcher described the reality of public sector strikes that had swept across Britain in the winter of 1979 and paralyzed hospitals, schools and even cemeteries (Sandbrook, 2012, pp. 746–764). In Slovakia – a country with an otherwise quiescent labor movement compared to 1970s Britain- a walkout of doctors in 2011 led to the shutdown of entire hospital wards, forced the government to declare a state of emergency and call in substitute doctors from neighboring countries (Czíria, 2012). These cases are not the direct subject of the dissertation and no way typical of a larger sample of public sector strikes, but they stand here as a reminder of the disruptive capacity of public sector strikes.

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Due to their disruptive potential, public sector industrial conflicts are visible events and often become salient issues in political debates. From this follows that they can be politically very costly for the incumbent government. Going back to the British example, the defeat of governing Labour and the historical victory of the conservatives led by Thatcher in the 1979 election can at least partly be explained by the upheaval in the wake of the public sector strikes (Sandbrook, 2012, pp. 746–764). While criticizing them fiercely, in electoral terms Thatcher benefited from these strikes.

Finally, disruptive public sector strikes also affect private sector unions and the entire labor movement. Public sector labor unrest can provoke an equally violent backlash from the government that does not stop at the boundaries of the sector. The Reagan administration's showdown with the PATCO union after the unpopular strike of publicly employed air traffic controllers set the stage for a full-blown anti-labor offensive (McCartin, 2011). Similarly, the Winter of Discontent public service strikes contributed to the deterioration of the image of the British trade union movement and provided munitions for Thatcherism not only in terms of electoral victory but later onslaught on the movement.

The second dimension of the threat resulting from public sector bargaining disputes is long-term in timing and economic in nature. Instead of consumers and governments, the main victim in this scenario is the international competitiveness of a given economy. This dimension has been highlighted by scholars of international and comparative political economy, most recently in the context of the Eurozone crisis (Garrett & Way, 1999; A. Johnston, 2011, 2012; A. Johnston & Hancké, 2009; A. Johnston, Hancké, & Pant, 2013; Traxler & Brandl, 2010). In short, they claim that public sector workers have the potential to drag down the competitiveness of an economy through achieving higher wages than their productivity against the private sector would allow.

While the short-term disruptive effects of public sector strikes on services are easy to notice, establishing a relationship between public sector strikes and international competitiveness requires a

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long causal chain. The main point of departure for this argument - to be discussed at length in the theoretical chapter of this dissertation – is that public sector workers are more militant and have higher wage demands than private sector employees due to their protected (sheltered) position on international markets (Garrett & Way, 1999, pp. 416–417; A. Johnston, Hancké, & Pant, 2014, p. 1781; Swenson, 1991). An important caveat here is that these arguments do not deal with actual eruptions of workplace-level conflicts, but with above-productivity wage demands in general, which can be obtained with or without direct protest action.

In these models, the containment of excessive wage demands coming from the public sector is a task to be fulfilled by bargaining institutions, but weak institutions – such as those in peripheral Eurozone countries - allowed the public sector to lead national wage developments in the noughties (A. Johnston, Hancké, & Pant, 2013, p. 27). The resulting wage inflation sent peripheral EU countries down a spiral in which their export industries were priced out from the EU market, and increasing consumer demand was fulfilled by imports from the Eurozone core (Germany and Nordic countries). The resulting trade deficits were balanced by imported capital, which core country financial institutions provided. Due to these imbalances, when the crisis struck, the market attached a premium to the government bonds of these countries, which finally led to sovereign defaults or near-default situations (A. Johnston et al., 2013, p. 10). The foregoing summary is built on a very simplistic interpretation of a rather complex argument that furthermore has its internal varieties. Its goal was to highlight the worst case scenario of the literature on how public sector militancy may lead to an erosion of economic competitiveness.

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Understanding labor unrest in public services

Despite their apparent short-term and long-term consequences, the literature is at odds with exploring the causes of these events. As I presented above, macrosociological studies acknowledge the shift of conflict from the private to the public sector but provide little systematic explanation of why it took place (Gall, 2013; Hyman, 1978; Shalev, 1992; van der Velden et al., 2007; Vandaele, 2011). The increasing attention that comparative political scientists pay to political strikes and anti-austerity protest also stops at the boundaries of the public sector. One of the main reasons for this is that public sector strikes are difficult to categorize. They defy the separation between the political and the economic domain that is at the foundation of most contemporary research on labor protest (Hamann et al., 2013a, 2013b; Lindvall, 2013; Pizzorno, 1978). They are political conflicts because they target the government as the center of political authority and they necessarily touch upon macro-level redistributional issues – for the simple reason that public sector pay is financed from taxes. On the other hand, they are also economic strikes, because they target the government in its capacity as an employer in specific economic activities.

Recent studies on political (general) strikes exclude public sector strikes from their sample, because they – as Johannes Lindvall put it "*only* involved the national government in its capacity of employer" (Lindvall, 2013, p. 548, emphasis added). Kerstin Hamann and co-authors omit public sector strikes from their analysis on the same grounds (Hamann et al., 2013a, p. 24). I argue that this exclusion is not justified on the basis of the very definition that the authors use – even conflicts within a single public sector activity have implications for the government not only as an employer but also as a provider of tax-financed services.

The exclusion of government employees' strikes from the universe of political strikes is also questionable because public sector employees are overrepresented as participants in political strikes and in anti-austerity protest in general (Bermeo & Bartels, 2014; Hamann et al., 2013b, p. 1036; Kriesi,

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2014). The question of why public sector employees have a higher propensity to protest might yield similar answers to the question of why they are more ready to join general. Therefore, the analysis of the causes of public sector labor unrest may shed more light on the logic of general strikes as well.

As I noted earlier, the international political economy literature pays more attention to industrial relations developments in the public sector, in specific to the economic implications of sectoral differences in labor militancy. Seminal works in that tradition highlight structural reasons for the relatively high degree of militancy in the public sector (Garrett & Way, 1999; Iversen, 1996; A. Johnston, Hancké, & Pant, 2014; Swenson, 1991). They claim that public sector workers are more inclined to take on employers because they are protected from international markets (Garrett & Way, 1999, p. 417; Iversen, 1996, p. 408). However, these authors focus on the long-term consequences of militancy for economic competitiveness, while the actual protest events and their immediate results fall outside the scope of their analysis.

I build up my theses from an engagement with these shortcomings of the comparative politics and the international political economy literature with regard to the explanation of public sector labor conflicts. The international political economy literature hastily assumes that protection is the main cause of public sector militancy and quickly moves on to explore its far-reaching consequences. The comparative politics literature either outright excludes these conflicts from the analysis by labelling them economic strikes or assumes them to be the backbone of general anti-austerity protest without saying much about their reasons – apart from the fact that public sector employees are amongst the main targets of austerity.

I spot the main economic reason for protest among formerly quiescent employees not in their shelteredness from markets, but rather in their strong position on markets. The new subjects of contention are not the employees who work in the most protected segments of the economy (in public administration and defense), but those who face increasing demand and an opening up of

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international labor markets: doctors, nurses, elderly care workers. I will also point out - in line with the propositions of (Hamann et al., 2013b)- that defensive action by public sector employees is not only a sign of their material grievances but rather happens in response to the exclusion of their representatives from decision making procedures by the government. I sketch the links between exclusion and protest by looking at how the state relies on its sovereign power to force through its will as an employer in the public sector. Finally, I argue that after conflict had erupted it becomes a matter of discursive power which side ends up with more favorable results.

The dissertation relies on a comparative case study research design, where the cases are workplace-related contentious events in the public sector. I selected eight protest events from four European countries, Denmark, Estonia, Hungary and Ireland. All four countries represent the broader tendency of a shift of bargaining disputes from the private to the public sector. I focus on the positive cases in this process, meaning that I am more interested in the eruption of conflict in the public sector than in its absence from the private sector.

The types of events I am looking at are nation-wide, workplace-related episodes of contention that involved governments and public sector employees. These events have all brought conflict to the workplace: actors voiced their claims not only through demonstrations or lobbying but through direct action that caused disruption or at least credibly threatened with the disruption of services. Workplace-related action goes with higher costs and risks for the involved actors, therefore it is justified to treat them separately from lower-risk protest events such as street demonstrations.

The definition of workplace-related protest however extends beyond conventional strike action. I derive the core argument on marketplace power and sovereign power from the analysis of two unconventional conflict events: the resignation campaign of junior doctors in Hungary in 2011 and the school lockout in Denmark in 2013. I build up the rest of the argument from conventional strike actions: the first strike of Irish nurses in 1999, a prolonged public service strike (in health care,

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elderly care and childcare) in Denmark in 2008, the first health care strike in Estonia in 2012, a general public sector strike in Ireland in 2009, and strike in health care and education in the same country in 2013 and 2014.

This list already suggests that the default level for collective worker mobilization is not the overall public sector but rather the level of specific activities and occupations. Public sector general strikes rarely happen – the anti-austerity strike of 2009 in Ireland is the only instance across the four countries between 1999 and 2013. Trade unions and professional associations organize their members based on specific economic activities and occupations, and in consequence they each have their specific grievances against the state. This variation allows me to explore why different occupations have different attitudes towards protest despite all being employed by the state.

The selection of these events was not motivated by their magnitude - even though some of them were long and large events in terms of number of participants and working days lost. Instead, as a first step, I selected least likely cases from the four countries to build up both the marketplace power and the sovereign power argument (Flyvbjerg, 2006; Gerring, 2007). The least likely case for the marketplace power argument was the Hungarian junior doctors' threat of collective resignation in 2011. Hungarian junior doctors were able to organize and win a campaign for higher wages in the face of non-existing financial resources, minimal organizational capacities and absence of supportive institutions or influential allies. All the cards were stacked against junior doctors in Hungary, except the widely open economic opportunities to emigrate. The Hungarian Resident Physicians' Association turned this economic opportunity into successful protest action.

The least likely case of sovereign power is the Danish school lockout in 2013, when public sector employers could get away with shutting down the entire school system for four weeks despite the tradition of bargaining collectively with a union that possesses a large strike fund and has a massive membership base. I argue that employers risked and won the lockout because they could expect

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sovereign legislative intervention from the government- which was in turn enabled by the "grand coalition" of mainstream political parties against the union.

Table 1.1: The analyzed conflict events

	EMPLOYEE OFFENSIVE	**EMPLOYER OFFENSIVE**
LEAST LIKELY CASES	• Hungary – resignation campaign of junior doctors, 2011	• Denmark – school lockout, 2013
MOST DIFFERENT CASES AND MOST SIMILAR CASES	• Ireland – nurses' strike, 1999 • Denmark – strike in health and elderly care,2008 • Estonia – healthcare strike, 2012	• Ireland- general public sector strike, 2009 • Ireland-strike of junior doctors, 2013 • Ireland-strike of high school teachers, 2014

As summarized in Table 1.1, after I built up the two arguments based on least likely single cases, I move on to generalize them with the help of three most different and three most similar cases. I generalize the marketplace power argument by comparing three healthcare strikes in three different countries at three different points in time, which however still showed the same path of economic grievances and opportunities turning into collective action, even when conflict was an unchartered territory for the representative union.

The cases of public sector strikes in the wake of large-scale austerity measures in Ireland represent a most similar case design. These three protests took place in the same country, in the same sector and close in time to each other, however they represent different logics. The general public sector strike in 2009 was provoked by unilateral government intervention and by legislative acts that introduced austerity measures without consulting unions. The 2009 strike was followed by concessionary agreements between the unions and the government. However, later on, protest resurfaced, but only in those areas where employees had strong marketplace bargaining power:

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education and health care. Therefore, these events also shed light on the interaction between the marketplace power and the sovereign power arguments.

I collected data from multiple sources in order to substantiate my argument. To establish the general validity of the marketplace power argument – vis-à-vis the protection-based interpretations of public sector labor unrest - I gathered statistics on trade, FDI movements, consumer demand and migration in different public and private sector activities across the EU. I used these measures as proxies for shelteredness on the one hand and for the marketplace position of employees on the other. The main sources of data were statistical and research departments of international organizations: Eurostat, European Commission, UNCTAD, WHO and OECD. In order to assess the general human relations and policy environment in the public services of the four selected countries, I consulted OECD's Health at a Glance, Education at a Glance and Government at a Glance series as well as the WHO-sponsored Health Systems in Transition reviews.

To trace the processes leading up to labor unrest in the specific cases, I relied on 21 semi-structured interviews that I conducted with representatives of trade unions and employer associations, government officials and industrial relations experts. The number of interviews is 21, but the number of interviewed people is 25, as in Denmark, officials of trade unions as well as employer representatives preferred to give interviews in pairs (this was the case with FoA, DLF and Danish Regions too). In Estonia, I interviewed two experts from the Praxis think tank during one session. I selected the sample of interview partners to achieve an overall balance between the employer and the trade union perspective, even if I did not reach both sides in each individual conflict case. Except Hungary, the language of the interviews was English. I used interviews to find out about the attitudes of involved actors and experts towards labor disputes in the public sector, but not all interviews - for example on the education strike in Estonia in 2012 - could fit the final framework of the dissertation.

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I anonymized and transcribed all interviews, the transcripts are available upon request from me. I provided a list of interviews after the bibliography section of the dissertation.

Due to their salience, all eight conflict events analyzed in detail in this dissertation received a fair deal of attention from national and also from international media outlets. I reviewed the English, Hungarian and Danish language press coverage of the events. I ensured the reliability of information through cross-checking reports on one event from different news outlets as well as from international and national observatories of labor relations, such as the EurWork-European Industrial Relations Observatory, and in the Danish cases the collections of FAOS - the Employment Relations Research Centre of the University of Copenhagen. Policy documents, press releases and published interviews with protest organizers, as well as the text of relevant legislation proved to be useful primary sources. The larger protest events in Denmark and Ireland also have a substantial amount of secondary literature (Brown, Greaney, Kelly-Fitzgibbon, & McCarthy, 2006; Geary, 2015; Kriesi, 2014; Mailand, 2015; Spillane, 2015).

The dissertation proceeds with Chapter 2 that details the main argument and provides some overall statistical illustration to support the marketplace power argument as the limiting theory of the shelteredness (protection) thesis. The four empirical chapters that follow are grouped into two parts: the first part deals with instances of employee protest in healthcare that were called for proactive demands, while the second part explains events where public sector employees in different activities were on the defense and employers led an offensive. The subject of Chapter 3 is the resignation campaign of Hungarian junior doctors in 2011. In turn, Chapter 4 extends the argument on marketplace power to three cases of nationwide healthcare strikes in Estonia, Ireland and Denmark. Chapter 5 flashes out the concept of sovereign power through a detailed analysis of the 2013 school lockout in Denmark. Chapter 6 brings the sovereign power thesis further as it describes austerity-related protest events in the Irish public sector after 2009.

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2 Explaining conflict, explaining outcomes

In its broad implications, this dissertation is about power and conflict in labor relations across different economic activities. It is motivated by the question of what the presence or the absence of labor unrest in a given economic activity means in terms of power relations between employers and employees. The available political economy literature focuses on the absence part of this question and it looks at the withering away of conflict from the private sector. To summarize the two main answers, private sector quiescence is either associated with the hegemony of capital, or with class compromise (Baccaro & Howell, 2011; Palier & Thelen, 2010; Thelen, 2001; Wood, 2001).

These rival views map onto the general debate about trajectories of change across advanced political economies, where one side advocates that a uniform trend of liberalization exists, while the other side maintains that the distance between different national varieties of capitalism has remained constant or even increased in recent decades (Baccaro & Howell, 2011; Hall & Soskice, 2001). Let it be domination or compromise, in my interpretation both camps trace back the withering away of conflict to settled power relations between employers and employees in the private sector.

This study however focuses on "positive cases" of labor unrest that are increasingly concentrated in the public sector all across Europe. As labor unrest has receded into the public sector, we have to look there to build new theories of conflict. Focusing on the presence of conflict in the public sector rather than on the absence of it in the private sector has two advantages. First of all, it makes easier to avoid problems of overdetermination (Hancké, 2009, pp. 31–32). Second, there is more to be gained in substantive terms as well, simply because this is an underresearched area. This applies even more strongly to studies of Eastern Europe that take overall decline of labor protest for granted, without telling much about inter-sectoral differences (Crowley & Ost, 2001; Ost, 2006). For

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an exception see Steven Crowley's work on the different protest activity of coalminers and steelworkers during the last years of the Soviet Union (Crowley, 1997).

This chapter outlines a two-stage theory of public sector labor conflict, as shown in Figure 2.1. The first stage identifies the pressures leading up to the conflict, while the second stage explains the differences in the outcomes of these conflicts. The first stage is built around the concept of power ambiguity, claiming that conflict erupts when one party is strong enough to challenge the status quo but not strong enough to get what it wants through established institutions. In more formal terms, conflict results from the mismatch between one actor's institutional position and its other power resources.

This ambiguity can appear either on to the employee or on the employer side, but the two sides rely on different power resources to challenge existing institutions during a conflict. Complementing established theories of comparative political economy, and using Beverly Silver's concept of marketplace power, I argue that the strength of public sector employees to challenge the status quo comes from their favorable position on the market and not from their isolation from it (Silver, 2003). Looking at cases when the government challenges the institutional status quo, I claim that the government's main power resource derives from its versatile role of being not only an employer but also the legislator and the purchaser of public services. This is what I call the state's sovereign power. The sovereign power thesis links not only to theories of public sector industrial relations but also to broader arguments on the active role that the state has played in the transformation of collective bargaining institutions in recent decades all across Europe (Baccaro & Lim, 2007; Bohle, 2011; Howell, 2005).

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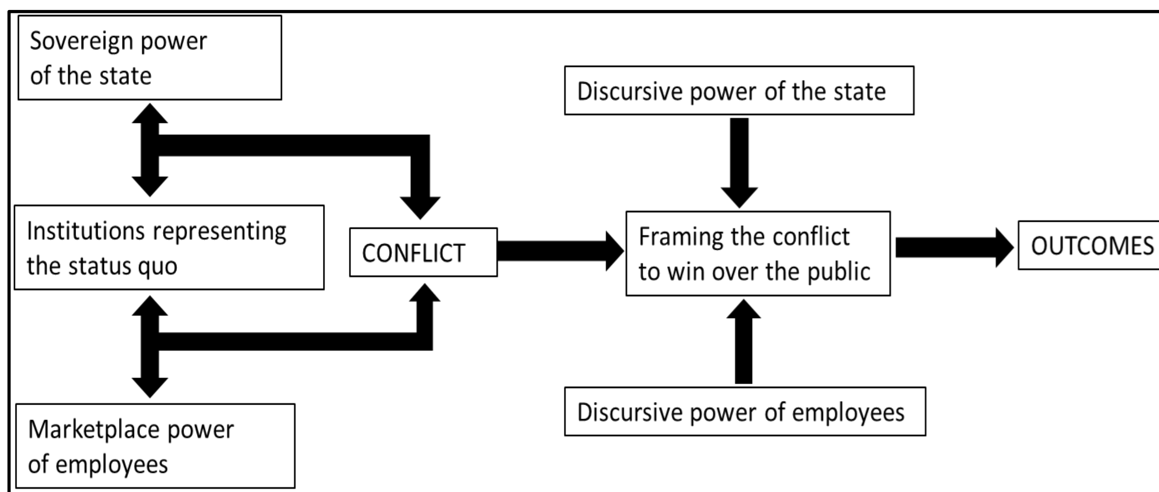

Figure 2.1: The argument in brief

To sum up the first part of the argument, conflict is neither a sign of strength nor of weakness per se. Instead, it is the culmination of an unstable and ambiguous situation in which either employees use their marketplace power, or the state uses its sovereign power to challenge existing institutions.

The second stage of the argument holds that success or failure of either the employer or the employee side depends on how they use discursive power to frame the conflict to win over public opinion (Gumbrell-McCormick & Hyman, 2013, p. 31; Tarrow, 1998). The framing of demands around issues of common concern enhances the position of unions, because it increases the political costs that an uncompromising government has to bear in the wake of a dispute. I borrow the term common concern from Amanda Tattersall's work on the coalition-building experiences of public sector unions in Australia, Canada and the US (Tattersall, 2013).

As I have pointed out in the introduction, public sector strikes are political and economic strikes at the same time. Following Colin Crouch's argument, it can also be stated that a public sector strike can do little damage to a government from a purely economic point of view, as the government keeps collecting taxes but stops paying wages during a strike. In this way it can even save money (Crouch, 1982, p. 103). The political costs however can run high for the government, as the disruption

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in public services effects the daily lives of citizens, and the labor dispute can become a topic of electoral competition. I claim that unions can maximize political costs for the government by leading a public relations campaign built around common concerns with consumers. Public sector unions have a higher chance of success if they manage to prove that they are competent actors who protest because they feel responsibility for the future of services and for patients' or pupils' well-being. This concept also builds on the expanding literature on social movements and coalition unionism (Frege & Kelly, 2003; Greer, 2008; P. Johnston, 1994; Tattersall, 2013). The chapter elaborates this two-stage theory built around the concepts of marketplace power, sovereign power and discursive power.

2.1 Employees: power from protection or power on the market?

As a first step in building the analytical framework, I criticize protection-based explanations of employee militancy in the public sector (Frieden, 1991; Garrett & Way, 1999; Iversen, 1996; A. Johnston & Hancké, 2009; A. Johnston et al., 2014; Swenson, 1991; Traxler & Brandl, 2010). These arguments are premised on the - otherwise empirically correct - observation that international markets do not create a level playing field for domestic actors: globalization does not mean that everyone in a given national economy has to face the same level of international competition (Wren, 2013, p. 6). The theory proceeds by linking the differences in the exposure to international markets to differences in power resources of employees.

The assumptions of this literature are most clearly articulated in Peter Swenson's article on intersectoral conflicts in early 20th Scandinavian political economies, and Geoffrey Garret and Christopher Way's article that more specifically deals with the effects of strong public sector unions on wage bargaining institutions (Garrett & Way, 1999; Swenson, 1991, pp. 416–417). However, these assumptions are at least implicitly present in other formulations of the theory too. In the model, the exposed sector consists of firms that produce tradable goods and therefore also have to compete with

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foreign firms. By contrast, sheltered sector producers are protected from international competitive pressures.

Compared to their exposed counterparts, sheltered sector producers have more leverage over consumers. Short of alternative foreign suppliers, consumers of non-traded products will react to price changes much slower; their demand will be price inelastic (A. Johnston, 2012, p. 351). This power asymmetry also bears on the relationship between employers and employees. As firms in the sheltered sector are more capable of raising prices, they can be more accommodative to wage demands: they can shift higher labor costs to consumers (Swenson, 1991, p. 520). This option is not available for exposed sector employers: if they have to raise prices due to labor militancy, they might be forced out of the market. Bankruptcy then will also bring unemployment for the firm's workers. Aware of these threats, trade unions in the exposed sector moderate their claims and in general try to avert confrontation with employers that can disrupt production. Not constrained by the risk of unemployment, sheltered sector unions have higher wage demands and do not refrain from using militant action to achieve them.

In the following, I will acknowledge that the starting point of the shelteredness thesis is factually correct in the sense that public services have become the last domain of European economies where international competition remains limited. However, the protection thesis is at odds with explaining trends: shelteredness and other forms of protection have decreased in public services during recent decades, but militancy has increased. Moreover, the homogeneity of the public sector can be called into question by using a broader interpretation of protection that includes not only international but domestic shelteredness, as well as resistance to technological change and protective labor market legislation. Most importantly, having taken these factors into consideration, a rift opens between public administration and defense on the one hand and health care and education on the

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other, as the former is more threatened by technological change while the latter becomes less protected in the legal-labor market sense.

The international political economy literature defines shelteredness as the absence of competition from foreign trade, resulting either from physical non-tradability of products or from politically imposed trade barriers (Schwartz, 2001; Wren, 2013). The entire service sector used to be seen as sheltered: services had to be provided on the spot, and there were also high entry costs for foreign capital to establish competition via direct investment. Due to innovations in information, transportation and communication technologies, and as a result of service liberalization and the pouring in of foreign direct investment, the sheltered part of the private service sector is shrinking rapidly (Schwartz, 2001, p. 34; Wren, 2013, p. 7).

At the same time, public service activities are still isolated from international trade and investment in relative terms. According to a joint database of OECD and Eurostat, based on the Extended Balance of Payments Services Classification, in the EU-15 total import of services had almost doubled from 457 to 823 billion US dollars between 1992 and 2003. In the expanded EU (27 member states), the same figure went up from $1002 billion in 2004 to 1615 billion in 2008, then plummeted due to the crisis, but recovered to $1600 billion by 2012. Health, education and other government services however only accounted for 1.6% of total service imports in EU-27 as of 2012.

Competition can however not only result from direct trade pressures but also from investment of foreign nationals. To control for the fact that capital mobility increases competitive pressures even in those activities that continue to be non-traded, I compared data on foreign direct investment in public services with other services that are also considered to be location-bound: hospitality (hotels and restaurants) and construction. Construction is the archetypal sheltered activity in the seminal work of Peter Swenson (Swenson, 1991).

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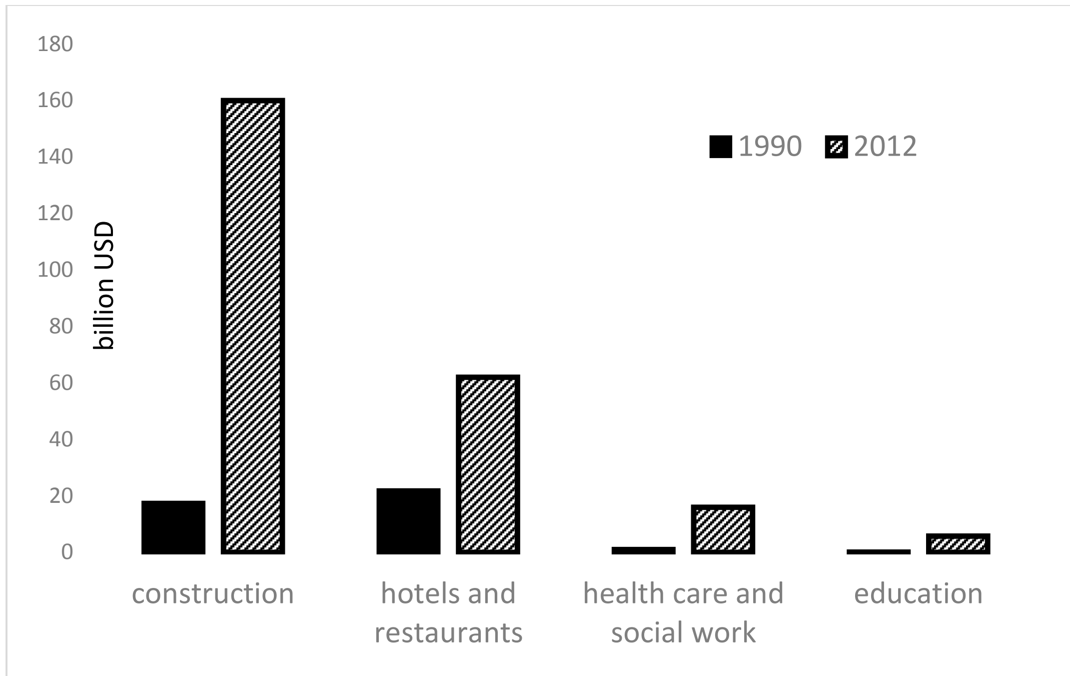

Figure 2.2: Inward FDI stock in selected activities, total of developed economies
Source: Online Annex Table 24 to UNCTAD's World Investment Report, 2014. www.unctad.org/wir

As shown in Figure 2.2, in 2012, inward FDI stock in construction across the developed world reached 160 billion US dollars, an almost tenfold jump from the $17 billion in 1990. In hospitality, the advance of FDI is less spectacular, but the accumulated stock of foreign investment in 2012 was three times as much ($62 billion) as in education and health combined ($21 billion). I have to add that in both health care and in education, the role of FDI is increasing rapidly (compared to 1990 a 16-fold increase in healthcare and a 56-fold increase in education), but the starting points were very low. Finally, public administration and defense does not even show up in the dataset in 1990 and by 2012, FDI stock in those activities is measured at a minuscule $17 million in all developed economies.

In sum, the data presented above lends support to the protection thesis by showing that by the early-2010s, the public sector has become the only sheltered part of developed countries. Therefore, the concentration of labor protest into the public sector may have to do with the same process. However, two major unresolved issues remain with the protection thesis. First, as already

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mentioned, although starting from very low levels, foreign pressures are increasing in public service activities too, especially in health care and education.

The second issue is related to the two narrow definition of shelteredness. So far I have used the concept of shelteredness and protection as synonyms, but the latter is a much broader concept, encompassing the former. When speaking of shelteredness, the quoted authors do not clarify its relationship with other dimensions of protection that can affect employee militancy. I will highlight three of these dimensions: 1. domestic competition from the private sector, 2. technological change 3. labor market liberalization. I deem these three dimensions to be relevant because they can have an equally strong effect on the risk of unemployment as international competition. As the lower risk of unemployment connects shelteredness and militancy in the public sector, any factor that influences the risk of unemployment is also relevant for determining militancy.

I will demonstrate that competition from domestic private actors indeed exists, but its scope is limited and there is no tendency of market solutions crowding out the state, state employees are still in a dominant position within domestic markets. Second, I present data suggesting that technological change has asymmetrical effects across different groups within the public sector. Employees in health care and education are largely protected from technological change, while employees of the administrative-coercive apparatus are just as much threatened by it as employees in many private sector jobs (Frey & Osborne, 2013). Finally, the level of legal protection varies across countries and sub-branches of the public sector, with public administration and defense workers enjoying it while workers in health and education typically not. Besides, a strong legal protection of employment in the civil servant (Beamte) tradition comes with the outright prohibition of strikes, severing the links between protection and militancy (Bordogna, 2008).

