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The perils and promises for understanding contemporary labour politics
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Power resource theory revisited—The perils and promises for understanding contemporary labour politics*

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Abstract
While their power is declining, unions and workers remain prominent actors in society. Therefore, there is a need to bring power resource theory back to the analytical forefront in the study of contemporary labour politics and labour market sociology. It provides the analytical perspectives necessary for a comprehensive and historical understanding of labour markets and labour politics. However, this article argues that the original theory developed by Korpi needs to be reassessed and further developed. Revisiting the original theory and reviewing common criticism, we argue that power resource theory should pay closer attention to how different types of power resources are mobilised and used and how actors’ interests are shaped during that process. We seek to address these issues and thus move power resource theory forward and pave the way for future theorisation.
Introduction
Following decades of employer-centred analysis in labour market studies, political sociology, and comparative political economy, it is well established that employers’ and their preferences matter. Even if companies and the capitalists who own them are not as all-powerful as proponents of employer-centred analysis argue (Hall and Soskice, 2001; Swenson, 1991, 2002), and even if their influence is mediated by state and party politics (Culpepper, 2010; Meardi, 2018), they still have substantial power and influence (Busemeyer and Thelen, 2020). However, the strong emphasis on employers has meant that unions and organised labour have been somewhat neglected, despite previously being perceived as key actors in the formation of labour market institutions, distributive policies, and welfare states development (cf. Esping-Andersen, 1985; Esping-Andersen and Korpi, 1984). The declining power of unions (Gumbrell-McCormick and Hyman, 2013) may be one explanation for the declining attention paid to them. However, another explanation may be the diminishing prestige and the lack of analytical rigorousness of the most prominent analytical apparatus for studying union influence in academia—power resource theory (Korpi, 1978). Often, power resource theory is used only as the theoretical antagonist of the argument being put forth—a strawman mentioned only to be dismissed. Additionally, empirical assessments of power resources typically use very crude indicators (like union density or collective bargaining centralisation) to measure unions’ power resources, in particular in comparative studies.

This article aims to bring power resources back into the analytical foreground in studies of work, work organisation, labour markets, and labour politics. Revisiting power resource theory, we argue that there is still a need to assess the various power resources that actors hold at various levels to understand contemporary employment relations and labour politics developments. While researchers specialising on unions within industrial relations and global labour studies still draw on power resource theory to study union influence, we claim that power resource theory has much broader applicability and should be drawn back into the study of labour market sociology, comparative political economy, and other associated fields of study. However, we also argue that the perils and promises of power resource theory need to be clarified so that social scientists address these explicitly when applying the framework and that the analytical ‘nuts and bolts’ of power resource theory are further developed. With this article, we seek to contribute to some initial progress down this road.

The article is divided into four parts. First, we revisit classical power resource theory to outline the basic arguments and some later developments. Second, we outline five power resources that can be used as basic building blocks in power resource analysis. Third, we engage with some weaknesses and limitations of classical power resource theory and suggest where the theory needs to be developed. Fourth, and finally, we discuss how an updated power resource approach can help improve our understanding of contemporary labour politics development.

Power resource theory revisited
Originally, power resource theory aimed at explaining the politics of expanding social policies by pointing to the role of workers and the power they derived from their labour market position, their organisation in unions, and industrial relations institutions that surrounded them (Esping-Andersen, 1985; Esping-Andersen and Korpi, 1984; Korpi, 1978, 1983; Myles, 1984; Stephens, 1979). While there were several complementary and partly parallel developments of the theoretical apparatus in particular in the 1970s and onwards (Korpi and Palme, 2003), the work of Swedish sociologist Walter Korpi is often ascribed a key role in the development of power resource theory. Korpi’s line of thought draws strongly on concerns about power as a more general concept and the control over different power resources (Korpi, 1974: 1569–70), which he then applies to industrial relations and welfare studies. While early power resource theory was applied to studies of welfare regimes and
social policies (Esping-Andersen, 1990; Korpi, 1985; O’Connor and Olsen, 1998), we follow more recent literature in applying it more narrowly to labour politics understood as issues related to the labour market and closely related policy areas like occupational pensions (e.g., Keune, 2018). This we define broadly as labour politics, thereby delimiting the article from welfare state studies.

Power resource theory takes the point of departure in a class-based approach to the individuals’ place in production and the result of the subsequent distributive processes (Korpi, 1978; 1998: vii). Hence, power resource theory builds on Marxist theorising about the individuals’ labour market position but develops it further by focusing on how the mobilisation and organisation of workers can help offset the dominant power of capital and employers. As Korpi (1978:314) states, ‘The “latent” interests of citizens, derived from their positions in the class structure, cannot, in themselves, generate collective action. They provide, instead, a potential basis for such action.’ Korpi (1978: 35) defined power resources as ‘the properties of an actor that provide the ability to reward or punish another actor’ 1. The basic tenet of power resource theory is that the employers have a structural advantage over workers: ‘through their potential and actual concentration, ease of mobilization, ease of transformation and range of applicability, capital and control over the means of production are unique resources, which confer great power to a small fraction of the population’ (Korpi, 1978: 23, emphasis in original). Yet workers are not powerless. Formal education and occupational skills may give workers some market power—obviously, high-skilled, high-wage workers are in a better negotiation position. However, these kinds of power resources are restricted in their range of applicability and thus vulnerable to occupational transformations. Therefore, the ‘organizations that coordinate collective action become the major alternative power resource’ for workers (Korpi, 1978: 23, see also Korpi, 1985; Korpi and Palme, 2003; Offe and Wiesenthal, 1980).

