Index

actor-centered institutionalism, 10–11
Amato, Giuliano, 128
asset bubbles, 212
Australia
quantitative analysis of industrial relations change, 26
Austria
quantitative analysis of industrial relations change, 26

Belgium
quantitative analysis of industrial relations change, 26
Bengtsson, Erik, 214
Berlusconi, Silvio, 141
Blair, Tony, 63–4
Boyer, Robert, 9, 203

Canada
quantitative analysis of industrial relations change, 26
capital deepening effect, 207
capital movements liberalization, 24
capitalism
alternative German model, 97
broad changes over time, 20–1
commonalities of, 12
dynamism and inherent instability, 9
evolution of, 197–8
expectation of institutional change, 12
historical compromise between unions and employers, 200
historical trajectory, 23
influence on institutional change, 12–13
inherent instability, 12–13, 25
meanings of equilibrium, 12, 13
post-Kaleckian view, 203–10
punctuated equilibrium model, 9
Regulationist view, 9, 23–5, 199–203
shaping role of institutions, 199–200
stabilizing effect of industrial relations institutions, 25, 199–203
tendency toward crisis, 9
capitalist economy
distinction from market economy, 199
capitalist growth
wage-led growth, 204
capitalists
motivation to maximize workplace control, 203–4
opposition to full employment, 203–4
centralized bargaining
influence of institutional conversion, 19
Chirac, Jacques, 77
Ciampi, Azelio, 129
City of London financial hub, 212
class compromise
brief periods in history, 25
class power
shift following the Fordist crisis, 21–2
classical political economy, 23
collective bargaining
coverage rates, 32–4
institutionalization, 200–1
collective bargaining centralization scores, 34
collective bargaining centralization scores (adjusted), 34–7
commodification experienced by workers, 120
comparative political economy (CPE), 2
argument for incrementalism and path dependence, 2–3
emerging views on institutional change, 3–4
influence of the nature of capitalism, 12–13
institutional analysis, 2
power resources approach, 20
traditional focus on explaining differences, 2–3
traditional focus on institutional analysis, 6
traditional hostility to convergence, 6

competitive markets, 201
corporatism, 39–41
corporatist systems, 120
country cases comparison
changes in employer discretion, 192–5
employers and trade unions, 176–81
European dimension, 187–91
growth profiles, 214–22
pathways of institutional change, 172–6
role of the state, 181–7
tendency toward liberalization, 195–6
de facto power of institutions, 14
de jure power of institutions, 14
debt-led growth, 212–14
decollectivization, 1
deindustrialization, 202–3
Delors, Jacques, 81
demand shortfall
export-led and debt-led growth models, 211–14
secular stagnation problem, 210–11
Denmark
quantitative analysis of industrial relations change, 26
deregulation
derogation as mechanism, 19
liberalization as, 18–20

development of the labor market, 1
derogation
mechanism of deregulation, 19
dirigiste industrial relations in France, 74–6
dualist systems, 119–20

Eichengreen, Barry, 214
employer discretion
comparision of changes in five country cases, 192–5
dimensions of, 20
expansion as indicator of liberalization, 1, 20
expansion in France, 95–6
expansion in Germany, 119
expansion in Italy, 139–40
expansion in Sweden, 166–8
expansion in United Kingdom, 71–2
expansion under liberalization, 17–18

hiring and firing, 20
metric of liberalization, 20
personnel management and work organization, 20
wage determination, 20
employer interests
coordination needs provided by institutions, 22
employer organization density rates, 31–2
employer preferences
effects of institutional change, 22–3
influence of power resources, 22–3
employers
efforts to reshape institutions, 10–11
employers and trade unions
comparison of five country cases, 176–81
employment
opposition to a full employment regime, 203–4
political aspects of full employment, 203–4
entrepreneurial actors
influence on institutions, 10–11
equilibrium
meaning in game theory, 12
mechanical meaning (Gleichgewicht), 13

