

Transfer: European Review of Labour and Research

<http://trs.sagepub.com/>

Trade unions and local development networks

Colin Crouch

Transfer: European Review of Labour and Research 2007 13: 211

DOI: 10.1177/102425890701300205

The online version of this article can be found at:

<http://trs.sagepub.com/content/13/2/211>

Published by:



<http://www.sagepublications.com>

On behalf of:

etui.

European Trade Union Institute

Additional services and information for *Transfer: European Review of Labour and Research* can be found at:

Email Alerts: <http://trs.sagepub.com/cgi/alerts>

Subscriptions: <http://trs.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

Citations: <http://trs.sagepub.com/content/13/2/211.refs.html>

>> [Version of Record](#) - May 1, 2007

[What is This?](#)

Trade unions and local development networks

Colin Crouch*

E

Summary

Local economic development is becoming an increasingly important policy arena as governments lose many of their former capacities for economic intervention. Governments can act to promote the competitiveness of firms by improving the 'collective competition goods' that are available to firms. An important class of such goods operate at the local level. Examples include improving local infrastructure and policies for 'place branding'. Unions are often left out of the key groups that formulate policies of this kind, but as this becomes a field of importance to workers, and where economic and social policy come together, unions have a major contribution to make. However, it is difficult for unions to make a significant contribution because of their past record of marginalisation and the difficulty they may have in acquiring competence in this area. The importance of the social issues involved and the democratic deficit of many of the arrangements for managing major urban agglomerations make it urgent that unions grasp this challenge.



F

Sommaire

Les développements économiques locaux deviennent une arène politique de plus en plus importante à mesure que les gouvernements perdent une bonne part de leur anciennes capacités d'interventionnisme économique. Les gouvernements peuvent agir pour promouvoir la compétitivité des entreprises en améliorant «les services fournis par la collectivité au service de la compétition collective des entreprises» accessibles aux entreprises. Une part importante de ces services fonctionne au niveau local. Dans l'article, des exemples de ces services illustrent l'amélioration de l'infrastructure et des politiques locales de place branding (image de marque des localités). Les syndicats sont souvent exclus des groupes clés qui formulent des politiques de ce type, mais comme le développement local devient un domaine important pour les travailleurs, où politique économique et sociale sont étroitement liées, les

* Professor of governance and public management, University of Warwick Business School

syndicats devraient jouer un rôle important sur ce plan. Il est néanmoins difficile pour les syndicats d'y apporter une contribution importante en raison de leur passé de marginalisation et la difficulté qu'ils peuvent avoir à acquérir des compétences dans ce domaine. L'importance des questions sociales impliquées et le déficit démocratique d'un grand nombre des modalités de gestion de grandes agglomérations urbaines rendent urgent un relèvement de ce défi par les syndicats.



Zusammenfassung

Die lokale Wirtschaftsentwicklung entwickelt sich zu einem zunehmend wichtigen politischen Schauplatz, da die Regierungen viele der Interventionsmöglichkeiten, die sie früher im Wirtschaftsbereich hatten, verloren haben. Sie können die Wettbewerbsfähigkeit der Unternehmen aktiv fördern, indem sie die „kollektiven Wettbewerbsgüter“ verbessern, die den Unternehmen zur Verfügung stehen. Eine wichtige Gruppe dieser Güter ist auf der lokalen Ebene angesiedelt, z. B. die Verbesserung der lokalen Infrastruktur und „Place Branding“-Strategien. Die Gewerkschaften werden bei der Erarbeitung solcher Strategien meist nicht beteiligt, obgleich sie zu diesem Bereich, der auch für Arbeitnehmer an Bedeutung gewinnt und wirtschafts- und sozialpolitische Aspekte miteinander verknüpft, einen wesentlichen Beitrag zu leisten haben. Für die Gewerkschaften ist es jedoch schwierig, einen bedeutenden Beitrag zu leisten, einerseits weil sie in der Vergangenheit marginalisiert worden sind und andererseits weil sie möglicherweise Schwierigkeiten haben, Zuständigkeiten in diesem Bereich zu erlangen. Angesichts der großen Bedeutung der damit verbundenen sozialen Fragen und des demokratischen Defizits bei vielen Maßnahmen zur Planung in großen Ballungsgebieten ist es dringend notwendig, dass die Gewerkschaften diese Herausforderung aufgreifen.