While the collective organisation of labour could take on other forms of organisation, power resource theory perceives unions as the primary collective actor on behalf of the working class 2 (Korpi, 1978).

A key focus point for power resource theory is therefore unions’ collective ability to mobilise and enact their potential power resources and their range of applicability (Korpi, 1978: 22). Taking the asymmetrical power distribution as a starting point, unions mainly use their power resources to counterbalance employers’ power but can also influence public policies or enacting institutions shaped by political compromises. A central premise of the theory is that the distribution of power resources between workers and employers is not static over time or across countries or sectors. As Korpi (1998:vii) states, ‘The power resource approach advances the hypothesis that the distribution of power varies, shifting over time and between countries’. Furthermore, power resource theory argues that power resources come in a variety of forms and that we need to conceptualise these and study how they interact. Based on these premises, a fundamental argument is that changes in the distribution and composition of power resources will be the key driver of societal change. The analytical contribution of power resource theory is, therefore, to assess changes in the distribution and configuration of power resources for a given society (or sector or workplace) at a given point in history 3 and use such changes to explain specific societal changes (such as levels of inequality, institutional reforms, and labour conflicts).

Mobilisation of power resources is key in power resource theory, and Korpi (1978: 42) defines mobilisation as a multiplicative function of expectancy of success and the desire for change.

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1 Here, properties should be understood broadly, as Korpi for instance later talks about social consciousness and willingness to act as defining for power resources.

2 Although along with the (Social democratic) political party in Korpi’s original version (e.g., Korpi, 1978: 166; 1983).

3 Korpi (1978: xx) argues for ‘the importance of the historical dimension for the understanding of contemporary society’.
(or utility from change). Also, mobilisation can refer to either attaining power resources not previously possessed or mobilising already acquired or available power resources (Korpi, 1974: 1572). Korpi (1985; 1998:ix) also highlighted the importance of maintaining existing power resource in a ‘liquid’ form and hence ready to use. This adds an analytical dimension, where the observer must pay attention to these distinctions (requiring, maintaining, and applying power resources).

Power resource theory’s strong emphasis on unions has led to the misunderstanding that it claims that union power determines labour and social policy. However, for Korpi (1978), it was always the **specific power configuration and distribution** of power that conditioned the outcome, not the unions’ power resource on their own. This implies that we should also study employers’ power resources. Not only does the development of employers’ power resources under changing societal conditions (technological development, market changes, political transformations, etc.) need to be taken into account, but various coalitions are also important for the distributive policies that shape labour market institutions (cf. Esping-Andersen, 1990; Stephens, 1979). While unions play an active role in shaping the balance of power, it is very difficult analytically to separate the historical development of employers’ organisation and workers’ organisation, as these often have developed in a reinforcing dialectic development (Huber and Stephens, 2005: 557). Also, Korpi (2006: 177) acknowledges variation in employer preferences for social policies. He thus identifies the different position of employers as protagonists, consenters, and antagonists vis-à-vis redistributive reforms. Therefore, power resource theory does not assume that employers’ preferences are uniform and the diverging preferences are often confirmed in empirical investigations (Alsos and Evans, 2018; Bulfone and Afonso, 2020; Refslund, 2016). Therefore, both employers’ power resources and their preferences must be addressed to understand societal configurations of power resources.

Finally, unions’ links to the political system were also a core concern in the original power resource theory (Esping-Andersen, 1985, 1990; Korpi, 1978, 1983; Stephens, 1979). In particular, the social democratic parties were seen as the union movement’s political extension in the shaping of social policy (‘the Swedish model’). While unions and allied parties have been seen as ‘Siamese twins’ (Ebbinghaus, 1995), their link has faded across the capitalist world and is much less straightforward than in previous periods (Allern et al., 2007; Gumbrell-McCormick and Hyman, 2013; Öberg et al., 2011; Upchurch et al., 2009). Therefore, coalitions established with other political parties as well are important to study. However, because we are mainly interested in power resources in relation to labour markets and employment relations, we focus less on the link between political parties and unions with regard to social policy. Nonetheless, organised working-class influence on party politics remains a salient topic.