Euro area
effects of focus on export-led growth, 213
European dimension
comparison of five country cases, 187–91
exchange rate policy
effects of changes in wage- and price-formation, 201
export-led growth, 212–14
Index

delegitimization of trade unions, 89–93
deregulation of the labor market, 93–5
dirigiste industrial relations, 74–6
drive for firm-level flexibility in the 1990s, 82–4
encouragement of firm-level social dialogue, 82
expansion of derogation, 84–5, 86
expansion of employer discretion, 95–6
government fear of social upheaval, 77
Grenelle Accords, 75
growth profile, 214–22
hyper-reformist strategy of CFDT, 78–80
increase in firm-level bargaining, 82
increase in organizational flexibility, 93–5
industrial relations at the end of the 1970s, 73
legislation reflects collective bargaining results, 87–8
legitimacy of worker representatives, 85–7
legitimizing neoliberal reforms, 87–8
liberalization index, 16, 49
loi El Khomri (2016), 94
loi Fillon (2004), 84–6, 87
loi négociée, 87–8
loi Robien (1995), 84
lois Aubry (Aubry laws), 79, 84
lois Auroux (Auroux laws), 79, 81–2
majority principle in firm-level bargaining, 85
move toward firm-level bargaining, 81–2
neoliberal employer organization MEDEF, 79–80
new institutional landscape, 73
New Society project of Chaban-Delmas, 75
nonunion, firm-specific negotiation institutions, 80
pathway of liberalization, 95–6
post-Fordist restructuring challenge, 76–80
postwar industrial relations regime, 74–6
projects of industrial relations reform, 80–8
quantitative analysis of industrial relations change, 26
rapidly accelerating institutional change, 80–8
redefining who represented labor, 78
refondation sociale of MEDEF, 79–80, 87
responsibility for regulating the labor market, 73–4
role of the trade unions, 78–9
social policy implementation through collective bargaining, 87–8

factor substitution effect, 207
Fiat
approach to collective bargaining, 133, 135–6
financial crisis of 2008, 212
financial speculation, 200
financialization of economies, 211–12
Finland
quantitative analysis of industrial relations change, 26
firms
central role in Varieties of Capitalism approach, 7–11
flexible accumulation
feature of post-Fordism, 25
force field of institutional operations, 13, 14
Fordist model
brief periods of class compromise, 23
collapse of, 21–2, 24–5
comparison with the Solow–Swan model, 201
constraints on wage-led growth, 24–5
crisis in, 9, 21–2
effects of deindustrialization, 202–3
effects of trade liberalization, 202
endemic inflation problem, 202
factors in the collapse of, 198
features of, 199–200
problems with, 24–5
productivity and wage growth, 24
Regulation School analysis, 199–203
Regulation Theory approach, 24
stabilizing effect of industrial relations institutions, 199–203
stabilizing institutions, 197–8
vulnerabilities, 201–5
wage-led growth, 21
France
abandonment of the Socialist economic project, 77
breach of the agreement levels hierarchy, 81–2
CGT union, 78
changed architecture of industrial relations, 88–95
changes relating to layoffs, 84
codification of a new industrial relations system, early twenty-first century, 84–8
collective bargaining as a form of social regulation, 88–9
contractualization of society, 88–9
contrat nouvelle embauche (2005), 94

