

## THE POLITICS OF LABOR IN EUROPE

Instructor: Dorothee Bohle  
Time: Tuesdays, 1.30-3.10  
Office hours:  
Credits: 2 credits (4 ECTS)

### *Course description*

An important feature of continental European capitalism is its social dimension. Comprehensive welfare systems, and highly institutionalized and politicized forms of industrial relations have constituted crucial elements of the post-war European model of society. A historic compromise between strong labor movements and capital willing to accommodate workers' demands has provided the foundation for this social model. The capital-labor accord has come under attack in recent decades. Structural changes in production, rising unemployment, shifting macroeconomic priorities, and, last but not least, globalization and Europeanization of production are held responsible for this. Rather than a simple dismantling of the social model, however, we see its far reaching transformation.

The course examines the emergence and transformation of the compromise between capital and labor in Europe. The first part asks about the conditions under which labor could become a major political actor in the post-war era and examines its role in the development of solidaristic wage policies and expansion of the welfare states. The second part studies the impact of recent economic and political changes associated with globalization and European integration. How have these changes affected labor's capacity to act in the political and economic arena? The third part addresses the domestic and international factors that explain the specific features of industrial relations in Eastern Europe's new capitalism. We conclude by looking at labor's fate in the current crisis.

### *Requirements*

1. Active participation in in-class discussions (25% of the final grade).
2. One presentation. The presentation introduces the topic of the session by focusing on an interesting question that arises from the reading, or a critical elaboration on one of the interesting aspects of the readings. A short hand-out of the presentation is to be distributed to the class before the meeting, and a written elaboration of the presentation (about 5 pages double-spaced) is to be submitted latest at the end of the semester (25% of the final grade).
3. Three position papers (five pages double-spaced). Position papers should be more than simple summaries of the readings. They should offer a discussion of the topic of the session by for instance comparing the arguments of the readings to earlier readings, or raising an interesting question aspect of the readings. Position papers may not overlap with the presentations. Position papers must be submitted the day prior to the class latest at noon (50% of the final grade). Position papers and other

written assignments are to be submitted to the password protected e-learning site at <http://e-learning.ceu.hu/>.

*Learning outcomes*

By the end of the class, students will have acquired basic knowledge of European welfare states and systems of industrial relations and their transformations over time. They will also be familiar with different theoretical approaches to these issues. The course enhances critical thinking and writing, multidisciplinary orientation, contributes to the mastery of academic writing and oral skills. Learning outcomes are supported by the course's requirements and assessed accordingly.

*Reading Material*

All the course material is available in electronic form to students who enroll in the class.

## TOPICS AND READINGS

### Week 1: Introduction

*Required:*

International Labor and Working Class History No 47, Spring 1995: Scholarly Controversy: Global Flows of Labor and Capital. Contributions by Charles Tilly, Immanuel Wallerstein, Aristide Zolberg, Eric Hobsbawm, and Lourdes Beneria. Pp. 1-56

*Recommended:*

Wolfgang Streeck, *Industrial Relations Today: Reining in Flexibility.* MPIfG Working Paper 08/3

### Part I: The postwar settlement

### Week 2: The Institutionalization of the Postwar Compromise

*Required:*

Katzenstein, Peter (1985). Small States in World Markets. Ithaca: Cornell University Press, pp. 17-38, 81-135.

*Recommended:*

Gourevitch, Peter (1986): Politics in Hard Times: Comparative Responses to International Economic Crises, Cornell University Press, pp. 124-180

Katzenstein, Peter (2003): Small States and Small States Revisited. In: New Political Economy, Vol. 8, No. 1, pp. 9-30.

Cameron, David R. (1978): The Expansion of the Public Economy: A Comparative Analysis. In: The American Political Science Review, Vol. 72, No. 4, pp. 1243-1261.