**Various sources of power**

A central proposition of power resource theory is that power resources can take different forms. Defining and determining the different forms and sources of power resources have become a key matter in developing power resource theory as an analytical approach. In a seminal paper, Olin Wright (2000) proposes two categories of power resources, associational and structural, which have become canonical within power resource theory. Numerous other forms of power resources—often overlapping—have since been proposed (see Kjellberg, 2021, for a recent comprehensive contribution). We advocate that it is useful to supplement the categories of associational and structural power resources with those of institutional, ideational, and coalitional power resources. Since the different types of power are intertwined, each empirical assessment must consider the

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4 Additionally, while underlining the usefulness of power resource theory in various contexts and settings, we mainly in this article focus on unions in the Northern hemisphere e.g. when using empirical examples. Nonetheless, the theoretical arguments apply hopefully beyond.
relationship between them. Moreover, the different types of power resources are not equally important across time and space (both locally and nation-wide), and hence applicability and prominence vary. They may be complementary, but they may also be substitutes, so for example, workers with low structural and associational power resources may be forced to try to utilise coalitional and institutional powers.

**Structural power resources**

Structural power is typically understood as the power derived from the workers’ position in the production system (Wright, 2000: 962) and can, therefore, be seen as the basic building block for the other power resources, at least contributing to their efficiency. Structural power traditionally refers to the workers’ ability to interfere with production, for instance, through industrial action like strikes, ‘work slow’ actions, etc. The level of structural power relates to the employer’s ability to replace workers, and structural power is thus lower if the workers are easily replaced (for instance by ‘management whipsawing’ between production sites (Greer and Hauptmeier, 2016) or outsourcing of the jobs (Drahokoupil, 2015). Therefore, regulation on ‘illegal’ strikes, the use of strike-breakers, and secondary industrial action is highly relevant for regulating this power resource (and thus connected with institutional power). We include the ability of workers to disrupt distribution (through road blockage, etc.) as a part of their structural power (Webster, 2015 calls this ‘logistical power’). Furthermore, structural power also depends on the importance of the tasks performed for the continuation of the production process. This aspect of structural power changes over time; for example, logistics have become more important due to the global circulation of products, although transport always has been potentially important in industrial conflicts (obviously more so where secondary conflict is legal). We further distinguish between two sub-types of structural power, workplace power and marketplace power (see also Wright, 2000: 963). Workplace power refers to how dependent employers are on the workers. Marketplace power acknowledges that workers’ structural power also depends on the overall labour market, where both supply and demand of labour and the supply of specific skills matters. Workers may also gain power from their ability to shift jobs (Smith, 2006). For instance, the economic cycles will influence workers’ structural power because low unemployment will give workers a better bargaining position. The distinction is useful for recognising that both general labour market trends and company-specific developments feed into workers’ power resources.

**Associational power resources**

Wright (2000: 962) defines associational power as ‘the various forms of power that result from the formation of collective organizations of workers.’ He also argues that associational power functions on different levels: the workplace, the sector, and the societal levels. The local levels can be seen as providing the foundation of higher-level associational power, which can be institutionalised, as we will discuss below. As unionisation does not come about on its own, union organising is vital for this power resource. However, the sheer number of union members (although very important) is not enough to make statements about the level of associational power. It also depends on whether the members are active and willing to act (Korpi, 1978, 1998.ix) and the effectiveness of the organisational structures along with dimensions such as coordination and internal cohesion in the union movement. Hence, it is important to recognise how associational power is shaped by the connectedness, but still relative independence between the workplace level, the sector level, and the societal level, and how it is link with institutional power resources. The collective organisation of workers at the workplace level can take on more informal forms like the ‘workers collective’ (Lyggaard, 1967[1961]), which is not necessarily fully aligned with the formal organisation like unions, and in particular the with higher-level union organisation(s) - a fact increasingly recognised
by the ‘organising’ perspective. The ability to coordinate between the different levels may thus amplify or reduce the effectiveness of the power resource.

An important limitation of Wright’s definition, which has influenced the power resource approach, is that it only focuses on the collective organisation of workers. Since power relations between employers and workers is central to the theory, the collective organisation of employers is also important to include. However, the relationship between organisation and power is not symmetrical between workers and employers. First, the structural advantage employers have over workers implies that a lack of organisation works better for employers than for workers. Second, even when employers do organise they can have an interest in retaining a pool of unorganised companies to maintain a competitive pressure that will limit workers’ negotiation power (Paster et al., 2020). By contrast, organised workers will generally have an interest in having as many workers organised as possible. That said, employers do derive benefits from their collective organisation and their associational power should therefore also be studied in power resource analyses.

**Institutional power resources**

An important addition to Wright’s structural and associational power is institutional power, which shapes the actors’ interactions and strategies Korpi, 1978; O’Brady, 2021). Institutions such as the collective bargaining systems (which Korpi stresses), employment protection legislation, unemployment benefit systems, conciliation and arbitration systems, and vocational training systems can act as important sources of power in labour politics (not to forget political democracy itself, which provides the basis for the others cf. Korpi (1978:44)). However, moving beyond structural and associational power may require us to go beyond Korpi’s understanding of institutions, which he regards as largely determined by the present distribution of power resources. Arguing that both conflicts and keeping resources ‘liquid’ (ready-to-use) for conflicts is costly for actors, he further argued that the function of institutions is to reduce such cost (Korpi, 1985). More specifically, he argued that institutions facilitate an economical use of power resources, in which ‘the dominant groups can benefit from the routine operations of these institutions without having continuously to exert power’ (Korpi, 1978: 45). However, this view of institutions is problematic because institutions are not treated as power resources themselves since they are simply a reflection of the present distribution of power.