Public administration and defense are the core activities of the state, therefore the role of private employment and private capital in these areas remains very limited. The position of the

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government - at least as a paymaster- looks high and stable over time in health care and education as well: on an EU-average, 76.9% of health care expenditure was public in 2000 and 77.3% in 2013 (data from WHO's Global Health Expenditure Database and the World Bank's World Development Indicators). The same figures in education for 2000 and 2011 are 89.8 and 87.6%, according to Eurostat Educational Expenditure Statistics. There is some cross-country variation in trends, but there is no evidence that the private sector would crowd out public provision neither in health care nor in education in an EU-wide comparison, therefore it does not threaten the employment prospects of public sector employees either.

Next to shelteredness from international and domestic market pressures, another dimension of protection is imperviousness to technological change. In the economics and comparative political economy literature there is some debate on whether globalization or deindustrialization-related technological change should be considered as the main driving force behind the transformation of advanced political economies (Iversen & Cusack, 2000; Iversen & Wren, 1998; Wren, 2013). Without going too deeply into these debates, I will claim that when it comes to labor militancy, the two processes should have the same consequences. The logic is the same: workers in technology-intensive activities will express less voice compared to those whose jobs are not threatened by labor-saving technologies, just as workers whose jobs were exposed to global competition were supposed to be less militant than those who did not face competitive pressures.

But how protected are public sector employees from technological change? Healthcare and education are remarkably resilient to automation and the share of labor within their total production costs cannot be reduced substantially (Baumol, 1993). Even in healthcare, which is a capital and technology intensive part of the public sector, wages can account for 60-85 percent of total operational expenses (Schwartz, 2001: 28). In addition, while medical technologies are making rapid

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advances, they do not make human labor unnecessary, especially because the care side of healthcare is becoming more and more important due to longevity and the shift of care out of the family.

These propositions are supported by the work of economists Carl Frey and Michael Osborne, who ordered 702 occupations according to the likelihood of computerization. In this list, healthcare social workers ranked as the 8th, physicians and surgeons as the 15th, elementary school teachers as the 20th, and registered nurses as the 46th least likely profession to be replaced by computers (Frey & Osborne, 2013, pp. 57–58). In other words, the typical occupational categories in health care and education are not threatened by technological change compared to most other occupations. However, workers in public administration and defense can be less certain about the future of their jobs: municipal clerks come 285th, railroad police 322nd and inspectors 670th on the same list.

Finally, while globalization and technological change both influence the level of protection that employees enjoy, these structural pressures filter through labor market regulation at the domestic level. Cross-sectoral and cross-country differences in labor market regulation can amplify but can also moderate global structural pressures on different employee groups. For example, the state can further enhance differences in protection levels between the public and the private sector by granting the former group a special legal status that is separated from the regular employment relationship in the private sector. There is a lack of internationally comparable data on the differences of labor market legislation between the two sectors across countries. The most appropriate way to construct a measure would be to copy the OECD's employment protection legislation index and apply it to the public sector in each of the analyzed countries here, also measuring the change in each national setting between 1995 and 2013.

Such an endeavor is beyond the scope of this research, but based on a review of qualitative assessments of employment protection in the public sector a claim can be made about the diversity in the legal status of employees not only across countries but also across different branches of the public

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sector. Separate employment statutes for the public sector that confer a special legal status and protected (often lifelong) employment opportunities are the feature of continental and post-socialist European countries with a civil law and sovereign employer tradition (Bordogna, 2008).

However, the shift in protest towards the public sector is at least as pronounced in countries with a common law tradition that do not have this separation of legal status between public and private sector employees. Pointing at legal protection as the cause of public sector labor militancy is also misguided as in most cases there is a trade-off between a protected legal status and a prohibition of industrial action (Greskovits, 2015, p. 279). That is the case in Germany and Hungary among others (Berki, Neumann, Edelényi, & Varadovics, 2012; Bosch, L. Mesaros, G. Schilling, & C. Weinkopf, 2012). Finally, the special status in most cases only accrues to those who execute core functions of the state, i.e. employees in public administration and defense, but employees in health care, social care and education are employed under labor contracts which are equivalent with contracts in the private sector.

To wrap up, while public sector activities are indeed sheltered from the vagaries of international product and capital markets, if we extend the concept of protection to include resistance to technological change and protective employment legislation, the difference between the public and the private sector shrinks, while it increases across different activities within the public sector. In addition, while protection has either stagnated or slightly declined in recent decades, militancy of public employees increased. In many European countries we see the first instances of protest by major public service employee groups in the late 1990s, and 2000s, in the wake of major managerial and employment reforms. Therefore, I need to amend the shelteredness thesis to account for protest dynamics and differences in protest across public sector activities.

In this dissertation, I advance an alternative explanation of labor unrest in the public sector that is based on Beverly Silver's concept of marketplace power (Silver, 2003). This concept links

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employee militancy to market expansion rather than to protection from the market. I claim that an analytical framework built around this concept is better suited to explain the dynamics of public sector protest over time and also the differences across public sector activities. Other things being equal, the protest demands of employees with a higher level of marketplace power will be more proactive, while those with a lower level of marketplace power will be constrained to defensive struggles or will not erupt at all. Within the public sector, I find that healthcare workers have the highest levels of marketplace power, followed by teachers, while workers in public administration, defense and police officers close the line.

The marketplace power framework does not contradict but rather absorbs the protection thesis in the sense that protection can amplify the effects that market expansion has on workers. Still, the dominant mechanism leading to militancy will be triggered by consumer demand for services rather than by protection from the market. While acknowledging that protection is a relevant factor that determines labor's bargaining position in the context of stagnating or shrinking demand, calculations change when demand is expanding. The lower risk of unemployment that is the cause of militancy in the protection framework may not result from protection at all, but from the expansion of the market for labor-intensive services.

I need to stress that I will not apply Silver's theory one-on-one, but I will refine it by narrowing the focus down to marketplace power – which is only one element in Silver's original framework – and also by detailing the exact steps leading from marketplace power to labor unrest. For the latter task, I will rely on Hirschman's exit-voice-loyalty framework (Hirschman, 1970).

Beverly Silver is most often praised in the context of the globalization debate as she gives an original answer to the question of how capital mobility affects labor militancy across the globe. She argues that the epicenter of labor unrest moves from the center to the periphery of the world system, accompanying capital movements; "where capital goes, conflict goes" (Silver, 2003, p. 41). However,

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what is neglected by most commentators is that Silver points to a sectoral sequence as well: contentious action of labor moves from one industry to the other. Silver follows the historical process of how automobiles succeeded textile not only as a leading industry but also as the main area of struggles between labor and capital. She also points to education as the most recent source of labor unrest (Silver, 2003, pp. 113–119).

Silver claims that employee bargaining power in education is marketplace-based, meaning that it results from tight labor markets (Silver, 2003, p. 13, 2003, p. 117). Silver borrows this functional definition of marketplace power from Erik Olin Wright, and she adds that marketplace power can take several forms, including "the possession of scarce skills that are in demand by employers" (Silver, 2003, p. 13). Setting aside the debates on what makes a skill scarce and what drives employer demand in general, in the following I will examine how Silver applies the marketplace power concept to education and how it can be extended to other domains of the public sector that were not discussed by her.

In Silver's interpretation, there is a high demand for teaching services, because with the advent of the knowledge economy, education has become the basis of capitalist accumulation (Silver, 2003, pp. 113–114). She goes so far as to label education as the capital goods producing industry of the 21st century, the expansion of which is a basic interest of capital too. Moreover, she finds two additional factors enhancing teachers' bargaining power: teachers are threatened neither by relocation - as the production process is largely location-bound and cannot be spread out to different geographies – nor by automation – as teaching remains a labor intensive activity (Silver, 2003, pp. 117–118). Notice that these two factors are identical with shelteredness from international markets and protection from technological change discussed in the previous section. This equivalence implies that the marketplace power theory does not contradict but rather integrates the protection thesis.

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Silver only talks about teachers, but how much marketplace power do other public sector employees have? Based on a refined concept of marketplace power, I claim that healthcare workers actually enjoy higher levels of marketplace power than teachers while workers in public administration, defense and compulsory social security are much less powerful on the marketplace. I argue that marketplace demand for the services of public employees comes from two sources: on the one hand from direct consumer demand, on the other from government policies. By definition, the consumption of public services is influenced by government policies, but in some areas more than in others.

Within the public sector, demand for public administration and defense is almost exclusively mandated by the government itself, consumption is rarely voluntary. Even if people in general prefer more safety to less, this does not mean that they want to or have to interact more with the police, let alone with government clerks. Correspondingly, it is not even possible to derive an indicator that could measure the extent of consumer demand for these services.

I approximate consumer demand in education and health care by demographic indicators. In health care, I take the size of the population aged 65 and over as a proxy of overall consumer demand. In education, I use the same figure for age group 0-15. The change in the size of this cohort more or less automatically translates into demand for education services – as primary education is compulsory in all the countries analyzed here. As I am interested in the change in demand and how it affects bargaining power, I concentrate on the change in numbers between 1995 (or the earliest available year) and 2013 (or the latest available year) in all these categories.

Figure 2.3 summarizes trends for countries from which public sector strike data was reported in Figure 1.1, in the introduction of the dissertation. According to the selected measure, demand for health care increased markedly for all the countries. The over-65 population increased by 30 percent in the period 1995-2013 in the sum of these twelve countries and the increase is rather equally

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distributed across them. In education, the market power thesis seems to hold less firmly across the board, and cross-country differences dominate: there is a 12% decline in the average of the 12 countries, with a 14% expansion in Ireland and a 35% decline in Poland.

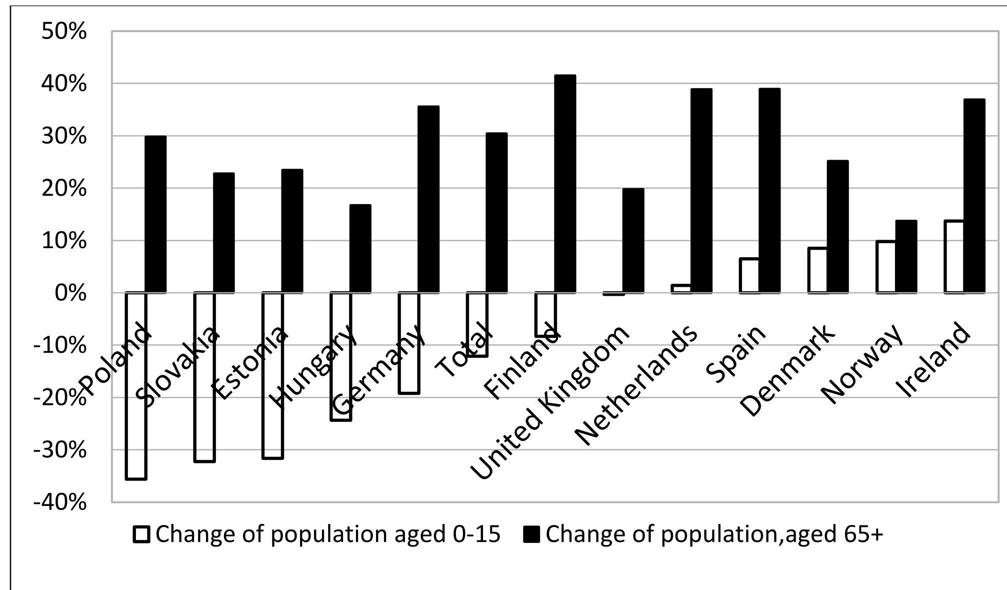

Figure 2.3: Demographic trends in 12 European countries, 1995-2013
Source: Eurostat

So far I have argued that compared to the protection thesis, Beverly Silver's marketplace power argument provides a more nuanced approach for the study of structural reasons for labor unrest in different government activities – public administration and defense, education and health care. As she makes few propositions on mechanisms, in the following I will amend Silver's concept to show how marketplace power experienced at the individual level translates into collective action at the group level. In doing so, I invoke A. O. Hirschman's exit-voice-loyalty framework and claim that marketplace power leads to collective action through a process of increasing exit at the beginning, which then makes the remaining (loyal) employees more prone to express voice. This shift from exit to voice happens for two reasons. First, workers who are left behind become aware of their marketplace power

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by seeing others leave (demonstration effect), but their grievances are also aggravated as they stay in the frontline of services while labor shortages intensify. These tensions lead to protest independently of organizational background or industrial relations institutions.

What does marketplace power mean for workers? I will claim that at the individual level, a favorable marketplace position means the presence of the exit option (Hirschman, 1970). The most prominent form of exit from the public sector of a given country is exit to another country, i.e. emigration. Silver mostly discusses immigration and she treats it as a factor that undermines labor's marketplace position in host countries by increasing labor supply (Silver, 2003, p. 142). In this context, Silver describes teachers as a group that is protected from labor migration by the tight embeddedness of education in national language and culture (Silver, 2003, p. 118). Apart from one minor case – of the British textile workers who used emigration as a conscious strategy to increase their own bargaining power (Silver, 2003, p. 94) - Silver pays less attention to the question of emigration (outward migration).

Based on earlier research by Guglielmo Meardi, and by Monika Ewa Kaminska and Marta Kahancová, and using further evidence from healthcare, I claim that emigration enhances labor's marketplace position in sending countries (Kaminska & Kahancová, 2011; Meardi, 2007). Within the public sector, health care is the activity where employees have the most opportunities to exit abroad, taking advantage of the surge in global consumer demand, of integrated labor markets within the EU and a developed system for the mutual recognition of qualifications (Buchan, 2006). According to the European Commission's Regulated Professions Database, medical doctors and nurses are the most mobile professionals in Europe, teachers are a distant second and workers in public administration and defense lag behind.

The other form of exit is leaving the public sector for a job in the private sector. Silver argues that marketplace power is also premised on low levels of general unemployment (Silver, 2003, p. 13).

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My interpretation is that in a public sector – private sector comparison this means that when the private sector is booming and private firms start experiencing labor shortages, they start poaching employees from the less dynamic public sector. Silver also argues that marketplace power is enhanced by a possession of scarce skills that are in demand by employers. In the context of exit from the public to the private sector, this condition applies to public sector workers who have skills that are general enough to be used in the private sector. Again, I will argue that healthcare workers fit this condition the most thoroughly.

Let it be emigration or swapping a public sector job to a private sector one, the effects on the workforce are similar. Employees who continue working in the public sector are increasingly aware that they could also improve their situation by leaving, but at the same time, their current working conditions are deteriorating further due to the intensification of labor shortages. In labor intensive public services there is little room to increase output through technological advancement, therefore employees' workload is increasing, and as they are on the frontline, they also experience consumer dissatisfaction more directly.

Finally, the presence of the exit option lowers risks on the employee side and increases them on the government side when push comes to shove and employees raise their voice. To repeat, these are the employees who have not used the exit option yet, but given the steadiness of pull factors from abroad and from the private sector, they can credibly threaten with it. In healthcare, which is argued to be the activity best endowed with marketplace power, employees often stop short of taking direct strike action due to consumer vulnerability. Rather, they threaten the government with simultaneous and long-term mass exit – Chapter 3 analyzes this scenario in detail, through the example of the resignation campaign of Hungarian junior doctors in 2011. Chapter 4 looks at more conventional cases, when the threat of exit was actually materialized and employees suspended work, but the exit was only temporary and linked to the promise of re-entry upon the fulfillment of demands (this

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terminology builds on the analogy that Hirschman draws between strikes and boycotts (Hirschman, 1970, p. 86).

Table 2.1: Levels of protection and consumer demand in three public sector activities

	Health care	Education	Public administration, defense
Shelteredness from markets	high	high	high
Resistance to labor-saving technologies	high	high	low
Legal protection	low	low	high
Consumer demand	high	moderate	low

To recap the main points laid out so far, I have criticized the protection theory for not being able to account for the timing of public sector protest and for the variety of protest in different public sector activities. As an alternative, I have proposed a theory based on the marketplace power concept of Beverly Silver. Table 2.1 summarizes the propositions of this chapter regarding the differences in protection levels and marketplace power of employees across the three main public sector activities. In the empirical chapters, I will focus on the two most similar activities within the public sector (healthcare and education), and claim that the differences in the nature of contentious action between the two group is best interpreted through the stronger position of healthcare employees on the marketplace, irrespective of the national context.

What is common in both the shelteredness thesis and in Silver's theory is an underspecification of the state's role in labor unrest in the public sector. As discussed previously, the shelteredeness thesis is formulated within a broader argument on inter-sectoral wage and bargaining developments. In that framework, the state is either seen as captured by public sector unions or as a proxy of exposed sector interests, and therefore it has little room for independent action. While more detailed works, such as Bob Hancké's mention the possibility of the state imposing legislation to discipline public sector

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workers, this is considered to be a specific phenomenon characteristic of only some countries - the example given by Bob Hancké is Belgium (Hancké, 2013, p. 68). When writing about education, Silver treats the state just as any other employer, with the same interests and capacities to deal with labor unrest as private sector employers. I will claim in the next section that the state in fact has special powers with which it can attack its own workers.

2.2 The sovereign power of the state

While the previous section has provided an explanation of militant action by public sector employees, in the post-2008 environment, public sector strikes all across Europe have had a defensive nature. They are usually called against government austerity measures including wage and employment cuts (Glassner, 2010; Nowak & Gallas, 2014; Vandaele, 2011; Vaughan-Whitehead, 2013). This section identifies the pressures on the state, but also possible power resources that it can rely on during a confrontation with public sector unions. In short, the state has to mediate the tension between the increasing demand for labor intensive services on the one hand and narrowing fiscal capacities on the other. This tension exists even in those countries which were mildly affected by the sovereign debt phase of the global financial crisis such as Denmark.

I argue that the state shifts this tension to the domain of labor relations, and it has the administrative and legislative capacity to do so – this is what I term the sovereign power of the state. There is a narrower space for compromise between employers and employees in the public sector than in the private sector, but when it comes to a confrontation, the state can rely on its power both as a legislator and as a purchaser of these services. The state as a sovereign actor has the legal-institutional capacity to change the rules of the game in its own favor. It can shun collective agreements and rely on legislation to force through its will. Finally, as public services are typically tax-financed, during a

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public sector labor conflict the state does not have to face a loss of revenue either (Crouch, 1982, p. 103).

What are the options that a government can choose from when it is confronted with a growing demand for labor intensive public services? First, it may cover the extension of services by increasing revenues (e.g. by raising taxes). This is an unlikely reaction, given the growing fiscal pressures on the state (Streeck, 2014). Regrouping expenditures from transfer-type payments to public services can often also be ruled out because a strong social consensus and sometimes even legal provisions defend transfer-type payments, especially pensions (Pierson, 1996).

Given increasing levels of consumer demand, the introduction of productivity-enhancing technologies could be a solution to the state's problems: the same number of employees working the same hours could provide more services. However, as discussed in the previous section, there is limited room for labor-saving technologies in public services, especially in health care and education. It seems that while labor intensity protects public sector employees from unemployment, it also hinders the emergence of a productivity-based compromise between them and the state. In their recent comparative work on trade unions in Western Europe, Rebecca Gumbrell- McCormick and Richard Hyman point out that the decline of militancy in the private sector is to a large extent the result of private unions' increasing involvement in productivity coalitions or competitive concession bargaining (Gumbrell-McCormick & Hyman, 2013, p. 102). Such a compromise is difficult to achieve in interpersonal public services which by definition have a low productivity.

In sum, governments and public sector trade unions are on a collision course, on which they have been set by increasing consumer needs, limited fiscal resources and low productivity. When it comes to conflict, employees with a strong marketplace power have the capacity to rally around proactive demands, but the state on the other hand has an advantage as a sovereign actor. Even in industrial relations systems built around strong collective bargaining, there can be instances when

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rather than concluding an agreement, the state intervenes by legislation (Martin & Thelen, 2007, p. 23). Laws occupy a higher position in the hierarchy of legal instruments, therefore they can overwrite, extend, abolish or alter collective agreements.

The state is not only an employer of public sector workers, but it also acts out of its sovereign authority and sets the legal conditions of bargaining. There are two approaches in which the state handles employment relations in the public sector, and I will argue that they have different implications for conflict dynamics in the public sector. As described by the specialized industrial relations literature, the first is the "sovereign employer" and the second is the "model employer" approach. These two ideal types represent different state-building and legal traditions: the first is associated with continental and East European countries following a "Napoleonic or a Prussian" tradition, while the second with countries of a common law (Anglo-Saxon) tradition. Scandinavian public sector employment relations fall in between (European Commission, 2012, p. 104). From the four countries analyzed in this dissertation, Hungary and Estonia belongs to the sovereign employer group, Ireland follows the model employer tradition, while on the long-run Denmark has moved from the sovereign to the model employer approach (Christensen & Gregory, 2008, p. 211).

In the sovereign employer approach, the norm is the absence of collective bargaining and there is no right to strike in the public sector. Instead, unilateral managerial decisions govern employment relations in the sector, which are supported by legislation (Bordogna, 2008; European Commission, 2012, pp. 93–118). I argue that in such a system, employee grievances are stuck at the individual level, as trade unions and channels of collective bargaining are absent or weak and employees are prohibited from taking collective action. But given the accumulation of grievances, and the presence of marketplace power, there is a danger of conflict erupting outside institutional channels, directly challenging government policies.

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The model employer tradition means that the state acts as any other private sector employer in legal terms, but it sets standards by showing how it conducts its affairs with its own employees- at least this was the case in the post-war "golden age". In practice, the model employer approach was associated with a more benign attitude towards trade unions, resulting in higher levels of union density than in the private sector, and the prevalence of collective agreements (European Commission, 2012, pp. 104–106). In my interpretation these factors also led to a lower incidence of bargaining conflict in the public than in the private sector.

To sum up, both the sovereign and the model employer traditions were geared towards preventing labor unrest in the public sector. I argue that both traditions are challenged by the tension between increasing citizen demand for public services on the one hand and contracting fiscal capacities of the state on the other, and in such a crisis situation the model employer will be likely to act as a sovereign employer. To clarify, I expect that in a situation where a redistributional issue has to be settled with a union, even governments in the model tradition have the capacity to rely on unilateral legislative power, in a sense they can fall back on the sovereign employer model. If it has the required parliamentary majority, no one prevents the government from turning towards a unilateral-sovereign management of the public sector. Then it will be a matter of fiscal pressures, the attitude of political parties and the general public towards unions whether the state relies on this power or not.

The link between the "militancy of the government" and the possibility of legislative intervention has to be stressed. The state is ready to take up conflicts even against well-organized public sector unions, because it knows that it can rely on legislative intervention to break up a conflict, and it can also rest assured that the intervention will favor its interest. The impartiality of the state is never guaranteed during an intervention in a bargaining conflict, but in the private sector it is at least easier to distinguish the competing teams from the referee. Private sector employers and trade unions are the two competing teams and the state is the referee. In a public sector bargaining conflict, the

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roles are blurred, the state can play the role of one the teams and also that of the referee at the same time.

The legislative power of the state is complemented by its ability to influence consumer demand for public services. This is what I call the "policymaker" aspect of the state's sovereign power, and it is the flip side of the marketplace power of employees. As mentioned previously, the demand for public services has two elements: direct demand from consumers (clients, patients, parents of school-aged children) and demand generated or mandated by government policies. While the two aspects are difficult to separate, I argue that the more an employee group has from the former, the more capable it will be to take proactive industrial action. On the other hand, the more influence the government has over consumer demand for a certain service, the more power it will have against employees, and the more proactive it will be in employment relations. To repeat, the role of independent consumer demand was reasoned to be the most important in healthcare, therefore, I expect the employee side to be more proactive in health care and the government side to be more proactive in education and the rest of the public sector.

Finally, the state is a special type of purchaser also in the sense that it does not buy the services of public sector employees from the revenues it collects from consumers, but from taxes collected from all citizens. This also implies that during a work stoppage the state does not lose revenues. This is a major difference between public and private sector strikes that -to my knowledge- was first pointed out by Colin Crouch. As he claims, the economic costs of a public sector labor conflict for the employer side is zero, as the government stops paying wages to its employees while keeps collecting tax revenues during a conflict (Crouch, 1982, p. 103).

This section has identified the sources of the state's sovereign power.. While being constrained by fiscal pressures and not having the option to introduce productivity-enhancing technology (at least not in health care and education), the state can rely on its power as a legislator, as a policymaker and

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as a purchaser of services. The state therefore will be likely to take up conflict with public sector unions, especially in those activity areas where it can directly influence the demand for employees' services.

2.3 Discursive power: common concern with service users and the public

This dissertation analyzes contentious events in the public sector as processes that start with the buildup of tensions, lead to the eruption of conflict and conclude with an agreement detailing the results for both sides. The results achieved on either side - both in terms of material outcomes or in terms of organizational positions - are the final but integral parts of the conflict process. Therefore, this inquiry cannot stop at the eruption of conflicts, but has to follow them up until their resolution. With this goal in mind, the final section of the theoretical framework of this dissertation deals with the explanation of conflict outcomes. I argue that the explanation of outcomes has to be separated from the explanation of the eruption of conflict itself. To repeat, conflict itself is a sign of power ambiguity, therefore it cannot be the case that the same structural sources that are responsible for power ambiguities also decide the outcome of the conflict. The fact that either the state or employees are able to disrupt the status quo does not imply that their actions will be successful. As pointed out by Silver - although not systematically analyzed –, really powerful groups can get what they want without even having to rely on militant action (Silver, 2003, p. 96).

The analysis of outcomes requires a change in time perspective from the long- and medium to the short term. This then brings with itself a shift in the concepts used: from structural concepts to concepts focusing on actors' strategies of organization and framing (Tarrow, 1998). To be more specific, framing, resource management and coordination among unions are the most important strategic elements of collective action at the employee side that can secure a positive outcome. None

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of these elements are unique to public sector protest, but framing has an exceptional importance in the public sector, as that is the area where unions can incur political costs on the government.

In the introduction, I referred to public sector strikes as unusual objects of labor studies, because they are economic and political strikes at the same time, therefore they are difficult to classify. Picking up on that point, I argue here that although the political and economic dimensions are simultaneously present in public sector labor conflicts, they can be clearly separated when it comes to the costs that the two sides have to bear during a conflict: the economic costs are exclusively born by the employee side, while the political costs fall more heavily on the government.

One of the foundational claims of the research on labor conflict is that strikes are costly for both employers and employees (Hyman, 1984). In the private sector, employers suffer from the decline in sales revenue due to the disruption of production, while employees do not get paid. If a union is behind the strike (it is not a wildcat action), the workers may expect strike pay, but that depletes the strike fund of the union. To compare, a strike in the public sector has the same costs for employees (or unions) as in the private sector, but employers' calculations are different. The state can actually save money during a work stoppage in the public sector.

What however is also acknowledged in the classic labor studies literature - in the works of Colin Crouch and Alessandro Pizzorno – is that the costs of labor unrest go beyond missing revenue for employers: large scale and frequent industrial conflict can destabilize the entire political system. While the intensity of public sector conflicts analyzed in this study fall way below the level of the multi-sector militancy of the 1970s, the political costs of even minor public sector strikes can go high: public sector strikes are very visible and at the extreme they can undermine trust in the proper functioning of government (Crouch, 1982; Pizzorno, 1978).

What follows from the previous discussion is that to ensure success, organizers of labor protest in the public sector have to keep two general goals in mind: they have to minimize the

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economic costs of protest for themselves and they have to maximize the political costs for the government. What are the instruments of pursuing these goals the most effectively? Economical resource management and coordination with other unions are ways in which a union can minimize its own costs. Targeting some visible but not essential area of service, or by coordinating the work stoppage among different employee groups in one area (e.g. between nurses and doctors in hospitals) are good examples. Moreover, relying on alternative, less costly forms of protest is a possibility too: slow-downs, work-to-rule, overtime bans or threats of resignation can be highly efficient in the context of staff shortages that are characteristic in many public services.

The ways in which unions can maximize the political costs for the government are more intricate, as they are conditional upon the given political environment and also on the actions of the government itself. However, as we talk about public sector strikes, it is a crucial question how organizers frame their actions in front of the public. A public that is on the side of workers can indicate to the government that it is better to yield, otherwise opposition parties will benefit from the conflict dragging on. I argue that to win over the public, unions have to send a consistent message that protest is not directed against patients, pupils or parents but rather it serves their interests as well. In other words, they have to rely on what Gumbrell-McCormick and Hyman list as one of the main dimensions of union resources: discursive (or moral) power (Gumbrell-McCormick & Hyman, 2013, p. 31).

Discursive power is a prominent theme in the branch of literature that sees coalition building with social movements and community organizations as the way forward for trade unions (Frege & Kelly, 2003; Greer, 2008; P. Johnston, 1994; Tattersall, 2013). Public sector workers might be unusual suspects for large-N, comparative politics studies of strikes, but they are usual suspects in the social movements or coalition unionism literature. Already early accounts in this literature noted that public service workers have a natural affinity to build coalitions with social movements and local communities

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due to their day-to-day and face-to-face interaction with consumers and the often leading role they occupy in local communities. As Paul Johnston in his study on the movements of nurses and custodians in California argued, these workers were "uniquely positioned to build new alliances that defend and assert public needs" (P. Johnston, 1994, p. 13).

At the same time, these studies do not take single events as units of analysis but rather focus on longer term campaigns around diverse issues. Therefore, not all of their analytical tools can be used here. For example, as I explicitly focus on national-level events here, the framework used for local-level activism might not be relevant. Based on a short review, from this literature I find Tattersall's (2013) work the analytically most appealing. She identifies three key elements of coalitions between unions and community organizations: common concern, organizational relationships and structure, as well as scale. Organizational relationships and structure are concepts used to judge how relationships between community organizations and unions develop over time, therefore they are not relevant for my study. Common concern matches most closely the idea that I have in mind when addressing the question of how unions can convince the public that they are not taking action for special privileges but for issues that are relevant for service users and every citizen.

The contentious events analyzed here also provide a relatively hard test of whether unions manage to appeal to common concern, because at their core they were about traditional industrial relations issues: wages, working time, work organization. When the issue is about service provision itself, for example in the case of privatization, there is a direct link between consumers and producers against a common threat (Greer, 2008; Gumbrell-McCormick & Hyman, 2013, p. 146). The question for unions in the focus of my inquiry was whether they manage to embed issues not directly relevant for service users into larger frames that are.