Keywords: local collective competition goods, local development, agglomerations, democratic deficit

Introduction

In the 'post-neoliberal' epoch which we may now be entering, local economic development becomes an increasingly important policy arena. If unions are to establish a strong place in the new epoch, it is essential that they play a major role in this arena.

By ‘post-neoliberal’ I refer to the fact that the move towards more and more marketisation that was the hallmark of the neoliberal pressures of the 1980s and 1990s has given way to something more subtle. There is certainly no return to the combination of Keynesian demand management and policies for the protection of national economies that marked the previous period. As is implied in any concept of ‘post-’, the conditions of the earlier period do not go away: they remain in place, as for example much of the legislation hostile to unions passed during the high tide of neoliberalism remains in force. Indeed, new items of such legislation may even continue to arrive, as ideological fashions rarely end abruptly. It is also highly unlikely that there will be any reversal of acceptance of the globalisation of markets and production and free capital movements, or any return to protectionism or state subsidy of key industries in order to safeguard employment. However, this does not mean that governments are just lying down in impotence in the face of global pressures – even though they often give the impression that this is how they expect workers to behave, accepting a deterioration of labour standards as an ‘inevitable’ response to globalisation.

Governments remain responsible to national electorates, whose interests (unless they emigrate) are tied to their national economies. Governments and their voters – also small and medium-sized enterprises – cannot join large-scale capital in moving around the world. Therefore, and irrespective of their political ideologies, they have to seek means of boosting their national economies. They cannot simply say ‘let market forces work’: governments that do that, while some of their competitors are looking actively for means to act positively on their economies in ways that do not break the rules of the international market economy and trading system, will simply lose out. A number of measures for aiding competitive performance without using either subsidies or protectionism are now clearly in evidence around the world. In this article I shall concentrate on just one group of these: those for advancing and upgrading the capacities of local economies. This is an area of policy-making where governments, firms and various agencies have to work together: there can be neither market forces alone nor government action alone. It is an ideal area for public partnership, and hence an ideal field for union action. However, unions often find themselves marginalised in it, or excluded altogether.

Local collective competition goods

Policies for economic upgrading that require neither subsidies nor protection have long been an element of the public policy scene, but they acquire particular importance in the post-neoliberal world. We can understand this whole class of policies through the idea of ‘collective competition goods’ (Crouch 2006; Crouch and Trigilia 2001). Competition goods in general are any material items, facilities, services, etc that a firm uses to improve its competitive performance. Examples are improved design, better marketing networks, improved logistical services and new training programmes for staff. These might be generated in-house or purchased from external consultants. But it is also possible for competition goods to be furnished, not at the level of the individual firm, but for whole groups of them, through various forms of collective action; and to be provided,

not through the market, but through various uncosted means of transfer. The simplest example is when governments make available, either free of charge or at highly subsidised costs, advice on such things as how to access certain export markets. Often, therefore, the collectivity involved is a public (governmental) one that makes facilities available to certain categories of firm. However, sometimes it might be a business association providing services for its members. When competition goods are provided in this way, we may speak of 'collective competition goods'.

Although not purchased in the market as such, these goods are not really free of charge to their users. Governments might impose some charges; business associations will charge a membership fee, even if they then provide services free to members. However, there are likely to be economies of scale in such provision. Also, if the facilities concerned are seen as likely to aid competitiveness, there are likely to be cross-subsidies involved in their provision.

For example, either governments or trade associations might provide and subsidise training schemes to improve the quality of labour (Crouch *et al.* 1999; Brown *et al.* 2001). Governments regularly provide firms with advice on, for example, how to meet new international pollution standards. Associations provide firms with advice on personnel practices. More simply, such infrastructure as transport networks can be seen as collective competition goods to the extent that they provide general, collective support that assists the competitiveness of firms which make use of them. It is in these fields that governments, and associations of firms, are able to act if they want to boost economic performance without breaking trade rules. As the scope for tariffs and protective measures declines, so governments and other collective actors search more intensively and creatively for approaches of these kinds.