While institutions may be put in place to have a function that reflects the current distribution of power, when the distribution of other power resources changes, such institutions can act as a power resource in their own right by enabling some actions and constraining others. There may also be path dependency of the institutions, which changes in power distribution does not per se change or overcome. The power derived from institutions may shift over time, either because the distribution of other power resources changes or because the functioning of the specific institution changes, for instance, through drift (Streeck and Thelen, 2005; Streeck, 2009). Therefore, while institutional power may appear superficially more robust than other types of power resources, there may be significant institutional change going on beneath the surface (Arnholtz et al., 2018; Streeck, 2009; Thelen, 2009). Thus, institutions may come to constitute ‘beneficial constraints’ on capitalists, leading to an overall positive societal outcome compared to a situation where capitalists can unilaterally decide (e.g., Streeck, 1992b; Wright, 2000). However, relying solely on institutional power and neglecting to maintain the liquidity of other power resources can be hazardous for unions. Researchers must, therefore, pay close attention to institutional changes when assessing power resources.

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5 We thank an anonymous reviewer for reminding us of this.
Ideational power resources

Recent contributions have pointed to the importance of ideational, discursive, or symbolic power resources in labour politics (cf. Chun, 2009; Hauptmeier and Heery, 2014; McLaughlin and Wright, 2018). Yet we argue that even further attention should be given to ‘ideational power’, which Carstensen and Schmidt (2016: 320) define as ‘the capacity of actors (whether individual or collective) to influence actors’ normative and cognitive beliefs through the use of ideational elements’. While this definition suggests a rather passive role for normative and cognitive beliefs, we would argue that these are the fundamental basis for the application of ideational power and furthermore conditions which ideational elements will work as a power resource and which will not.

On a theoretical level, ideational power thus concerns various things. First, ideas and norms that create internal cohesion in a collective are especially important for unions. Overall, the willingness to act collectively does not follow automatically from the place in the production system but is something that must be established, like working-class consciousness (Fantasia, 1988; Korpi, 1978; Offe and Wiesenthal, 1980; Thompson, 1968). The more strongly union members identify with the union’s goals, the more easily can the unions activate collective action and seek social change, for example, via structural power (Korpi, 1978, 1985). Furthermore, Korpi (1985) made the often-overlooked point that dominated actors will often avoid conflict if they presume that they will lose. Creating a creditable story about success is, therefore, an important power resource for unions (Korpi, 1978).

Second, discursive representation of societal problems that can mobilise external support is also an important power resource. This is true for individual labour disputes (McLaughlin and Bridgman, 2017; Preminger, 2020) as well as the broader societal support unions and employers enjoy (McLaughlin and Wright, 2018). In that way, ideational power also includes the societal legitimacy of unions (Chaison and Bigelow, 2002; Frangi et al., 2017). In some contexts, unions are seen as a highly legitimate actor, while in other contexts, they are viewed as anachronisms. The ideational power of unions both depend upon and influence which of these views are predominate. In particular, the legitimacy of unions as a collective actor may have strong implications for labour policy outcomes.

Third, general societal visions that align with the ideas advanced by unions are another ideational power resource that increases the ability of unions to affect public opinions. Preminger (2020) argues that ideas are mainly important power resources when other power resources are lacking (see also Chun, 2009). While the point may be correct for specific labour disputes, we would argue that this underestimates the importance of ideational power. Kinderman (2017) showed how German and Swedish employers set up think tanks and used discourse as a power resource to pursue an aggressive liberalising agenda. While not aimed at any particular labour dispute or political reform, this output of ideas and discourse can work as a power resource by making some reform proposals or initiatives seem more natural than others. For instance, Vallas and Christin (2018) argue that the prevalence of a ‘personal branding’ discourse makes workers view themselves as entrepreneurs rather than agents of solidarity. If unions do not engage in this overall discursive battle about visions for society and workers self-perception, they may find themselves at a disadvantage despite structural and associational power resources.

Coalitional power resources

Finally, we add coalitional power as a fifth distinct type of power resources (Schmalz et al., 2018; Tattersall, 2010), defined as the ability to form coalitions with other groups or collective actors. Often, power resources theory is viewed as the theoretical contrast to perspectives emphasising coalitions, such as the cross-class coalition perspective (Swenson, 1991). However, early applications of power resource theory did highlight how coalitions were an important part of the labour
movement’s ability to forge welfare state reforms (Esping-Andersen, 1990; Esping-Andersen and Friedland, 1982). Yet, some aspects of this coalition-making have to be rethought. First, classical power resource theory often assumed that social democratic parties would represent organised labour in the political system (Ebbinghaus, 1995). However, as the link with the social democratic parties has waned, unions’ ability to shape coalitions with different parties has become more pertinent. Second, more emphasis needs to be placed on unions’ ability to form coalitions with other social movements. Recent studies have shown how this happens at the local level or in relation to specific campaigns such as campaigns against privatisation or austerity (Bieler, 2018; Ibsen and Tapia, 2017). However, it will be important to study whether such new forms of coalition formation also manifest themselves at a societal or sectoral level. Third, while Wright (2000) used power resource theory to outline the conditions for fruitful cross-class coalitions, this work should certainly be developed further.