But how do we know that a protesting union or professional association has won over the public? How do we define the "public" to start with? The most direct way of operationalization would

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be to find out whether unions manage to build coalitions with representative groups of service users. Nevertheless, we have to take into consideration two factors that hinder such an approach. As already stated, the issues at stake in the conflicts analyzed here were traditional industrial relations issues. These are less suited for coalition building compared for example to the fight against privatization of public services. Second, my sample includes two East European countries, where parent, pupil and patient advocacy lags behind West European and English-speaking countries that are typically in the focus of studies on coalition unionism.

The second option is to equate the "public" with public opinion and check results of polls conducted in relation to the protest events. This option is available to a limited extent in the Danish (for the 2013 school lockout) and the Irish cases (for the school strike), but to my knowledge this type of evidence is not available for the rest of the cases. Finally, the most roundabout way is to analyze the communication of leaders of the protests in the media, and decide whether they put emphasis on the interest of the respective consumer group. In one case- the resignation campaign of Hungarian junior doctors - this was the only available research strategy.

The upcoming empirical chapters will elaborate the three concepts of marketplace power, sovereign power and discursive power based on the analysis of eight protest events from four European countries: Hungary, Estonia, Ireland and Denmark. These are small economies where the private sector is highly exposed to international competition (Dreher, Gaston, & Martens, 2008). Therefore, this choice of countries reflects an engagement with protection (shelteredness)-based explanations of public sector militancy. This literature implies that the stronger the competitive pressures on the exposed sector, the more likely that it contains public sector wage demands and militancy. The motivation of the private sector to contain militancy in the public sector should be strong in all four of these countries, and in this sense, they are the least likely cases for the eruption of protest..

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Moreover, the literature does not only explain the variation in public sector militancy by the differences in international environment but also by differences in institutional arrangements that connect the private and the public sector (A. Johnston et al., 2014, p. 1784). In this respect, the four countries represent two pairs of different cases. Denmark and Ireland have a long tradition of bargaining negotiations between the state and unions in the public sector, that are enshrined in legally binding collective agreements (Hansen & Mailand, 2013; Jørgensen, 2008a). By contrast, in Estonia and Hungary, state unilateralism is the rule, meaning that the governing majority in parliament sets wages and working conditions through legislation. Bargaining is only consultative and/or erratic, and/or only present at the establishment level for non-core issues (Berki et al., 2012; Lauringson, 2010).

Taking these two insights together, we should expect that none of these countries would be a ground for public sector protest (due to strong competitiveness pressures) or that they would show different patterns of contention (due to the differences in institutions). In spite of these expectations derived from the protection literature, the public sector is still relatively militant in all the four countries, although protest comes in sporadic outbursts and from the specific activities of health care and education. The next chapters provide a detailed analysis of these events.

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3 Exit or care – The resignation campaign of junior doctors in Hungary, 2011

The 2011 resignation campaign of junior doctors in Hungary is as far removed from a typical industrial dispute as it can get. It was not a strike, but the threat of mass exodus, and it was not led by a trade union but by a small professional association. Nevertheless, it demonstrates how employees with increasing marketplace power are able to lead successful collective action even against a government with almost unlimited sovereign power. Cards were stacked against workplace-related protest in the Hungarian public sector in 2011, as the government coming to power in 2010 concentrated managerial power and restricted the right to strike (Szabó, 2013). Protest by the armed forces, police, firefighters and teachers in the same period did not extend to the workplace. The resignation campaign was the only nation-wide labor protest event in the post-2010 era that required direct workplace-level involvement from employees and achieved immediate tangible results (Altwicker-Hámory & Köllő, 2013).[3]

In this chapter I argue that the Hungarian Resident Physicians' Association (MRSZ) was able to challenge the government's sovereign power and the inertia of established actors because it relied on the emigration-related marketplace power of the workforce it represented. I use the concept of marketplace power as borrowed from Silver (2003) and operationalized with the help of Hirschman's exit-voice-loyalty framework (Hirschman, 1970). At the same time, the eventual success of the protest cannot be attributed to marketplace power alone. The way in which the Resident Physicians' Association framed the protest in public debates was also crucial. The leaders of the protest were able

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[3]Hungarian schoolteachers went on a one-day strike on April 20 2016 to call for the reversal of education policy reforms that were implemented after 2010, including school centralization and the curtailment of professional autonomy. The event took place at the time of writing the dissertation and falls out of the scope of the inquiry. However, I suggest here that it broadly fitted the propositions of this dissertation: unlike the doctors' resignation campaign, it was part of a defensive struggle and it could achieve few concessions.

to communicate to the public the simple message that they are calling for action not out of irresponsibility but out of responsibility: they threatened with resignation because they cared.

The event in the focus of this chapter is the coordinated threat of simultaneous mass resignation. Within labor disputes, resignation campaigns represent the closest example of what Albert O. Hirschman termed the loyalist's threat of exit (Hirschman, 1970, p. 82). During resignation campaigns, employees deposit their resignation letters, taking effect from a specific future date. Employees use the threat of mass exit from an understaffed activity to force the employer to give in to demands. Overall, resignation threats are issued less frequently than strike threats, but they have the teeth that strike threats often lack. Hirschman also stated that to maximize the effectiveness of voice in such a situation, the threat of exit must be credible (Hirschman, 1970, p. 85). I claim here that the resignation threat of Hungarian doctors was credible, given the acceleration of emigration from Hungary preceding the campaign. Besides, a resignation campaign places the responsibility of organizing alternative provision on the employer, and provides a way to get around strike restrictions in an essential service such as health (Granberg, 2015, p. 797).

It is an open question whether this form of protest – in an organized manner and at the national level – is at all present in economic activities other than healthcare. What is certain that in healthcare, it is rare but not exceptional: it occurs from time to time across various national contexts (Granberg, 2015, p. 797). While I have not come across a systematic collection of these events, I found online sources reporting their occurrence in Denmark (nurses resignation campaign in 1945 documented by (Stallknecht, 2011)), Finland (nurses' campaign in 2007, reported by (Jokivuori, 2009)), Israel (junior doctors, reported by Reuters ("Hundreds of Israeli doctors resign in pay protest," n.d.)), and Egypt ("Egypt doctors begin mass resignation campaign," n.d.).

Between 2007 and 2011, a wave of resignation campaigns swept through the health system of the Visegrad countries: Poland, the Czech Republic, Slovakia and Hungary (in chronological order,

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based on (Szabó, 2014)). Slovak doctors took the most militant course of action, as they indeed refused to take up work after their notice period ended on 1 December 2011 (Czíria, 2012). In response, the government declared a state of emergency and asked neighboring countries to provide substitute staff.

From this collection, the event in Hungary stands out not with its intensity, but because it was the least likely to occur considering the strong position of the government. Also, unlike in the rest of the Visegrad cases, the campaign was not organized by an established trade union or professional association but by a new professional group representing junior doctors, a relatively precarious group within the public sector. In sum, the junior doctors' resignation campaign in Hungary serves as a least likely case test for the marketplace power thesis.

The marketplace power thesis claims that public sector employees' capacity to challenge the status quo comes not from their protectedness *from the market* but rather from their favorable position *on the market*. Hungary is a least likely case because bargaining institutions were pushed aside and strike rights were curtailed after 2010, therefore no workplace-related protest could have been expected in the public sector. Compared to the rest of the cases – I provided a comprehensive overview of resignation campaigns in V4 in Szabo (2014) - the Hungarian government was the strongest in terms of legislative power and capability to act unilaterally in labor relations. Even though, protest erupted in this environment too. The marketplace power argument also gains support because within the public sector, workplace-related protest did not come from the most protected groups - such as members of the armed forces or the police - but from the group that had the strongest market-based power and could the most credibly threaten with exit.

At the same time, the Hungarian case shows the boundaries of the marketplace power argument too: it can predict the eruption of conflict, but not its outcome. To explain why MRSZ was able to achieve significant wage increases for the entire health workforce, I had to look at the short-term strategies of both MRSZ and the government during the conflict. MRSZ was able to make it

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clear to the public that it is not fighting against patients but for them. On the other hand, the government could not effectively challenge this position.

In this chapter I investigate the occurrence of a single event in one country (Hungary), launched by one employee group (junior doctors), and extending to one public sector activity (health care). Therefore, the inquiry has three relevant levels: the level of countries, the level of employee groups (professions) and the level of activities. The comparison across countries is the least prominent dimension of this chapter, but it brings forward the point that public sector employee protest can erupt in a country with a high level of state unilateralism. In other words, Hungary serves as the least likely case in a cross-country context. The second and the third level (professions and activities) constitute the bulk of the analysis and they have a more explicitly comparative edge, paying attention to negative cases as well in the background. On the one hand I will compare the position of junior doctors to the rest of the healthcare workforce (primarily senior specialists), and also the position of healthcare employees in general to the position of teachers, police officers, and other state workers in uniform.

The chapter is organized as follows: first, I will present the dominant role of state unilateralism in Hungarian public sector labor relations. On the employee side, I will describe the combination of grievances and opportunities that led to collective action. Then I will give a step-by-step account of how the resignation campaign unfolded and how the government finally agreed to engage in serious negotiations and made concessions. I will highlight the crucial role of MRSZ's strategy of framing the protest to achieve this outcome, but also the limited effect that MRSZ's protest had on the system of organized employee interests in Hungarian health. Finally, to substantiate the claims on why only healthcare employees were capable of taking workplace-related protest in the public sector, I will compare their structural position with teachers, members of the armed forces, the police and

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firefighters. While these groups were highly critical of government measures affecting their own working conditions, they were not able to take action at the workplace.

3.1 State unilateralism meets employees with strong opportunities and deep grievances

In the Hungarian public sector – just as on the labor market in general - bargaining institutions are weak, and labor relations are governed by unilateral employer decisions and legislation rather than by collective agreements (Berki et al., 2012). In other words, Hungary belongs to the sovereign employer tradition of public sector management, meaning that the state creates a distinct employment regime for public sector workers, severely curtailing their right to organize, bargain and strike (Bach & Bordogna, 2011).

The unilateral sovereign management of the public sector became even more prominent after 2010, when the Orbán government implemented several crucial measures without consulting or even summoning the public sector reconciliation council (OKÉT) (Berki et al., 2012, p. 12). After 2012, OKÉT renewed its activity on a constrained mandate and bargaining relations were re-institutionalized at the level of specific public sector activities (public administration, defense, health and education), however in 2011, the only way of influencing government decisions was through direct lobbying or protest.

For those who did not see lobbying as an option, strikes would have been the traditional way of expressing voice and possibly achieving concessions. Nevertheless, the new government also changed the strike law in a way that - according to the trade union side - made it very difficult to go on strike in public services (Rindt, 2012). Employees in public services – except career civil servants, members of the armed forces and firefighters - are formally allowed to strike, but this right cannot be exercised until there is an agreement with the employer on minimum services that must be provided

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even in case of a work stoppage. If there is no such an agreement, a labor court has to decide on the required level of minimum services. A court case can drag on for years, and until there is no final verdict, calling a strike is unlawful.

MRSZ conducted the resignation campaign in this environment. MRSZ's campaign was the only protest event in the Hungarian public sector between 2010 and 2014 that involved direct workplace-level mobilization. While trade union confederations organized large-scale street demonstrations and put up partial roadblocks against the new labor code and the education unions protested against the centralization of the school system, these events did not evolve into strikes or other workplace-related action, and could achieve little if no concessions at all (Interviews 16,17).

The resignation campaign was in its initial stages in spring 2011, when protests by firefighters, police and members of the armed forces against the abolition of their special pension schemes attracted mass participation and produced spectacular scenes of opening fire hydrants, setting off smoke bombs, climbing the steps of the parliament building and booing the minister of interior off the stage (Vári, 2013, p. 241). Still, trade union leaders of police officers and firefighters did not risk taking industrial action in the face of the explicit legal ban. The protesters could not achieve concession, the main organizers broke with the trade union bureaucracy and continued their career in opposition political parties and social movements (Boris & Vári, 2015; Vári, 2013). In comparison to these events, the junior doctors' protest is exceptional not only because it involved action directly related to the workplace but also because it put forward proactive demands and proved to be successful.

The main feature of the Hungarian case is that an explicit link can be drawn between employees' marketplace power and their protest. The core participants in the resignation campaign were junior doctors, who are in many respects less protected than other healthcare employees. At the same time, they have the strongest position on the labor market. Most of them have not yet settled,

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they speak foreign languages better than their older colleagues, which makes them ideal targets for health care headhunters from the old EU member states. Without a sense of marketplace power related to the acceleration of emigration, a small and newly formed professional association could not have taken on a government that had almost unlimited legislative power and had won decisive battles against the established actors of the labor movement.

As I will demonstrate on subsequent cases as well, the 2011 conflict in Hungary was propelled by grievances that individual employees experienced. These grievances were stemming from a dissatisfaction with relative material position compared to other employee groups within the country and to the same groups abroad. The wages of Hungarian medical doctors are very low not only in a European comparison but also compared to private sector professions within Hungary (Gaál, Szigeti, Csere, Gaskins, & Panteli, 2011, p. 119). The resulting grievances were aggravated by the ethical issue that junior doctors were growing into a system characterized by the "soft corruption" of informal payments (Gaál, Szigeti, Csere, Gaskins, & Panteli, 2011, p.87, the term soft corruption used by informant in Interview 15).

Junior doctors saw their wages as humiliatingly low in both an international and a domestic comparison. With €833 per month, purchasing power parity (PPP) corrected minimum salaries for Hungarian medical doctors were the second lowest in the EU-27 in 2011, followed only by Romania (€ 808). Taking PPP and thereby correcting for the differences in prices across countries, minimum salaries for doctors in the UK are two times as high as in Hungary, and in Germany, - another typical host country for Hungarian doctors - the ratio exceeds 1 to 4 (Reginato & Grosso, 2011, p. 5). On top of this, junior doctors have to expect a flat career path in the formal public sector, meaning that there is a relatively small difference between minimum (€ 808) and maximum (€ 1860) salaries. Until 2012, medical doctors' wages were calculated based on the public sector pay scale that left little room to pay awards for a long career and higher qualifications.

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Wages in Hungarian health care are low not only compared to healthcare wages in other countries but also compared to other sectors of the Hungarian economy. OECD statistics from the Health at a Glance surveys reveal that Hungarian doctors were the lowest paid in relative terms within the OECD, all throughout the period 2007-2011. Salaried medical specialists earned 1.5 times more than the average wage in 2007, and 1.6 times more in 2009 and 2011, and general practitioners were similarly at the bottom of the table (OECD, 2009, p. 71, 2011b, p. 67, 2013, p. 75).

A more precise way of gaging the relative material position of doctors is to compare their wages to employees with similar qualifications outside healthcare. From this comparison it turns out that in 2008, salaried doctors' remuneration barely reached the average earnings of other tertiary-educated workers in the Hungarian economy: the ratio stood at 108% in 2008 (OECD, 2011a, p. 115), and while similar data are not available for later years, given the stagnation of doctors' salaries in relation to the national average wage between 2007 and 2011, I assume that an improvement did not take place vis-a-vis other tertiary educated employees either.

The foregoing argument about the relative position of healthcare workers applies to specialists and junior doctors alike, and nurses could also be added. These groups are all equally low paid in comparison to their colleagues in other countries and compared to similarly qualified workers in Hungary. Why were junior doctors the only group to launch industrial action after 2010?

There is little evidence that the reason was a higher level of shelteredness from markets. Junior doctors have an equal or lower level of protection than other groups in public healthcare. They are employed on the same public service employee contracts as the majority of the health workforce, and as they are in the early stage of their career, their employment conditions are often precarious compared to more senior employees. Complaints on employer practices submitted to the Resident Physicians' Association in 2010 centered on the absence of uniform contract regulations that would bind every employer equally and on the irregularities of payments (Papp, 2010). Junior doctors do not

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yet have the protected professional status that their older colleagues have, as they can still fail their resident examinations. Furthermore, they are trained in a system that is built on the authority of senior professionals who typically oppose the idea of collective protest action at the workplace level (Interview 15).

In the available evidence there is no trace of a more protected position of junior doctors on the labor market compared to other groups within healthcare. What however separates this group from the rest is its easy access to the exit option. Labor emigration to the old EU member states from Hungary accelerated after 2008, with healthcare professionals in general and junior doctors in particular being the most affected groups. As Figure 3.1 illustrates, the number of healthcare professionals - including physicians, dentists, pharmacists, qualified nurses and midwives - who applied for a certificate requested by foreign employers almost doubled from 1119 in 2007 to 1901 in 2011.

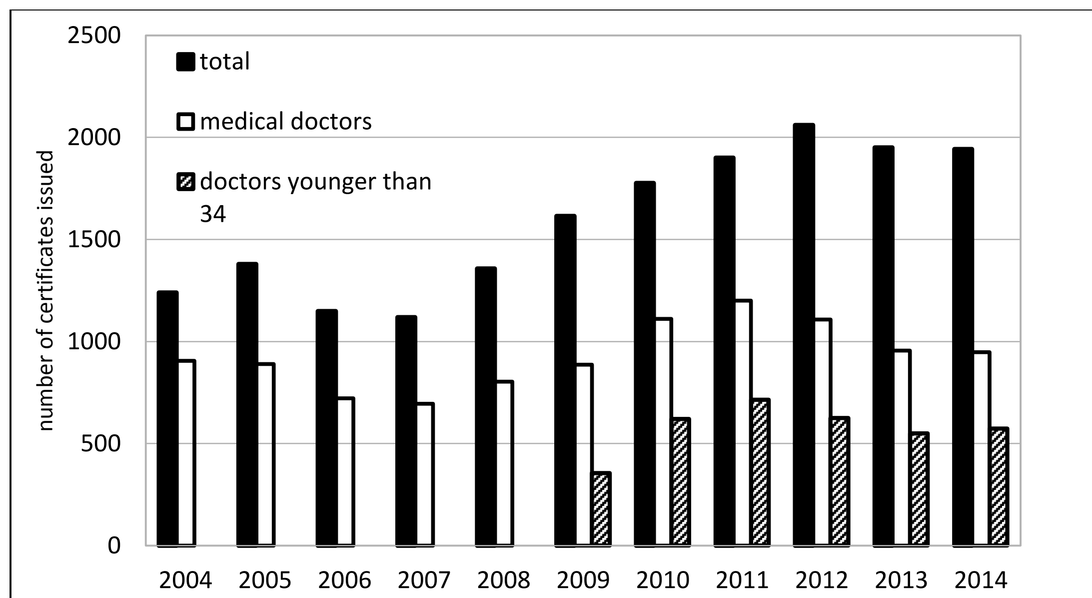

Figure 3.1: Certificates issued to Hungarian health professionals to prove qualifications abroad
Source: ENYKK (Health Registration and Training Center), migration statistics

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Figure 3.1 also reveals that within healthcare, the most affected group is medical doctors, and especially those at an early career stage. In each year up until 2013, more than half of the applicants for these recognitions were medical doctors. Following general trends, their absolute numbers stagnated between 2005 and 2007, but then it doubled (from 695 to 1200) between 2007 and 2011 (Szabo 2014:195)[4]. Half (55.3%) of the physicians who applied between 2009 and 2014 were under the age of 34. This share jumped from 40% in 2009 to 55% in 2010, then it remained stable throughout the years 2010-2014, varying between 55 and 60%.

As of 2010, a large share of freshly graduated doctors (57%) did not even enroll in the Hungarian resident training system, but decided to start it abroad. Therefore, the ministry could not fill the quota for the resident training system (Papp 2010). In addition, while precise statistics are not available, an increasing number of doctors – including the president of MRSZ between 2012 and 2015 and a regional organizer of the 2012 campaign – combined a job in Hungary with a part-time job abroad (Interview 15).

Emigration deepened tensions within the system by making labor shortages more severe. Inward migration to Hungary that could have compensated for the hemorrhage of trained personnel is insignificant. In the nine-year period between 2006 and 2014, Hungarian authorities in total recognized 534 medical degrees earned in foreign countries, less than the number of recognitions issued to Hungarian doctors in any single year in the same period. Until 2010, the number of fresh graduates from Hungarian medical universities had stagnated (Szél & Girasek, 2010). Likewise, the intake of medical education between 2007 and 2012 was also constant (OECD, 2015, p. 139). Even

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[4]Although being less detailed (no breakdown according to age) and covering a shorter timespan (2007 to 2013), the European Commission's Regulated Professions database confirms the trend. The EC collects host country recognitions of medical degrees and shows two large increases for Hungary, one between 2007 and 2008 (from 177 to 435 instances of recognizing a diploma in basic medicine) and the other between 2010 and 2011 (from 492 cases to 685).

if there was a policy commitment to extend places at medical faculties, medical training requires a long time, therefore acute labor shortages could not have been addressed.

In sum, rather than functioning as a safety valve, the exit of junior doctors from the Hungarian health system made grievances bitterer for those who stayed. In the late 2000s, the term "human resource crisis in healthcare" was coined and came to be used frequently not only by the representatives of medical personnel but also by experts and hospital managers (Gaál et al., 2011, p. 119; Papp, 2010; Rácz, 2013; Szél & Girasek, 2010).

This crisis was however taken as an opportunity by junior doctors, who are the key actors in the long-term sustainability of the Hungarian medical system. The human resource crisis gave them a sense of power and also a sense of duty to act. Junior doctors were able to frame their demands for higher pay in the context of labor shortages and were able to connect these claims directly to the threat of exit. The organizers of the 2011 resignation campaign were aware of the power that the availability of the exit option entails, but they were also aware that choosing the exit option is a difficult and personally costly decision. The organizers were also convinced that under the given circumstances, the responsible thing to do was to raise their voice. They protested because they cared.

3.2 Credible representation, credible threat and common concern

The Hungarian Resident Physicians' Association (MRSZ) initiated and organized the resignation campaign of junior doctors in 2011, the only nation-wide workplace-related protest event in the Hungarian public sector between 2010 and 2014 that also resulted in significant wage increases for every professional group within the sector. MRSZ was established in 1999 and until 2007 its activities were confined to lobbying on professional issues that did not attract much public attention.

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MRSZ's first contentious public action took place in 2007, when it collected 4000 signatures for a petition against a government proposal to introduce a tuition fee in resident training (Fabók, 2011).

Under new leadership – which was to lead the 2011 campaign as well – MRSZ organized junior doctors' first mass demonstration about unfair working conditions in 2009. In 2010, another demonstration was triggered by a draft government ordnance that obliged state-funded resident physicians to sign a contract to work in Hungary as a specialist for a certain period of time after finishing resident training. This practice later was introduced in general higher education too and was dubbed "serfdom clause".

As previously discussed, during the years 2010-2011, emigration from Hungarian health care reached unprecedented levels. But not only structural tensions mounted on the system, but significant political changes occurred that pitted MRSZ against a new government with a 2/3 parliamentary majority and an agenda of power concentration. The need for a more militant intervention became clear for the leadership of MRSZ by the first months of 2011. Two factors were decisive: first, the budget for 2011 did not allocate additional funds for possible wage increases in health care and second, the resignation campaign of Czech doctors turned out to be efficient: as of 20 December 2010, 3,513 out of the 18,000 physicians employed in Czech hospitals handed in their notice (Szabó, 2014; Veverková, 2011).

After preparations and internal debates in early 2011, the president of MRSZ, Magor Papp officially launched the campaign in May 2011. He announced demands that focused on the improvement of wages and working conditions for young doctors, but more general claims were also formulated, including the long-term goal of increasing practicing physicians' wages three times above the national average (Szabó, 2014). From the beginning, MRSZ targeted not only junior doctors but senior practitioners as well, asking them to join the campaign.

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The initiative was met with supporting statements from the Medical Chamber (MOK) and the Federation of Hungarian Physicians (MOSZ). Their contribution remained largely symbolic, although the president of MOSZ called its members to consider joining the initiative and also to refrain from taking up compulsory overtime in case the demands of MRSZ were not met ("Túlóratilalommal támogatják az orvosok a rezidenseket [Consultants to ban overtime in support of residents]," 2011). The first and until December 2011 the only serious attempt on the government side to appease MRSZ and take the wind out of its sails came in July 2011, when health secretary Miklós Szócska announced a scholarship program targeting junior doctors who in exchange for a 100 000 HUF (300 euros) stipend would sign a contract obliging them to practice in Hungary at least for 10 years and not to take informal payments from patients (B. Varga, 2011).

The scholarship program in itself caused compression of official income between junior doctors and mid-career specialists. Junior doctors get the scholarship on top of their public sector wages, while specialists do not have this option to complement their wage. While MRSZ supported the idea of a scholarship system, it rejected it as a standalone solution, and insisted on a comprehensive upgrade of the wage system (Interview 15). MRSZ also opposed the strict conditionality attached to the scholarship offer, especially the "serfdom clause". Eventually, the government was forced to relax the conditions after the first round of calls did not attract enough applications. Most importantly, the "serfdom clause" was revised to allow for part-time work abroad, which is an increasingly common phenomenon – as mentioned previously (Interview 15).

The announcement of the scholarship program was ineffective in stopping the momentum of the resignation campaign, which switched into full gear in the autumn of 2011. The leadership of MRSZ embarked on a campaign trail to convince employees in regional hospitals to hand in their resignations. While MRSZ – as a small organization - managed to keep its message clear, simple and consistent, the government looked overly confident which proved to be counterproductive. As MRSZ

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is formally not a representative association, the government is not legally obliged to enter into negotiations on wage claims with them. The health secretary started talks with them only reluctantly, and the talks broke down quickly in October 2011. Following the breakdown of the talks with the health secretary, MRSZ approached other members of the cabinet and MPs in the parliamentary faction of the governing party (Papp, 2011b).

By mid-November 2011, MRSZ claimed to have collected 2300 letters of resignation, with a deadline of taking effect on January 1, 2015. 60% of the resignations came from specialists (Papp, 2011b). It had become increasingly difficult to ignore the demands of MRSZ and events taking place in neighboring Slovakia in early December gave a warning signal to the Hungarian government as it made the threat coming from the Hungarian doctors more credible too. After their notice period ended on 1 December 2011, 1,200 Slovak doctors indeed refused to report for work. In response, the government declared a state of emergency extending to 15 hospitals, which would oblige the resigned doctors to take up work. However, many of them reacted simply by calling in sick. The Slovak government also had to request neighboring countries (including Hungary) to provide substitute medical staff (Czíria, 2012).

In the meantime, the number of resignations started to approach 3000, which was declared the critical mass by the leadership of MRSZ. In one of the major regional hospitals, 70% of the doctors have joined, and a much lower percentage is already enough to bring a hospital to its knees if key professional groups such as anesthetists or radiologists quit ("Mit hoz a január?," 2011). However, even if the resignations had taken effect, the government and hospital managers would have had three months to tackle the crisis, during the compulsory notice period of employees. In order to be able to rely on emergency powers, the government devised a contingency plan in late December (Szijjártó, 2011).

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The offer that the government made at the end-of-the-year, last minute talks convinced MRSZ to postpone the activation of resignations by three months. During that period, the negotiations were extended to the regular bargaining partners of the government, the Federation of Hungarian Physicians, the Medical Chamber, and the nurses' union EDDSZ. By the end of March 2012, after threats from MRSZ to renew the campaign, an agreement was reached about a two-stage wage increase, which favored resident physicians in the first stage, specialists in the second stage, and also included an increase for qualified nurses (interview 15). The finances were partly covered from a tax on unhealthy food items which was introduced a year before.

The theory of bargaining conflicts in the public sector - as elaborated in Chapter 2 - links the eruption of protest to structural power ambiguities between the state and public service professions. The case explored here confirms this relation: a powerful government clashed with a professional group who enjoyed a high and increasing degree of marketplace power. The theory however also maintains that the outcome of the conflict cannot be determined by the same factors – namely by structural power ambiguities.

Instead, the success of either side in a conflict depends on short-term strategies pursued during the conflict. A crucial area is communication and the framing of the struggles in a way in which one side manages to build up a common concern narrative (Tattersal, 2013). Employees can utilize their direct contact with service users while the government can rely on fear mongering tactics and blame protest organizers for causing disruption in services that are essential for citizens. Negative messages can become prominent as the conflict evolves: protest organizers can take advantage of the general unpopularity of the government (if it is indeed unpopular) or point fingers at unpopular members of the health administration. On the other hand, the government can also delegitimize the protest organizers as representatives of special interests, or as agent provocateurs of opposition parties whose only goal is to de-stabilize the government (Culpepper & Regan, 2014; Vári, 2013).

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I argue that MRSZ could eventually make it to the bargaining table and achieve wage increases because it relied on a consistent public relations strategy that also utilized the frames created by the government. MRSZ was capable of defeating the government on its own turf and could avoid the label of opposition agent provocateur. Representing a new organization with little bureaucratic inertia, the leaders of MRSZ could communicate quickly and efficiently with the public, while also keeping in touch with the membership. My informant from MRSZ stressed that they wanted to overcome what they saw as an outdated and inefficient style of communication on the trade union side and replace it with a more targeted and nuanced approach (interview 15). MRSZ's leaders were careful to maintain a good working relationship with both sides an otherwise deeply divided and politicized media landscape. In public debates, they kept referring to results of surveys conducted among their members, to ground their position in facts, an element which they also missed from traditional actors' communication.

Another factor contributing to MRSZ's success was that it could formulate claims in the same framework that was used by the government. In a sense, MRSZ built up a common concern framework not only with the general public but also with the government, and managed to demonstrate that it is more competent in acting in line with this framework. At its inauguration in 2010, the Orbán government promised to "rescue the healthcare system". Right after public safety, healthcare featured on the second place as a priority area in the government manifesto of 2010. The special attention given to health by the new government has to be understood in the context of the failed attempts of previous social-liberal coalition governments to modernize and partially privatize the system. Those attempts faltered on the opposition of traditional interests in health care and were given a decisive blow at a referendum against patient co-payments that was organized by FIDESZ and supported by an alliance of civil society groups including the main health care union and the medical chamber (Edelényi, Tóth, & Neumann, 2009). The memory of these events were still fresh in 2011,

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and the cooperation between healthcare interest groups and FIDESZ in opposition implied a promise that when FIDESZ comes to power it was going to reform healthcare together with the representatives of the profession and not against their will.