Local collective competition goods

Collective competition goods can be provided at a number of levels, including those of cities and regions, and not only at that of nation states. These are what we call 'local collective competition goods' (Crouch and Trigilia 2001): measures that aid the competitiveness of firms in a particular area, sometimes concentrating on a particular sector if a sector has strong associations with the territory. Well-known examples are the policies developed by regional and city governments in Emilia-Romagna and other parts of central Italy to support the specialised production of industrial districts (Beccatini 2000; Burroni and Trigilia 2001) through the provision of design, marketing and other services. These are usually targeted at SMEs who cannot afford to make such provision for themselves. There are also private, even informal, examples, such as the way in which the concentration of information technology firms in the area that has come to be known as Silicon Valley in California has set up a reinforcing spiral of developments that supports and advances the sector in the region (Kenney 2000; Saxenian 1994). The more that the area acquired a reputation for high performance in IT, the more IT firms wanted to locate there. As a result, specialised ancillary services – such as distinctive legal services

and venture capital – became particularly well advanced; and, as a result, more firms wanted to locate there, advancing the spiral further.

Silicon Valley originated without much actual policy planning – apart from decisions made now long ago by the US Department of Defense to locate a good deal of its research in the region. But over time it has become self-conscious, and various public and associational agencies now work deliberately to promote continued growth. And both public authorities and groups of firms all over the world wonder what they need do to establish something similar in their region. What can we do, they ask, as a matter of public policy, to assist firms in certain sectors located in our area, to perform better? They are seeking for local collective competition goods.

Once a dynamic, specialised local economy becomes established, it typically starts to generate local collective competition goods of a form that cannot be costed or charged for at all, except to the extent that rising property values might represent the gains to firms locating in the area. This refers to the generation of ‘tacit knowledge’ that flourishes wherever people are gathered together on creative and innovative tasks. Designers, skilled workers and others in the sector(s) concerned meet frequently within the locality, even socially, and perhaps without even knowing that they do so exchange ideas about their work. This can be important in a wide variety of industries, but particularly in those where innovation is important. It is this feature that brings together the otherwise oddly assorted group of sectors that dominates discussion of this phenomenon: for example, the fashion industries of Italy, the pharmaceuticals and information technology industries of California (Triglia 2004). It is for this reason that policy-makers seeking to improve economic competitiveness arrive at the local and sectoral level, because it is here that these dynamics are at work.

A special type of such policies that is becoming increasingly important is ‘place branding’, or ‘place marketing’ (Torisu 2006). This is when local government, firms and various business associations promote the reputation of a city or region for certain kinds of business activity and products. This is directed partly at customers: trying to follow where such famous place-product associations as Champagne and Edam (and many other wine and cheese labels), Parma ham, Scotch whisky, and Sheffield and Solingen steel first led. Sometimes (as with wine and cheese) local collective competition goods include quasi-public, or at least collective, institutions that guarantee the standards of the products of local producers, to ensure that no-one spoils the locality’s reputation.

But place branding is also directed at firms within the targeted industries, who are encouraged to locate in an area because it acquires a reputation for its performance in certain types of activity. Firms in the sectors concerned know that if they locate in one of these famous branded areas they will find an infrastructure of appropriate facilities, workers, accountants, lawyers, suppliers and others with a good understanding of the sector, and those flows of tacit knowledge that exist wherever there are concentrations of people and firms, and associated research institutes and universities are specialising to high standards.

Finally, place branding may also be directed at skilled workers, who can be attracted to live and work in such areas, as they know that they will have a good range of choice of jobs in high-quality firms without frequently moving house, as well as the chance to get to know well potential employing firms, and to become known to the managers of those firms. This can be particularly important at a time of declining job security, when workers know that loss of their current position may mean a long and anxious search for a new job and probably a need to relocate themselves.

These place-branding policies can amount to little more than the generation of slogans, icons and other image-creation activity. But at other times they are serious exercises in trying to pursue public policies in such areas as transport, environmental quality and labour skills, where collective provision can enhance the competitive capacities of firms in the sectors concerned.

Before we conclude this review of the role of local collective competition goods in local development, it is important to issue two warnings, one general the other specific. The general warning is that the stress on specialisation in this argument should not be interpreted as encouraging cities and localities to place all their eggs in the one basket of a single industry. As many of the Italian industrial districts are learning, and as mono-sectoral cities like the former steel towns have already learned (Crouch *et al.* 2004: Part II), dependence on a single set of activities is unwise in an economy that changes very rapidly at a global level. The most successful cases today are cities that contain within them *a number of specialisms*. This is by no means the same as having no specialisms at all; cities that are just general agglomerations of economic activities are unlikely to feature such collective goods as tacit knowledge flows. This conclusion, however, raises a further potential problem: only large cities are likely to have high-quality specialisms in a range of industries, and large cities bring in their train a number of social and environmental problems, as will be discussed below.

