

### Selected Works of Michael Wallerstein

Michael Wallerstein was a leader in developing a rigorous comparative political economy of inequality, redistribution, and wage determination. His early death from cancer left both a hole in the profession and a legacy that will provide the foundation for research on these topics. This volume collects his most important contributions organized by topic, with each topic preceded by an editorial introduction that provides overview and context.

David Austen-Smith is the Earl Dean Howard Distinguished Professor of Political Economy at the Kellogg School of Management, Northwestern University. He is coauthor (with Jeffrey S. Banks) of two books on positive political theory and serves on the editorial boards of several journals in political science and economics.

Jeffry A. Frieden is professor of government at Harvard University. He specializes in the politics of international monetary and financial relations and is the author of three books, including, most recently, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (2006), as well as the editor or coeditor of more than a dozen other books on related topics.

Miriam A. Golden is professor of political science at the University of California at Los Angeles. The author of two books, including *Heroic Defeats: The Politics of Job Loss* (Cambridge University Press, 1996), she has also published in journals such as the *American Political Science Review*, the *American Journal of Political Science*, the *British Journal of Political Science*, and *Comparative Political Studies*.

Karl Ove Moene is professor of economics at the University of Oslo and scientific advisor at the Center of Applied Research, Oslo, since 1987. He is the coauthor or coeditor of seven books, including *Trade Union Behaviour and Pay Bargaining and Economic Performance* (1993), coauthored with Robert Flanagan and Michael Wallerstein.

Adam Przeworski is Carroll and Milton Petrie Professor in the Department of Politics, New York University. A member of the American Academy of Arts and Sciences since 1991, he is the recipient of the 2001 Woodrow Wilson Prize and the author of thirteen books, including *States and Markets* (2003), *Democracy and the Rule of Law* (2003), and *Democracy and Development* (2000), published by Cambridge University Press.





Cambridge University Press

978-0-521-71485-3 - Selected Works of Michael Wallerstein: The Political Economy of Inequality, Unions, and Social Democracy

Edited by David Austen-Smith, Jeffry A. Frieden, Miriam A. Golden,

Karl Ove Moene and Adam Przeworski

Frontmatter

More information

#### Cambridge Studies in Comparative Politics

General Editor

Margaret Levi University of Washington, Seattle

Assistant General Editor

Stephen Hanson University of Washington, Seattle

Associate Editors

Robert H. Bates Harvard University

Peter Lange Duke University

Robert H. Bates Harvard University

Helen Milner Princeton University

Frances Rosenbluth Yale University

Susan Stokes Yale University

Sidney Tarrow Cornell University

Kathleen Thelen Northwestern University

Erik Wibbels University of Washington, Seattle

Other Books in the Series

Lisa Baldez, Why Women Protest: Women's Movements in Chile

Stefano Bartolini, The Political Mobilization of the European Left,

1860–1980: The Class Cleavage

Mark R. Beissinger, Nationalist Mobilization and the Collapse of the Soviet State

Nancy Bermeo, ed., Unemployment in the New Europe

Carles Boix, Democracy and Redistribution

Carles Boix, Political Parties, Growth, and Equality: Conservative and Social Democratic Economic Strategies in the World Economy

Catherine Boone, Merchant Capital and the Roots of State Power in Senegal, 1930–1985

Catherine Boone, *Political Topographies of the African State: Territorial Authority and Institutional Change* 

Continued on page 467





More information

Cambridge University Press 978-0-521-71485-3 - Selected Works of Michael Wallerstein: The Political Economy of Inequality, Unions, and Social Democracy Edited by David Austen-Smith, Jeffry A. Frieden, Miriam A. Golden, Karl Ove Moene and Adam Przeworski Frontmatter

# Selected Works of Michael Wallerstein

THE POLITICAL ECONOMY OF INEQUALITY, UNIONS, AND SOCIAL DEMOCRACY

Edited by

#### **DAVID AUSTEN-SMITH**

Northwestern University

### JEFFRY A. FRIEDEN

Harvard University

#### MIRIAM A. GOLDEN

University of California, Los Angeles

#### KARL OVE MOENE

University of Oslo

#### ADAM PRZEWORSKI

New York University





Cambridge University Press

978-0-521-71485-3 - Selected Works of Michael Wallerstein: The Political Economy of Inequality, Unions, and Social Democracy

Edited by David Austen-Smith, Jeffry A. Frieden, Miriam A. Golden,

Karl Ove Moene and Adam Przeworski

Frontmatter

More information

# **CAMBRIDGE**UNIVERSITY PRESS

32 Avenue of the Americas, New York NY 10013-2473, USA

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9780521714853

© Cambridge University Press 2008

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2008

A catalogue record for this publication is available from the British Library

Library of Congress Cataloguing in Publication data

Wallerstein, Michael, 1951-2006

Selected works of Michael Wallerstein: the political economy of inequality, unions, and social democracy / edited by David Austen-Smith... [et al.].

p. cm. - (Cambridge studies in comparative politics)

Includes bibliographical references and index.