Therefore, the new government had to face high expectations from a profession that is in general assumed to be harboring right-wing political sentiments. There is anecdotal evidence suggesting that the majority of medical doctors including MRSZ's president during the 2011 campaign had conservative political preferences (Fabók, 2011). This does not mean that the government refrained from attacking MRSZ, but these attacks were ineffective or outright counterproductive. For example, the health secretary and hospital managers acknowledged the fairness of demands of junior doctors, but appealed to their professional ethics when asking for cooperation. He also condemned the resignation campaign as being senseless (Szócska, 2011). Thwarting government comments on the irresponsibility of the campaign, MRSZ's president said that the Hungarian healthcare system already collapsed, implying that the onus of irresponsibility lies on the government side (Papp, 2011b).

Harsher remarks on the resignation campaign from the governments' supporters often backfired as they made MRSZ more determined. For example, an MP of the governing party told the press that those who hand in their resignation should also give back their medical degree, meaning that rather than protesting, doctors should be grateful for the Hungarian state to have financed their medical training. The president of MRSZ responded that such comments make his colleagues consider bringing the deadline of resignations forward (Papp, 2011a). In a major regional hospital, similar events led to more than half of the doctors (including senior specialists) signing their resignation. This is how my interview partner at MRSZ recalled the incident:

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> "Then a local politician had a slip of the tongue: he called us "those things in labcoats". Because you must know that the society looks down on us doctors, for a reason, but only

because of the utterly corrupt 5%. But when this politician was caught on saying these words, some of the senior colleagues got really upset. […] And then they said OK, they would hand in their notice too" (interview 15).

It is not possible to evaluate how public opinion perceived the different communication strategies of the government and the junior doctors, as major pollsters did not conduct surveys on the topic, which until December 2011 remained a relative low salience issue. However, the representatives of MRSZ consciously organized their media messages around two issues that could provide the basis of a common concern coalition with patients and the general public: the issue of patient safety and the issue of informal payments (interview 15). Patient safety is the final link in the chain starting with low wages, leading to emigration and labor shortages, then to excessive working hours and exhaustion of the remaining staff. This is a long chain, but it is easy to explain it to every citizen.

The resident phase is the first time throughout a medical professional's career in Hungary when she experiences the "soft corrupt practice" of informal payments, which is a wide-spread phenomenon in the Hungarian health system (interview 15). The most common form of informal payment is "gratitude money", paid after a medical intervention, but paying at each visit and more explicitly corrupt practices such as doctors asking money for an intervention beforehand are also present (Solymosi, 2005, p. 17).

Informal payments are the legacy of socialism and serve as a top-up for the low salaries of health professionals. However, they are not equally distributed among different specialties, with physicians (in particular specialists such as obstetricians and surgeons) receiving the largest share (Gaál et al., 2011, p. 87). Many fresh graduates are repelled by this system and it adds to their motivation to leave the country to areas of the world where they are not only better but also more cleanly paid. MRSZ is one of the most outspoken critics of informal payments and they organized several campaigns and demonstrations against

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it. They lobby for stricter sanctions for accepting informal payments, but they always include that sanctions would only work in conjunction with a comprehensive salary raise (interview 15). Informal payment was a link through which the junior doctors' cause could be easily connected to patients' concerns.

To repeat, the resignation campaign was considered to be a success by the leadership of MRSZ (interview 15). Indeed, to my knowledge, since the regime change this was the only contentious action in the Hungarian public sector - excluding transport - that had forced a government to grant significant wage increases. At the same time, the limits of this kind of protest action are also clear for the actors, and are related to the weakness of institutions and to the dissatisfaction with established actors. As an extra-institutional form of conflict, a resignation campaign involves high risks not only for employers but also for employees. While MRSZ was determined to make the resignations effective from January 1, it remains a question how many of the more than 2500 employees would have sticked to their commitment and actually would have started the leaving procedure. The reason why the government eventually started taking the demands seriously had just as much to do with news from Slovakia than with the processes within Hungary.

Second, there is a mismatch between the size, organizational structure and original mission of MRSZ on the one hand, and the role it had to play during the conflict. Despite the success of the campaign, the leadership of MRSZ did not use it as a tool for attracting broader sections of health care employees as members, but stick to its original mandate of organizing junior doctors on a very loose bases – for example MRSZ does not collect membership dues. MRSZ continues to regard itself as a purely professional movement that from time to time has to use its structural power to achieve concessions from the government. As told by my interview partner from MRSZ:

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> "Personally, I don't want to get involved in this organizing and negotiating business for a lifetime. For me this is only the means to achieve living standards so that I can stay and work here, in my home country. But once these conditions are fulfilled, I would only focus on medicine. In other words, I don't have to define my own identity in terms of being a leader of an organization. Because in fact there should be no need for MRSZ. It only exists to fill a void. There is the Medical Chamber, there are the unions. Why does MRSZ exist? Because those groups have not done their jobs." (Interview 15, conducted in Hungarian and translated by the author.)

Consequently, MRSZ tried to facilitate the renewal of traditional professional associations and trade unions within healthcare, with little success as of 2015. When stepping down as presidents of MRSZ, both Tamás Dénes and Magor Papp launched their bid for the presidency of the Hungarian Medical Chamber. Papp was disqualified from the race on procedural grounds, while Dénes was defeated by the long-standing president of MOK, István Éger in 2015 (interview 15; MOK, 2015). Moreover, delegates also blocked MRSZ's motion to establish a resident physician section within the Medical Chamber (interview 15).

3.3 The shadow cases of teachers and employees in uniform

Irrespective of the limits of change that the resignation campaign could bring into the system, it was still the only nation-wide workplace-related protest event in the Hungarian public sector between 2010 and 2014. The resignation campaign is also exceptional in the sense that it was an offensive struggle (Nowak & Gallas, 2014). MRSZ fought *for* higher wages and not *against* wage cuts. The wage demands could also be interpreted as reparative, as they were formulated in the context of several years of wage freeze in the public sector (Berki et al., 2012, p. 12).

Other public sector professions – members of the armed forces and law enforcement agencies, firefighters, and teachers - also expressed contention around the same time as doctors. Their struggles

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were defensive, launched against government measures rather than for achieving proactive goals. Police, members of the armed forces and firefighters - "employees in uniform" waged an entirely defensive struggle against the elimination of their occupational pension schemes (Boris & Vári, 2015). In education, aims were more mixed, including protest against the centralization of the school system but also for higher wages. The education protest was running in a more institutionalized channel compared both to the resignation campaign, but also to police and firefighters' protest. While the two main teachers' unions organized street rallies, they concentrated their efforts on negotiations with the government in the framework of an official strike committee (interviews 16,17). As strikes are outlawed for members of the armed forces, firefighters and the police, communicating with the government through a strike committee was not an option there.

Protest of these groups however did not extend into the workplace and street protests subsided without achieving significant concession from the government. The government abolished special pension schemes, it pushed on with the centralization of the school system, reformed the wage system of teachers unilaterally, and forced them into a corporative organization with compulsory membership that on the long run may become the rival of unions (Interview 17).

In education, the larger union opted for accepting the government's offer and since then tried to influence government decisions through the regular bargaining and lobbying channels and through expertise-based criticism (interview 16). The smaller union refused to sign the agreement with the government but it is also reluctant to take industrial action in light of the new legislation. According to my interview contact at the smaller union (PDSZ), the government side is simply not ready to start talks on minimum service requirements, and as long as there is no agreement on minimum services they would breach the law by launching a strike (interview 17). The main personalities from the armed forces and firefighters' protests resigned as union leaders and ended up working in opposition parties and movements (Vári, 2013).

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Why did effective labor protest take place only in health and not in other areas of the public sector? Just as it was the case with the contrast between the protest capacity of junior doctors and the rest of the healthcare workforce, a protection-based argument would not take us far in explaining the difference between health and the rest of the public sector either. Teachers' employment conditions are protected by the same law as healthcare workers'. Police, firefighters and members of the armed forces enjoy an even stronger protection regime, similar to lifetime career civil servants (Berki et al., 2012).

An expert following long-term industrial relations developments in Hungary claims that despite formally still covered by legislation that is distinct from the private sector labor code, over the more than 25 years since their adoption, the provisions sheltering the public sector have mostly eroded and came to resemble the rules in the private sector (Nacsa, 2014). In addition, the referred sources also agree that healthcare was no exception from this process of eroding employment guarantees. If anything, healthcare was more affected by employment reforms than other public sector activities (Kahancová & Szabó, 2015).

Instead of a lower level of protection from the market, I point at the weak position on the market as the main reason why teachers and those in uniform did not challenge the existing rules and did not take industrial action. The demand for the services of employees in uniform is unilaterally determined by the state and while "restoring public order" was a priority of the government, one way of increasing the number of available police personnel was not to let them retire. Education was not a top priority of the government to start with, and after the 2010 change of government, education policy's focus shifted from school-based education to vocational training. The clearest and most criticized part of this shift was the lowering of compulsory school age from 18 to 16, which reduced the demand for the work of secondary school teachers (Eurydice, 2016). This came on top of the long-term demographic decline that also decimates enrollment levels and overall demand for education. Both union leaders from education I interviewed acknowledged that teachers are difficult to mobilize because they are aware of

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their weak labor market position due to the decreasing number of pupils in the country (interviews 16, 17).

These internal processes that weaken the position of education, defense and police workforce are not counterbalanced by migration opportunities either. In healthcare, it was demand from abroad that made the exit threat credible. However, external demand is much lower for teachers than it is for doctors and it is virtually non-existent for police officers and firefighters. Although a much larger profession, over the ten years that passed since EU accession, only half as many Hungarian teachers left to other EU countries to work in their own profession as compared to medical doctors. According to the European Commission's regulated professions database, the number of successful cases of international recognition of qualifications for Hungarian medical doctors between 2003 and 2014 was 3992. The same number for schoolteachers (primary and secondary level) is 1927. Only two police officers and firefighters have showed up in the same register.

The organizers of the armed forces', law enforcement personnel's and firefighters' protest complained that public opinion was wavering which side to support because a lot of people saw special pension schemes as an unearned privilege (Vári, 2013). In sum, compared to junior doctors, the protest of firefighters, members of the armed forces and police was not only more politicized but the organizers also failed to secure the required public support by creating a link between their grievances and the issues that service users face.

To sum up, answering the question why only junior doctors took industrial action within the Hungarian public sector between 2010 and 2014 has led me back to the argument on the interaction between the marketplace power of employees and the legal-institutional power of the state. In the environment characterized by the overwhelming sovereign power of the state, only the structurally strongest public sector group could take industrial action. However, this strength was not a result of protection from the market, but rather it stemmed from the availability the exit option provided by the

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expansion of the EU-wide healthcare market. To repeat, MRSZ could force the government to the negotiating table because the threat it issued was credible. Other employee groups would not have been able to threaten credibly with exit, as their labor market position was much weaker. Moreover, in an unfavorable legal environment, the resignation campaign created an opportunity where individual participants bore the entire risk of collective action, MRSZ did not have to pay strike pay or prepare for fine as it would have happened in case of an illegal strike. The government bore the responsibility for the development of the events

The resignation campaign was a significant labor dispute which almost exclusively developed outside regular bargaining channels and attracted little involvement from traditional bargaining actors. To paraphrase Walter Korpi and Michael Shalev, the resignation campaign represented the de-institutionalization of conflict in the public sector (Korpi & Shalev, 1979). In this sense, it is an exceptional case that demonstrates how the marketplace theory works in its purest form. When analyzing this case, I could observe a clear separation of the different power resources that the opposing sides relied on. On one side, the government had almost unconstrained sovereign institutional power, using it to push aside bargaining and putting restrictions on the right to strike. On the other side, MRSZ was not embedded in bargaining institutions at all, but it represented employees who have the most powerful market position in the public and probably also in the private sector.

As Hungary – especially after 2010 - represents an extreme case of the hollowing out of industrial relations institutions and the decline of trade unions, the question may arise: does the marketplace power thesis preserve its explanatory capacity once we move to other cases where bargaining institutions and trade unions are stronger. The upcoming chapter endeavors to answer this question.

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4 Easy exit for workers, difficult voice for unions - Three healthcare strikes in three quiescent countries

This chapter analyzes three strike events in health care in three small European countries: the 2012 strike of doctors, nurses and health care assistants in Estonia, the 1999 strike of nurses in Ireland and the 2008 strike of nurses, health- and elderly care assistants in Denmark. I make two pivotal claims supported by these cases. First, I will argue that despite different bargaining institutions and the differences of the main actors involved, the eruption of conflict can be explained by the same underlying logic of marketplace power of employees. Therefore, the first part of this chapter is an extension and validation of the marketplace power thesis that featured already in the previous chapter (as I explained previously, the argument builds on Silver, 2003 and Hirschman, 1970).

The second part moves beyond the marketplace power argument and identifies union strategies as the determinants of the eventual success or failure of protest action. During a strike, union strategies have to compensate for the fact that a public sector strike cannot cause direct revenue loss for the employer and workers are still obliged to provide minimum services (Crouch, 1982; International Labour Office, 2006).

Union strategies include framing of the protest – a key element in my narrative of the Hungarian case in the previous chapter. The cases analyzed here suggest that discursive power through framing is a necessary condition of success, which is however complemented by the resource management of unions and coordination among them during a strike. In making these claims, this chapter combines a research design based on most different and most similar cases. Similarities – the eruption of large-scale protest across three different countries and historical contexts- can be accounted for by the marketplace power argument. Differences – success or failure of protest - are best explained through union strategies of framing, resource management and coordination.

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The chapter looks at three events that took place at distant times and locations and were surrounded by different models of capitalism and bargaining systems. Even though all of these environments were characterized by labor peace, different mechanisms were at play underlying them: overall weakness of the union movement in Estonia (Bohle & Greskovits, 2012), tripartite compromise in Ireland (O'Donnell, Adshead, & Thomas, 2011; Roche, 2007) and a consolidation of private sector industrial relations around new roles in social policy making for employers and unions in Denmark (Thelen, 2014).

What connects the events is that they were large-scale eruptions of conflict in the environment of overall labor quiescence. In Ireland, nurses were the first large group to go on a nation-wide strike despite labor peace enshrined in social partnership agreements (Allen, 2000; Sheehan, 1999). The strike lasted for nine days with the participation of 29 000 nurses, and it is considered by the organizers as the largest industrial dispute in the history of the Republic (Sheehan, 1999; interview 14). Estonia, as one of the countries least prone to labor conflict in Europe (Beissinger & Sasse, 2014) witnessed the first strike events in education, in 2003 and early 2012 (Osila, 2012; Philips & Eamets, 2003, interviews 1, 6). However, the resilience of protesters - the strike lasted for four weeks - surprised not only the public and the government but the organizers themselves (interview 3). Finally, the 2008 conflict in Denmark was the longest such event ever recorded in the Danish public sector and the largest strike in the country after the general private sector strike in 1998 (Jørgensen, 2008b, 2009). The effects were also quite visible not only for hospital patients, but also for receivers of elderly care services.

In two out of three cases (Ireland and Estonia), this was the first nationwide strike event by the respective groups - nurses in Ireland and all healthcare workers in Estonia. In Denmark, the new group of contention was the health- and elderly care helpers and assistants (nurses had a longer history of militancy). The magnitude of these events is all the more remarkable taken into account the novelty

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of protest by these groups. The Irish Nurses Organisation for example was in the 1980s still regarded as a conservative female organization that did not have strike action in its repertoire (interview 14).

When I turn to results of protest as the second subject to explain in this chapter, I see less similarities across the cases. I define results along two dimensions: material gains achieved for employees as compared to the original strike demands, and change in the position of the organizing actor as compared to the status quo ante. I do not have a standardized measure at hand for either of these dimensions, therefore I will make a judgment on success or failure based on my context- specific knowledge of the cases, relying on participant accounts, media sources and secondary literature.

Table 4.1 summarizes the results in each case. From the three cases, the Estonian health care strike can be considered the most successful on both accounts, while Danish nurses achieved the least and their union suffered the most as the result of the conflict. In terms of the results for unions, I have split the Danish case in two as nurses on the one hand and health-and elderly care assistants on the other decided to go separately and the latter achieved better result. The Irish nurses' strike falls in between the Estonian and Danish cases.

The Estonian Medical Association (EA) and Estonian Union of Health Care Workers (ETK) launched the strike in 2012 with a goal of concluding a new central-level collective agreement on the increase of occupational minimum wages and reduction of working hours. The last central agreement dated back to 2004, therefore between 2004 and 2012, wages were entirely determined by local agreements and managerial unilateralism (Lai et al., 2013, p. 156). To stop the strike, the government eventually signed the new agreement, which secured a 23% minimum wage increase for caretakers, 17.5% for nurses and 11% for doctors – corresponding to the demands laid out by the organizers at the beginning of the conflict (Murphy, 2015). The agreement also outlined a reduction of workload by 15-20%, and the government invited employee representatives to negotiations on health policy reform (Lai et al., 2013, pp. 156–157). My interview partners did not report membership increase in

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the wake of the strike, but I interpret the opportunity to sign a collective agreement as an improvement in their institutional position.

Table 4.1: Results of strikes in Estonian, Irish and Danish health care

<table>
<tr><th></th><th>Estonia, 2012</th><th>Ireland, 1999</th><th colspan="2">Denmark, 2008</th></tr>
<tr><td>Participants (Employee groups and unions)</td><td>Medical doctors (EA),nurses and health care assistants (ETK)</td><td>Nurses (INO)</td><td colspan="2">Nurses (DSR), health- and elderly care assistants (FoA)</td></tr>
<tr><td>Main demands</td><td>Minimum wage increase: 23% for assistants, 17.5% for nurses, 11% for doctors, workload reduction</td><td>Comprehensive upgrade of the pay and allowance system</td><td colspan="2">Up to 15% (over three years)</td></tr>
<tr><td>Results for employees</td><td>All major demands fulfilled</td><td>Majority of the demands fulfilled</td><td colspan="2">13.3% average wage increase, differentially distributed across groups</td></tr>
<tr><td>Results for the union</td><td>EA, ETK sign collective agreement with the government</td><td>INO stabilizes representative position, but some member dissatisfaction due to lost pay</td><td>FoA: pressure on strike fund, stronger ties with members</td><td>DSR: depleted strike fund</td></tr>
</table>

Sources: (Irish Nurses Organisation, 1999, 2000; Jørgensen, 2008b; Labour Relations Commission, 2000, p. 8; Lai et al., 2013; Murphy, 2015)

In Denmark, health- and elderly care assistants (represented by the general low-skill service union FoA) initiated the wave of militancy during the 2008 bargaining round. As reported by Due and Madsen, and according to Danish interview partners on both the trade union and the employer side, the nurses' union DSR could not afford opting out once it was clear that a union active in the same area was ready to engage in conflict for higher wages (Madsen & Due, 2007). Therefore, FoA and DSR both had a 15% wage increase claim. The two unions went separately, and FoA reached an agreement with the employers first, securing a 13.3% wage increase. The conflict between DSR and the employer side dragged on longer, but ended up with the same result.

Acknowledged by a written summary of DSR's recent history and confirmed by interview partners, the overall outcome was not favorable for DSR as an organization (Stallknecht, 2011, p. 26, interviews 18 and 20). Most importantly, DSR had spent a lot of money on strike pay, and considering

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that it was its thirds large strike in 15 years, its strike fund was running low. On the other hand, FoA had to spend much less from its strike fund, and FoA's leadership took the strike as an opportunity to strengthen ties with members, many of whom engaged in wildcat strikes the year before (interview 18)

In Ireland, nurses went on strike in 1999 as part of a pay campaign launched by the Irish Nurses Organisation (INO) in 1994. The demands were complex, as they did not only and primarily concern wage increases in existing pay bands but rather aimed at the reshuffling and upgrading of the entire salary structure of nurses, including allowances for the irregular work schedule they have. The dispute was eventually resolved when INO and the government accepted the recommendations of the Labour Court on the creation of "2,500 new senior staff nurse posts incorporating recognition for long service, 2,350 new line manager posts and the payment of an unsocial hours premium" (Labour Relations Commission, 2000, p. 8). Apart from the upgrade of the wage system, the final offer also included a 2% increase in wages across the board, above and beyond the respective social partnership agreement (Irish Nurses Organisation, 2000, p. 82). The strike was considered successful, although there was some dissatisfaction among members because the union did not compensate for lost wages during the strike, as it had only a very limited strike fund (Irish Nurses Organisation, 2000, p. 4)

To sum up, the three cases leave us with two open questions. First, why large-scale protest erupted in health care in three very different national-institutional setting? Second, if protest erupted in all three cases why was it more successful in some cases than in others? These two questions structure the argument of this chapter. To answer the first question, I will rely on the marketplace power framework developed in the previous chapters. Emigration, as the most direct manifestation of marketplace power shows up in the Estonian case: an acceleration of emigration from the country's health system had preceded the 2012 strike.

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Emigration had a more complex role in the run-up to the 1999 strike in Ireland, and it had little to do with the strike in Denmark in 2008. At the same time, if I extend marketplace power to include intersectoral labor mobility within one country from the public towards the private sector, then the Irish and Danish cases also support the argument. Finally, quality-enhancing health care policies – especially in the case of Denmark - induced further demand for health services and were also premised on the professional upgrade of health care employees, that in turn legitimated the wage demands of these workers.

To answer the second question, I turn to short-term trade union strategies as the factors deciding the success or failure of protest. Apart from the framing of protest which was identified to play a pivotal role already in the Hungarian case, this chapter reveals two additional dimension of trade union strategies relevant for success: resource management and coordination. Resource management refers to the allocation of human and financial resources in the course of a strike action: what share of union members goes on strike, if they are paid strike pay or not, for how long the strike is planned to last, how are minimum services arranged, and whether strike action is complemented by non-strike methods such as slow-downs or work-to-rule. Decisions on all these elements have consequences for the strength of the union side during a conflict and subsequently on the outcome of the conflict.

Second, as health care is a complex service with the participation of many different employee groups, the coordination of these groups during a strike is an additional requirement for success. For example, if nurses go on strike, but tasks that nurses perform in normal times can be delegated to doctors or nurse assistants, a strike by nurses becomes less dangerous (this was the case in the Danish and to some extent in the Irish strikes).

To preview the most successful case, different groups of Estonian health care employees – from medical doctors to health care assistants - coordinated their strike plans, combining piecemeal and gradually extended strike action with work-to-rule and slow-down. In this way they could

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compensate for their original financial and organizational weakness. They also framed the action clearly as an attempt to stop the outflow of healthcare professionals from the system. The resilience of the protesters has taken the government by surprise and it had to give in to claims (Murphy, 2015). The two other cases were less successful: resource management faltered in the Irish case, as the union called an all-out strike without having a strike fund, while in Denmark there were shortcomings both with resource management - an all-out and prolonged strike draining strike funds – and a lack of coordination between nurses and health care assistants.

Before moving on to the discussion of the applicability of the marketplace argument to the three cases, I clarify the limits of this argument. From the two sides of a bargaining conflict, this chapter focuses on employees, as they were the proactive agent in all three cases. The position of employers (i.e. governments) is taken as a constant. In all three cases, healthcare unions confronted governments with a stable parliamentary majority, and the proximity of the election made the strike an important issue in political debates only in Denmark. From the two main frontline public sector activities, this chapter focuses on health care. However, as it will be acknowledged in the concluding section, in two out of the three cases (in Estonia and Ireland), education strikes were also organized very close in time to the healthcare strikes. Nevertheless, these events were either less effective (in Ireland) or less effective and less significant (in Estonia), than in the health care cases.

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4.1 The level of workers – the extension of the marketplace power argument

How can we apply the marketplace power thesis that was built up from a single, least likely case in the previous chapter to other instances of labor protest in health care? In the following, the argument is tested on three healthcare strikes that took place in very diverse environments. I will claim that by extending marketplace power to include private sector poaching and government-induced demand – that are in line with the original formulation of the concept - all three cases can be explained. The diversity of contexts in which the three strikes took place makes systematic comparison challenging – for example data from pre-1999 Ireland is more difficult to obtain than from the rest of the cases. Still, I can increase the leverage of the marketplace power argument by detecting the same pressures underlying protest events in three very different backgrounds.

4.1.1 Emigration

The processes leading up to Estonia's first medical strike in 2012 closely resemble those taking place in Hungary before the junior doctors' protest campaign. Even though the form of protest was different – it was an actual strike and not a threat of resignation- it had also been preceded by an acceleration of labor emigration from the country's health system. Figure 4.1 substantiates this claim by using the same measure of emigration as Figure 3.1: the number of certificates issued by the health board to professionals who had to prove their qualifications in front of a future overseas employer.

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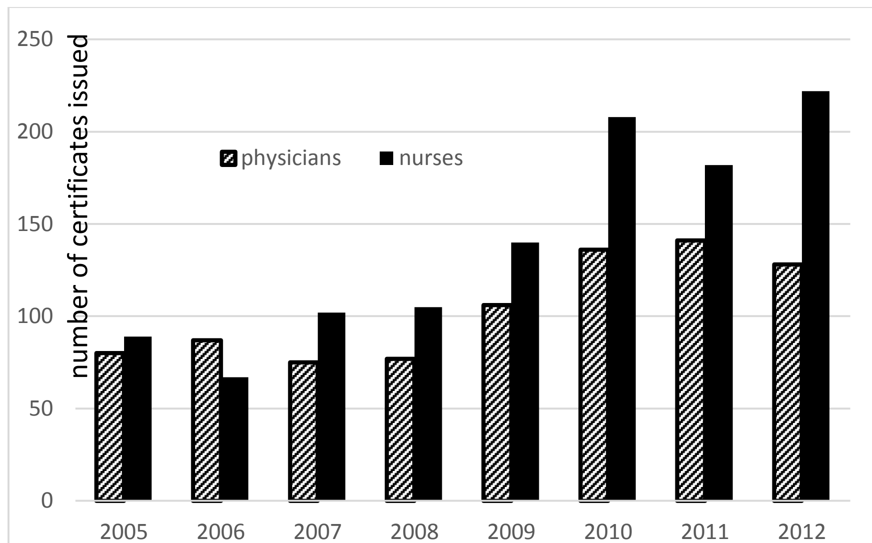

Figure 4.1: Certificates issued to Estonian health professionals to prove qualifications abroad
Adapted from Lai et al 2013: 109, original data source: Estonian Health Board

Figure 4.1 shows a more than twofold increase in the number of certificates issued for nurses between 2005 and 2012 (from 89 to 222). Estonian physicians also moved abroad in increasing numbers preceding the strike, although this process was less radical compared to nurses. The Estonian Health Board issued 80 certificates for physicians in 2005 and 128 in 2012, representing a 1.6 times increase[5]. If we add these numbers, it turns out that between 2005 and 2012, as many as 830 Estonian physicians and 1115 Estonian nurses may have had taken up employment abroad. These numbers correspond to 19.3% of all physicians and 13.7% of all nurses practicing in Estonia in 2012 (calculations based on Lai et al., 2013, p. 107).

The immediate effect was an increase in the workload for those who stayed permanently in Estonia. The European Observatory on Health Systems and Policies reported that in 2012, 15% of

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[5]Data from the European Commission's professional qualifications database verify these trends. Using a different perspective – host country recognition – it even shows a sharper – six and a half instead of one and a half times - increase in the overseas recognition of Estonian medical degrees from 91 in 2007 to 607 in 2011. However, the EC data also records a large drop between 2011 and 2012, from 607 to 170 host country recognitions. Therefore, in the main text I referred to the more consistent data from the Estonian Health Board as reported in Lai et al., 2013.

physicians and 6% of nurses working in health institutions were above retirement age (Lai et al., 2013, p. 107). At the same time, labor shortages impinged on patients too, as waiting lists were getting longer. According to the same source, in 2012 "22% of patients had to wait more than two months to get to a specialist", compared to 14% in 2011 and 11% in 2010 (Lai et al., 2013, p. 131).

Finally, although the organizers of the 2012 strike in Estonia did not use the direct threat of exit, they kept referring to the dangers that further emigration poses to patients (interview 2). Murphy (2015) quotes a survey conducted by the Estonian Medical Association, which estimated that even from those medical doctors who stayed in Estonia as of 2012, a further 1/3 had intentions to leave in the future.

The 1999 strike of Irish nurses also took place in the context of emigration-related labor shortages. Even though the emigration data at hand for the pre-strike period is less coherent compared to what is available for the Estonian and Hungarian cases, it suggests that Irish healthcare in the 1990s was characterized by a tension between increasing demand for services and staffing levels that were slow to catch up. A growing population and an increase in life expectancy increased demand for health services in Ireland, which the supply of health labor force had difficulties keeping up with.

Even in the standards of the generally emigration-prone Irish population, nursing stood out as one of the most mobile professions. Based on OECD data and controlling for population size, in the years 2000/2001, Ireland was still the second largest "exporter" of trained nurses in the world after Jamaica (OECD, 2015, p. 129). The expatriation rate of Irish nurses was 24.9% in 2000, meaning that from every four nurse that was born in Ireland, one was working in another OECD-country in 2000. This ratio was the highest within the OECD, only approached by New Zealand's 19.5% (Dumont & Zurn, 2007, pp. 212–215).

I have to add that emigration of Irish nurses - at least to the UK - slowed down during the 1990s according to data from the Irish Nursing Board (Buchan, 2006, p. 51). Irish-born nurses

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practicing abroad also started returning, and Ireland became an increasingly popular destination for nurses trained in other EU-member states from the mid-1990s on (Buchan, 2006, p.47, p.51). These facts prevent me from establishing a link between the acceleration of outward migration and protest as I did in the Hungarian and the Estonian cases. However, I can plausibly claim that despite the slowdown of emigration and a parallel process of increasing immigration, there was simply too much demand-side pressure on the system, resulting in labor shortages.