© in this web service Cambridge University Press www.cambridge.org
France (cont.)
state intervention in industrial relations, 75–6
state regulation as obstacle to flexibility, 73–4
state use of collective bargaining, 87–8
state withdrawal from labor market regulation, 77–8
strike wave of May–June 1968, 74–6
transformation of French capitalism, 80
transition and experimentation in the 1990s, 82–4
version of neoliberalism, 77
weakening of trade unions, 82
weakening of union representation, 85–7
weakness of postwar collective bargaining, 74
weakness of trade union organization, 74–5
work time reduction and flexibility, 83–4
See also country cases comparison
game theory
meaning of equilibrium, 12
Germany
Alliances for Jobs, 109–11
alternative model of capitalism, 97
attempts at tripartite social pacting, 109–11
collective bargaining institutions, 99–100
competition from Asia, 98–9
coordinated market economy (CME), 97
cost problem of the German model, 106–7
current industrial relations regime, 113–18
decline in industry-level collective bargaining, 113–15
diversified quality production (DQP), 97, 98–9
dramatic change in German institutions, 97–8
dual equilibrium argument, 119–20
effects of conversion to the Euro, 103–4
erosion of industrial relations institutions, 104–13
expansion of employer discretion, 119
expectation of incremental change, 97
Gesamtmetall employers’ association, 99–100, 107–8
growth profile, 214–22
Hartz reforms, 111–13
IG Metall trade union, 99–100, 108
impact of unification, 101–2, 105–6
increase in imports, 102
increasing importance of exports, 101–4
institutional rigidity and efficiency, 98–9
international competition, 106
Konzertierte Aktion forum, 100
lack of national-level tripartite policy-making, 100
liberalization index, 16, 49
liberalization of industrial relations, 119–20
loss of worker coverage by collective agreements, 115–17
manufacturing sector liberalization, 98
metal sector collective agreements, 99–100
new German model, 113–18
Pacts for Employment and Competitiveness (PECs), 107–9
pattern bargaining principle, 100–1
price sensitivity of exports, 103–4
quantitative analysis of industrial relations change, 26
reduction in domestic demand, 101–4
resistance to neoliberal change, 97
responses to high unemployment and stagnant growth, 106–7
restructuring of manufacturing supply chains, 107
shift away from balanced growth model, 101–4
shift to export-led model, 101–4
trade union membership, 99–100
traditional German model, 98–104
trajectory of liberalization, 104–13
trend toward outsourcing abroad, 107
vocational training system, 99
wage repression, 117–18
work time reduction offensive, 104–5
See also country cases comparison
Gleichgewicht
mechanical meaning of equilibrium, 13
gold-standard system, 201
Goldthorpe, John, 120
government expenditures
effects on distribution of income, 205
growth models
coevolution with liberalization, 214
debt-led growth, 212–14
demand scenarios, 206–7
effects of public policy, 208
export-led growth, 212–14
instability of post-Fordist growth, 210–14
neoclassical model, 201
post-Kaleckian analysis, 203–10
profit-led compared with wage-led, 204
Index

Solow–Swan model, 201
See also Fordist model
growth profiles of the country cases, 214–22

Hartz, Peter, 111
heterodox economics, 7, 198, 199, 202, 208, 211
hiring and firing
employer discretion, 20
Hollande, François, 87, 94

income redistribution, 204
incremental transformation of institutions, 10–11
incremental view of institutional change, 2–3
individuation of bargaining, 1
industrial conflict measure, 41
industrial relations
change trajectory in Western Europe, 1–2
implications of post-Kaleckian analysis, 208–10
industrial relations institutions
argument for neoliberal trajectory, 19–20
as product of firm’s coordination needs, 22
changes in form and function, 1–2
continuity of form, 14–15
discerning neoliberal drift, 197
distinction between de jure and de facto power, 14
effects of shifts in power resources, 22–3
effects of the Fordist crisis, 22
force field of operations, 13, 14
indications of liberalization, 1–2
influence of class actors, 13
institutional isomorphism argument, 13–14
nature of institutional convergence, 15–16
plasticity of, 1–2, 14–15
shifts in employer attitudes toward, 22–3
stabilizing effect in the Fordist model, 199–203
stabilizing effect on capitalism, 25
inflation
endemic problem in the Fordist model, 202
institutional change
common liberalizing tendency, 3–4
effects on employer preferences, 22–3
emerging views on change, 3–4
potential for rapid change, 3–4
traditional CPE view, 2–3
institutional change theory, 7–11
argument for incremental transformation, 10–11
drivers of the trajectory of change, 11
emphasis on political aspects, 11
factors in resistance to change, 8
influence of entrepreneurial actors, 10–11
influence of instability of capitalism, 12–13
institutional isomorphism argument, 13–14
likelihood of institutional rupture, 11
path dependency, 7
political view of dynamics, 9–10
power resource theory, 10
reasons for apparent lack of change, 14–15
Regulationist approach, 9
resilience of institutions, 7
structuring power of institutions, 7
Varieties of Capitalism approach, 7–11, 17–18
institutional convergence
equifinality concept, 15–16
neoliberal direction, 16–17
trajectory convergence, 15–16
institutional conversion
liberalization as, 19–20
institutional deregulation
features and mechanisms, 18–19
liberalization as, 18–20
institutional isomorphism argument, 13–14
institutional rupture
likelihood of, 11
institutions
as mechanism for permitting regulation, 9
traditional focus of CPE analysis, 6
traditional view of persistence, 6
view of Varieties of Capitalism theory, 7–11
investment
wage-led and profit-led, 205
Ireland
Celtic Tiger model, 14
quantitative analysis of industrial relations change, 26
Italy
attempts to reform Article 18 of the Workers’ Statute, 136–9
company-level bargaining, 132–6
EUR policy, 124–6
evolution of collective bargaining structure, 132–6
expansion of derogation, 133–4
expansion of employer discretion, 139–40
Fiat approach to collective bargaining, 133, 135–6