Schmitter, Philippe (1979): Still the Century of Corporatism? In: Schmitter, Philippe and Gerhard Lehmbruch (eds.): Trends Towards Corporatist Intermediation. Beverly Hills: Sage. Pp. 43-94

Streeck, Wolfgang and Lane Kenworthy (2005): Theories and Practice of Neocorporatism. In Thomas Janoski et. al (eds.): The Handbook of Political Sociology. States, Civil Societies, and Globalization. Cambridge: Cambridge University Press.

Maier, Charles S. (1984): Preconditions for Corporatism. In: John H. Goldthorpe (ed.): Order and Conflict in Contemporary Capitalism. Studies in the Political Economy of Western European Nations. Oxford: Oxford University Press, pp. 39-60.

### Week 3: The Expansion of the Welfare State

*Required:*

Gosta Esping Andersen (1990): The Three Worlds of Welfare Capitalism. Cambridge: Polity Press, pp. 1- 79

*Recommended*

Everlyne Huber and John D. Stephens (1999): Development and Crisis of the Welfare State. Parties and Policies in Global Markets. The University of Chicago Press, pp. 1-200.

Philip Manow, “The Good, the Bad, and the Ugly.” – Esping-Andersen’s Regime Typology and the Religious Roots of the Western Welfare State. MPI Working Paper 04/3 (download from <http://www.mpi-fg-koeln.mpg.de/>)

Korpi, Walter (1980): Social Policy and Distributional Conflict in the Capitalist Democracies. A Preliminary Comparative Framework. In: West European Politics, Vol. 3 No. 3, pp. 296-316.

<b>Week 4: Welfare and Production Regimes</b>
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*Required:*

Iversen, Torben (2005): Capitalism, Democracy and Welfare. Chapter 2: A Brief Analytical History of Modern Welfare Production Regimes. Cambridge: Cambridge University Press, pp. 3-75.

*Recommended:*

Hall, Peter and Soskice, Torben (2001): Varieties of Capitalism. The Institutional Foundations of Comparative Advantages. Oxford, Oxford University Press, pp. 1-70

Labor History Symposium on Capitalism, Democracy and Welfare, with contributions by Craig Phelan, Cathy Jo Martin, Herbert Kitschelt, John D. Stephens, David Soskice and a response by Torben Iversen. *Labor History*, Vol. 47, No. 3, August 2006, pp. 397–449

Swenson, Peter (1991): Bringing Capital back in, or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden. In: World Politics, Vol. 43, No. 4, pp. 513-544.

Mares, Isabella (2003): The Sources of Business Interest in Social Insurance. Sectoral versus National Differences. In: World Politics, Vol. 55, pp. 229-58

**Part II: Globalization and European Integration as Challenges to the Postwar Compromise**

<b>Week 5: Globalization</b>
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Silver, Beverly (2003): Forces of Labor. Workers' Movements and Globalization since 1870. Cambridge: Cambridge University Press, pp. 1-75.

*Recommended*

Freeman, Richard B (1995): Are your wages set in Beijing? The Journal of Economic Perspectives, Vol. 9, No. 3, pp. 15-32.

Gentile, Antonina and Sidney Tarrow (2009): Charles Tilly, Globalization, and Labor's Citizen Rights, European Political Science Review, 1: 465-493

Ramsay, Harvey (2000): Know thine enemy: Understanding multinational corporations as a requirement for strategic international laborism. In: Gordon, Michael E. and Lowell Turner (2000): Transnational Cooperation among Labor Unions. Ithaca: Cornell University Press, pp. 26-43.

<b>Week 6: Global Labor Standards and Industrial Relations</b>
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*Required:*

Dirk Matten and Jeremy Moon (2008): 'Implicit' and 'Explicit' CSR: A conceptual framework for understanding CSR in Europe", Academy of Management Review, Volume: 33, Issue: 2, (here mimeo)

Lee, Eddy, (1997) Globalization and Labour Standards: A Review of Issues, International Labour Review, Vol. 136, pp. 173-189.