Table 4.2: Expatriation rates for doctors and nurses, selected countries and years

	Hungary		**Estonia**		**Ireland**		**Denmark**	
	Ca. 2000	2010/ 2011	Ca. 2000	2010/ 2011	Ca. 2000	2010/ 2011	Ca. 2000	2010/ 2011
Doctors	7.2%	9.2%	n/a	8.9%	26.6%	31.0%	9.4%	4.4%
Nurses	2.4%	4.3%	n/a	6.2%	24.9%	19.8%	4.5%	2.4%

Sources: (Dumont & Zurn, 2007, pp. 212–215; OECD, 2015, pp. 178-181) – time intervals given by the respective sources

Labor shortages came to surface through the problem of lengthening waiting lists, that had become a major issue in debates among political parties in the late 1990s (McDaid, Wiley, Maresso, & Mossialos, 2009, p. 171). The then-opposition Fiana Fáil's election manifesto in 1997 blamed the government for the expansion of waiting times and promised to reduce them (Fianna Fáil, 1997). Fianna Fáil came to power in 1997 and was attacked for not delivering its promise. During a debate over the 1999 strike, a member of the previous governing party, Fine Gael referred to a 11% increase in public in-patient hospital waiting lists from 1997 to 1999 (Jackman, 1999). The persistence of emigration-related labor shortages was reflected not only in waiting lists, but also in the decision of health policymakers to start recruitment campaign of foreign nurses in 2000, one year after the strike (Humphries, Brugha, & McGee, 2009).

Among the four healthcare protest events in the focus of this dissertation, the strike in Danish health-and elderly care in 2008 was the most loosely connected to emigration. Precise time-series data

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for the period before the 2008 strike is unavailable, but Table 4.2 (based on OECD data) shows that among the four cases, Denmark was the only country where emigration of both doctors and nurses fell during the 2000s. Expatriation rates - meaning the percentage of Danish-born healthcare employees who work abroad from all Danish-born healthcare employees – halved for doctors (from 9.4% to 4.4%) and almost halved (from 4.5% to 2.4%) for nurses. At the same time, next to Israel, Denmark was the only country within the OECD where the number and proportion of foreign-trained nurses have also declined between 2000 and 2014, which might have increased the marketplace power of nurses insofar as a more homogeneous labor force is more conducive to collective action (OECD, 2015, p. 121; Silver, 2003).

4.1.2 *Private sector poaching and government policies*

While emigration is the most direct manifestation of marketplace bargaining power, there are two other factors that can strengthen healthcare employees' position on the marketplace: poaching from the private sector, and government policies that amplify the demand for health services and require professional upgrade from the health workforce. Both factors can work in conjunction with emigration and they can also serve as a substitute for the lack of emigration-related marketplace power.

To repeat, in Estonia prior to the strike in 2012, emigration rates had been soaring, Ireland had traditionally been a country of emigration, and this had contributed to the 1999 strike, while emigration from Denmark was not a relevant factor in predicting the events in 2008. When it comes to private sector poaching, Ireland and Denmark are the strongest cases, but some traces of the phenomenon can be detected in Estonia, too. The effect of government policies was the strongest in Denmark in terms of generating both additional demand for health services and a professional upgrade of lower grades in health and elderly care, making them a new source of militancy. The effects of government policies are less tangible in Ireland and the least noticeable in Estonia.

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When public sector wages are kept low by government measures and the economy is otherwise booming – as it did in Ireland in 1999 and to some extent in Denmark in 2007-2008, the pull factors that increase market-based employee power have strong domestic sources too. During phases of economic expansion, the private sector recruits both trained and untrained healthcare sector workers for several positions. Labor economics provides some evidence that in Europe in general the typical direction of intersectoral mobility of workers is from the public to the private sector (Postel-Vinay, 2015, p. 2). It is beyond the scope of the dissertation to match inter-sectoral mobility data in healthcare for the three countries for the time periods preceding the strike events.

What really matters from the vantage point of labor protest are the perceptions of those who stay in the public health sector. The prospect of more lucrative but professionally less fulfilling jobs in the private sector can engender feelings of injustice but at the same time can also give a sense of structural power to employees. Compared to migration, the effect of private sector poaching is more directly felt by those who remain in public sector workplaces. I assume that employees perceive differences in healthcare wages across countries as more justified than differences in pay within one country between private and public sector jobs that otherwise require similar training.

As the focus is on perceptions, the evidence behind these claims is based on interviews and are also inferred from broader comparisons of wage and employment developments between the public and the private sector in the three countries. With the words of one of my informants from Ireland:

> "When the country was booming, and there was more money, it was very hard to get people to work as health care assistants because there was more money in a building site. In nearly any type of work that you would choose. Nurses would be drawn away from nursing into

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> technology jobs because the medical technology you have expertise on. So there was a pull on nursing." (Interview 14).

The private sector could offer higher wages for jobs requiring less responsibility than in health care. These are the words of a trade union representative describing the experience of Danish elderly and health care assistants. Note the similarity with the quote from Ireland, the only difference is that a building site as a symbol of low-skilled private sector job is replaced with a job in a factory:

> "And it started when they [health and elderly care assistants in a Danish town] looked out on the window and the factory on the other side needed workers and big signs [showed the offered wages], then they took their own wage and said I can get more working at a machine in this factory than what I can get for working with people in the elder care." (Interview 18).

The Estonian strike event is different as it took place after the global financial crisis broke out in 2008. However, even in Estonia, the health care strike in 2012 already took place in the context of post-crisis recovery in the private sector. After a 10 percent plunge of the employment rate from 77.1% to 66.8% between 2008 and 2010, a fast recovery started, bringing employment rates back to 72.2% by 2012 (data from Eurostat). This might explain why protest in the public sector finally erupted in the fourth consecutive year of austerity. While between 2008 and 2012, the relative employment stability of the public sector was sufficient to pacify health care workers and to make them accept declining wages, this effect had faded away as soon as the private sector started expanding again.

Public sector employees came to appreciate less and less the compromise between low wages and employment stability, once they saw that the private sector is also back in hiring mode. They

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could justly expect a catch-up of living standards at least to the pre-crisis levels or to the level of similar jobs in the private sector.

Emigration and private sector poaching are sources of marketplace power that are independent from government decisions. At the same time, government policies can also impact both the demand and the supply side of health services and therefore have an effect on employee bargaining power. On the demand side, policies facilitate the consumption of health services, adding to the demand-based marketplace power of employees. On the supply side, the effect is even more direct, as the government mandates professional upgrade and reshuffles the tasks that different groups (doctors, nurses, assistants) perform. Among the three country cases Denmark represents these processes the most vividly, and I claim that in Denmark government policies compensated for the lack of emigration-related marketplace power of healthcare workers.

The government can restrict consumption of services inter alia by the introduction of patient charges and by erecting procedural barriers to access (such as compulsory referral by a GP for specialist treatment). On the other hand, it also has the capacity to facilitate consumption. In healthcare - as opposed to education, and with the exception of public health interventions such as vaccination – the government does not mandate consumption itself. However, it can increase the need for health provision at a given moment - for example by guaranteeing timely access of patients to services.

Denmark is a case in point for the latter process. In 2002, the Danish government introduced a two-month waiting time guarantee for patients. If patients did not get treatment within 2 months after diagnosis, they could choose treatment in another hospital - including private hospitals and hospitals abroad. This waiting time guarantee was reduced to one month in 2007, one year before the strike (Olejaz, Juul, Rudkjøbing, Birk, & Krasnik, 2012, p. 26). I argue that this increase put further

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pressure from the consumer side on the system, in an environment characterized by intense private sector poaching and professional upgrade for the lower grades of health and elderly care workers.

In the Irish case, there was no single policy measure that could have had a similarly strong effect on consumer demand as the introduction of the waiting time guarantee in Denmark. Nevertheless, as already mentioned, the 1999 strike erupted in the context of rapid economic growth, which created demand for better living standards, including better health services. In 1994, the Irish government published "Shaping a healthier future: A strategy for effective health care in the 1990s" (Department of Health, 1994). According to health policy experts affiliated with the WHO, "this was the first strategy to set out a four year implementation time frame with targets and objectives, underpinned by key principles: equity, quality of service and accountability. The Strategy advocated a broader agenda of health and social gain than previous documents" (McDaid et al., 2009, p. 202). It is only in the case of the 2012 health care strike in Estonia, where no trace can be found of demand-enhancing policy measures before the event. I explain this with the crisis: the goal of the Estonian government after 2008 was not to extend available health services beyond the pre-crisis package, out of cost containment considerations (Lai et al., 2013, pp. 150–153).

Government policies do not only influence demands from patients but on the supply side they also shape the professional standing of different employee groups, which relates to their wage expectations. In Ireland, starting before the 1999 strike, one of the answers that health policy makers gave to shortages was to assign tasks to nurses that were previously the domain of doctors. In my interpretation this process had peaked in 2007, when nurses and midwives were given the right to prescribe medicine (McDaid et al., 2009, p. 137). Nevertheless, conscious steps towards upskilling started already in the 1990s, as outlined in the "Shaping a healthier future" government strategy in 1994 (Department of Health, 1994, p. 41, interview 14).

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The main element of this strategy was to make nursing a degreed profession, which indeed happened in 2002, when the first pre-registration bachelor programs in nursing were launched. Pre-registration means that obtaining a degree is a prerequisite for registration at the Nursing Board (McDaid et al., 2009, p. 136). The government strategy also offered many continuing training programs for active nurses, which had started already before 1999 (Department of Health, 1994, p.41). In sum, increasing militancy of nurses that culminated in the 1999 strike was embedded in a broader process of professional upgrade. Nurses had to deal with tasks requiring more training and more responsibility while their wages were kept down by social partnership agreements.

As outlined previously, professional upgrading is a phenomenon that I also assume to have an effect on all employee groups in health and elderly care. In Denmark in the 1990s-2000s, upgrading affected not so much nurses, but rather the grades which formerly had been considered at the bottom of the professional list, namely health and elderly care helpers. Denmark is a trailblazer when it comes to the process of making hospitals places for diagnosis and rapid medical treatment, while care is shifted out of hospitals back to the home and to less totalizing institutions (Olejaz et al., 2012, p. 26).

This process has been accompanied by a professional upgrade in the elderly care and home care areas. Health and elderly care assistants - who have professional training and occupy an intermediary position between nurses and untrained helpers – started to play a more important role in the system (interview 18). These trained assistants could stand up as a professional group during the 2007 strike, and were able to justify their wage demands in front of the public more efficiently than nurses (interview 18). In Estonian healthcare strategies adopted after the outbreak of the crisis and before the eruption of the 2012 strike, we can observe a shift towards primary care and an intension to strengthen the role of nurses in health provisions (Lai et al., 2013, p. 152-153, p. 178). Therefore, hospital consultants, nurses and family doctors launched the 2012 protest jointly (interview 2).

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To sum up the foregoing discussion, I have argued that the marketplace power of healthcare employees stood behind the eruption of conflict in all three cases analyzed in this chapter. The findings strengthen and extend the claims made in the previous chapter. They validate the importance of emigration as the most direct manifestation of marketplace power, but they also extend the concept of marketplace power to include the demand generated by the domestic private sector and by government policies.

Although emigration is a stronger predictor of protest in the Eastern European cases, I argued that poaching of public sector employees by private sector employers during economic booms can step in as a functional equivalent to emigration in the two West European cases (Ireland and Denmark). In addition, I identified quality-enhancing government policies that put further demand pressure on a labor force which was already in shortage due to emigration and/or internal poaching by the private sector. Quality-enhancing reforms also meant professional upgrading for many groups, which in turn increased the legitimacy of their wage claims.

These three factors - emigration, mobility towards the private sector and government policies - account for different proportions in the mix of marketplace power in the three cases but in all three cases they add up to provide the structural background of contention. At a first approximation, and in line with Silver's model, marketplace power stands for opportunities – opportunity to exit abroad or exit to the private sector, or to get a professional status. However, in light of the evidence gathered from the cases, Silver's model has to be extended so that it takes into account that marketplace power is also connected to deepening grievances of employees. The more employees take the opportunity to leave the system, the more difficult it gets for those who stay: they have to cater to the needs of a growing number of patients and they are often faced with more stringent quality requirements too.

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4.2 The level of unions - dilemmas of managing discontent

Although Hirschman's exit-voice-loyalty framework (1970) permits individualized voice, the evidence of the cases discussed here suggests that the tensions in health care labor relations are either leading to individual exit or collective voice. I assume that in public health, there is limited room for individual voice because compared to the private sector, there is less managerial autonomy to grant wage increases or to improve the working conditions of those who express their grievances individually. Moreover, from the rhetoric used during their protest it turns out that even in formally decentralized bargaining systems such as Estonia, public sector workers were aware that in the end the central government handles the purse strings, therefore demands have to be addressed there (interviews 2 and 3).

In consequence, health workers who did not choose the exit option have to rely on collective action to improve their lot. I investigate how organizations turn the grievances and the marketplace power of individual employees into collective action. I argue that this task is not trivial, as the associations traditionally representing healthcare professionals were not designed to be a vehicle of contention. However, if professional associations stick to their aversion against industrial action for too long, and do not respond to pressures accumulating among the rank-and-file, new organizations will emerge to give that response. In the end, traditional organizations will also move towards more militancy. I focus on nurses, where the shift towards militancy can be demonstrated the most consistently across the three cases – nurses participated in all three events and played a leading role in two out of these three (in Ireland and Denmark).

Nurses are traditionally represented by professional associations rather than trade unions. The mobilization and expression of discontent was not among the original functions of these organizations. Instead, they were designed to maintain professional standards and to influence

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policymaking through lobbying (Allen, 2000; Stallknecht, 2011). A narrow interpretation of professional ethics implied that these organizations rejected the idea of industrial action and political engagement in general, trying to maintain a good relationship with governments irrespective of political standing (Stallknecht, 2011).

However, the case study evidence processed in this chapter suggests that professional associations traditionally averse of collective action have moved towards a more vocal attitude over time. From among the cases, the change of attitude happened first in Denmark, long before the 2007 strike. The Danish Nurses Organization has a history of militancy dating back to the 1960s and 1970s, as it organized its first strike in 1973 (Stallknecht, 2011, p. 23). This event coincided with the expansion of employment in public services – including health care –, that was one of the defining features of welfare state development in Scandinavia from the 1960s on (Birke, 2007, pp. 222–223, 2007, p. 231).

Even though actual strike events from the 1970s fall out of the scope of the dissertation, the attitudinal change of the Danish Nurses Organization (DSR) provides useful parallels for the cases analyzed in this dissertation – especially the Irish one. Most importantly, the quiescence of DSR until 1973 does not mean that there was no protest action at all in Danish nursing until that point. DSR's reluctance to initiate conflict was challenged by rival organizations and rank-and-file action many times before 1973. In the 1930s, nurse members of the Danish Communist Party started agitating for a more politically engaged role of nurses. In 1946, individual nursing associations organized a resignation campaign – the first record of such event that the author of this dissertation has come across (Stallknecht, 2011, p. 19).

The parallels between the history of the Danish and the Irish nurse associations in terms of their attitude towards industrial action are straightforward. If there is a difference, it lies in the faster and more radical transformation from a conservative women's organization into a militant trade union in the Irish case (Allen, 2000, p. 3, interview 14). The Irish Nurses Organization (INO) registered as

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a trade union and affiliated with the Irish Congress of Trade Unions only in 1988 (Carter & Smethurst, 2013, p. 445). INO upheld its non-strike policy throughout the 1970s and 1980s that were otherwise turbulent decades for labor disputes in the rest of the Irish economy. In the early 1980s, INO gained public attention by providing full-fledged support to a referendum campaign backed by the government to further restrict abortion rules (Allen, 2000, p. 3).

INO's conservative attitude was challenged by the main general, cross-sectoral union in Ireland, ITGWU, the predecessor of SIPTU. During the 1970s and 1980s, ITGWU poached an increasing share of INO's members, and called them on strike in 1980, but the action did not develop into a full-scale national event (Walker, 2006, interview 14). Then, starting from the time of the first partnership agreements (late 1980s, early 1990s), INO also became increasingly critical of government wage policies, leading all the way up to the 1999 strike. In parallel, SIPTU's role in the representation of nurses has declined since the 1990s (interview 14).

The transition from strike-averse professional associations to trade unions that are ready to stand on the picket line is not complete across all the cases, as there is one instance of protest – the 2013 strike in Estonia -, from which the relevant professional organization of nurses abstained. Similarly to 1980s Ireland, a general, "medium-skilled" union (ETK), belonging to the blue-collar confederation (EAKL) stepped in, organized nurses and took part actively in the strike (Murphy, 2015).

To sum up, trade unions and professional associations in health care cannot avoid being responsive to the discontent of members, especially given the fact that employees are increasingly aware of their marketplace power and can support the emergence of new, rival actors. The inevitability of protest does not however guarantee success. Strikes are very costly to organize and even if they succeed in terms of achieving the desired goals of wage increases and improvement of employment conditions for members, the union as an organization can end up on the losing side: its strike fund

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can deplete and its reputation vis-à-vis employers and other unions as a responsible bargaining partner can be damaged.

Compared to strikes in the private sector, public sector strikes – including the ones in health care - are costly for the union because they cannot cause direct revenue loss for the government, but the union is still supposed to cover lost wages of employees (Crouch, 1982, p. 103). Moreover, the effectiveness of strikes in public services are hindered by the requirement to provide minimum services (International Labour Office, 2006). In health care, this is not only a legal requirement but also an ethical demand on the employee side, as minimum services overlap with emergency medical services. In simple words, the union has to make sure that no one dies because she was refused access to medical care during a strike (Metcalfe, Chowdhury, & Salim, 2015). However, what is exactly provided beyond the treatment of life-threatening emergencies is a matter of agreement between the union and the employer. If a too wide definition is applied then a situation can arise in which things are going close to normal in hospitals, while a large part of trade union members are not getting paid or the strike fund of unions is being drained.

Unions can avoid such a situation in three ways: they can increase the political costs on the government side by framing the protest in a way that gets the strongest support from the public, manage the strike in the most cost-efficient way and cooperate with other employee groups within healthcare. I will argue that the differences in the degree to which unions exploited these three factors can explain the differences in the outcome of protest. Estonian health care workers made use of all three factors, Irish nurses enjoyed the support of the public, but managed resources during the strike poorly and could not rely on help from other employee groups. Danish nurses fought with a worn-out agenda not so attractive to the public any more, they took up an all-out fight that drained their strike funds and rather than coordination, there was a rivalry them and health care assistants.

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In each case, unions enjoyed the general support of the public but there were differences in how patients were affected by the strike and how powerful the message was that organizers sent out about common concern with patients and the general public. Organizers of the Estonian strike could link the strike to the imminent human resource crisis in Estonia caused by emigration (interviews 2 and 3). Thereby, they could clarify that they are not striking against patients but for them. During the course of the strike, Estonian unions had to counter the often very pointed communication of the government claiming that they act out of irresponsibility. When asked about the reaction of the government to the strike, the representative from the medical association responded:

> "It was very negative and very sad. […] and these strike organizations and leaders of medical association are terrorists and we should not talk to them at all - minister of finance said that actually. […] Their goal was to create opinion in society that this is a very bad thing what we are doing. And of course our medical ethics… How can they not work and not help patients, and it is impossible and so on". (Interview 3).

Partly in a bid to counteract the claims about striking employees' irresponsible behavior (terrorism) and out of respect for patients the strike was executed in a gradual manner, starting with first admissions, and then extending to other areas (Murphy, 2015). Moreover, the strike was complemented by work-to-rule and slow-down. This way, the organizers could also secure that patients notice the events but are not immediately hurt by them. A representative of the organizers described the strategies:

> "The strike started with first-time visits, those were cut down. And when [family doctors] participated in the strike, they followed the rules, they did not take so many patients. If it is 20 minutes for one person, it is only 20 minutes for one person. […] Work what you are required,

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> don't overwork. Next stage: planned surgeries which could be postponed, it was postponed. And the next plans if the strike would not have ended, the next step would have been not to accept more stationary patients in hospitals, except emergency." (Interview 2).

Besides, striking employees' claims also reflected solidarity amongst different grades within health care. They demanded the largest pay rise (23%) for assistants, the second largest (17.5%) for nurses, and the lowest for the relatively best paid group of doctors (11%). This strategy may also have appealed to the public. As a result of these factors, the public reaction to the strike – including the media and patients - ranged from mixed to positive, at least in the recollection of interview partners 2 and 3. (No poll is available to give a more nuanced assessment of the public's reaction.) As the representative of the medical association put it:

> "But patient and I think even media reactions were a lot better. And we had about 20 organizations who gave their support to us officially and of course everybody did not like it because there were patients who had waited in the list about 2-3 months and they couldn't get to a doctor. […] [But] most of them understood. I think yes, because for example these people who work in registrations and some nurses too, they said that very lot of patients came to them and said thanks and brought flowers and candies and so on. They said that normally they don't do these kinds of things (Interview 3)."

The Irish Nurses' Organization also had to deal with a public that experienced a nation-wide strike action in the hospital system for the first time. However, while in Estonia a gradual execution of the strike helped to ensure patient sympathy, the Irish nurses walked on thin ice in 1999, having decided to launch an all-out strike. INO put 23 500 of its members on the picket line, causing

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uncertainty in service provision (Birchard, 1999). The problem was exacerbated by the lack of agreement on minimum services between Irish Nurses Organisation and employers (Irish Nurses Organisation, 2000, p. 19). Instead, strike committees of nurses determined emergency cover on the spot (Irish Nurses Organisation, 2000, p. 4) As cases were decided on an ad-hoc, individual basis, it was not clear to patients who has a chance to receive care and who does not. Based on the available media coverage of the event, patients' advocacy groups were neutral during the conflict, not taking sides, but urging for the speedy solution of the problem (Haughey, 1999). In Denmark, the healthcare strike in 2008 followed strict rules of minimum services provisions that were also embraced by nurses (Svanholm & Sorgenfi Kjaer, 2008). Despite the length of the dispute I did not find evidence that patients groups would have been directly involved in the conflict.

The examples from Denmark and Ireland also show that a common concern strategy may not only rely on framing the conflict as a fight for patients. It can also be built upon a fairness claim that resonates with the broader public. Such an issue is the gender pay gap. Danish and Irish nurses framed their respective campaign mainly as a fight against gendered pay differences. They argued that they had a right to opt out from collective bargaining systems premised on wage moderation because these systems do not guarantee equal pay for female professions. As my interview partner at INMO explained the nature of grievances:

> "When equal pay [legislation] came in [in 1997] there was no adjustment made [for nurses] because you had nobody to compare with. Equal pay is men versus women. But if the profession is entirely women then there is nobody to compare with. So equal pay did not change a lot for nurses and midwives." (Interview 14).

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Danish nurses framed their struggle in similar terms. However, while Irish nurses had their first nationwide strike in 1999, Danish nurses initiated a conflict for the third time in 15 years with the same agenda, therefore their message sounded less fresh. Moreover, in the 2008 strike in Denmark, health- and elderly care assistants "stole the show" from nurses, as they had a track record of previous acquiescence, making their protest sound louder in public.

When it comes to resource management, Estonian unions did not have much choice but to economize on human and financial resources during the 2012 strike. They lower membership density and a shorter history than counterparts in Western Europe (Traxler, 2009, p. 31). This also implies that they had little in terms of strike funds or members that could be directly mobilized. Therefore, the gradual escalation of the strike from a very limited scope and complementing it with slow-down and work-to-rule was also a strategy to minimize costs.

The Irish Nurses Organization also had only a small strike fund before the 1999 strike (Irish Nurses Organisation, 2000, p.4). This was probably less of a result of low membership rates and short history but rather of the traditional non-strike attitude of union leaders. In any case, INO decided to go for an all-out strike despite having modest financial resources. This meant that striking workers did not get compensation from the union for lost pay for nine days (Irish Nurses Organisation, 2000, p.4, p.19). On top of this, the lack of agreement on minimum services produced situations in which members on strike had to take up work when an emergency patient arrived, but they still did not get paid as they were officially on strike (Brown et al., 2006).

While the Estonian case gives an indication that a large strike fund is not a necessary condition of success, evidence from the strike of Danish nurses in 2008 suggests that unions can come out unfavorably from a conflict despite having a large strike fund. Danish nurses opted for an all-out strike, removing from work and paying strike compensation to all those members who did not provide minimum services - in Danish healthcare a long-standing general agreement between employers and

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unions regulate minimum services during strikes (interview 18). Based on their experiences from the previous two strikes, leaders of DSR – as well as industrial relations analysts from research institute FAOS - expected that the government would intervene to stop the conflict (Madsen & Due, 2008). The government however refrained from proposing an intervention, prolonging the conflict and putting the nurses' union in a very difficult situation. The government's intervention proposal in any case would have had to be approved by the legislature, which was about to be dissolved for summer break (interview 18).

The combination of the length and breadth of the conflict (to repeat, DSR paid strike pay to the majority of its members) led to a hemorrhage of nurses' strike fund. Moreover, the membership once already rejected the offer that was proposed by employers, so there was also the threat of union leadership voted down by membership if they do not come with a better package. Finally, the employer side (the Danish Regions) offered some additional non-wage benefits (training opportunities and leave arrangements) that made a deal possible (interview 20).

Coordination between different employee groups was clearly present in the Estonian strike from the planning stages of the conflict up to the signing the collective agreement with employer representatives. Apart from healthcare employees in hospitals and polyclinics, general practitioners also supported the strike. Employees of all qualifications participated, from medical doctors to health care assistants. In Denmark and Ireland, coordination was absent. In Ireland, neither lower healthcare grades nor doctors took part in the strike, and the fact that nurse strike committees decided on the admission of emergency cases was a source of conflict between them and medical consultants (Birchard, 1999).

In Denmark, medical doctors were not taking part, but as already mentioned – health- and elderly care assistants - were the pivotal group of the conflict. According to the leader of FoA, the representative union of these groups, coordination between them and nurses could have alleviated the

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pressure on the latter's strike fund. However, the same source also claims that DSR was reluctant to coordinate strike action with them (interview 18). DSR going alone also meant that the employer side could provide alternative arrangements for care more easily. According to a representative of Danish Regions:

> "A lot of doctors said we can manage this and that without nurses, so we just do it without nurses and that was a problem too for the nurses because suddenly it became obvious in some parts of the sector that they did not need the nurses for this operation or for this small intervention." (Interview 20).

To summarize, union decisions on framing, resource management and coordination go a long way in explaining the different outcome of conflict across the three cases. This framework has the potential to be applied outside the public sector, too. As I pointed out, these three elements are of special importance in the public sector because of the limited damage that a strike can cause to the revenues the state. Nevertheless, they can also feature in private sector union strategies during a strike, complementing the general aim of causing revenue loss for the employer while costing the least to the union.

How much generalization do these three events– plus the Hungarian case analyzed in the previous chapter - allow for health care sector labor disputes in other countries? As already mentioned, due to the most different conditions/same outcome research design, the argument on expanding economic opportunities and marketplace power are potentially generalizable to other contexts as well. There is evidence of increasing militancy in health care from all over Europe, irrespective of the size of the country, and the level of economic development. Adascalitei and Muntean reported growing

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tensions between healthcare unions and the government in Romania, a major source of healthcare migration within the EU (Adascalitei & Muntean, 2014).

The United Kingdom, traditionally a host country of migration also experienced labor unrest in healthcare, with the emigration card being played out. In autumn 2015, junior doctors represented by the British Medical Association called a series of gradually extended industrial actions to stop the government from unilaterally imposing a new definition of antisocial working hours. Events culminated in the first ever all-out strike in the history of the National Health Service, which forced the government back to the negotiating table (Roberts, 2016). According to yougov survey data, the public's support of junior doctors even increased after they had taken industrial action, however, the public rejected the idea of a possible indefinite strike (Dahlgreen, 2016).

Already before the strikes, parallel with the announcement of the government plan, the intention to emigrate started to increase as measured by the number of certificates of good standing issued to doctors ("Doctors without borders," 2015). On the day when the health secretary reaffirmed the government's position to impose the plan by legislation, "the number of doctors who applied for documentation to work abroad surged by over 1000 per cent", as reported by the Independent (Stone, 2016). Note that the proximate cause of the conflict was a unilateral government decision, but the strong resistance of doctors was supported by their marketplace position.

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5 Playing against the referee – The sovereign power of the state during the 2013 school lockout in Denmark

In the healthcare cases discussed in the previous chapters, employees initiated conflict and pushed for higher wages, but in the large public sector labor disputes taking place in Europe after 2008, employees were on the defense. In these disputes, governments were the proactive agents, imposing wage and employment cuts and organizational reforms in the public sector (Vaughan-Whitehead, 2013). The next chapter analyzes an event where the Danish state took unprecedented action by locking out teachers in a dispute over the abolition of collective agreements on working time and work organization (Hansen & Mailand, 2015, p. 8).

A lockout happens when employers bare their own employees from entering the workplace, and stop paying their wages. A lockout is an extreme manifestation of proactive employer behavior in bargaining disputes, as it is the employer who takes the first move and decides to halt production in a bid to defeat trade union opposition to a proposed measure. On 1 April 2013, Danish public sector employers - the association of Danish municipalities, Local Government Denmark (KL) and the Modernization Agency of the Ministry of Finance- shut down the entire primary and lower secondary school system, locking out 69 000 educators, mainly represented by the Danish Union of Teachers (DLF) (DLF, 2013a, 2013b; FAOS, 2013). The lockout affected 875 000 pupils and during the four weeks of the conflict, an estimated 2 million lessons had to be canceled. According to a survey commissioned by the main parents' association, one in six parents had to ask for at least ten hours off from the working week work to attend to children (Skole og Forældre, 2013)

The conflict was resolved by legislative intervention: on the motion of the government, the Danish parliament adopted Act 409 that abolished collective agreements and prescribed new regulation on teachers' work organization. The new rules approximated the demands of the employer

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side as they vested managers with full prerogative over the working time distribution of teachers (Hansen & Mailand, 2015, p. 8; Mailand, 2014, p. 425; Mailand, 2015).

The chapter explores the reasons why Danish public sector employers relied on such a drastic measure against teachers and their unions, and identifies the factors that had led to industrial conflict of this magnitude. The Danish lockout is puzzling on two accounts: first, the employer side locked out and defeated a union with a very strong membership base, a large strike fund and good mobilization capacities. Second, the employers took the onus of paralyzing the school system for four weeks without provoking a major backlash in the public.