The specific warning is that cities must be willing to entertain a range of futures, and even though there must often be radical change from past practices, it is unlikely that a city can suddenly become successful at a totally new activity. At present there is a particular danger that too many regions believe that they can be the 'next Silicon Valley', or at least excel in advanced sciences. The large number of areas designated as 'science parks' that have become little more than hosts to warehousing activities is testimony to the difficulty of entering these sectors.

To return to the central point, strategies for discovering and developing appropriate industries and establishing their associated local collective competition goods are important for the response of localities to globalisation – they constitute the so-called 'glocal' level (Baumann 1998; Robertson 1995). There is a paradox here that has by now become widely understood: globalisation does not, as is sometimes thought, lead to every place becoming more or less the same as competitive pressures wear away all local peculiarities in favour of some 'one best way'. Rather, intelligent local policy-makers seek distinct characteristics that will give them niche markets in the competition for international

investment, just as firms seek product differentiation characteristics that enable them to appeal to particular types of customer, with whom they build up loyalties.

Talking like this implies that localities – city, regions, districts – have the same kind of capacity to take action as do firms. This is not necessarily or obviously the case. If a place remains nothing more than a name and lines on a map, it is not capable of any action at all. Place only becomes a policy actor when it is represented by human agency. Who are the human agents in all these activities of developing the capacities of places, providing local collective competition goods, developing place brands? It is nearly always the case that there has to be some forum that brings together governments at various levels and other public agencies responsible for the territory, together with business associations and individual firms involved in the relevant sectors within it. These often become formally constituted as local economic development associations, though behind these, and sometimes more important than the formal bodies themselves, will be the informal networks of key actors who develop the ideas and policies that will characterise the area's overall strategy.

The importance of union involvement

It is fundamentally important that unions are involved in these initiatives, not just at the formal level, but also in the networks that link public policy-makers with the dominant firms. This is the case for at least four reasons.

Implications for local workers

First, many of the initiatives have important implications for local workers. Is an area likely to find its competitive niches in low labour standards and low demands made on firms for their contribution to the local society and its environment? Or will it try to aim for those sectors that seek out high-quality environments, providing high skills and therefore strong labour market positions for its workforces? Will firms be encouraged to locate in the city or region concerned because they find workers that are fully flexible because they have no choice but to submit to whatever management decrees? Or because they will find a labour market where flexibility is possible as a result of a high level of provision of basic security to workers? Are firms attracted to an area through the offer of tax holidays and the relaxation of labour laws and denial of workers' rights? Or through the provision of good public infrastructure and good training and education standards for workers?

Many of the answers to these questions can often be found only at national policy levels, but there is often scope for local variation; even if there is not, the way in which national policy enters the calculations of decision-makers at local level is itself an important issue of local economic development. An example of special concern to unions will be the local employment content of new development initiatives. Many local development plans seek to attract high-tech or high-skilled activities of various kinds. The most attractive jobs in these firms have two relevant characteristics: they are few

in number (these usually being capital-intensive sectors); and they are recruited internationally rather than locally. While this provides no reason to oppose attempts to get such firms to locate in an area, it is a warning that they are unlikely to provide the answer to local employment problems. On the other hand, unions will want to propose alternatives to the strategy often followed in poorer countries of offering inwardly investing firms special havens exempt from unions, labour standards and taxation that would make a contribution to local infrastructure.

Unions as key forces in development

Secondly, unions need to be involved in this kind of activity if they are to be counted among the key forces of economic development in the new epoch. Unions had a clear, if difficult, role in the earlier decades of industrialisation, when they were fighting for the rights of ordinary working people for representation, a task which extended from immediate representation in the workplace to struggles for general social policies to counter the insecurities of working people's lives. In the broadly Keynesian period of welfare state development that followed, mainly after World War II, unions in most western European countries found an accepted and important role in collective bargaining, national economic management, and sometimes the administration of social policy. The neoliberal turn has threatened all these activities, though in different ways and to very different extents in different countries. If we are now emerging from that period into one in which the limits of free markets are more widely recognised, it is important for unions to find new roles and points of influence that suit the changing context. To some extent this will mean a return to vigour of traditional bargaining and other activities that were weakened under neoliberalism, but even more important will be finding new spaces. As the structure of the capitalist economy changes, so unions' responses to it have to change.