 ${\tt ISBN\ 978-0-521-88688-8\ (hardback)-ISBN\ 978-0-521-71485-3\ (pbk.)}$ 

1. Economics. 2. Equality. 3. Labor unions. 4. Socialism. I. Austen-Smith, David.

II. Title. III. Series.

HB171.W216 2008

335.0092-dc22 2007029945

ISBN 978-0-521-88688-8 Hardback ISBN 978-0-521-71485-3 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



## **Contents**

Preface and Acknowledgments		page ix
1.	GENERAL INTRODUCTION  Jeffry A. Frieden and Adam Przeworski	1
Par	t I. Class Conflict, the State, and Economic Limits	
to D	Democracy	
2.	INTRODUCTION Adam Przeworski	9
3.	THE STRUCTURE OF CLASS CONFLICT IN DEMOCRATIC CAPITALIST SOCIETIES  Adam Przeworski and Michael Wallerstein	18
4.	STRUCTURAL DEPENDENCE OF THE STATE ON CAPITAL Adam Przeworski and Michael Wallerstein	58
5.	CAPITAL TAXATION WITH OPEN BORDERS  Michael Wallerstein and Adam Przeworski	86
Par	t II. The Politics of Labor Organizations	
6.	INTRODUCTION Miriam A. Golden	109
7.	UNION ORGANIZATION IN ADVANCED INDUSTRIAL DEMOCRACIES Michael Wallerstein	116

vii



Cambridge University Press

978-0-521-71485-3 - Selected Works of Michael Wallerstein: The Political Economy of Inequality, Unions, and Social Democracy

Edited by David Austen-Smith, Jeffry A. Frieden, Miriam A. Golden,

Karl Ove Moene and Adam Przeworski

Frontmatter

More information

		Contents
8.	CENTRALIZED BARGAINING AND WAGE RESTRAINT Michael Wallerstein	146
9.	POSTWAR TRADE-UNION ORGANIZATION AND INDUSTRIAL RELATIONS IN TWELVE COUNTRIES Miriam A. Golden, Michael Wallerstein, and Peter Lange	173
10.	UNIONS IN DECLINE? WHAT HAS CHANGED AND WHY Michael Wallerstein and Bruce Western	212
Part	III. Inequality and Redistribution	
11.	INTRODUCTION David Austen-Smith	241
12.	WAGE-SETTING INSTITUTIONS AND PAY INEQUALITY IN ADVANCED INDUSTRIAL SOCIETIES  Michael Wallerstein	250
13.	INEQUALITY, SOCIAL INSURANCE, AND REDISTRIBUTION Karl Ove Moene and Michael Wallerstein	285
14.	REDISTRIBUTION AND AFFIRMATIVE ACTION David Austen-Smith and Michael Wallerstein	320
Part	IV. Labor and the Nordic Model of Social Democracy	
15.	INTRODUCTION Karl Ove Moene	369
16.	HOW SOCIAL DEMOCRACY WORKED: LABOR-MARKET INSTITUTIONS Karl Ove Moene and Michael Wallerstein	378
17.	EARNINGS INEQUALITY AND WELFARE SPENDING A DISAGGREGATED ANALYSIS  Karl Ove Moene and Michael Wallerstein	G: 409
18.	SOCIAL DEMOCRACY AS A DEVELOPMENT STRATEGY Karl Ove Moene and Michael Wallerstein	443
Othe	r Books in the Series	467

viii



## Preface and Acknowledgments

Michael Wallerstein's untimely death in January 2006 spurred us to compile this volume of Wallerstein's writings. The support that we received in this endeavor propelled the volume forward in record time. We thank Lewis Bateman, Scott Parris, and Kimberly Twist at Cambridge University Press, as well as the editor of this series, Margaret Levi, all of whom did much to make this project a reality. We also thank the anonymous reviewers of the manuscript for their speedy and helpful comments on the volume.

Finally, we are grateful for the support we have received from the entire Wallerstein family: Michael's parents, Bob and Judy; his sisters, Nina and Amy; his wife, Liz; and his children, Jonah and Hannah. This volume is dedicated to Michael's memory, but we hope that it will also offer some degree of comfort to the living.