I argue that the employer side risked a conflict and succeeded despite the odds for three main reasons: first, it could control how the dispute developed as it tied the issue of teachers' working hours to its school reform proposal. The reform created extra demand for education services, but the government was determined to meet that demand through the rearrangement of teachers' working hours. Second, employers rejected a negotiated solution and risked a long conflict with a powerful union because they could expect a legislative intervention favoring their interest (Hansen & Mailand, 2015, p. 8; Mailand, 2014; Wintour, 2013, p. 425). The legislative intervention was also facilitated by the political environment, as the governing social democrats and the opposition conservatives joined forces against the union (interview 21). Third, the public remained divided and undecided all throughout the conflict, as government set up a narrative about fighting against special interest which the union could counter only with partial success.

The main argument that runs through this chapter is that the state can use its sovereign power to provoke and win conflicts even in a country that is otherwise characterized by strong bargaining institutions and strong trade unions. In this sense, what happened to Danish teachers is the inverse of the experience of Hungarian junior doctors. In Hungary, the norm is to have government unilateralism in the public sector: the state legislates wages and other components of the employment

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relationship, including working time distribution (Berki et al., 2012). Despite having minimal organizational power and not having access to bargaining institutions, junior doctors were able to challenge this status quo, based on their marketplace power.

If Hungary was the least likely case for employee-initiated conflict, then Denmark can be taken as a least likely case of employer-initiated conflict. Compared to Hungary, Denmark is on the other end of the European spectrum regarding the strength of bargaining institutions. It has highly institutionalized bilateral negotiations between employers and trade unions in the public sector and this system is underpinned by strong, meaning representative and centralized trade unions, in possession of large strike funds (Thelen, 2014, FAOS, 2013). The Danish state however was able to turn this system on its head by using its legislative power: it did not only take the first move in the conflict by initiating a controversial policy reform and locking out teachers, but it also broke up the conflict unilaterally, in its own favor. What is common however in the healthcare cases and the school lockout is that tensions over how to meet demand for labor intensive services gives a more direct explanation to the conflict than the protection thesis, as Danish teachers lost their specific labor market status long before the conflict started, just as did healthcare workers in the other cases (Christensen & Gregory, 2008).

This chapter follows a structure similar to Chapter 3 on the Hungarian junior doctors' resignation campaign, as it also covers a single event in one country, affecting one employee group in one activity. This isolated setup enables a detailed engagement with the position of both sides in the conflict and the processes leading up to and throughout the conflict. First, I briefly present the power resources of the union, then I highlight the sources of sovereign power that motivated employers to initiate the conflict. In the third section, I will reconstruct how the actors framed their demands in front of the public throughout the conflict. The fourth section concludes by reflecting on the relationship between the state's sovereign power and employees' marketplace power in education.

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In the context of political strikes, Johannes Lindvall claims that conflict is unlikely to erupt between governments and strong unions. Governments do not risk open confrontation against powerful unions as the political costs can run high - the argument goes (Lindvall, 2013, pp. 542–543). The Danish school lockout was such an unlikely event, unlikely to the extent that the government did not simply provoke conflict, but shut down a sensitive area of public service provision for weeks. Had it been only about organizational power and financial resources, the Danish Union of Teachers (DLF) could even have won the conflict, or the employer would not even dare to initiate the lockout in the first place[6]. Employers in Danish education challenged a union which is very well-endowed with organizational and financial resources even by Nordic standards. One of my interview partners at DLF quoted a newspaper editorial stating that, "the government had sought out the biggest pray on the savanna" (interview 19). The most relevant aspect of this power was that due to its long and conflict-free history as well as consistently high density rates, the union was able to accumulate a large strike fund.

DLF is one of the oldest and largest trade unions in Denmark. It was founded in 1874, and has had a continuous presence in education ever since. The union had an estimated density of 97% in 2011 (Jørgensen & Pedersen, 2011). This implies a stable flow of membership dues, a part of which was directed to a strike fund that had not been used before 2013. The last recorded industrial conflict in Danish education preceding the lockout took place in 1979, when defying a strike ban – they had a civil servant status back then - teachers organized professional meetings in protest against government policies (L. B. Andersen, Grønnegaard, & Pallesen, 2008, p. 261).

Having a large strike fund alleviated the problem of economic power asymmetries. To repeat, in the public sector, the employer can actually save money during a labor conflict, while trade unions are supposed to give strike pay to employees (Crouch, 1982, p. 103). As we have seen in many of the

[6]Among the several unions that were affected by the lockout, here I will only focus on DLF as it was the main target.

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previous cases – especially during the 1999 and 2008 nurses' strike in Ireland and Denmark – not having a sufficient strike fund can be a serious concern for the union side during an industrial conflict, and that is one of the reasons for seeking alternative protest means.

This was not so much of a concern for DLF. It was capable of taking up a fight and holding out for four weeks, and could have even lasted longer according to my informants on the employee side and confirmed not only by news media but also by the local government's association's website (interview 19, October 22, 2015, KL.dk, March 7, 2013, as summarized in FAOS, 2013). An analysis published on KL's website estimated that DLF's 1.7 billion krona strike fund would have been enough to cover a daily 800 krona strike pay for the 43 000 members affected by the conflict for 50 days. Using a different calculation, another source predicted that DLF could hold out for as long as 10 weeks (DR.dk, cited March 1 2013 by FAOS, 2013). In addition, DLF devised a scheme that distributed the compensation for locked out members not as wage but as a loan, making the transaction non-taxable (Interview 19).

I need to stress here that the union's power did not result from protection. From the 1980s on, successive Danish governments and municipal employer associations were able to roll back the protected legal status of teachers, without much protest from unions. From that time on, out of the need for more flexibility, local governments had started hiring teachers on a contractual basis, without granting them civil servant status (Christensen & Gregory, 2008, p. 211). In the early 1990s, this process reached a tipping point, as together with the full-scale decentralization of public primary and lower secondary education all new teachers came to be recruited as local government employees rather than as career civil servants. The phasing out of the civil servant statute from the Folkeskole system was close to completion as of 2013, with only one-fifth of teachers having this type of employment relationship (Wintour, 2013, p. 78).

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5.1 The policymaking power of the state – school reform and the lockout

I argue that the government was able to challenge a strong union due to its sovereign power as a policy maker and a legislator. First, the lockout was embedded in a larger policy process of school reform, as the government made the introduction of a longer school day conditional upon the change in teachers' working time arrangements. This policy-side pressure was connected to employers' (local municipalities') demand for full managerial control over the organization of teachers' work. While the teachers' union could resist this pressure due to its organizational power and a large strike fund for a while, during the entire process, the state was the active agent, who created the demand for more education services and decided to extract it from the teaching profession unilaterally. In the end, the state could also rely on its legislative power to stop the lockout, scrap the collective agreement and introduce employers' demand through statute.

The first step in the process leading up to the lockout was the government's decision to reform the Folkeskole (primary and lower secondary) school system. A longer and more varied school day was a central element in the reform package that was presented to the public in 2012 under the title "How to make a good school even better" (The Danish Government, 2012). The purpose of the reform was to improve education outcomes – e.g. the results of school-leaving exams - while also preserving equality. The introduction of a longer and more varied school day was identified as the main tool to achieve these goals (The Danish Government, 2012). The government's plan - as it stood in June 2013 - was supported by the large political parties, including the opposition conservatives and the Danish People's Party (Ministry of Education, 2013).

In education, which is a labor intensive service, higher consumer demand (a longer school day) automatically translates into higher demand for labor. While in the health care cases the extra demand came directly from the increasing care needs of an aging society, in the case of Danish education the

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demand shock was triggered by a government decision to mandate more consumption of education services. Higher demand for labor intensive services can be satisfied in two ways: by hiring more employees or by increasing the working time of the currently employed staff. The Danish government decided to go for the second option, which according to the available sources had budgetary motivations. If working time distribution had remained a subject of collective agreements, the extra teaching hours would have had to be covered by hiring more teachers. According to one of my interview contacts at DLF, this would have incurred the budget an additional 3-6 billion Danish krona costs (400-800 million euros) per year (interview 19). In DLF's interpretation the education minister stated publicly already months before the conflict that there were no resources to hire more teachers (reported on January 18 2013 by FAOS, 2013).

Therefore, the government decided to cover the costs of the reform by "normalizing" teacher working time, i.e. by abolishing collective agreements on the upper limit of teaching hours (Wintour, 2013:79). A government document on the school reform from December 2012 – months before the lockout - stated the relationship explicitly:

> "The integrated school day means that students spend more time with their teachers. This ambition may be obtained through better use of existing resources and it particularly requires a more flexible utilisation of the teacher working hours. Prior to the collective bargaining for 2013, Local Government Denmark has communicated that they see the current work time agreement to be a barrier to a higher prioritisation of better leadership and consequently improved results in the public school. The local governments and the school principals must be given more responsibility and more flexibility regarding planning of the school day and prioritisation of teacher working hours" (The Danish Government 2012:53).

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The quote suggests that the policy proposal of the Education Ministry overlapped with the demands of the direct employers in education. Local governments and school principals asked for more managerial autonomy over work organization in schools. Education is a complex professional activity where classroom teaching is only one task. Teachers' working time also includes preparation for lessons and various other activities: consultations with pupils, parents and colleagues, extracurricular activities as well as administration (DLF, 2013b). In Danish education until 2013, collective agreements on the sectoral and local level prescribed detailed rules on how school principals can distribute teachers' working time across these tasks. In the end, these were agreements not on working time in the strict sense but on work organization, as Danish authors Nana Wesley Hansen and Mikkel Mailand point out (Hansen & Mailand, 2015, p8).

These rules were in line with teachers' role as semi-professionals (Oesch, 2008, p. 8). While they are formally employed by the state, their work logic involves a high degree of autonomy in task management. The interpersonal and contingent nature of their service requires ample time for preparation and tutoring work that is outside the core activity of teaching. As one Danish teacher-trade unionist expressed it, collective agreements on working time distribution were needed because "it is impossible to run a school with different children with different needs, in the same way as a factory produces cars or sausages" (Lange, 2011, p. 1).

The education policy reform initiative joined up with employers' long-term dissatisfaction about having to agree on issues of work organization and job control with the teachers' union. Working time distribution has been a contentious item on the bargaining agenda between local governments and the union, ever since the decentralization of the Folkeskole system in 1993. According to my interview partner at KL, local governments saw collective bargaining on working hours as a hindrance on flexibility and efficiency. He also claimed that parents' initiatives to introduce new activities in schools were often rejected because the collective agreements did not allow for an

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extension of teachers' working time to cover these new activities (interview 21). KL also complained that the bargaining procedure gave too much power to local branches of DLF. KL's representative expressed the employer side's long-term dissatisfaction:

> "The main point here is that since 1993 we have been more or less unhappy with the system. It was changed from time to time but fundamentally it has not changed because no matter how it looked, there has been some limits on how we as employers could use the working time of teachers. And we don't have that system for anybody else among our employees" (Interview 21).

The education reform proposal was made public in late 2012, a few months before the start of the 2013 collective bargaining round in the public sector. Over that bargaining round, KL and the Modernization Agency of the Finance Ministry - the employer in vocational schools - wanted to achieve full managerial control over working time distribution, which equaled the abolition of all collective agreements on the issue. In other words, the employer side decided not only to increase management discretion within the existing system, but to abolish collective bargaining on working time distribution altogether. The same employer representative admitted that the nature of their claims itself ruled out a compromise:

> "[The dispute in 2013 revolved around the question] who should decide how teachers' working hours should be used: the union or the headmaster? It is difficult to compromise between these two positions. Either it is the headmaster who tells teachers what to do in their working hours or it is the other system where everything is regulated to the last detail. How to compromise in that situation?" (Interview 21).

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Where collectively agreed regulations are the norm, removing an issue from the domain of collective bargaining and placing it under management prerogative is a task which will trigger industrial conflict, provided that the union side does not agree. As working time had been regulated by collective agreements and the goal of the employer side was to abolish collective agreements altogether, this was only possible through an open confrontation with the trade unions.

To summarize, the short-term pressures resulting from the school reform and the long-term tensions between managerial control and professional autonomy produced the 2013 lockout in Danish education. The education reform extended the compulsory school day –but the government was not ready to hire more teachers to meet the increased demand. The only way to obtain more teaching while keeping staff levels constant was to force teachers teach more - spend more time in classrooms. Collective agreements on the distribution of working time posed an obstacle to such a move, and they were also seen as an unnecessary hindrance on managerial control.

5.2 The legislative power of the state and its political enablers

The foregoing discussion was dealing with employers' motivation to launch the conflict. Even given the strength of motivation, it was still a risky move to initiate the lockout. In my interpretation, the main risk that employers faced was that the conflict drags on for too long and causes serious damage to service users, in this context to pupils and parents. For example, a lockout that would have lasted until the end of the school year would have made school-leaving exams and graduation impossible. This was in fact a realistic scenario, given the large strike fund of the union and the smart way in which it was spent. To avoid a protracted conflict, the employer side would have had to moderate its claims to make a compromise with the union possible. Given the ultimate nature of KL's claims, toning them down – for example by not demanding full management prerogative only that the union accepts an

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increase in teaching hours – would have equaled defeat. Therefore, KL had to make sure that it can expect legislative intervention in its own favor if the union does not yield in due course.

I argue that the employer side risked going into the conflict because it could rely on the safety measure of legislative intervention when the dispute did not go in the expected direction. Both the timing and the procedure of legislative intervention mattered. The timing of the legislation was the less contentious issue, as it is part of the Danish model that the government can and has to intervene in bargaining conflicts when their consequences are excessively grave for the population (Committee on Freedom of Association, 2014, pp. 55–56). In fact, the union itself called for government intervention - that would "put an end to an absurd play" - several times, right from the beginning of the lockout (Anders Bondo Christensen's article in politiken.dk, 12 April 2013, quoted in FAOS, 2013)

On the other hand, during the procedure of the intervention, the boundaries between the employer and the legislator function of the state blurred, which predetermined that the outcome of the intervention would favor of the employer side. The Danish Teachers' Union was left out from the process of drafting the bill on the intervention, while the Modernization Agency of the Finance Ministry was involved. I take this as a key evidence of the state's sovereign power, which it used against the union. This power was enhanced by a consensus among the mainstream parties about the intervention, with the governing social democrats being the main supporters, backed by opposition conservatives. This had meant that the political environment turned sour for the union, which was left without allies in the party elite.

In Denmark, a legislative intervention follows the same procedure in the public and the private sector - the Ministry of Employment drafts the bill, which is then put to vote in the parliament, and is enacted. Figure 5.1 sketches the interaction of different actors during this process in 2013, demonstrating the relationships between employers, unions, the government and the legislature.

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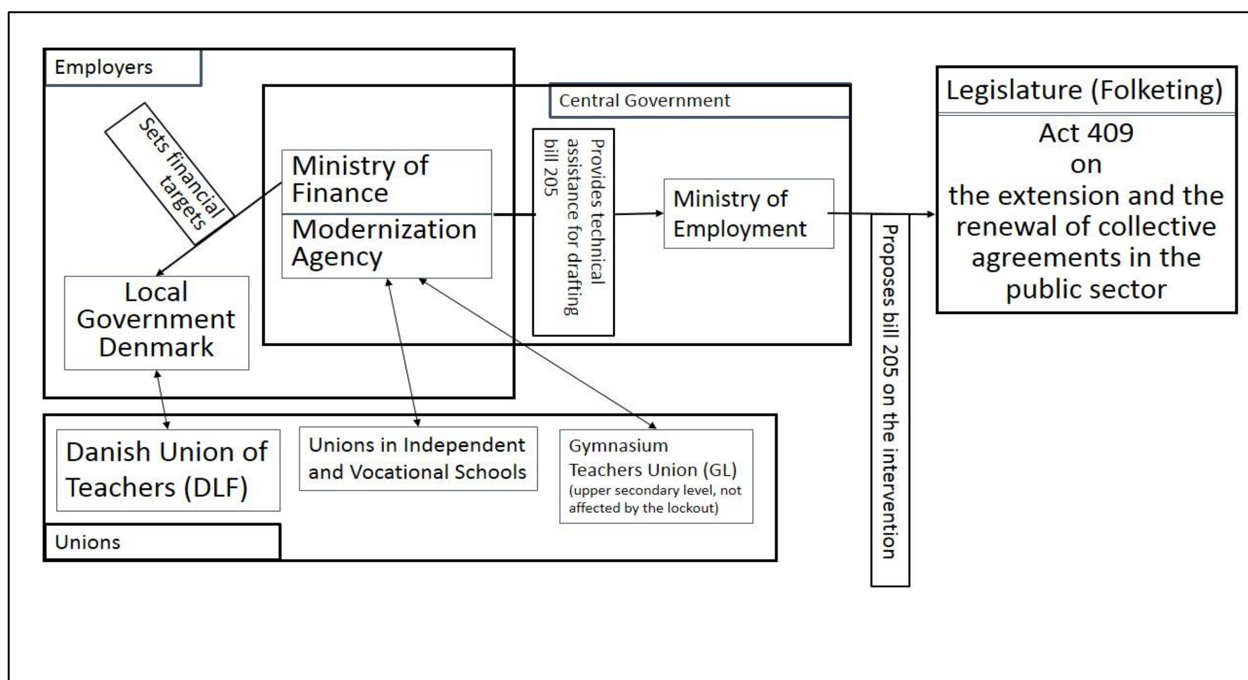

Figure 5.1: Legislative intervention in the Danish school lockout, 2013 April

The Ministry of Employment normally prepares the draft bill based on the official recommendations from the conciliator, but that was not available in the school lockout case, as the conciliator found the positions of the two sides too wide apart to produce such a document (Committee on Freedom of Association, 2014, pp. 54-55). Consequently, the ministry started drafting the bill from scratch, and from this process DLF was left out. This is one of the main allegations that DLF made in its complaint to the ILO and that the government did not deny in its response. According to DLF this was the first time in the "context of a legislative intervention" that the employee side was excluded from the drafting process (Committee on Freedom of Association, 2014, p. 53).

While DLF was left out from the process, the Ministry of Employment requested the assistance of the Modernization Agency of the Ministry of Finance– as one of the arrows show in Figure 5.1 This fact was also acknowledged by the Ministry in its response to the ILO, but presented as a technical issue: "in the absence of a mediation proposal from the Official Conciliator, it was necessary to seek technical

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support from the Modernization Agency" (Committee on Freedom of Association, 2014, p. 56). A technical issue or not, the Modernization Agency was directly participating in the lockout as an employer, therefore I take its parallel involvement in drafting the bill as a proof of the influence that the employer side had on the legislation. The union claimed that the municipal association was also involved in the drafting of the bill. This was neither confirmed nor rejected by the government as far as the documentation of the ILO complaint goes.

The process could still go wrong for the government at the final step. The immediate political risk that the central government faced in relation to the lockout was that the law it proposed to break up the conflict would not go through the Danish parliament (Folketing). Postponing the vote by sticking to the normal procedure and not allowing an urgent one would already have caused serious disruption and further delays in school-leaving exams. The political risk for the government in the broader sense was that the lockout becomes an issue in electoral politics: that opposition political parties use the situation to their own benefit by openly criticizing the government and taking the union's side. Party politics hijacked the 2007-2008 conflict in healthcare. Back then, although there was no legislative intervention, general elections were approaching, and the opposition social democrats and other parties on the left promised wage increases to striking healthcare workers in case they come to power. Social democrats had won the elections, but by then the conflict was resolved and wage increases were granted to these groups in the new collective agreement.

The 2013 conflict took place in an entirely different political setting. A center-left coalition government headed by social democrats was in power and it was in the middle of its electoral term. Both facts lowered the risks that were associated with the legislative intervention. First, the conservative opposition was very unlikely to pick up on the issue and support the trade union side. The chief negotiator at KL was himself a member of the Conservative People's party. As he put it:

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> "And if we had had a right wing government, it would have been very tempting for a left wing opposition to make politics out of this. But when we have a left wing government, you can be quite sure that the right wing opposition will not make politics out of it because they will say okay this is good right wing policy." (Interview 21).

Indeed, the legislative intervention was supported in the Danish parliament by all the major political parties except the Red-Green Alliance (Unity List-Enhedslisten) and the Liberal Alliance (Folketinget, 2013). The populist anti-immigration Danish People's Party (DF) was also highly critical of the lockout but eventually it voted yes for the intervention (Sorensen, 2013). Before the lockout, DF criticized government plans of the school reform alongside the teachers' union DLF, an education policy spokesman of DF even published a joint article on the school reform with the chairman of DLF, and spoke at one of the protest rallies during the lockout (Ahrendtsen & Christensen, 2013).

Social democrats and their coalition partners also had to take into account the risk of losing teachers' vote at the next election. Teachers form a large electoral group that traditionally supports social democrats, and whose allegiance was indeed shaken by the lockout. In October 2013, a few months after the lockout and right before local elections, a poll commissioned by DLF showed a shift in teachers' voting intentions away from the Social Democrats and their left-wing ally the Socialist People's party (SF) towards the Red-Green Alliance (Lauridsen, 2013). Nevertheless, they do not form a large enough group to decide an election on their own, especially when the date of the next national election was approximately two years away and therefore the government had ample time to recover their support or to mobilize the support of other groups.

5.3 Fighting for privileges or fighting for a good school? A stalemate in framing

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Previous chapters had identified the struggle for public opinion as the decisive, short-term dimension of strikes and the resignation campaign in healthcare. As I argued there, this dimension is not entirely independent from the structural tensions that led to the eruption of conflict, but agency becomes relevant in framing the protest and communicating goals to the public. Strategic decisions of leaders and even single instances of gaffes or inciting speeches can turn the mood of the public. As the Danish lockout lasted for four weeks in April 2013 and the preparations for it on both sides started in December 2012 the latest, it allows me to comprehensively explore the rhetoric toolbox that both the employer and the employee side utilized and the reactions triggered in the public.

Briefly stated, the result of these rhetorical struggles was a draw, where the union side was able to demonstrate its education policy competence persistently throughout the entire conflict. However, it had less success in communicating that it fights for more than the conservation of a privilege. It could not find a strong counterargument against the simple message coming from the other side, namely that the conflict is about letting school principals decide what teachers do in their working time, and taking this decision out of the hands of union bureaucracy. In other words, trade unions were not able to offset the special interest group allegations of the employers, and were not able to build common concern coalition with pupils' or parents' representatives.

The broader public remained undecided or divided throughout the conflict, while representatives of parents and pupils did not take a clear stance behind either side. This in the end favored the employer side, letting KL get away with the lockout and allowing the government to intervene in a way that favored KL. Apart from mainstream political parties supporting the intervention, it was also crucial that protests organized by DLF lost their momentum

Already before the bargaining talks had started in December 2012, the government and the teachers' union had engaged in intense rhetorical struggle over who really cares about education quality in Denmark. The government was eager to convince the public in general and parents with school-aged

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children in particular that the existing working time regulation is a hindrance on lifting education standards, while the union presented the same regulation as the long-term guarantee of high quality instruction. These debates intensified as the lockout became effective and then dragged on for four weeks. I will analyze these discursive struggles using the concepts of responsibility and competence. Responsibility was already explored in the healthcare cases, this chapter provides an equally thorough engagement with competence.

In the healthcare cases, the competence dimension of communication strategies was not as prominent as there was no direct link between a specific policy issue and the labor conflict, unlike in this case where the extension of the school day was a direct trigger of the conflict. Moreover, while in healthcare I did not come across patient groups that would have had the capacity to shape the discourse around labor protests, in Danish education there are active parent and pupil organizations that have a weight in public debates (Hansen & Mailand, 2015, pp. 12-17). Finally, the stance of the public at large is also more easily traceable in the Danish case as the events were covered by pollsters, even if not in a systematic fashion.

When the Danish government announced its plans "to make a good school even better"- and linked the reform of the school system to teachers' working time regulation, the public did not have to wait long for the reaction of the main teacher union. Proving that it is not only a trade union but also a competent professional organization, DLF published its own alternative proposal under the title "Together we make a good school better" - the title suggesting that all the stakeholders - including the union - has to be included in the reform process (DLF, 2013c). While sharing the underlying values and agreeing with the strategic objectives, the union criticized the government's plan for not assigning concrete tools to achieve these objectives (DLF, 2013c, p. 5).

There are two points where DLF's plan deviated from the government proposal and that are also related to working time regulation: first, DLF suggested the abolition of the 45-minutes lesson and its

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replacement with a fully integrated school day. This transformation would have been more radical than what the government wanted and eventually implemented, and would have required five times sixty minutes of teaching per day (DLF, 2013c, p. 5). Here we can also spot an attempt to build up a common concern framework with consumers: DLF would not have made a longer school day compulsory, but rather would have left it up to parents and pupils whether they take advantage of spending more time in a school that was supposed to transform into a local community and sports center for the afternoon.

According to media reports, the alternative school reform proposal boosted DLF's popularity before the negotiations started (Political commentator Henrik Qvortrup on TV2, December 7, 2012, as quoted in FAOS, 2013). The proposal was endorsed by the congress of DLF and was also introduced by a television campaign telling how a typical schoolteacher spends her day, and how much of her work is not classroom teaching but preparation, consultation and the supervision of other activities (*Ditte Jensen er lærer på Fuglsanggårdsskolen i Virum. Se hendes åbne brev til politikerne. [Ditte Jensen teaches at the local school in Virum. Check out her open letter to politicians]*, 2012). The video reached 130 000 views on YouTube.

The "Together..." campaign already included the main tools that DLF used throughout the conflict to prove its policy competence. The document referred to education research, as well as to international and local best practices. The same themes popped up later on during the conflict. For example, DLF came up with new proposals on working time arrangements based on the Finnish model (reported on March 25 2013 by FAOS, 2013). Then, DLF's chairman referred to leading education researcher John Hattie's work about the positive effect of teacher preparation on pupils' learning achievement (reported on March 6 2013 by FAOS, 2013). Finally, DLF continued to bring in the public debate the perspective of those individual municipalities which were still satisfied with the existing arrangement on working time in the face of KL's change of attitude.

DLF also used frames and concepts that were easy to communicate to the public. In one of their final attempts to reach a compromise, they came up with a plan that would have secured two minute

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preparation time per student per lesson in an alternative working time agreement. DLF also coined the term “discount teaching” to describe the threat that new system posed to the quality of education (reported on March 4 2013 by FAOS, 2013). The competence of teachers was not questioned by the government side either: they praised teachers' efforts as individuals, but they did not take into account the union's proposal.

By proving its competence, DLF was able to influence public opinion on the school reform, and as the lockout dragged on, the public became more skeptical of the idea of a longer school day. In early January, 58% of survey respondents were in favor of all-day school, while on April 22, the skeptical camp slightly overtook the supporters: 46% opposed the idea and 44.4% supported it (Jyllands Posten, January 2, 2013 TV2/Megafon, April 22, both reported in FAOS, 2013). Another survey showed a deep plunge in Danes’ trust in the overall education policy competence of the social democrat-led government (Braemer 2013). The government took a risky step by linking the school reform to the lockout - if one had sunk, the other would also have been difficult to save (Poul Aarøe Pedersen in politiken.dk on March 12 as quoted by FAOS, 2013).

When it comes to the question of responsibility, the union's position was more tenuous, even considering that the employer took the onus quite explicitly by initiating the lockout. Teachers, parents and pupils shared a fate in the lockout, teachers could not practice their profession and did not get paid, pupils had almost four weeks of lessons canceled and parents had to find alternative care arrangements for smaller children. When the lockout started, DLF called for an immediate government intervention to restore the normal functioning of schools and so did the main parents association Schools and Parents. Later on, Schools and Parents also announced that it would sue Local Government Denmark for the damages caused to parents by the prolonged conflict (P4 radio news, on 13 April 2013, reported in FAOS, 2013).

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The employer side was responsible for the lockout in a negative sense, but this did not mean that the responsibility in a positive sense could be claimed by the union. In fact, the employer side attacked the union as a special interest group that has a privileged position within the entire Danish society, and that fought against the new working time rules in defense of this position and not for the benefit of pupils (Interview 21). As a source from the Education International put it: "the general rhetoric was one of pitting the "good" individual teachers against a rigid collective agreement negotiated by a union 'refusing' to let the school principals make management decisions to set free the potential of the teachers" (Wintour, 2013, p. 80).

The municipal association KL's communication strategy aimed at reducing the debate to a single question on who should decide on teachers' tasks: the union or the school principal (interview 21). For the majority of Danish workers who are in a dependent employment relationship, the control that teachers and their union had enjoyed over distributing tasks is out of reach, therefore some of them could feel justified that from 2014 on the same rules apply to teachers. The rhetoric of the teachers' union was also considered overconfident by many. One incidence that gathered a lot of media attention was the lockout-fest party organized by DLF and the speech of DLF's president in which he told the cheering crowd: "they say that now the school leaders must manage and distribute work. Like hell are they not to. That is what we determine" (Jensen & Jørgensen, 2013).

The employer side picked the quote up and criticized it fiercely. My interview partner from KL remembered this incidence as the turning point of the lockout. He claimed that until that moment employers were on the defense and the union was very effective in mobilizing members and supporters for various mass protest events. Indeed, the main lockout rally in Copenhagen on April 11, 2013 attracted 40 000 people, as reported by various news sources (reported on April 12 by FAOS, 2013). In the interpretation of KL's representative, after the "lockout-fest incident" (April 15) employers turned tables

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around, and managed to isolate the question of management autonomy from the questions of school quality (interview 21).

The available evidence suggests that public opinion remained uncommitted or split throughout the conflict. Analyse Danmark surveyed a large and representative sample every day asking the question which side the government intervention should benefit. Results were stable for two weeks, with the majority of respondents supporting a balanced intervention (maximum support on a single day: 55%, minimum support 45%). Those who took sides were equally distributed between supporters of the employer and the union side. KL's support moved in a range between 18% and 26%, and DLF's between 12% and 22%. In sum, half of the respondents were undecided while the rest was equally split between supporting KL or DLF. Moreover, these proportions remained stable throughout the two weeks of the sampling, indicating a stalemate between the two sides. Andersen (2013) presents and analyzes the results of the survey, arguing that both sides lost public support over the conflict (I. H. Andersen, 2013).