Addressing some of the weaknesses of power resource theory

Turning to some of the problems with power resource theory, these include an under-theorised understanding of interests and coalition formation. This gives rise to two different but related forms of criticism.

First, power resource theory operates under the assumption that unions are the main representative of workers’ interests. While this assumption has always faced criticism, the critique is increasingly relevant as union power is declining (Gumbrell-McCormick and Hyman, 2013). Some critics argue that unions have become almost redundant (Baccaro and Howell, 2018), while other scholars emphasise labour resistance emerging from actors other than unions (Alberti and Però, 2018; Wills, 2004). Other scholars highlight that unions are still important in most Western societies and remain the key organisation for workers’ struggle (Doellgast et al., 2018; Gumbrell-McCormick and Hyman, 2013; Pulignano et al., 2015). We argue that it is important to recognise that workers and unions are more aligned in some national and sectoral contexts than in others. Therefore, power resource theory needs to mitigate some of this critique by looking at other foundations of workers’ power resources beyond that of unions, obviously more so where unions have become marginalised. Such a broadened perspective on sources of worker power would also help broaden the explanatory power of power resource theory. The emphasis on unions has diverted attention from coalition formation between workers and other groupings. As union structural and associational power has declined, coalitional power becomes increasingly important for understanding societal changes (Gumbrell-McCormick and Hyman, 2013). Power resource theory can make a significant contribution to research on coalitions by proposing that power resource configurations may determine possible coalitions (Ellersgaard et al., 2018). As already mentioned, the same issue is relevant with regard to political parties. While the linkage between social democratic parties and the labour movement was key in Korpi’s analysis (Korpi, 1983), recent developments have clearly shown that workers may feel better served by other parties, for example, the far-right (Rennwald, 2020) and unions may need to form coalitions with other parties to retain relevance as worker representatives. Thus, more focus should be placed on the broader coalitions unions engage in. To what extent unions can rely on workers as voters has implications for their political influence. This suggests paying closer attention to the distinction between workers and workers as voters, which is becoming increasingly blurred, particularly compared to Korpi’s empirical observations that workers vote for the Social democratic parties (Jensen, 2017; Öberg et al., 2011; Rennwald, 2020).

Second, power resource theory typically operates with the implicit assumption that workers’ interests are uniform. While this is a helpful assumption for an approach that wants to study collective resources in labour politics, it has always been problematic and is potentially becoming
even more so under advanced capitalism (Offe and Wiesenthal, 1980; Streeck, 1992a). Korpi (e.g., 1978: 202, 2006: 177) acknowledges that workers are an internally heterogeneous category, but he nonetheless emphasises that the intra-class differences are smaller than the inter-class differences. He recognised that other things than control over the means of production (such as educational level and hierarchical position) could structure conflict lines and coalition formation, but in developing his analytical models, he stuck to a two-class model for simplicity. The problem of the simplified assumptions about workers interest becomes quite pertinent when it comes to unions’ ability to represent class interests and the question of internal union coherence (Hyman, 2001). Accordingly, critics have argued that unions mainly serve their members rather than any coherent interest of the working class (Hassel, 2014; Palier and Thelen, 2010). In particular, many unions have failed to represent unemployed, migrants, youth, and atypical or marginal workers (Gumbrell-McCormick, 2011). Critics also argue that some unions even promote dualisation by seeking to exclude certain groups of workers to protect others under certain conditions (Hassel, 2014; Rueda, 2014; Thelen and Palier, 2012). While Korpi (1978: 25) did allude to this when highlighting the distinction between inclusive industrial unions and exclusive craft unions (see also Stephens, 1979: 49), the point should be more systematically included in the power resource approach.

Also, even within union ranks, there may be tensions between workers’ interests, with the obvious implication that divided union movements’ associational power diminishes. While power resource theory tacitly assumed that the collective struggles for improvements in wages and working conditions would unite workers, it can often cause conflicts because union members have heterogeneous interests. The marketplace power of some workers may depend on them excluding others. The wage increases of public sector workers are partially financed by the tax payments of the private sector worker. The pay rises of construction workers may limit the competitiveness of export companies and thus cause job loss among manufacturing workers. The low wages of workers in the global south may be beneficial to the consumption opportunities of workers in the global north. There are many such examples of classical divides, including blue-collar vs white-collar workers, exporting vs non-exporting company workers, public vs private, service vs manufacturing sector workers, and high-wage vs low-wage country workers. On top of this are dividing lines based on ideology or identity (Hyman, 2001). Gender and ethnicity may, for instance, cause heterogeneity, just as differences between communist, socialist, and Christian unions may also create ruptures. While workers’ workplace level preferences (such as improvements in wages and working conditions) are more unambiguous, workers’ preferences in social and distributive policies, in general, are much more uncertain. Although they may be reasonably uniform in some policy areas such as unemployment benefits, workers’ preferences are much uncertain in broader welfare policies like old-age pensions and child benefits. Scholars will have to face the complex issues of how power resource mobilisation ties into interest and group formation.