Index

Italy (cont.)
first postwar incomes policy (1983), 126–7
growth profile, 214–22
Hot Autumn wave of worker mobilizations, 121, 122–3
industrial relations up to the end of the 1970s, 122–6
industry-level agreements, 132–4
Italian Communist Party (PCI), 123–6
labor market reforms, 136–9
liberalization due to changing balance of power, 122
liberalization index, 16, 49
nature of the liberalization process, 139–42
predominance of small firms, 136
problem of inflation control, 126–9
quantitative analysis of industrial relations change, 26
reform of employment protection legislation, 136–9
scala mobile reform, 125, 126–9
sovereign debt crisis (early 2010s), 141
trade union militancy in the late 1970s, 121
trade union negotiations in corporatist agreements, 126–32
trade union support for Article 2–3, 136–32
two-tier bargaining structure, 132–6
Workers’ Statute (1970), 123
See also country cases comparison

Kahn-Freund, Otto, 52
Kaldor/Verdoorn effect, 207
Kalecki, Michal, 203–4
Keynes, John Maynard, 199, 203, 204
Keynesian accelerator, 24
liberal market economies (LMEs), 8, 10
liberalism, classical
distinction from neoliberalism, 16
liberalization
as institutional conversion, 19–20
as institutional deregulation, 18–20
definition, 16–17
employer discretion metric, 20
expansion of employer discretion, 17–18, 20
indicators of, 1–2
varieties of, 17
liberalization indices, 16, 49
liberalization of industrial relations
common tendency of country cases, 195–6
macroeconomic framework of neoliberalism, 16–17
macroeconomic parameters
variable nature of, 201
manufacturing sector
constraints on wage-led growth, 24–5
explanation of its decline, 202–3
liberalization, 18
post-Fordism, 25
market economy
distinction from capitalist economy, 199
Marx, Karl, 199, 200
Marx/Hicks effect, 207
monetary system
effects of changes in wage and price formation, 201
Monti, Mario, 138, 141
neoliberal convergence, 198
traditional CPE hostility to convergence, 6
neoliberal direction of institutional convergence, 16–17
neoliberal trajectory of industrial relations institutions, 19–20
neoliberalism
definition, 16–17
distinction from classical liberalism, 16
drivers of the common neoliberal trajectory, 21–5
expansion of employer discretion, 17
macroeconomic framework, 16–17
range of forms and pathways, 17
role of the state, 16
Netherlands, the
quantitative analysis of industrial relations change, 26
Norway
quantitative analysis of industrial relations change, 26
oil crises (mid-1970s), 7, 202
oligopolistic markets, 201
path dependency
influence on institutional change, 2–3
influence on institutions, 7
pathways of institutional change
comparison of five country cases, 172–6
perfect competition, 201
personnel management
employer discretion, 20
Peters, Jürgen, 112
### Index