*Recommended:*

Jessica Rothenberg-Aalami (2004), 'Coming full circle? Missing links along Nike's integrated production networks', Global Networks, Vol. 4, pp. 335-354

Monshipouri, M., Welch, C. E. Jr. and Kennedy, E. T. (2003) Multinational Corporations and the Ethics of Global Responsibility: Problems and Possibilities, in Human Rights Quarterly, Vol. 25, No. 4, pp. 965-989.

Diller, J. (1999) A Social Conscience in the Global Marketplace? Labour Dimensions of Codes of Conduct, Social Labeling and Investor Initiatives, in International Labour Review, Vol. 138, No. 2, pp. 99-129

Colin Crouch (2009): 'Privatised Keynesianism: An Unacknowledged Policy Regime.' The British Journal of Politics and International Relations, Vol. 11, 382-399.

<b>Week 7: Corporatism light? European Monetary Union and the Transformation of Wage Bargaining</b>
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*Required:*

Bob Hancke and Martin Rhodes (2005): "EMU and Labor Market Institutions in Europe: The Rise and Fall of National Social Pacts." Work and Occupation 32:2, May 2005, pp. 196-228.

Avdagic, S., Rhodes, M. and Visser, J. 2005. The Emergence and Evolution of Social Pacts: A Provisional Framework for Comparative Analysis. European Governance Papers, No. N-05-01.

*Recommended:*

Wolfgang Streeck and Anke Hassel (2004): The Crumbling Pillars of Social Partnership. In: Herbert Kitschelt and Wolfgang Streeck (eds.) Germany: Beyond the Stable State. London, Portland: Frank Cass, 2004.

Peter A. Hall and Robert J. Franzese: Mixed Signals: Central Bank Independence, Coordinated Wage Bargaining and European Monetary Union. International Organization, Vol. 52, No. 3, pp.

Regini, Mario (2000): Between Deregulation and Social Pacts: The Responses of European Economies to Globalization. In: Politics and Society, Vol. 28, No. 1, pp. 5-33

Rhodes, Martin (2001): The Political Economy of Social Pacts: Competitive Corporatism and European Welfare Reform. In: Pierson, Paul (ed.): The New Politics of the Welfare State. Oxford, New York: Oxford University Press, pp. 165-195.

### **Part III: Labor in Eastern Europe**

<b>Week 8: Class and Politics in Eastern Europe</b>
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*Required:*

Ost, David (2006): The Defeat of Solidarity. Anger and Politics in Postcommunist Europe. Ithaca, NY: Cornell University Press. Chapters 1, 5 and 6, pp. 13-37, 121-179.

*Recommended:*

Labor History Symposium on the Defeat of Solidarity, Vol 48, Issue 1 February 2007, pp. 81-118

Vanhuyse, Pieter (2008 forthcoming): Kneeling before the altar of (il)liberalism: The politics of ideas, job loss and union weakness in East Central Europe. Forthcoming in International Labor and Working Class History 2008

Collier, Ruth Berins (1999): Paths Toward Democracy. The Working Class and Elites in Western Europe and South America, Cambridge: Cambridge University Press, pp. 166-189.

Rueschemeyer, Dietrich; Stephens, Evelyne Huber and John D. (eds., 1994): Capitalist development and democracy, Cambridge, UK : Polity Press.

<b>Week 9: Explaining Labor Weakness and Strength in Eastern Europe</b>
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*Required:*

Crowley, Stephen (2004): "Explaining Labor Weakness in Post-Communist Europe: Historical Legacies and Comparative Perspective." East European Politics and Society, Vol. 18, No. 3, pp. 394-429.

Grdesic, Marko (2008): "Mapping the Paths of the Yugoslav Model: Labor Strength and Weakness in Slovenia, Croatia and Serbia", European Journal of Industrial Relations.