The lack of sensitivity to worker diversity effectively left it to others to develop theories for analysing the coalitions formed across class and groups. One of the strongest challenges to power resources theory thus came from the so-called cross-class coalition approach (Pontusson and Swenson, 1996; Swenson, 1991, 2002). This approach delivered analysis that was more sensitive to empirical facts by emphasising cooperation between workers and employers within the same firm or sector. The results was a shift away from power resources and towards issues of coordination, which is the foundation for the influential Varieties of Capitalism approach (Hall and Soskice, 2001). While

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6 Additionally, the definition of the working class is also becoming more unclear in modern capitalism, and therefore, class analysis requires more complex and nuanced understandings (Esping-Andersen, 1993; Savage, 2015; Wright, 1985).
such approaches have delivered interesting perspective, they have also change the analytical
landscape to a point where employers’ interests in coordination are viewed as the main source of
welfare and labour market institutions while unions and power resources are completely ignored
(see the debate in Hacker and Pierson, 2004; Swenson, 2004a, 2004b).

If power resource theory wants to get back into the study of labour politics, it needs to
recognise the diversity of workers’ interests, the politics of union coherence, and the importance of
coalition formation. One starting point might be Olin Wright’s argument that collectives (and hence
classes) do not have an ‘interest’ as such, but that their interests are formed on the basis of the
interests of the individuals in that particular class (2000: 962). Worker interests need to be regarded
as fluid and socially constructed (Edwards, 1986; Fantasia, 1988; Meardi, 2011). Therefore,
researchers must pay close attention to potential divides within worker’s rank and study the
formation and articulation of workers’ collective preferences rather than mechanically ascribe
certain positions to workers. Again, more active use of ideational and coalitional power concepts can
help us understand that the ability to form a (relatively) coherent collective—with ideas about its
interests and compromises between different factions—is itself a power resource rather than a self-
evident result of worker interests. Simultaneously, it should be recognised that workers’ interests
are shaped in interaction with employers and that the formation of cross-class coalitions is always a
potential option. However, where employer-centred approaches have increasingly focused on
coordination and ignored power, power resource theory will allow us to ask which power resources
workers hold to incentivise employers to form cross-class coalitions.

An additional dimension to the problem of interest and representation is the role of the
state, which remain important for the development of societal configurations (cf. Stephens, 1979). In
the stylised understanding, power resource theory sees the state as an expression of the current
configuration of power between labour and capital, as if the state was an empty shell to be filled
with the content dictated by the outcome of the class struggle (Korpi, 1978: 48–49). However, the
state plays an independent role (Crouch, 1993), and Meardi (2018) has shown in a comparative
European study how the state has taken a more active role in safeguarding encompassing industrial
relations in the face of declining union power. Other studies (e.g., from the global south) clearly
illustrate that worker protests are often directed at the state and its regulation rather than at
employers. Consequently, power resource theory scholars need to conceptualise how (and the
degree to which) worker mobilisation and power resources influence state action. Also, scholars will
have to explore the dilemmas workers face when they rely on state protection rather than the
institutionalised power resources gained from, for example, collective bargaining.

A final weakness is the often crude measurement of power resources by union density or
collective bargaining centralisation. While union density is an important measure of union strength,
there are several problems with this kind of reduction. Strength in numbers is far from the only
power resource available to unions, as shown above, and the potential power of membership
depends on other power resources such as institutional power, members’ willingness to act, and the
employers’ dependence on the workers. Hence, while union density is declining in most OECD
countries, this cannot be equated per se with a proportional drop in unions’ power resources.
Another crude measure often applied is the collective bargaining centralisation, where
decentralisation is equated with declining union power (Baccaro and Howell, 2018; Iversen, 1996).
While this may hold in some settings, this is not always so, but it also depends on other power
resources and how the decentralisation plays out at lower organisational levels (Roche and Gormley,
2020). In the Nordic countries, for instance, decentralisation has not led to unchallenged employer
discretion (Due et al., 1993; Ilsøe, 2012), and it has been argued that the coordination capacity of
unions is more important than the collective bargaining centralisation in terms of overall wage-
setting institutions (Golden, 1993).
The value added by a power resource approach
Despite these challenges, we still argue that there are potential benefits from revisiting and developing power resource theory. Here we point to our three main arguments:

1. **Bringing power back in**

One central benefit of power resource theory is that it stresses the importance of power. For a long time, game theory, rational choice, institutionalism, and coordination problems have been theoretically dominant in the study of labour politics. While all of these approaches have provided valuable insights, they all, to some degree, have lost sight of the inequality of power, which in our view remains fundamental in labour markets. A particularly good illustration of this is the development of the Varieties of Capitalism approach. Deriving from observations of enduring national differences in capitalism (Crouch and Streeck, 1997) and reflections on the beneficial institutional constraints conditioning the particular success of German manufacturing (Sorge and Streeck, 2018; Streeck, 1991), the VoC perspective made the detailed historical analysis of why German employers could not bring themselves to dismantle the German model (Thelen, 2000) into a universal principle about employers generally defending their institutional setting (Hall and Soskice, 2001). In doing so, it not only seemed to forget the unequal power relations underlying capitalism (Pontusson, 2005; Streeck, 2011) but also seemed to ignore the more or less overt attempts of employers to shift the political agenda and promote liberalisation (Kinderman, 2017; Streeck, 2009). The dominance of such power-ignoring perspectives has left a theoretical vacuum where VoC scholars insist that neoliberal policy is the expression of the will of the median voter (Iversen and Soskice, 2019). In this situation, there is a stronger need than ever for an approach that puts power at the centre stage. Power resource theory does so by emphasising the specific configuration of power resources at a particular point in time (Korpi, 1978). Since power changes and is renegotiated in society constantly, it insists that we must pay attention to the specific configuration of power resource rather than simply assume general institutional complementarities. Through a power resource approach, we become attentive to the specific power configurations and how they change over time.

However, drawing power back in implies that power resource theory will have to face the challenges stemming from the complexity of power (Lukes, 1974). Power resource theory explicitly acknowledges multiple sources of power. Yet the theory can benefit from more clear-cut distinctions and reflections on the difference between direct and obvious forms of power, such as the structural power exerted when workers cause production stops and less direct and obvious forms such as ideational power. In particular, this will require power resource theory to engage with how to measure diverse types of power and their interaction with each other. Also, these measurement problems are exacerbated by the fact that the existence of certain power resources does not ceteris paribus mean that unions are capable of applying them (Lévesque and Murray, 2010; Offe and Wiesenthal, 1980). Many workers, for instance, possess potential structural power but are not able to mobilise and apply it. Power resource theory thus shares some analytical notions with mobilisation theory (Kelly, 2012; Lévesque and Murray, 2013; Tilly, 1978). In this regard, Korpi’s distinction between attaining, applying, and maintaining power resource may be helpful for grappling with this issue and understanding some of the dilemmas faced by contemporary labour organisations (solving conflicts via institutional resources or using conflicts to mobilise new associational resources, for instance).

2. **Bringing unions back in**

By studying the agency of the power resource actors, agency also becomes more manifest in industrial relations and labour sociology, where structural factors outside of the actors’ scope (or
unilateral employer interests) too often are given analytical prominence. Another important benefit of power resource theory is, therefore, that it can help bring unions back into the analytical focus. All too often, they have been relegated to the back seat by simplistic arguments about their inability to counteract societal changes and increasing inequality. However, a power resource approach takes into account the actual resources of unions and workers when analysing labour politics. While their power has waned in recent decades, unions and workers still hold significant power resources. A power resource approach enables us to understand these resources and not leave them completely out of the analysis. Power resource theory can counter too deterministic accounts of how globalisation, technological change, or value chain restructuring erodes labour standards. As Mendonça and Adăscăliței (2020) have shown in their study of supply chains, restructuring does put pressure on workers and unions, but identification of power resources, coalition building, and new organising strategies can nonetheless help workers retain influence on their working conditions. The same goes for Arnholtz and Refslund’s (2019) analysis of fragmented and transnationalised construction sites, which showed how unions succeed in developing several new strategies to organise and mobilise power resources. Finally, power resource theory also allows us to study when and why potential power resources are not being mobilised. It allows us to ask how unions and workers deprived of one power resource turn to other types of power like coalitional power resources.

3. Articulating levels
One reason that unions and their power resources have disappeared from the analytical focus may be that their power is waning at the institutionalised national political level. However, we argue that power resource theory is a helpful analytical tool for analysing the interconnection between different societal levels—workplace, company, sectoral, regional, national, and even international—allowing us to gain a more fine-grained understanding of contemporary worker power. While many classic power resource theory studies focused on the national level, with particular emphasis on the development of the welfare state, recent studies focus more exclusively on the workplace or specific worker campaigns. Either focus is legitimate, but it nonetheless leaves out important theoretical reflections on the micro-macro link. We must, therefore, pay attention to how power resources are accumulated and embedded across analytical levels, such as the national (as, for instance, Wright, 2000, is doing), the workplace level, and the in-between levels (Edwards et al., 2006). While the links between levels were never fully elaborated theoretically, Korpi’s (1978) analysis did contain an empirical investigation that reached across levels and indicated some aggregation from lower levels to higher levels (see also Edwards 1986). However, the micro-macro link needs to be addressed more actively. Here, a helpful starting point may be Edward’s (1986: 58-60) argument about how basic, ‘structured antagonisms’ between labour and capital does not determine everything, but only sets the parameters for workplace conflicts that often vary hugely.