I am not claiming here that engagement in local economic development constitutes the only or even the main form to be taken by these new spaces; but it is certainly an important one. Unions can act effectively wherever it is clear that market forces by themselves cannot solve all problems, or themselves become the problem. Reforming and establishing local collective competition goods is one such issue, as the provision of collective goods starts by definition where the market stops. And unions must acquire the capacity to act where issues affecting labour and employment are concerned, as that is their core business, and because, as we have seen here, different local development strategies can have very diverse implications for workers.

Social aspects of development

Thirdly, local economic development is not simply a matter of attracting investment to an area: it raises social issues in which the business interests that dominate local development coalitions are neither expert nor particularly interested. Unions, as agencies that have one foot firmly planted in the economy but another in wider social issues, are potentially very well located to play a leading role in local economic development,

especially where this involves collective competition goods. Here unions will often usefully reinforce the concerns of local government itself.

It is necessary to draw particular attention to two, very different but both problematic, kinds of local area: those where growth is proceeding very well, but often at the expense of a deteriorating environment; and those being left behind by the growth process. There is an increasing tendency for growth, especially of the high-tech, high-skilled activities in which almost every area wants to share, to become concentrated in a relatively small number of cities – in Europe, mainly capital cities (OECD 2006). Although, or rather because, the activities of highly advanced manufacturing and up-market services have far more choice in their location than traditional manufacturing and the extractive industries, they tend to choose the same kinds of locations: large cities with extensive recruitment pools of labour, but with attractive working environments where the globally recruited elite parts of their workforces will be happy to work. These are frequently national or at least regional capitals with rich cultural and general public infrastructures. These cities therefore grow larger, but there are difficulties in sustaining attractive environments in large urban structures where congestion and poor quality public spaces are likely to develop.

The potential contradictions in these twin goals of attractive environment and large city size are often being bridged by a menacing development: intensified social segregation. Managers, professionals and the most highly paid workers concentrate in parts of cities and suburbs with fine environments and good services, often protected by private security arrangements from other residents of the city. The poorer residents often live in run-down areas with deteriorating infrastructures and poor public services. In many parts of the world this is producing dangerous and incipiently or actually violent social situations. Business interests are unlikely to raise these issues as problems within urban development bodies; their managers are more likely to respond by retreating into gated communities. It will often be left to union representatives to draw attention to the importance of good, public and generally available environments.

Cities in decline may easily enter a spiral where economic collapse produces a deteriorating environment, which then perpetuates the decline by discouraging firms from locating in the city. Such locations run a serious risk of attracting only those ‘bottom-feeding’ economic activities that deliberately seek low costs in everything – labour, infrastructure, locality – in order to compete on price alone. It is clearly in the interests of local unions to prevent cities becoming trapped in this kind of spiral, as once it becomes established it can be very difficult to shift, and generations of workers are doomed to poor jobs, wages, and environments – or to emigration.

The democratic deficit of the new urban economy

Finally, it is very often the case that the large new urban agglomerations where growth is taking place do not correspond to local government boundaries, even though there are general governance issues that affect the agglomeration as a whole (OECD 2006,

ch. 3). Transport networks are an obvious, but by no means the only, example. It is often not possible to adjust local government boundaries so that they correspond to economic reality. Sometimes this would create levels of local government that would become remote from citizens. Sometimes the geographical shape of economic activity changes too quickly to allow local government boundaries to adapt to it. At other times the economic reality cuts across a number of local government territories in an awkward and complex way. In a few interesting cases – like the areas of Denmark and Sweden on either side of the Öresund, or the Vienna-Bratislava urban region – urban agglomerations cross the boundaries of nation states.

In these situations there are likely to be various ad hoc, sometimes formal, sometimes informal arrangements for managing shared issues. Examples are regional transport authorities, waste disposal facilities shared between authorities, and place-branding agencies for promotion of an economic region that crosses the boundaries of a number of local governments. These will usually involve some representation from local authorities of the region, but in ways that connect them only indirectly to their democratic bases and responsibilities. Business interests are likely to play a role, often a formal one as in regional development boards. These arrangements therefore have a considerable democratic deficit. Even the local government component is likely to be technocratic and to treat the issue concerned in isolation from related issues that touch citizens' lives. Effective and well-informed participation by unions can partly compensate for this and bring some more popular contact and influence to bear on a form of urban governance that is likely to become increasingly important.