*Recommended:*

International Labor and Working Class History 2005. *Special Issue on Workers and Socialist States in Central and Eastern Europe*. Vol. 68, October 2005.

Crowley, Stephen and David Ost (2001): Workers after Worker's State. Lanham: Rowman and Littlefield.

Avdagic, Sabina (2004): "Loyalty and Power in Union-Party Alliances. Labor Politics in Postcommunism. Max Planck Institut fuer Gesellschaftsforschung Discussion Paper 04/7.

Avdagic, Sabina (2005): „State-Labor Relations in East Central Europe: Explaining Variations in Union Effectiveness.“ Socio-Economic Review 3 (1), 25-53.

Miroslav Stanojevic (2003): Worker's Power in Transition Economies: The Cases of Serbia and Slovenia. European Journal of Industrial Relations, Vol 9., No. 3, pp. 283-301.

Kubicek, Paul (2004): Organized Labor in Postcommunist States: From Solidarity to Infirmity. Pittsburgh, University of Pittsburgh Press.

Vanhuyse, Pieter (2007): "Workers without Power: Agency, Legacies, and labour Decline in East European Varieties of Capitalism: Czech Sociological Review, vol. 43, No. 3: 305-337.

<b>Week 10: TNCs and Industrial Relations in the enlarged EU</b>
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*Required:*

Bohle, Dorothee and Bela Greskovits (2006): Capitalism without Compromise? Strong Business and Weak Labor in Eastern Europe's New Transnational Industries. Studies in Comparative International Development, Spring, Vol. 41, Nr. 1, pp. 3-25.

Magdalena Bernaciak 2010: Cross-border competition and trade union responses in the enlarged EU: Evidence from the automotive industry in Germany and Poland, European Journal of Industrial Relations, Vol. 16, No 2, pp. 119-135

*Recommended:*

Guglielmo Meardi (2006): Multinationals in the new EU member states and the revitalisation of trade unions. Warwick, Unpublished Manuscript.

Guglielmo, Meardi (2002): The Trojan Horse for the Americanization of Europe? Polish Industrial Relations towards the EU. European Journal of Industrial Relations, vol. 8, no. 1, pp. 77-99.

Kubicek, Paul (1999): “Organized Labor in Postcommunist States – Will the Western Sun Set on it, too?” *Comparative Politics*, October 1999, pp. 83-102.

<b>Week 11: Welfare States and Reforms in Eastern Europe</b>
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*Required:*

Vanhuyse, Pieter (2006): *Divide and Pacify. Strategic Social Policies and Political Protests in Post-Communist Democracies*. Budapest, CEU-Perss. Pp. 9-28, 49-96, 133-140.

Rhodes, Martin and Maarten Keune: EMU and Welfare State adjustment in Central and Eastern Europe, in: Dyson, Kenneth (2006): *Enlarging the Euro Area. External Empowerment and Domestic Transformation in East Central Europe*, pp.

*Recommended*

*European Journal of Social Policy*, Vol 14, No. 3, 2004: Special issue on European Integration, Europeanization, Enlargement and European Social Policy.

Bohle, Dorothee and Bela Greskovits (2007): Neoliberalism, Embedded Neoliberalism and Neocorporatism: Towards Transnational Capitalism in Central and Eastern Europe. *West European Politics*, May 2007, Volume 30, Issue 3, pp. 417-442.

Myant, Martin, Brian Slocock and Simon Smith (2000): Tripartism in the Czech and Slovak Republics. *Europe-Asia Studies*, Vol. 52, No. 4, pp.

<b>Week 12: Conclusion: Labor and the Global Financial Crisis</b>
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*Required:*

Labor and the Global Financial Crisis. Discussion Forum. With Contributions by Luccio Baccaro, Robert Boyer, Colin Crouch, Marino Regini, Paul Marginson, Richard Hyman and Rebecca Gumbrell-McCormick, *Socio-Economic Review* (2010) 8, 341–376