When taking the other dimensions of power resource (such as institutional power resources) into consideration, the direction may be from higher to lower levels as well. While the ‘organising’ literature has successfully highlighted the importance of on-the-ground mobilisation, it also contains a certain bottom-up romanticism that may overlook the importance of national-level organisations that can develop and utilise, for instance, institutional (O’Brady, 2021) and ideational power resources (McLaughlin and Bridgman, 2017). Addressing the linkage between the different levels may not only contribute to a better understanding of institutional change but also to a better understanding of how a power resource is constituted and changed over time. At the same time, we urge more research to address the theoretical development of power resource theory in relation to particular institutional change and the link between different levels and power resources. By
engaging in the discussion of the multi-level character of power resources and how these are enforcing (or restricting) each other, power resource theory can provide a better understanding of the interconnectedness of these levels.

**Concluding remarks: Power resource theory—(Still) a promising research approach**

Power resource theory remains a powerful analytical tool as well as a heuristic concept to understand developments and configurations in contemporary labour markets. However, even literature that engages more deeply with unions’ and their power resources rarely defines these in greater detail or discusses the sources from which the power resources stem. We, therefore, argue that researchers must pay careful attention to the analytical dimensions offered by the framework (see Figure 1). To understand the power configuration that explains change, one must pay attention to the various sources of power in play, the analytical levels that actors operate in, and whether the actors’ are attaining, maintaining, or applying the power resources. Furthermore, scholars need to reflect on the interplay between the different power resources since these are not equally important across time and space and are being constantly reshaped as well. Moreover, as with all other theoretical approaches, researchers must seek to overcome the potential limitations of the framework. Some of these limitations, like the role of preferences and coalitions, call for conceptual and empirical clarifications and further theoretical development. Other dimensions that require more theorising include path dependency and institutionalisation of power resource, the aggregation of power, and the link between different analytical levels (a multi-level approach to power resource theory).

**FIGURE 1: Overview of the analytical dimensions in power resource theory**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Source of power</th>
<th>Analytical level</th>
<th>Unions’ and workers’ agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural, Associational,</td>
<td>Structural, Associational,</td>
<td>workplace, sector,</td>
<td>attaining, maintaining, and applying power</td>
</tr>
<tr>
<td>Institutional, Ideational,</td>
<td>Institutional, Ideational, and</td>
<td>country, transnational</td>
<td>resources</td>
</tr>
<tr>
<td>Coalitional</td>
<td>Coalitional</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

While unionisation and unions may be on the decline across most Western countries (Gumbrell-McCormick and Hyman, 2013), the institutional and historical embeddedness of not only unions but also specifically their power resources suggest that their role will remain important, despite the societal changes. This is obviously not to say that nothing has changed or that unions’ declining membership and influence are without consequences. We need to assess how unions’ power resource are changing and what the implications may be, rather than assuming that unions and their power resource will perish altogether. Moreover, power resource theory should not be limited to analysing unions but should assess various power resources and their configurations between workers and employers at different analytical levels.

Although power resource theory has lost prominence within most ‘mainstream’ political and socio-economic studies, it has been applied in studies in particular industrial relations, but also other policy areas (e.g., Benassi and Vlandas, 2016; Keune, 2018; Mendonça and Adâscăliței, 2020; Wagner and Refslund, 2016). Moreover, there has been some renewed research interest. In particular, within global labour studies, there is an ongoing discussion of power resource theory (see, for instance, Bieler, 2018; Gallas, 2018; Schmalz et al., 2018), but mainly with a focus on activists and global labour studies (although there are also more specific applications and discussion of power resource theory). This article seeks to join forces with this literature to renew the interest and attention devoted to power resource theory and offer some initial clarification of the sources of power and the issues that must be addressed in further studies. As we emphasise the application of
power resource theory in labour politics and labour market sociology more broadly, our focus is somewhat different from the original focus on social policy/welfare states, but as we argue, power resource theory has the potential for a considerable contribution in micro-, meso- and macrolevel analyses.

Overall, we argue that there is a need for a more refined attention to workers’ and unions’ power resources and a need for the analytical pendulum to swing back towards a more nuanced balance between employer-centred and union/worker-centred analyses within the social sciences. Still, this is not to question the importance of employers and companies (and the state), which is enduring and most likely increasing as unions’ power is waning. Instead, it is to insist that the power resources used by employers are also made explicit (Busemeyer and Thelen, 2020) and that they be contrasted with the power of workers and unions. A well-balanced approach to analysing distributive processes in labour politics requires historical and in-depth knowledge of labour markets and industrial relations to comprehend the role of power resources fully. However, we also call for a more nuanced understanding of power resources and how these are embedded and institutionalised in society. To end on a citation from Korpi (1985: 40) with enduring and most likely increasing significance: ‘The existing inequalities in the distribution of power resources in Western democracies are great enough to be of crucial importance for the functioning of these societies’.
List of references