Problems of a union role

However, all that being said, the engagement of unions in the field of local economic development is problematic and difficult, for several reasons.

The record of union exclusion

First, to the extent that policies around the 'glocal' level emerged during the 1990s, they have developed at a time of historical union weakness, so unions are not automatically found at the centre of such things as local development boards. The core players in these activities are local government and local business, either as individual firms or as associations, but increasingly as individual firms, especially large ones. Sometimes, indeed, multinational firms seize the initiative in lobbying national governments, marginalising both local authorities and smaller local businesses. There is therefore often tension, affecting relations between national or international firms and local small and medium-sized enterprises, between chambers of commerce and other formal representatives of business on the one hand and individual firms seeking to realise their own interests through policy influence on the other; between national, regional and city-level governments. Many of these participants in local development planning have

often preferred to exclude labour representatives from an already complex, conflictual and difficult situation. In several countries, organised labour was subject to considerable political and industrial attack during the 1980s and 1990s, leaving organisations seriously weakened. They cannot immediately bounce back from such a situation.

This is particularly true for those local development initiatives that began in the 1980s, for example in the United Kingdom, not as part of a ‘post’- neoliberal phase, but as a fundamental part of neoliberalism itself. Here a major aim of national governments was to bring the activities of local government under stronger influence from business interests. There was no agenda of using local development instruments to open policy participation generally to popular influence, but rather to subordinate it more effectively to corporate influence. It is therefore not surprising that the role of unions in such measures was at best marginal. Where unions are weak, as in much of central Europe, this is often the model that national and local governments are adopting.

This is not the case of all local development structures; for example, unions are fully integrated into such initiatives in the Nordic countries; and also in the more informal arrangements around local economies in Italy (Alacevich 1999). Unions need to promote these models in those countries where the British 1980s model is dominant.

There is however a danger that unions can easily achieve formal representation on local development bodies, but are excluded from the powerful informal networks that do the real business. They become ‘token’ members, unable to complain that they have been excluded, but unable to make any use of their membership. This is particularly likely to happen when unions seek, and secure, formal involvement in those 1980s structures from which they had previously been excluded: where powerful private networks have been established ‘behind the scenes’ of formal bodies, there may well be little resistance to union representatives (as well as representatives of local residents and social movement groups) joining these at a formal level, as the powerful groups know that unions will be able to penetrate no further.

The difficulty of innovation

Secondly, unions, like some trade and employer associations, may often represent existing employment sectors in an urban economy, where future growth and development will have to take place in new sectors. This has been an issue when industrial branches have gradually become uncompetitive in cities which had become highly dependent on those branches for employment for up to a century. Shipbuilding, steelmaking, coal mining, textiles, sometimes large parts of the motor industry and metalworking have all had this experience in many parts of Europe. It is very difficult for either business groups or unions tied to the existing economic structure of the area to imagine new futures, other than trying desperately to sustain the old branches. These older activities are the ones that the associations and unions themselves understand, where their members have their security and their life experience. One of the advantages offered by

inwardly investing multinationals is that they can often claim to represent a new future that local government, local unions and local business chambers and associations cannot understand.

We are emerging from that period now, as the inevitability of defeat in the project of saving bulk production in such sectors is acknowledged, though they usually continue as smaller but still important niches. Partly because of this difficult recent history, many unions formerly identified with particular branches of industry have undergone mergers and now often have broader sectoral definitions, and members, experience and expertise in a wider range of activities. Although local members may often be tied to particular industrial branches, unions are now often among the forces that can open the eyes of local actors to new possibilities and growing new sectors.

The problem of capacity

Finally, this last point draws attention to the only characteristic that will give unions an effective role in local economic development: expertise in the field. If unions clearly possess knowledge of the issues at stake, and are adept at using this knowledge, not only in expert discussions, but also in mobilising workers and the wider local public, it will be easier for them to avoid marginalisation and token representation. Can unions take a lead in proposing futures for particular locations, in arguing for particular local collective competition goods, in promoting successful place branding? In many cases this is a kind of expertise that they simply do not have.