In my interpretation, a stalemate in rallying public support was already a remarkable achievement from KL's perspective, given that they explicitly took the onus of causing disruption for service users. Moreover, while Schools and Parents and also the main pupils' organization condemned the employer side for the lockout, I found no evidence of them ever taking sides on the substantive questions of the conflict. To wrap up, the Danish Teachers' Union was able to formulate strong competence claims, which may also have influenced public attitudes towards the school reform. At the same time, its communication was less efficient in explaining to the public why it was entitled to co-determine work organization, when this option was not available to other unions in the Danish economy. In this environment, the government could intervene and stop the lockout with a deal that was much more beneficial for employers.

This chapter has taken the perspective of the state to tease out the sources of its sovereign power during a bargaining conflict with its own employees. Denmark was the least likely case for a conflict that was initiated by the state, due to the organizational power and institutional embeddedness of unions.

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Even in this environment however, the state could afford pushing aside bargaining institutions and lock out teachers. I could spot the state's sovereign power in the blurring of the employer and legislative function during the procedure that led to the intervention breaking up the conflict. Besides, I also showed that the state was in charge of developments from the beginning, as it made its school reform conditional upon the abolition of collective agreements in education. The government itself created the demand for more education services and it decided to extract it from the teaching profession unilaterally.

There are however unintended consequences of the government's actions: while before the lockout the structural environment of education bargaining was determined by an oversupply of teachers – pupil numbers are gradually declining in Danish education - the school reform has turned the tide, and now labor shortages become a problem in education too. Interview partners at DLF told me that the employer side might have won the war but it might be a bigger challenge for it to win the peace. They referred to the systemic problems arising in Danish education since 2013, most importantly to the increasing shortage of teachers (interview 19).

A report prepared by DLF, based on data from the municipalities notes a 13% decrease in the number of teachers from 2009 to 2015, which according to the same document is not justified by the much slower pace of decrease in pupil numbers (DLF, 2015). Reacting to press reports, KL confirmed that it was becoming difficult to replace retiring or resigning teachers and to attract young people to the profession (Vestergaard, 2015). Nevertheless, during the 2015 bargaining round, the working time regulation system based on the 2013 legislation was kept intact. So far Danish teachers have not turned labor shortage into proactive labor protest.

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6 Down by law or down by agreement? – Bargaining conflicts in the Irish public sector after social partnership

The previous chapter has dealt with the sovereign power of the state through the single event of the 2013 Danish school lockout. This chapter applies the idea in a broader context, looking at three nation-wide public sector strikes in the Republic of Ireland between 2009 and 2014. The events followed a sequence that had started with a one-day general public sector strike in 2009, faded into quietness between 2010 and 2013, and ended with the resurgence of conflict in health care and education in 2013 and 2014. The purpose of the chapter is to explain the variation that this sequence embodies: why protest erupted in 2009, why it subsided soon afterwards and why it reemerged years later - but only in specific areas of health and education.

I argue that the outbreak of conflict in 2009 and then its withering away in later years can be explained by the change in the way in which the government used its sovereign power to introduce austerity. In the immediate aftermath of the financial crisis in 2009, the government withdrew from existing agreements with unions, demolished bargaining institutions and imposed cuts unilaterally through the power of law (Doherty, 2011). Unions called the 2009 strike not only and not primarily against the material effects of budget cuts but rather against the unilateral manner in which those cuts were introduced. The strike did not develop into sustained protest because the government had a strong discursive position due to a media environment that was hostile to public sector workers, and it framed austerity measures in a way that took advantage of sectoral divisions within the labor movement (Cawley, 2012).

In 2010 and then in 2013, new rounds of austerity were not followed by strikes because the government abstained from using its sovereign power directly. Instead, it offered concessionary

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agreements to public sector unions and threatened with legislation at the same time. In the Croke Park and the Haddington Road agreements, signed in 2010 and 2013 respectively, the government guaranteed employment stability in exchange for further wage cuts and flexibility measures. Unions representing clerical and back-office staff were the supporters, while health care and education unions the main opponents of these agreements. I explain this division with the differences in the two groups' marketplace power. The marketplace power of nurses and teachers was eventually also trumped by the sovereign power of the state: the government threatened these groups with legislation that would have imposed heavier cuts than those collectively agreed. Therefore, nurses and teachers also caved in.

The Croke Park and the Haddington Road agreements secured almost total industrial peace in the Irish public sector for three years. In 2013 and 2014 strikes erupted again, but in the specific areas of health and education. These strikes were not called for wages but against excessive working hours in health care and against a reform of the examination system in education. The participating unions had an opportunity to overcome the narrative of austerity and appeal directly to service users. In my assessment, the junior doctors were more successful in achieving this goal than secondary teachers.

This chapter examines the way in which successive Irish governments were able to appease a segment of society that was deeply affected by budget cuts. The de-escalation of conflict in the public sector had a major share in the weakening of general anti-austerity protests in Ireland. The findings presented here relate to the propositions of Nancy Bermeo and Larry Bartels who highlight the fact that austerity does not always lead to sustained protest. In their framework, one of the conditions under which this happens is that protesters find an ally in institutionally and organizationally embedded actors (Bermeo & Bartels, 2014). They build this proposition on the comparative work of Hanspeter Kriesi, Mark Beissinger and Gwendolyn Sasse's (Beissinger & Sasse, 2014; Kriesi, 2014). The quoted authors mention public sector unions' strategic importance in this respect. If public sector

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workers continue protesting, there is a chance that broader social movement-based protest also survives. In Hanspeter Kriesi's comparative study, Ireland is the case of social apathy and he attributes this apathy to a large degree to the withering away of protest from the general public sector (Kriesi, 2014). The following chapter looks at the reasons for why this happened.

6.1 Austerity in the public interest?

A small and open economy with an oversize and underregulated banking system, Ireland was particularly hard-hit by the global financial meltdown. Troubles within the private banking system quickly merged into a sovereign debt crisis as the Irish state had issued a blanket guarantee for all assets in crumbling banks - a move supported by the European Central Bank at that time but widely criticized later on from many sides (Dellepiane & Hardiman, 2012, pp. 11–12).

Government deficit and debt soared in the wake of the state taking on the liabilities of a collapsing financial system. Data from Eurostat suggest that the Irish government maintained balanced budgets up until the crisis but accumulated a 32% of GDP deficit in 2010. From 2007 to 2010, government debt increased from 24 to 121% of the GDP, which is a more rapid increase than what Greece produced over the same period. By the end of year 2010, the Irish government could not handle the situation alone anymore and had to turn to the Troika - consisting the European Commission, the European Central Bank and the International Monetary Fund- for a bailout package (Geary, 2015, pp. 1–2).

As a result of these processes, deficit reduction became the priority of Irish governments after 2008. It was very likely that a large share of the austerity burden would befall public sector workers, as in Ireland, 56.4% of government production costs were spent on government employee compensation as of 2009 – a ratio which is among the highest within the OECD (OECD, 2011a, p.

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73). The question was not whether the government would target public sector workers with a large dose of austerity, but rather the way in which the measures would be introduced and the reaction they would provoke from employees.

The government had two options regarding the method in which austerity was to be introduced: it could either impose austerity unilaterally through decrees and legislation or it could rely on bargaining institutions to convince public sector unions to sign concessionary agreements. Employee reactions then could take the form of protest or quiescence, both mediated through trade unions. I argue here that protest in the public sector was a function of whether the state acted unilaterally or was ready to sign agreements with unions. Irrespective of the size of the cuts, unions protested when they were not invited to the negotiating table, but accepted austerity when they were.

In the Irish case, the first round of unilateral government action was followed by a one-day general strike in fall 2009, which however failed to achieve concessions, and the government introduced one more round of austerity measures unilaterally at the end of the same year. This section follows events up until that point. I identify the reasons for the eruption of conflict and for its failure to achieve concessions from the government – or to become the basis of further public mobilization. I argue that the strike was triggered by the legislative offensive of the state and it was unsuccessful because the government framed this offensive in a coherent narrative that the union side was not able to match by a similarly coherent counter-narrative.

The crisis had swept away institutions of central bargaining and social dialogue that were the hallmark of Irish industrial relations during the good times. Between 1987 and 2009, a series of tripartite social partnership agreements were concluded in Ireland that covered both the public and the private sector. A new partnership agreement was signed in November 2008, but it was in force only for a few months as the economy plunged deeper and deeper into the crisis and both public and private employers backed off from paying the agreed wage increases (Sheehan, 2010b).

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The cancellation of the partnership agreement automatically meant a wage freeze for public sector workers. At the same time, in February 2009, the government also pushed through the legislature the first piece in a series of acts titled "Financial Emergency Measures in the Public Interest (FEMPI)". The first FEMPI act introduced a special pension levy, amounting to a 7% reduction in public sector wages (Geary, 2015, p. 6). In March 2009, the government again acted unilaterally when it passed an emergency budget to lower the salary of all public servants (Doherty, 2011, p. 374).

The government's preference towards unilateral action at the outset of the crisis came as a surprise to trade unions most of whom built their pre-crisis strategies on compromise and institutional security (Bohle, 2011; Doherty, 2011). One of my interview partners from Ireland's largest trade union, SIPTU described the employer offensive in the following terms:

> "...and the experience of austerity was being enforced by legislation that could not be challenged. So the law of the land was imposing these cuts and the law said that the government was to decide and this is to happen. (Interview 10)."

The experience may have been especially traumatic for mixed public-private unions such as SIPTU, who saw employers in the public sector introduce penalizing legislation at the time when private sector employers abandoned social partnership altogether. I argue that the shock that came from the government's methods of introducing austerity featured prominently in public sector unions' decision to call industrial action. And unlike their colleagues in the private sector, they still had the organizational capacities to protest. According to my own calculations based on ESS data, in the average of the years 2008, 2010 and 2012, trade union membership density was 43.1% in the Irish public sector while only 8.2% in the private sector.

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CPSU, a smaller union representing lower-paid civil servants, called a strike already when the first FEMPI legislation was passed in February 2009, and in November the same year, all major public sector unions decided to mobilize members for a national day of action (Geary, 2015, p. 6; Kriesi, 2014, p. 320). The work stoppage extended to all groups of public sector workers, but it stopped at the boundaries of the sector. That different public sector employees took common action was already a novelty, as during the social partnership times, larger public sector trade unions were quiescent and protest came from specific occupational groups such as nurses or secondary school teachers.

The Irish Central Statistical Office reported that 265 thousand workers were involved in the dispute, based on my calculations this number represents around 80% of all public sector workers in Ireland as of 2008 - on the number of public sector workers I used statistics from the Department for Public Expenditure and Reform (Central Expenditure Evaluation Unit, 2014, p. 17) 2014:17. A source reviewing trade union reactions to the crisis in Ireland claims that this was Ireland's largest one-day strike ever (Geary, 2015, p. 5). The Guardian reported that despite being legally prohibited from industrial action during working time, even off-duty police joined the picket lines (McDonald, 2009).

The result of the strike in terms of substantive outcomes was however limited. Union leaders received an invitation to the negotiating table in exchange for calling off a second day of nationwide action. They did not question the need for austerity per se, and came to the talks with their own plans of savings, including a proposal to introduce 12 days of unpaid leave and also productivity reforms in the sector. The talks even though soon collapsed, when the government declined the proposal, following "a revolt of government backbench legislators", who sensed that the public was angered by the idea of giving unpaid leaves for public sector workers in times when the demand for public services was increasing (O'Connell, 2013, p. 355; Sheehan, 2010b). The government returned to unilaterally imposed austerity until mid-2010, but unions dropped the idea of going on strike again.

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How was the government able to get away with unilaterally imposed austerity, and why did public sector protest subside so quickly? To answer these questions, I return to the concepts of discursive power and framing. The government side was able frame the wage cuts in a way that found resonance among the broader public, and the trade union side failed to construct a credible counternarrative that would have encompassed all public sector workers. According to its master narrative, the government defended the public interest against special interests represented by public sector workers and their unions (Cawley, 2012, p. 602). It is no wonder that the series of acts introducing austerity were titled "Financial Emergency Measures in the Public Interest".

The narrative of defending the public interest was composed of three elements which partly relied on already existing views on public sector worker, but which were also consciously amplified by the government. The three themes included the discourse of emergency, the "othering" of public sector workers and the attribution of blame to them. The presence of an emergency situation was stated already in the title of the legislations that imposed cuts on public sector employees: "Financial Emergency Measures". I argue that the declaration of emergency also implied that the government was entitled to set aside regular bargaining channels and act unilaterally. Emergency situations furthermore require that everyone take their share of the burden. This is documented in the preamble of the first FEMPI act: "the burden of job losses and salary reductions in the private sector has been very substantial and it is equitable that the public sector should share that burden" (*Financial Emergency Measures in the Public Interest*, 2009).

This phrasing of the legislation also assumed a division between public and the private sector workers in terms of wages, job security and work habits. In order to be able to take such a split for granted, the government could rely on existing frames of "othering" the public sector in press. Using techniques of content and cluster analysis, Anthony Cawley examined how (mostly broadsheet) Irish newspapers portrayed the public sector during the crisis. He found that 879 articles (more than half

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of the full sample) were set up in a way that described the public sector in opposition to the private sector (Cawley, 2012, p. 608). When it came to comparing public and private sector wages and working conditions, "640 references offered a flat comparison without the context of differing roles, functions and occupations", and only 63 qualified the comparison with applying these dimensions (Cawley, 2012, p. 609).

These themes also contrasted the private sector as the domain of reality with the unproductive, inefficient public sector. Journalists called for public sector reforms that would bring public sector work standards in line with the "reality of the private sector". Without reforms – the theme continued – the public sector would stay a drag not only on the budget but also on the nation's competitiveness. Just as the public versus private divide, the need for reforms was again formulated in general terms, failing to mention for example how they would affect service delivery (Cawley, 2012, p. 612).

The final element of framing austerity and thereby gaining discursive power was an attribution of blame for the crisis to public sector workers. Public sector workers were labeled as culprits rather than victims and were treated as part of the problem rather than part of the solution. In this dimension as well, the government only had to amplify frames that already existed in the media, as again substantiated by the work of Cawley (2012). In this dominant narrative, public sector workers contributed to the collapse of the Celtic Tiger in the past and formed an obstacle to quick recovery in the present (Cawley, 2012, p. 608).

Cawley does not mention this topic specifically, but based on my interviews and on the review of some of the public sector related news coverage of the Irish media, I argue that the main crime that public sector unions committed during the noughties was that they benefited from a benchmarking scheme. The scheme adjusted public sector wages to the development of wages in comparable private sector occupations. In the boom years, this had meant significant wage increases in the public sector, following developments in the private sector. With the collapse in 2008, the

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benchmarking scheme was abandoned and its memory discredited as a practice that gave unearned pay advances to public sector workers. This view was shared not only by the media but it became a consensus among the scientific community as well, judging from a comprehensive overview of expert opinions on the subject by an author otherwise skeptical of austerity (O'Connell, 2013, pp. 349-350).

Public sector trade unions themselves helped foster the negative image of benchmarking, for example by comparing it to an ATM machine. The remark was made by John O'Toole, the secretary of the primary teachers' union INTO and later the president of Irish Congress of Trade Unions (Regan, 2012, p. 145). It was often brought up in the press, also during bad times. Interestingly, none of the critiques of benchmarking that I have come across mentioned the possibility that benchmarking could have been used to the opposite effect in bad times, namely to reduce public sector wages in line with falling private sector wages. In Denmark, where a similar scheme– in the Danish terminology regulation mechanism- still exists, this was its main effect during the crisis years (Mailand, 2014).

Due to the absence of survey data, I cannot provide direct evidence on how much traction this anti-public sector union narrative of the government and the media had in the public opinion. However, the absence of a coherent counternarrative from the other side leaves me with the assumption that the government's narrative remained dominant during the conflict. Public sector unions were able to organize a strike together, but had difficulties coordinating the content and even the tone of their messages. In the interpretation of Doherty, larger public sector unions such as IMPACT continued to participate in the general anti-austerity campaigns of the Irish Congress of Trade Unions, which however were regarded as lukewarm attempts to restore social partnership. In the meantime, unions representing police, nurses, fire fighters, prison officers and ambulance personnel came together to form the 24/7 alliance, which applied a more militant rhetoric against the government (Doherty, 2011, pp. 11-12).

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I argue that general public sector unions also had less opportunity to appeal directly to consumers. When teachers, nurses or doctors go on strike separately for issues specific to their area, it is easier for them to convince the public that they are not only a special interest group but conscientious professionals fighting for the interest of service users as well. When all public sector workers call a strike it is more difficult to convey such a message.

6.2 Slicing up resistance

Following the general public sector strike in 2009, years 2010-2012 represent one of the quietest periods in Irish industrial relations history. The lack of voice is attributed to the deals that two successive governments struck with public sector unions: the Croke Park agreement in 2010 and the Haddington Road agreement in 2013. These agreements guaranteed public sector employees' quiescence in the face of continuing austerity. The Croke Park agreement even had a formal peace clause (Department of Public Expenditure and Reform, 2010). In terms of substantive arrangements, in these deals the government committed to abstain from compulsory redundancies in exchange for further wage cuts and employment flexibility (Sheehan, 2010a, 2013). This section continues to focus on the concept of the state's sovereign power, but it shows that it cannot only provoke conflict, but can also facilitate quiescence. The government succeeded in pushing through these deals relying on a threat of legislation and could curb the initial resistance of even health and education unions who initially opposed the deals. In 2009, the Irish state used its legislative capacity to demolish institutions and provoke general resistance from public sector unions. In 2010 and 2013, the state mobilized the same power resources to build institutions and contain resistance, and even unions with strong marketplace power bent to the credible threat of penalizing legislation.

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Table 6.1: Initial position of public sector unions on concessionary agreements proposed by the government, Ireland 2010-2013

	Croke Park 1 (2010)		**Croke Park 2 (2013)**		**Haddington Road (2013)**	
Union	Position	Margin (yes-no)	Position	Margin (yes-no)	Position	Margin (yes-no)
ASTI (secondary teachers)	REJECT	-24pp	REJECT	-68pp	REJECT	-26pp
INMO (nurses and midwives)	REJECT	-68pp	REJECT	-91pp	ACCEPT	+42pp
IMO (medical doctors)	ACCEPT	NO BALLOT	REJECT	-84pp	ACCEPT	+30pp
INTO (primary teachers)	ACCEPT	+30pp	REJECT	-39pp	ACCEPT	+26pp
SIPTU (general service and technical)	ACCEPT	+30pp	REJECT	-7pp	ACCEPT	+52pp
GRA (police)	ACCEPT	+50pp	REJECT	LEFT TALKS	ACCEPT	+68pp
IMPACT (general clerical)	ACCEPT	+54pp	ACCEPT	+12pp	ACCEPT	NO BALLOT
GOVERNMENT PROPOSAL	ACCEPTED		REJECTED		ACCEPTED	

Source: Own calculations based on media reports of vote results in irishtimes.com, imo.ie, rte.ie, irishexaminer.com, thejournal.ie, breakingnews.ie, tui.ie, newstalk.com. Source table available from the author upon request.

Table 6.1 summarizes the position of major public sector unions with regard to the three concessionary deals proposed by successive Irish governments: Croke Park 1 in 2010, as well as Croke Park 2 and Haddington Road in 2013. According to my own calculations based on data available on their website and employment data provided by the Department on Public Expenditure and Reform, these unions account for between 2/3 and ¾ of all employees in the sector. The table demonstrates that it was not easy for the government to reach these deals, especially not in 2013, when it proposed further cuts on top of those already incurred in 2010. The government's first attempt at prolonging and deepening austerity in the Croke Park 2 agreement was resisted by the majority of the public sector unions. The exception was IMPACT, the general clerical union, which is at the same time the largest one in the sector. Talks nevertheless swiftly resumed and were concluded within a few weeks,

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with the new Haddington Road agreement approved by the overwhelming majority of unions by late June 2013 (Arqueros-Fernandez, 2015, p. 230).

Table 6.1 ranks Irish public sector unions based on how many occasions and with how large a margin[7] they rejected or accepted a deal – with the most skeptical unions on top. In short, the list confirms the marketplace power argument: unions in health care and education (ASTI, INMO, IMO and INTO) went into these deals much more reluctantly than those representing workers in general service, clerical and technical occupations (SIPTU and IMPACT). The union that initially rejected all three deals comes from education (ASTI), while the Irish Nurses and Midwives Organisation rejected two out of the three agreements. By contrast, the most compliant among the unions mentioned here was IMPACT, the union of clerical-administrative workers. IMPACT went along with all three proposals of the government right away.

The position of the remaining four unions was less consistent, with going back and forth: supporting Croke Park 1, rejecting Croke Park 2, but then yielding at Haddington Road. However, a look at the vote results suggests that doctors (IMO) and primary teachers (INTO) were more skeptical of the deals and therefore their position fell closer to nurses and secondary teachers than to general service and technical workers (SIPTU) and police officers (GRA). SIPTU's members (general technical and service workers) almost signed up to Croke Park 2: the difference between the yes and no camps was less than a 1000 votes. In fact, SIPTU members voted against the recommendation of their leadership, which saw no alternative to accepting austerity. The union representing police officers (Gardai in the Irish terminology) withdrew from the Croke Park 2 talks before they concluded, but its members gave resounding support to both the Croke Park 1 and the Haddington Road deals.

[7]The Irish Medical Organization did not ballot its members on Croke Park 1, nor did IMPACT on Haddington Road, while the Garda Representative Association withdrew from the Croke Park 2 talks before a vote could be held. Four out of the seven listed unions (IMO, INTO, SIPTU and GRA), accepted two deals and rejected one. I ordered them according to the mean of the differences between the yes and no votes. For example, IMO is higher on the list than INTO because IMO members said a more resounding “no” to Croke Park 2 and a roughly equally strong yes to the Haddington Road deal.

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Table 6.1 only contains information about the first votes, and it should be acknowledged that even unions in health care and education who initially rejected the deals accepted them upon re-balloting their members and decided to abstain from industrial action in 2010 as well as in 2013. Therefore, the upcoming discussion will have a double purpose: to document the sources of differences in unions' initial position and also to look at the reasons for the eventual capitulation of health care and education unions as well. To fulfill the first task, I will look at the benefits that the deals could offer to different employee groups in the public sector. To answer the second question, I will look at the turnaround in unions' position between the Croke Park 2 and the Haddington Road deals in 2013.

In both the Croke Park and the Haddington Road agreements the government committed that it would refrain from compulsory redundancies in the public sector (Department of Public Expenditure and Reform, 2010, p. 3; Labour Relations Commission, 2013, p. 16). The government indeed kept this promise (O'Connel, 2013, p. 345). I argue that the job safety offer was much more valuable for employees in general clerical and technical grades than to nurses, doctors or teachers, and this affected their attitudes towards the agreements: the former groups saw them more favorably than the latter. Both the commitment to job security and the voluntary redundancy schemes were attractive elements of the deals for employees who had less marketplace power. The government itself was straightforward about its priorities: it was ready to maintain staffing levels in frontline public services at the expense of more substantial cutbacks in back office, support and administrative activities (Central Expenditure Evaluation Unit, 2014, p. 2, 2014, p. 15). If the government already declared that certain employee groups were safe because of the activities they were working in, then for the unions representing these groups a formal confirmation of job security would not provide a strong enough motivation to accept concessionary deals around wage reduction and work intensification. As my interview partner from INMO put it:

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> "Our opinion would have been that we would have been better off without a central agreement because it is negative, it is concession bargaining. So if we were going to have an agreement what protection could it give that were not already there". (Interview 14).

The changes in the number of employees between 2008 and 2013 across different public sector areas corresponds to this split between frontline activities and the rest. Education and healthcare staff was reduced by 4 and 9 % respectively over this period, whereas defense and public administration suffered a 13% and a 16% headcount reduction, respectively. Moreover, within health care, employment in management, support and administrative grades - mostly represented by SIPTU and IMPACT - plummeted by 18%, while nurse staffing levels saw a more gradual, 10% decline. Employment in medical grades even increased, by 3% (own calculations based on Central Expenditure Evaluation Unit 2014).

The dominant employee experience in Irish healthcare – just as in other countries discussed in this dissertation - is the one of being overworked, rather than feeling threatened by unemployment. Also in Irish education, the increasing number of pupils even during the crisis helped the preservation of workplaces without having to rely on formal employment guarantees. In the terminology of the dissertation, for unions representing employees with a strong marketplace position, job security was not a sufficient incentive to remain silent and accept concessionary deals around wage cuts.

The next question is that despite their marketplace power why even education and healthcare unions signed up for these deals in the end. I will focus on the period Between the Croke Park 2 and the Haddington Road agreements, and argue that the government sliced up resistance by exploiting various cleavages within the public sector and flexed its muscle by preparing a new round of draconian emergency legislation. First, the government confirmed that it is ready to conclude a separate deal with those unions who accepted Croke Park 2 (including the largest public sector union, IMPACT),

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and also invited the unions who opposed the deal back to the bargaining table. The atmosphere of the weeks between Croke Park 2 and Haddington Road is best described by the words of the representative from INMO:

> "Instead of all the unions coming together, saying we have to go back to the government and saying that that was a bad plan, and leave it alone, don't do it anymore, they fragmented and the ones who had voted yes did not accept the majority decision and they then allied themselves with the government and said that now we have an agreement with you. And the government was strengthened by that. And then they started to negotiate with individual unions." (Interview 14).

The government also succeeded in breaking up the 24/7 frontline alliance. The government was ready to offer concessions to the police and prison officers, to make sure that the employees providing the core activities of the state are not protesting, that "people with guns, those in uniforms and the central government are functioning" (Interview 11). This move had pushed INMO to the sidelines. Again, in the words of a union leader from the nurses union:

> "And what they did was they targeted the prison officers who were close to us and they extracted them by making concessions to them, they extracted the police service by making concessions to them and then we got isolated. (Interview 14).

To slice up resistance, the government did not only rely on moderating some of its demands, but also on the threat of legislation. After the failure of Croke Park 2, the government started drafting a new financial emergency measures in the public interest (FEMPI) bill that would have applied to

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those employee groups not willing to sign up for bilateral agreements and would have set more severe cutbacks compared to what was offered in the agreements (Sheehan, 2013).

The FEMPI bill was enacted in June 2013 and was the decisive factor that secured the eventual support of the Haddington Road deal by INMO and later by the militant secondary teachers ASTI as well, and held them back from taking industrial action. They could have relied on their organizational capacities to launch major industrial action, but it would have been a too risky move if done in isolation. They gave in, in exchange for some concessions on compensation for overtime (Arqueros-Fernández, 2015, p. 230). The DPER representative described the situation of the nurses' and the secondary teachers' union as follows:

> "Once you have a fight with your employer, and your employer is the state and if they got everybody else's support and you are in isolation on your own, you are in a very bad place." (Interview 11).

To sum up, the explanatory capacity of marketplace power weakens and the concept of sovereign power strengthens in the context of across-the-board austerity measures initiated by the government and legitimated by encompassing concessionary agreements. The order in which different employee groups came to accept the concessionary deals reflected their degrees of marketplace power – the general union in public administration, IMPACT was the first to accept the deals, while secondary teachers and nurses were putting up a long fight. In the end however and despite being in a good marketplace position, even nurses and teachers pulled out from a lone fight with the government.

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6.3 Better off alone?

In line with the provisions of the Croke Park and then the Haddington Road agreements, industrial conflict subsided in the Irish public sector after 2009. The Central Statistical Office reported one minor event with 80 participants in health care in 2010 and another one in public administration in 2011 with 50 participants. There was no dispute at all in the public sector in 2012. However, nationwide strikes in health and education broke out in 2013 and 2014. Junior physicians - non-consultant hospital doctors in the Irish terminology - represented by the Irish Medical Organization went on a one-day strike in October 2013 to protest against excessive working hours. In 2014, secondary school teachers represented by two unions (ASTI and TUI) launched a series of short (one-day) strikes over a debate on how to reform the Junior Cycle Certificate exams. The proposal of the government was to replace a system in which independent reviewers assessed students, with one that gives grading responsibilities to teachers who had been instructing the same students over years.

The two strikes can be considered major events, in total affecting 30 000 employees, one third of the total number of employees involved in industrial disputes in the country between 2010 and 2014. The medical strike was smaller in participation numbers, but the Irish Mirror reported that its effects were not negligible: as a result of a single day work stoppage about 12,000 outpatient appointments had been canceled and about 3,000 had to be postponed ("Striking junior doctors claim strong public backing," 2013). In the wake of both strikes, the government made concessions. Although the main contentious issue is not fully resolved at the time of writing in either of these areas, junior doctors considered their campaign a success as they concluded an agreement with the Health Executive on the strict implementation of the ban on shifts longer than 24 hours (Irish Medical Organisation, 2014, p. 12). At the same time, the deal that the government offered in education was

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rejected by the membership of the larger post-primary teacher union (ASTI), which in 2015 called a boycott against the implementation of the new system (Humphreys, 2015).

I will argue that the necessary condition for protest in both cases was the presence of a strong marketplace position, however the links between this position and the eruption of conflict are easier to track in health care, while in education, a policy reform was the trigger of the conflict. Likewise, neither of these conflicts was about wages, which allowed for framing the conflict in a way that makes the public sympathetic. Junior doctors however grabbed this opportunity more firmly.

Ireland is one of the few countries in Europe where demographic processes bring more demand, and therefore a better marketplace position not only for doctors but also for teachers. According to data from the Department of Public Expenditure and Reform, student numbers on the secondary level of Irish education had increased by 8.3% between 2008 and 2013 (Central Expenditure Evaluation Unit, 2014, p. 20). In healthcare, on top of increasing consumer demand, the re-emergence of emigration after 2008 has increased marketplace opportunities for employees but also puts further strain on those who remained in the system, especially among junior doctors. The Medical Workforce Intelligence report stated that "among graduates of Irish medical schools aged 25-29, there was a relative increase of 23% in the exit rate between 2012 and 2013 (6.4% in 2012 to 7.9% in 2013)" (Medical Council, 2014, p. 24).

