

a selected chapter from

**THE ART OF ASSOCIATION:
Essay on a Trade Union Perspective for the Nonprofit Sector**

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**CHAPTER 3: AN ACTIVE ROLE FOR THE TRADE UNIONS:
INNOVATIVE PATHS**

1. Trade union exchange networks
2. Trade union financing for the third sector
3. Redefining the unions' role in post-industrial society
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5. Excursus: A brief history of wage earners' investment funds

REFERENCES

On the basis of a critical analysis of the more recent developments of the third sector, in this chapter we would like to explore two ways in which the trade unions could contribute to improving the essential aspects of third sector development: the question of the organisation of time and labour, and the problem of the financing of activities of a societal nature.

Not only interesting experiences have developed with regard to the third sector and its prospects, some of which have seen the trade unions involved. But there has also developed a supporting literature, which besides attempting to interpret it and explain it (we gave a brief look at this in Chapter 1), has also tried to suggest ways and means of realisation¹, especially in two main directions:

- how to provide a suitable institutional context, in the form of the

¹It goes without saying that this vast discussion on the third sector will be influenced by the logic and organisation that have been used in the analysis and interpretation stages.

insertion of the third sector (following its more precise institutional definition) in the juridical and operative orders of the various national contexts;

- how to deal with the conditions of its functioning, and in particular with the modalities of its financing, with reference to the many financial instruments which today exist for any economic activity, or which could be created, and in consideration of the peculiar characteristics of the third sector.

It is not our intention to attempt to sum up and discuss this literature, which is now very developed. Since nevertheless we intend to underline in a specific way the possible role of the trade union organisations in the development of the third sector, and since this vision of the specific role of the trade unions derives to a large extent from a sort of interpretation of the significance and role which the third sector has in the transformation of contemporary society (which was rapidly discussed in the last paragraph of Chapter 1), we think it is necessary to anticipate the indications concerning some possible developments of trade-union action² some considerations recalling the interpretative background and the reading of the transformations underway on which the said "new" role of the trade union has been founded.

The two directions in which according to the authors the role of the trade unions could develop in the strengthening and expansion of the third sector, are:

- that of the development of informal exchange networks of services; and
- that of a financial organisation of support for the development of a trade-union self-management of the services themselves.

Therefore in this chapter the essential outlines will be presented of two proposals in the above-mentioned directions, in the hope that they may generate a productive debate.

Nevertheless both the proposals will be, in this chapter, anticipated by a brief reference to some structural and conceptual foundations, which constitute the background itself of the proposals.

Trade-union informal exchange networks

Transformations in the relations between employment, income and labour market

As is known, the de-industrialisation of contemporary society is causing a

²In line with the renewed interest, which we have rapidly documented in Chapter 2.

reduction of the mercantile area of exchange to the benefit of the growth of a non-mercantile area³. This has an important effect on the working and exchange relations. One of the most important economic aspects of the third sector concerns in fact the link between monetary income and employment. The area in which employment is nourished by the labour market is diminishing. This constitutes one of the factors of growth of the third sector. It in fact represents the expansion of services demanded socially which are ensured only with difficulty by the growth of entrepreneurialship aimed at profit. The state (welfare state) on the other hand, which has been entrusted with the provision of such services in a nonprofit logic, is burdened by the overload deriving from the growing importance of the demand for these services, and therefore or provides them in a poor or shoddy way, or does not provide them at all. Thus is born, "do-it-yourself"⁴, the self-management of those who satisfy their needs without private enterprise or state: the third sector, authentically understood.

Thus identified and structured, the third sector has some undoubted consequences on the forms of employment and on the forms of monetary exchange. In reality the organisation of the exchange within the "self-managed" sector (the third sector) may occur using monetary means of exchange or not, and forms of labour for wages or not; in all cases it is different from the normal exchange on the market (of goods and labour).

Since the third sector (whose structural birth and development and nature we have summarised) does not live in an autonomous cosmos, but interacts with the outside represented by the for-profit market sector and the state sector, not unlike the other two sectors *it may operate in the market*, acquiring productive factors on the market (with purchasing prices or wages for labour). But albeit moving in the market, *but not for the market*, it will try as much as possible to exchange goods and labour without the entrepreneur's markup of profit (without the marxist plus-value).

The possibility is created thus of realising a circulation without profit (with the use or not of currency) and an exchange of goods and services in a preferential circuit, that which the traditional market and now a large part of the labour supply are abandoning.