This is true for two reasons. First, to play such a role requires investment in new kinds of expertise and officer capacity for unions, as this is not their familiar territory. Indeed, it is not clear that anyone has the appropriate expertise to tackle some of these challenges. Establishing feasible new economic futures for cities that can no longer thrive on their traditional activities is not easy: as we have seen, it is not an answer for every region in the world to declare that it will be the 'next Silicon Valley'. Given the constraints on unions' capacities, especially in a period of declining membership, they will need convincing that it is worth their while devoting resources to this activity. But if they are left out of this important policy area, working people will be left without a voice in many cities and regions.

Secondly, and with some exceptions in Germany and Italy, unions do not often have a strong research and expertise capacity at local level. Indeed, part of the history of 20th century unionism was establishing national capacities in order to avoid being trapped in the inter-district competition over wage rates that had been a problem in the late 19th century. Unions, particularly of skilled workers, had often started with local strength, and had needed to get beyond and above that. By the late 20th century, if European unions faced a challenge of the level at which they should build expert capacity, it was at that of the European Union. To turn around now and build local development competence, backing different strategies in many different places is a difficult task.

Conclusion: a difficult but necessary task

For a variety of reasons a capacity to participate in shaping local economies must be a goal for all innovative unions in the new European economy. This is a level at which policy involving social partners can make a major contribution as we move away from the over-simplifications of the neoliberal era. In many respects these are tasks highly appropriate for the traditional role and self-perception of unions: strongly concerned with successful economic activity and the advancement of workers within the labour market; intrinsically linking immediate labour and economic concerns with a wider social policy agenda; and identifying the essentially collective within economic strategy.

On the other hand, these opportunities are presented alongside major difficulties. This is a field from which unions have often been excluded; the innovative task required is difficult; and the local level is one where unions' general policy capability is weakly developed. It is unclear whether this situation presents a threat or a challenge.

References

- Alacevich, F. (ed.) (1999) *L'Agenda del lavoro: Processi in atto e problemi in discussione nel 1998*, Florence: Edizioni CUSL.
- Baumann, Z. (1998) *Globalization: the human consequences*, New York: Columbia University Press.
- Beccatini, G. (2000) *Il distretto industriale*, Turin: Rosenberg and Sellier.
- Brown, P., A. Green and H. Lauder (2001) *High Skills: Globalization, Competitiveness, and Skill Formation*, Oxford: Oxford University Press.
- Burroni, L. and C. Trigilia (2001) 'Italy: Economic development through local economies', in C. Crouch, P. Le Galès, C. Trigilia and H. Voelzkow (eds.) *Local production systems in Europe*, Oxford: Oxford University Press, 46-78.
- Crouch, C. (2006) 'Specialisation and networking in medium-sized cities', in OECD *Competitive cities in the global economy*, Paris: OECD, 317-328.
- Crouch, C. and C. Trigilia (2001) 'Conclusions: still local economies in global capitalism?', in C. Crouch, P. Le Galès, C. Trigilia and H. Voelzkow (eds.) *Local production systems in Europe*, Oxford: Oxford University Press, 212-237.
- Crouch, C., D. Finegold and M. Sako (1999) *Are skills the answer?*, Oxford: Oxford University Press.
- Crouch, C., P. Le Galès, C. Trigilia and H. Voelzkow (eds.) (2004) *Changing governance of local economies: Responses of European local production systems*, Oxford: Oxford University Press.
- Kenney, M. (ed.) (2000) *Understanding Silicon Valley: The anatomy of an entrepreneurial region*, Stanford: Stanford University Press.
- OECD (2006) *Competitive cities in the global economy*, Paris: OECD.
- Robertson, R. (1995) 'Glocalization', in M. Featherstone, S. Lash and R. Robertson *Global modernities*, London: Sage.

- Saxenian, A. (1994) *Regional advantage: Culture and competition in Silicon Valley and Route 128*, Cambridge MA: Harvard University Press.
- Torisu, E. (2006) 'Policies to enhance city attractiveness: achievements and challenges, in OECD *Competitive cities in the global economy*, Paris: OECD, 339-352.
- Trigilia, C. (2004) 'The governance of high-tech districts', in C. Crouch, P. Le Galès, C. Trigilia and H. Voelzkow (eds.) *Changing governance of local economies: Responses of European local production systems*, Oxford: Oxford University Press, 321-330.