Another common element in the two protest is that neither was about wages. The Labour Relations Commission, the main body for conflict mediation in Ireland, even labeled the teachers' strike in 2014 a "non-industrial relations dispute" (Labour Relations Commission, 2015, p. 8). To repeat, doctors went on strike against excessive working hours, and teachers against the reform of the examination system. Both issues fell outside the domain of the Haddington Road agreement, therefore the strikes did not violate the peace obligation laid down there.

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The fact that they were not called for higher wages also made framing of the protests easier. In a sense, both employee groups took a fight against the government on a relatively easy terrain, and the messages they relied on to frame the protest centered on how government policies harm citizens as consumers of specific services in the public sector. Despite the similarities in terms of a strong marketplace position and in the absence of wage claims from among the demands, the pattern of the two conflicts was rather different. In the case of junior doctors, there is a chain linking market processes (increasing demand for health services), medical emigration, ensuing labor shortages, and excessive working hours for the remaining staff. In the view of the Irish Medical Organisation, the government did not address the issue of excessive work properly, most importantly by failing to comply with the European Working Time Directive. In this context, the government had to take a defensive position. I claim that doctors achieved success due to a conscious media campaign that helped them garner public support. This is in line with IMO's own account of the events (Irish Medical Organisation, 2014, p. 12)

By contrast, in education – similarly to the Danish case – the conflict was triggered by a policy decision of the government. The government took the first step when it announced a reform of the high school examination system. The state demanded extra work from teachers in an environment that was already characterized by work intensification and wage cuts. The state could implement wage cuts unilaterally but it could so far not introduce a policy reform without the cooperation of unions, which explains why the conflict could drag on so long, despite the fact that the government made concessions. In terms of public support for their campaign, although the public by and large supported teachers' claims, they faced explicit opposition from the largest parent association in Ireland.

The communication of the teachers' unions consistently featured the message that they were protesting in a bid to ensure the impartiality and fairness of the exams, and thereby they defended the

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interest of pupils. Just as their colleagues in Denmark, they relied on the broader themes of competence and responsibility. The competence claim of the Irish secondary teachers' unions was that they acknowledged the limits of their competence: if they are made to assess the exams of their own students, they cannot ensure the same standards as independent examiners. They also criticized the reform for putting extra tasks on already overloaded schools. ASTI's newsletter from 2014 September quoted a survey showing that "89% of second-level school principals believed their school had little to no capacity to implement the Framework for Junior Cycle" (Association of Secondary Teachers, Ireland, 2014, p. 7). Therefore, they argued that the responsible action is to block the implementation of the new scheme (Irwin & O'Sullivan, 2014).

The Irish Independent quoted striking teachers who stressed that they took action against a proposed new system that would harm not only them but other stakeholders of the education system too: "It is unfair on everyone: the student, the parent and the teachers." Another interviewed teacher on the picket line told reporters that what was at stake was not the financial position of teachers, but the quality of education for students: "It does impact obviously, losing a day's pay, but it's not about the money... We believe we're doing what's right for our students and that's why we're here." (Riegel, Harkin, & O'Sullivan, 2015).

The criticism that ASTI directed against the reform found some traction within the public. In a Millward Brown/Irish Independent survey conducted in May 2014, half a year before the strike, 60% of respondents objected the idea that teachers should assess their own pupils, and only 29% supported it, with 11% giving an "it depends" or a "doesn't know" answer (ASTIR, 2014, p. 7).

Against the claims of the union stood the ministry, with the National Parents Council as a very vocal ally on its side. In an opinion piece defending the reform, the education secretary stressed that all official associations representing education stakeholders were supportive of the proposal except the two unions. He listed the post-primary section of the National Parents Council's Post-

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Primary section, the Irish Second-Level Students Union, as well as various management bodies and employer groups (Irwin & O'Sullivan, 2014).

The parents' council NPC-PP was not only satisfied with the reform proposal of the government but was openly critical of ASTI's militancy. The Irish Times reported that delegates at NPC-PP's annual conference accused union representatives of using students as "pawns and scapegoats" and that by taking industrial action the unions "hit the easy target in a cowardly way (O'Brien, 2014) I have to add here that while ASTI has a tradition of militancy, NPC-PP has a tradition of standing on the government side. Relations between the two organizations have been strained since 2001, when in the midst of a pay dispute, ASTI held a prolonged strike action and boycotted exam supervision (Cunningham, 2009, pp. 266–301). As the conflict was dragging on, the mood within the ranks of NPC-PP - that had traditionally been sympathetic towards ASTI – soured. During the 2001 dispute, NPC-PP had become an ally of the employer side to the extent that it helped the government recruit parents to supervise exams as a replacement of teachers (Cunningham, 2009, pp. 282-283).

While secondary teachers' unions have a tradition of militancy, for junior doctors, the 2013 strike was their first industrial action in 25 years ("POLL," n.d.). Not only had the Irish Medical Organization more control over the events as it was the party who initiated the conflict, but it also carefully prepared a media campaign securing public support for doctors' claims. The campaign had a clear title – "24 no more-enough is enough" – and a clear message that dangerously long working hours pose a threat to doctors and patients alike: doctors who have to take shifts lasting longer than 24 hours cannot be expected to perform in a way that ensures patient safety. This secured wide-spread media coverage of the issue before and during the strike action. As the media campaign was launched on July 15 2013, ample time was left for informing the public and preparing it before the national day of action. A key element in the campaign was to raise public awareness of the issue through presenting

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personal stories of junior doctors who work excessively long shifts and have concerns about how this might affect patient safety (Irish Medical Organisation, 2014, p. 27; Ryan, 2013).

Although the campaign did not target patient advocacy groups in specific, relations between doctors and patients representatives were much less hostile during the national day of action than the relationship between teachers and parents during the respective conflict in schools. During an interview given on the day of the strike, Stephen McMahon of the Irish Patients Association blamed both sides equally for not being able to find a negotiated solution and called on the Minister of Health to intervene in the dispute between the doctors and the Health Service Executive (McMahon, 2013).

The strike action managed to gain widespread attention, the prime minister also made a statement on the conflict, urging doctors to get back to the negotiating table (Kelly, 2013). This in fact happened and the two sides – with mediation from the Labour Relations Commission - managed to find a solution centered around an implementation plan of the European Working Time Directive, with fines in place for those hospitals who fail to comply (Irish Medical Organisation, n.d.). I argue that by accepting the proposal of the Labour Relations Commission, the Irish Medical Organization strengthened its image as a responsible actor in front of the public.

As documented in the previous sections, the sovereign power thesis provides the most convincing explanation of conflict developments in the Irish public sector between 2009 and 2013. The state first provoked conflict by legislation-backed unilateral austerity in 2009, but then it could contain employee resistance by a combination of pursuing bilateral agreements on the one hand and threatening with unilateral legislation on the other. In parallel with the salience of the sovereign power of the state, the marketplace power of employees has lost some of its explanatory capacity as even groups with a strong marketplace position finally accepted the deals. In other words, the state's sovereign power trumped the marketplace power of employees. Moreover, the state had a stronger discursive position too, as it could effectively frame austerity measures, against which public sector

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unions could not find a unifying counter-narrative. The resurgence of strikes in health care and education in 2013 and 2014 however demonstrates the limits of sovereign power in specific professional areas, where groups with a strong marketplace position are able to challenge the status quo. These groups also have a better chance of reaching out to the public as the guardian of quality public services.

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7 Conclusion

> *Not only do we have a better understanding than the government does of threats to patient safety, but we hold it in higher regard. It's drummed into us from the first day of medical school: "First, do no harm." [...] Striking, or not striking. These are two bad options. We can't afford to alienate the public, [...]. We can't afford to lose our leverage either.*
> (Fabes, 2016)

There are two ways in which formerly patient groups of government employees take contentious action: it is either the market that enables them to do so, or it is the state that forces them to do so. In the first case, a growing demand for their services intensifies the strain on employees but also creates opportunities for them to take collective action. In the second scenario, the state terminates institutionalized compromises with employees, provoking a defensive reaction. Leading an assault on the state as a result of growing marketplace power, or being assaulted by the state that relies on its sovereign power – the case studies of the dissertation identified these two types of labor unrest in the public sector.

Even though in both types, external factors trigger conflict, this does not mean that organizers lack agency over the development of the dispute. Once the conflict becomes inevitable, employees try to minimize the economic costs for themselves and maximize political costs for the government. The most crucial element in achieving the latter goal is to rely on discursive power and to create a common concern frame with service users – pupils, parents, patients. The dissertation concludes by synthesizing the findings of the empirical cases and by linking them back to the fields of comparative political economy and social movements theory. I discuss how the key concepts of the dissertation– marketplace power, sovereign power and discursive power - inform the literature on labor's power resources and the role of the state in contemporary labor relations.

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In the introduction of this dissertation, I have argued that we need a more thorough understanding of labor unrest in the public sector because the available literature attributes wide-ranging consequences to this phenomenon, without engaging sufficiently with its causes. Having explored the causes throughout the previous chapters, in the conclusion I reconsider the implications of public sector labor protest for the rest of the labor movement.

What have we learned from the study of labor unrest in public services across four small European countries? One of the starting points of this inquiry was that despite their increasing occurrence and disruptive potential, these events fit uneasily with contemporary theories of labor disputes because they are economic and political conflicts at the same time and therefore they defy classification. Rather than shying away from them due to their amphibian character, I embraced this duality when explaining eight instances of public sector labor unrest across four small European countries. The findings synthesized here suggest that when looking at their causes, these events can be grouped in two categories: the first is closer to the "economic strike" ideal type, while the second category is more "political". In both types, existing institutions are challenged, but the challenge comes from different actors, represent different pressures and the challengers use different methods.

In the economic type, employees challenge existing institutions through their marketplace power, in the political type governments terminate existing institutional compromises by the force of law. While in both cases, the outcome is conflict, in the first type employees formulate proactive demands, while in the second they are on the defense lines fighting against wage cuts and work intensification measures. Two out of the three main concepts I employ in the dissertation, marketplace power and sovereign power become meaningful in these two settings.

Closest to the economic ideal type is the Hungarian junior doctors' collective resignation campaign in 2011, presented in Chapter 3. The long-term increase of demand for health care and the short-term shock of accelerating labor migration after 2008 resulted in a situation where junior

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doctors had deepening grievances - work intensification due to labor shortages on top of humiliatingly low wages– but increasing opportunities as well – they could emigrate to the West for much higher wages and better working conditions.

The type of action that junior doctors took reflected an economic logic: they threatened with exit to achieve their demands. Hirschman considers exit in its pure form to belong to the domain of economics, as it implies crisp decisions (exit or not), and its effects are indirect and impersonal (Hirschman, 1970, p. 15). To be sure, there is no protest that relies on exit as a purely economic mechanism. Even in the Hungarian case, exit was politicized as the Hungarian Resident Physicians' Association turned the quiet reality of individual exit into the vocal threat of collective exit. But notice how a small professional organization was able to transform grievances into mass action in an overall political environment characterized by apathy – I have argued that their power to do so came from market processes.

At the other end of the economics-politics scale is the 2013 school lockout in Denmark, the topic of Chapter 5. The main trigger of the event was a policy decision of the government to extend the school day. Just as for Hungarian junior doctors, there was an expansion of demand for Danish teachers' services. This demand however came directly from the state, therefore it could not improve the bargaining position of teachers against the state. Besides, the teachers' union in Denmark faced a political elite (including the Social Democratic party) that closed its ranks against the union. The government not only had the political opportunity to initiate the conflict but also the legislative means to stop it: when the lockout dragged on for too long without the union yielding, it intervened by the force of law, terminating the conflict and replacing the collective agreement by a legislative act tailored to employer demands.

In Chapter 4, I extended the argument on marketplace opportunities by using three cases of healthcare strikes in different institutional settings. These protest events are additional examples of

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marketplace power, but unlike in the Hungarian case, they were organized by traditional actors of employee representation- trade unions. Preceding the conflicts, these actors had a no-strike attitude due to conservative professional standards or pressures from the broader, acquiescent labor movement. I argue that the change in their attitudes can be explained by marketplace processes.

The final empirical chapter presented an additional case of the sovereign power argument, by looking at the austerity-related offensive of Irish governments against public sector unions over the period 2009-2014. In that chapter, I focused on the public sector strike in 2009 and strikes in health and education in 2013 and 2014. I started off by explaining the sequence of events that led to protest encompassing all activities within the Irish public sector in 2009. However, workplace-related protest subsided afterwards and resurfaced only in the specific areas of healthcare and education in 2013 and 2014. In a similar fashion to Denmark, the Irish state provoked conflict by dismantling existing agreements with public sector unions and by excluding them from policymaking. Nevertheless, in later stages of austerity it used its sovereign power only as a threat to force unions back into concessionary agreements. Labor unrest resurfaced in 2013 and 2014, but only about issues other than wages and only in areas where workers had a strong marketplace position: in health and education. In this sense, the chapter on Ireland also showed how the marketplace and the sovereign power argument works in conjunction.

So far I have summarized the findings of the dissertation on the causes that led to the eruption of labor unrest. But what happens during the conflict itself and what determines its outcomes? The common denominator of the analyzed events is that after the conflict had started, the economic logic receded into the background even in the healthcare cases where the sources of conflict were marketplace-based. In fiscal terms, governments can only win a strike in the public sector. Therefore, apart from minimizing the economic costs for themselves, protest organizers have to maximize political costs for the government through gathering supportive attention from the public.

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Discursive power turned out to be the most crucial factor in determining outcomes. Protest organizers were the most successful when they could rely on a coherent discursive frame built around common concerns with service users and the broader public (Tattersall, 2013). In simple terms, they had to convince the public that they care about more than just their own wages or work schedule. In Hungary, the coherence and inventiveness of the messages were signs of a successful discursive strategy on the employee side. The Estonian health care strike exhibited the same features. There, organizers resorted to the strike weapon, but could find a balance between being disruptive enough to be in the spotlight without being too disruptive to provoke public outcry. In the healthcare strikes of Ireland (1999) and Denmark (2008), the organizers communicated their wage demands as part of the broader agenda of equal pay for women. In Ireland this message was still fresh as of 1999, but in the Danish case it had lost traction among the public by 2008.

At the same time, the cases of the Danish school lockout and the Irish austerity-related protests give evidence that framing strategies around common concern are not reserved for the union side. Governments and public sector employer organizations do refer to the public interest when taking a fight against public sector unions. In Denmark, my main informant from the employer side claimed that they managed to turn the public mood by separating the issue of school quality – a topic where unions had a competence advantage - from work organization. In this fashion, employers narrowed the debate down to the single question of whether the union or the school principals should decide on work organization in schools.

The main message of the Irish case is that the larger the targeted group, the easier it is for the government to frame its own role in a conflict as the guardian of public interest. The otherwise highly unpopular Cowen government could exploit the hostile attitude of a large segment of the media – as evidenced by the detailed empirical study of Cawley (2012) on broadsheet newspapers. On the other hand, it could consciously generate a discursive space in which public sector workers had received

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unfair advances in good times so that they had to take the pain and share the burden of austerity in bad times.

Public sector unions could not challenge this view by uniting in a proactive agenda that would also have extended to broader issues of public concern. When protest moved to the level of activities (health and education), it was easier for professional groups to present their cases as linked to the concerns of the general public about a good school or a well-functioning health system. However, even at the level of activities there were differences: junior doctors gained more support from the public than secondary teachers.

In the case studies summarized above I focused on positive outcomes – i.e. the eruption of conflict – and gave a detailed account on the processes leading from marketplace processes or government decisions to protest and then the resolution of conflict. However, in the chapters dealing with the Hungarian junior doctors' resignation campaign and with Irish anti-austerity protests, I also highlighted negative cases, when in the face of strong employer pressure, employee grievances did not develop into workplace-related protest. In the Hungarian case, street demonstrations of police officers, firefighters and other members of corps did not escalate into work stoppages, neither did protest of teachers (at least until 2016). In Ireland, the failure of the union side to coordinate against the government in the wake of the rejection of a second Croke Park deal in 2013 was another negative outcome that I discussed at length.

Even though a small sample, the selection of positive and negative cases (presence or absence of protest), proactive and defensive action, as well as successful events and those who failed to achieve concessions provide variation that is sufficient to tease out some generalizations that could provide the basis for possible further large-N analysis. The findings presented above suggest that marketplace power varies across different activities of the public sector, sovereign power is dependent on the

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country-level political context, while discursive power is a function of strategic decisions of trade unions and employer organizations.

First, I have identified the mechanism that connects the marketplace power of health care employees to their protest for proactive demands. This mechanism was consistent across different institutional settings, and different economic environments. Beverly Silver argues that the same link exists in education (Silver, 2003). I however found that education protests lend themselves less readily to a marketplace-based explanation.

Cross-national differences prevail in pupil enrollment numbers – which I consider to be the main proxy of consumer demand, and other aspects of marketplace power are heavily influenced by government policies as well. Finally, teachers can profit from the exit option to a much smaller extent, as education is still a type of service that is tied to national language and institutions. This does not mean that there was no protest in education, but it was more likely to have a defensive edge and a less powerful repertoire of contention. From the three main activity areas of the public sector, public administration and defense rarely featured in my analysis. Despite enjoying a long-standing and constantly high level of protection from international markets, protest in these areas is rare partly due to legal constraints but also due to the lack of marketplace sources of power.

While the marketplace power concept explains diversity across different activities and different employee groups within the public sector, sovereign power brings the country perspective in. The state's turn towards legislative unilateralism generated protest only in the two Western European cases, where governments otherwise have a track record of treating public sector unions as equal partners. This finding corresponds to one of the propositions that Hamann, Johnston and Kelly (2013b) formulated in the context of general strikes, namely that they are triggered by the exclusion of unions from the process of policy reforms. In the two Eastern European countries, the norm is the unilateral statutory management of public sector human resources, therefore it is less likely that

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government unilateralism triggers strike action from unions, which are also weaker than their counterparts in Western Europe.

Finally, when it comes to discursive power, the variation is the most prominent at the level of specific governments and representative organizations of employees. A common finding across the cases is that new employee representatives (such as the Hungarian Resident Physicians' Association) or established actors that are aware of the importance of innovative communication strategies (such as FoA in Denmark) have a higher chance of achieving their goals than actors who rally around the same narrative repeatedly (such as the union of nurses in Denmark). It also turns out that the more employee groups the protest encompasses, the more difficult it is to coordinate the messages that can reach the public and inform it about the goals of the protest in a way that creates solidarity. The failure of the Irish public sector general strike in 2009 to achieve concessions or to evolve into sustained resistance to government measures is in large part due to the lack of a convincing joint message that public sector unions could have delivered to the public.

The inverse of what I have just argued is true for governments' framing strategies. Paradoxically, the larger the target group they deal with, the easier it will be for them to win a conflict. The contrast between the resignation campaign in Hungarian health care and the Irish general public sector strike is instructive in this respect. In the Irish case, an otherwise crumbling government was able to build its offensive against public employees on a strong (or at least coherent) narrative base that public sector unions failed to counterbalance with a joint message. In Hungary, a government that was considered to have a masterful communication infrastructure apparently could not undermine the messages of a very small professional group that however successfully created a discursive environment around common concern with patients.

In the foregoing, I have summarized the findings of the empirical chapters and synthesized them by showing how the three main concepts of power in the dissertation explain variation in protest

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developments and outcomes across different public sector activities, across different countries and across different governments and unions. In the upcoming discussion I will show how these concepts of power can inform our understanding of labor's power resources in an era of neoliberalism and how they can help redefine the way we think about the role of the state in shaping labor relations. The two most often discussed dimensions of trade union power in European comparative research are organizational and institutional power (Ebbinghaus & Visser, 1999; European Commission, 2010). Organizational power derives from a large and active membership, and institutional power comes from the recognition of trade unions by other actors, such as the state and employers- to summarize the more elaborate definitions of Gumbrell-McCormick and Hyman (2013:31). Organizational power is the power to act collectively, while institutional power is the power of being invited to the table where decisions are made - let them be on wages, strategies of a firm or policies of a government.

The findings presented here suggest that a combination of marketplace power and discursive power is sufficient to compensate for the weakness of organizational and institutional power– at least in the short run. My point is not that organization or institutions do not matter in conflict developments, but rather that they are the constant elements within the dynamic story of conflict. Even the Hungarian Resident Physicians' Association had the nation-wide network through which it was able to organize its resignation campaign, despite being a small and new player on the industrial relations field. The fact that the Danish union of teachers could resist the lockout for four weeks and that Irish public sector unions were able to call a general strike were indicators of their organizational capacities. However, these factors influenced neither the type of the conflict – defensive or proactive fight – nor its final outcome - success or failure.

Hungarian junior doctors were able to lead a successful campaign because they could substitute the lack of a traditional membership base (organizational power) and a weak institutional position with a combination of marketplace power and discursive power. In a traditional strike they

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would have had much less chance, but due to their exceptional marketplace position, they could rely on the threat of mass resignation. They were also able to turn the discursive frame initially designed by the government – about saving healthcare – to their own benefit. In the rest of the healthcare cases, it was also marketplace power that shifted the attitude of healthcare unions from a no-strike policy towards militancy, but in the meantime their organizational power and institutional position remained constant. The relatively most successful cases were those in which unions had a firm but positive agenda, meaning that they caused enough disruption to be noted but had a consistent message that they are doing it for and not against patients.

It is however also important to note the limitations of what unions can achieve using their marketplace and discursive power. If we ask the question to what extent these events constituted a step in broader transformative processes of industrial relations systems and public service provision, the answer would probably be not so much. In the years following the resignation campaign in Hungary, MRSZ became a central actor in a loose alliance of employee organizations for "Honesty in Healthcare", but it could not challenge the position of established actors. The overall institutional position of unions did not change in the wake of events – possibly with the exception of the Estonian healthcare unions who managed to sign a collective agreement with the government, the long-term effects of which however remain to be seen.

I argue that the limited transformative capacity of these events can partly be explained by the fact that no sustained alliances between unions and civil society groups grew out from them. Using the terminology of the social movement unionism literature, discursive power fell short of becoming coalitional power (Gumbrell-McCormick & Hyman, 2013; Tattersall, 2013). Although in all of the cases, organizers managed to achieve some success in framing their actions around common concern with patients or with the general public, they could not build sustainable new alliances with civil society groups representing service users. The reasons for this could be manifold and would deserve further

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research. Such groups were either simply not approached by the union side, they were too small to risk taking sides openly, or just saw it as unprofessional or unethical to do so. At the extreme, service users' representatives, such as the association of Irish parents were openly hostile to the union.

While the healthcare cases demonstrated the power resources that unions can gain from the market and from discursive strategies built around common concern, the examples of employer offensive in Denmark and Ireland show the fragility of bargaining institutions and otherwise strongly organized unions in the face of legislative intervention and discursive activism of the state. The power that comes from sitting at the bargaining table evaporates once the other side decides to leave the table and to enforce changes relying on its sovereign power. Moreover, as public sector work stoppages do no fiscal harm to governments, unions' organizational capacities to call strikes or withstand lockouts are in themselves not the most relevant indicators of power in a conflict situation. Furthermore, unions do not have a monopoly over the use of discursive power resources either. Relying on pre-existing views on public sector employees and their unions, governments in the Danish and Irish case could frame conflicts as a fight against unearned privilege.

In other words, the power that labor gains from being part of institutions is always conditional upon the support of the state as a sovereign actor. Therefore, the cases of employer offensive in this dissertation can serve as strong tests for broader arguments on the transformation of the state's role in contemporary labor relations. If the state is able to terminate institutional compromises with its own employees, it has the potential to apply the same principles to the rest of the labor market too.

This dissertation documented not only a transformation of employee attitudes towards collective action but also the change in the way how governments treat their own employees. The case studies suggest that instead of retreating from labor market institutions, the state continues to shape them, but not necessarily for the benefit of employees and their trade unions. This kind of evidence is in line with those accounts of the labor studies literature that highlight the independent role that

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the state played in dismantling the labor-friendly institutional arrangements of the post-war settlement (Howell, 2005; Solinger, 2009).

This activist role has two main dimensions: first, the state takes up fights even with strongly organized employee groups and pulls out from institutionalized compromises with them – this is clearly documented in the Danish and the Irish cases of the dissertation. Second, the state increasingly deals with employees directly (e.g. through labor codes, minimum wage legislation and unilateral social policy) rather than through the mediation of trade unions (Solinger, 2009).

In the case of the Danish lockout, there was a clear shift towards the direct management of employment relations: the employer side did not only push for a revision of working time arrangements within the existing institutional framework but abolished collective bargaining on the issue altogether. The Irish case is more intricate, as the state first moved towards unilateralism but then offered concessionary collective agreements to public sector unions, which they accepted. The public sector industrial relations of the two East European countries analyzed here (Estonia and Hungary) represent high levels of state unilateralism, and in this sense they show the endpoints where increasing state activism in Western Europe might potentially lead. This dissertation concentrated on single episodes of contention, which give a glimpse of this possible scenario but in themselves give insufficient evidence on how far the process has reached.

State intervention that undermines labor's institutional position can serve as a reminder of the dangers associated with state-oriented renewal strategies of unions (Bohle, 2011; Ost, 2000). As pointed out by Dorothee Bohle, trade unions - even in the private sector - see recognition by the state as the guarantee of their survival in hard times, in her words trade unions "have increasingly become part of the state" (Bohle, 2011, p. 98). This shift in attitudes had stabilized and - according to Bohle - even enhanced the institutional position of unions, but in parallel they lost their autonomy and were able to deliver little to members in terms of material outcomes. This proposition also relates to the

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East Europe- specific argument by David Ost on illusory corporatism (Ost, 2000). Bohle concludes by pointing out that when the crisis struck, the embeddedness of trade unions in the hierarchical structures of the state prevented them from taking sustained and effective protest action against the state.

My research adds two insights to this argument: first, the treatment that public sector employees received during the crisis confirms the thesis on the lack of material benefits deriving simply from being part of the state. Public sector employees and their unions by definition have always been part of the state but this did not protect them from austerity measures after 2008. Second, especially based on the Irish experience, an argument can be made that unions lost significant discursive power resources in the wake of becoming part of the state. The main rhetorical handicap that confronted Irish public sector unions was not that they were considered special interest groups – as argued by Pepper Culpepper and Aidan Regan – but that they were seen as part of the state and therefore part of the political elite.

As I noted in the introduction, one of the motivations behind undertaking this research was to address the discrepancy in the literature between attributing wide-ranging consequences to public sector labor unrest, without thoroughly exploring its causes. Now having explored the reasons, in the following I return to the implications. To repeat, the argument about the negative effects of public sector militancy on economic competitiveness rests on the assumption that the source of this militancy is a sheltered position from markets (Garrett & Way, 1999; A. Johnston et al., 2014; Swenson, 1991).

The evidence presented in the case studies calls this assumption into question, as a large segment of new militancy in the public sector comes not from a protected position from markets but a strong position of employees on markets. The market is ready to give higher wages to workers in health- and elderly care – and to some extent in education - as demand for these labor-intensive services is increasing rapidly all across Europe. Therefore, employee protest in these areas is motivated

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by the desire to catch up with wages that market processes would anyway provide. In this sense, these actions fall in the category of the Marx-type labor unrest mentioned by Silver: they are the protest of workers in emerging new industries (Silver, 2003). Healthcare, elderly care and child care and to a lesser extent education are leading industries of the 21st century, but where wages are artificially kept low in the context of the fiscal crisis of the state. This is the main argument in the dissertation that calls into question protection-based explanations of labor protest in the public sector.

The shelteredness thesis being less firm than assumed also means that the links between public sector militancy and the loss of economic competitiveness might also deserve further scrutiny. Most importantly, the literature on international market position and labor conflicts does not fully explore the fact that the sheltered sector provides crucial inputs to the exposed sector. High quality and easily accessible education, healthcare and social care are cornerstones of competitiveness and it is difficult to produce them with underpaid staff who exit the sector to the private sector or to other countries. Sustained disruptive militancy is rarely the case in the public sector, but a more agile workforce that is able to achieve wages that are on par with the wage levels in the private sector may in the end lead to better economic performance of the entire economy.

The other consequence often attributed to public sector protest is that it deepens the image problem of trade unions as special interest groups (Culpepper & Regan 2014, Walsh, 2014). The findings of this dissertation also suggest that this is not necessarily the case, and whether public sector unions are considered special interest groups or professionals who care about their clients is a matter of conscious strategies of discourse and framing on both the union and the government side.

The first step in a successful framing strategy is therefore to acknowledge and be honest about the dilemmas that public sector employees face when calling protest action. The opening quote of this concluding chapter signals such an awareness from a British junior doctor writing about the strike action they took in the early months of 2016. His sentences can be contrasted with the ones from

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Margaret Thatcher I used in the introduction to demonstrate how the rhetoric of political elites can also exploit the disruption caused by work stoppages in the public sector. As discussed in the final section of Chapter 4, British junior doctors managed to secure the backing of the public despite calling an unprecedented all-out strike in hospitals. Additional examples of successful framing of work stoppages in health care suggest that labor protest has a place in public services all across Europe. The question is how much the success of these protests can contribute to the change in the overall discursive environment in European political economies and prove that there is an alternative to austerity.

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2. Estonian Union of Healthcare Professionals, Tallinn, May 13, 2014
3. Estonian Medical Association, May 14, 2014
4. Estonia's Chief Reconciliator, May 14, 2014
5. Former head of the Estonian Health Insurance Fund, Tartu, May 15, 2014
6. Ministry for Education and Science, Tallinn, May 16, 2014
7. Praxis Institute, Tallinn, May 16, 2014
8. Irish National Teachers' Organization - Dublin, December 15, 2014
9. National Economic and Social Council - Dublin, December 15, 2014
10. Services, Industrial, Professional and Technical Union, health care section – Dublin, December 16, 2014
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15. Hungarian Resident Physicians' Association, Budapest, June 10, 2015
16. Union of Teachers, Hungary. Budapest, June 17, 2015
17. Democratic Union of Teachers, Hungary. Budapest, August 26, 2015
18. FoA - Danish Union of Public Employees. Copenhagen, October 22, 2015
19. Danish Union of Teachers, Copenhagen, October 22, 2015
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