The development of the third sector in fact allows a participation in the

³This is exactly the inverse movement that in Western economic history has accompanied the process of industrialisation, and which has been so efficaciously described by Karl Polanyi (1944).

⁴Toffler has called this new social and operative reality pro-consumerism, and its protagonists procons, which unite in one person the functions of producer and consumer. The "market" in the traditional sense of the word disappears here.

labour market that is more flexible to preferences and the aptitudes of the labour supply, which - having satisfied in many ways the essential needs of life, or satisfying them with a increasingly lower share of both individual and household incomes - may afford to ask for work only for favoured jobs and refuse those which are not favoured. The traditional labour market, on which the trade unions have amongst other things developed their numerical growth and specialisation, is reducing its area of presence and influence.

And if the trade unions do not equip themselves for following the transformations (and for our point of view for provoking them, and "institutionalising" them) they risk seeing reduced - together with the traditional "labour market - their influence and their *raison d'être*. As children of the *industrialisation* process, they do not demonstrate themselves capable of adaptation and reconversion to the process of de-industrialisation. They thus risk being reduced to becoming the trade unions only of the former workers of the former labour market, i.e. of the retired.

The growth of opportunities for activities (with the connected integrated labour demand-supply, offers - as has been said - also the opportunity to acquire non-monetary (therefore invisible or intangible) income which however has the effect of diminishing the need for monetary income, and therefore the supply of wage-making jobs. This effect of reduction of the demand for monetary income produces in fact a slowing-down of the real supply of work in the monetary (official) labour market itself: and above all a slowing-down of full-time work, corresponding in practice to the average of the formal working-hours, annual, weekly or daily. Such a slowing-down is still stronger if we consider certain segments of the official labour-market: for example, young people, women and the elderly. This phenomenon however is not reflected in the official statistics of the labour market and employment, and above all it does not get transferred to that of unemployment, since this preference for work at no charge or unremunerated is taken into consideration neither by surveys on employment, nor by the lists of employment agencies.

Because the virtual reduction of supply of labour is expressed primarily in a reduced availability for full-time work, or a greater supply of part-time work, this phenomenon does not appear in the official statistics which continue to register an indifferiated and unsatisfied supply of work, when in reality this supply is very differentiated and very much conditioned: as is manifestly evident when concrete job opportunities, made available to those signed-up on predetermined lists, are subsequently abandoned by the same people in the face of the real conditions of the

work itself⁵.

In order to correctly evaluate the phenomenon we are talking about it would be necessary therefore to heavily correct the meaning of employment and unemployment statistics⁶. Associative economy implies a non-remunerated occupation (monetarily speaking) which diminishes the worth of a demand for a remunerated employment. A non-active person could be - with the development of associative economy - a person who is in reality only partially inactive, because employed in an informal manner, but not as a result of this any less productive or less remunerative (from a non-formal point of view).

In this regard it appears pertinent, even if not exhaustive, to use the definition "informal economy" to designate associative economy. In this age of post-industrial society in which an informal economy (informal because not formally perceptible in official systems of accounting of production and employment) develops rapidly, the formal value of employment (and of non-employment or of unemployment) is not the same as it was in the age in which society was becoming industrialised, in which informal (non monetary) economy tended to disappear and in which the exchange of goods and services, and therefore also of employment, tended to be monetarised. Until associative employment (including that which is not remunerated monetarily), is also taken into account in employment and unemployment statistics, the worth of employment (and of unemployment) of today will be very different from that of the age of industrialisation: according to our personal estimation its worth should be roughly halved⁷.

And as long as associative employment is not also accounted, the employment-effect of the increment in the associative sector will be - as other things belonging to the change in post-industrial society - buried, or hidden or simply distorted.

This is therefore, the context in which some manifestations of "informal exchange networks" of activities and labour, in which the trade union that becomes aware of the structural changes of contemporary society, may be able to assume a dominant if not hegemonic role.

⁵The changes in the behaviour of the employment market, above all on the part of the supply, in post-industrial society, have been the subject of a very vast literature, also projected towards the exploration of the envisageable future. Among many works, we would like to single out Gershuny (1978), Gershuny and Miles (1983), the essays collected by Henry (1980), and a rich bibliography in South (1980).

⁶On the fallacy of unemployment statistics, the reader is referred to the works of Guttmann (1978 and 1979), Clarkson and Meiners (1977), Foudi et al. (1982).

⁷Further considerations may be found in the lucid essay by W. Leontief (1982), and the work in cooperation with Faye Duchin on the "social impact of new technologies" (Leontief and Duchin, 1986).

