Searching for Alternative Economic Futures: New roles for firms, unions and institutions?

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Searching for new templates for growth and development in a volatile world

• Unending series of fugitive successes: Netherlands, Ireland, Finland, Denmark, Sweden and Germany

• Search for templates is like solving a huge system of equatations with an even larger number of variables by iteration, but in which political and economic conjunctures suddenly destroy any approximation to a solution

• Advanced and seemingly successfull adaptation may be only fast progress along a blind alley.

• The need for continuous institutional experimentation at many levels of society and the search for constructing temporary dynamic complementarities (or chains of enablers).

• Is Denmark an example?
Co-evolution of Volatility and new chains of enablers in Denmark 1980-2005

- **The Business environment:** From Volatile markets to Volatile environments of global corporations that frequently make shifts in performance criteria.

- **Identity of Firms:** From flexible customerized production to advanced business models combining products and services, constituting new SMNCs within MNCs.

- **Work organization:** From reintegration of planning and execution in highly advanced jobs to elaborated team communities that recombine between cost-effective production, finding innovative solutions and doing continuous improvement according to shifting performance criteria (operative, innovative ad hoc and continuous improvement teams).
The Autonomy of Danish Employees

Do you apply your own ideas at work?

"Often"       "Now and then"
1985:  34%       21%
2000:  69%       20%
Co-evolution of Volatility and new chains of enablers in Denmark 1980-2005 (2)

- **Vocational training institutions**: From primarily supporting the rival upgrading of skills among male craft and specialized workers to the universal upgrading of skills for also women, unemployed and low-skilled (Active labour market policy of the 1990s). Regional Labour Market Councils and tailored transformative paths (The job-bank in Fünen; cultivating team-leaders in South-Jutland; Manning the labour market by industrial operators in West-Sealand)

- **The Welfare State**: From social insurance to individualized social service provision that capacitates individuals to explore the new forms of work organization, new forms of transformative careers and forms of family life (example: the activation contract for unemployed under the active labour market policy).
Co-evolution of Volatility and new chains of enablers in Denmark 1980-2005 (3)

- **Unions:** From centralized distributive bargaining to local-co-entrepreneurship and integrative bargaining, where *local shop stewards and convenors*
  - Co-strategize for mandates within the larger corporation,
  - Police opportunistic sub-optimizing among middle managers,
  - Negotiate terms for workers’ shifting roles in team-communities,
  - Participate in the simultaneous change of work and local labour-markets by co-designing institutions for local transformations in work-organization.

- Unions at the top without a vision for its new role as enablers for the new roles of shop-stewards and convenors.
From experimental search to restoration 2000-

- Co-transformations only visible to the field and field-researchers, but ignored by politicians and peak interest organizations.
- Our attempt to re-vitalize unions in 2003 and the restoration of distributive bargaining within unions, leaving the co-entrepreneurial challenges of shop stewards and convenors unattended.
- The liberal-conservative government celebrating the now famous Danish flexicurity by preparing reforms that would destroy the Regional Labour Market Councils, the economy of vocational training institutions, individualized service provision, etc.
- Post financial crisis austerity under a Socialdemocratic-centre government has lead to destruction in social service levels, standardization and deep dependence of playing the macro-economic policies according to the scripts of the financial community.
- A general consciousness built on top of neo-liberalist imagination.
Lacunas of Hope

• Danish firms engaged in
  – Search for sustainable development (energy saving and alternative sources, smart production through enzymes, effective catalytic cracking) based on skill intensive new forms of work-organization
  – Co-development with emerging economies (Novo, Grundfos, Danfoss) based on the recombinant possibilities of their organizations
  – Search for new ways of collaborating across subsidiaries in different countries

• Local communities
  – Continuing and advancing the institutional experimentation of the 1990s by engaging institutions in direct international cooperation and recruitment of immigrant students.
  – Cities engaged in collaborative rivalry of finding new ways of organizing private and work-life, ways of dealing with environmental challenges and paving the way for being attractive poles for recruiting smart people.
The need for reflective governance in institutional experimentation

- What was missing in the experimental search in Denmark 1990-2000?
- The need for organizing recursive learning (or Experimental Governance) in
  - Regulatory design
  - Public organizations
  - How to build institutional complementarities
  - Unions and employers’ associations
  - Labour market transformations
  - Multinational product- and service suppliers
- From conventional and critical social science to a new diagnostic social science, based on comparative understanding of national differences in socio-economic experimentation that search for root-causes in successes and failures.