- plasticity of institutions, 1–2, 14–15
- institutional conversion, 19
- political economies
  - types of, 8
  - political economy
  - focus on historical trajectory of capitalism, 23
- post-Fordism, 9
  - flexible accumulation feature, 25
  - United Kingdom, 55–6
- post-Fordist growth
  - instability of, 210–14
- post-Kaleckian analysis of growth models, 203–10
- post-Kaleckian literature, 198
- post-Keynesian approach, 201
- power resource theory, 10, 22
- power resources
  - approach to comparative political economy, 20
  - influence on employer choices, 22–3
- price setting
  - effects of changes in wage setting, 201
  - productivity
  - relationship to other factors, 207–8
  - profit-led growth
  - compared with wage-led growth, 204
  - demand scenarios, 206–7
- public policy
  - relationship to growth models, 208
- punctuated equilibrium model of capitalism, 9
- qualitative analysis of case studies, 19–20
- quantitative analysis, 19–20
- assessing the trajectory of change, 46–50
- collective bargaining centralization scores, 34
- collective bargaining centralization scores (adjusted), 34–7
- collective bargaining coverage rates, 32–4
- countries included in the sample, 26
- data sources and presentation, 26
- description of indicators/indices used, 26
- employer organization density rates, 31–2
- factor analysis, 41–6
- industrial conflict measure, 41
- liberalization indices, 16, 49
- operational definition of convergence, 49
- previous research, 26
- purpose, 26
- social pacting (corporatism) measure, 39–41
- sordites paradox in data interpretation, 47
- union density rates, 27–31
- wage bargaining coordination scores, 37–9
- Regulation School, 203
  - analysis of Fordism, 199–203
  - perspective on capitalism, 199–203
- Regulation Theory
  - Fordist model, 24
  - Keynesian accelerator, 24
  - productivity and wage growth, 24
  - view of capitalism, 23–5
- Regulationist approach, 9
  - variable nature of macroeconomic parameters, 201
- Regulationist literature, 198
- Renzi, Matteo, 139, 141
- Sarkozy, Nicolas, 77, 84, 86, 87
- saving
  - propensity for, 204–5
- Say’s Law, 211
- Schröder, Gerhard, 111
- secular stagnation problem, 210–11
- service sector
  - post-Fordism, 25
  - social pacting, 19–41
- Solow–Swan growth model, 201
- sordites paradox in data interpretation, 47
- state
  - agent of neoliberalism, 16
  - role compared in five country cases, 181–7
- Streeck, Wolfgang, 12
- Summers, Larry, 210–11
- Sweden
  - changes to the Ghent system, 159–60
  - changes to unemployment benefits, 159–60
  - compression of the wage scale, 144–5
  - coordinated decentralization, 170
  - coordination challenges for LO union confederation, 166–7
  - crisis of the Swedish model, 148–52
  - current industrial relations regime, 168–71
  - decentralization and decollectivization of industrial relations, 160–8
  - decline in trade union density, 164–6
  - decline in trade union membership, 159–60
  - decline of the trade unions, 151, 169
  - employer dissatisfaction with the Swedish model, 149–51
  - erosion of employment protection, 160
  - European Court of Justice rulings on right to strike, 159
Sweden (cont.)
expansion of employer discretion, 166–8
foreign direct investment (FDI), 148
Ghent-style system of unemployment insurance, 145–6
growth profile, 214–22
impacts of EU membership, 148–9, 159
impacts of international competition, 148–9
impacts of the economic crisis in 2008, 158, 168
income inequality, 170
indicators of liberalization, 168–71
institutions of the Swedish model, 145–6
labour law, 146
legislative challenges to self-regulation, 146–7
liberalization index, 16, 49
LO blue collar union confederation, 144–5, 151, 154, 156–7, 169
National Mediation Office (NMO), 154–6
possible resistance to liberalization, 143–4
postwar corporatist bargaining model, 143
quantitative analysis of industrial relations change, 26
reengineering coordination for a neoliberal era, 152–60
Rehn–Meidner bargaining model, 14, 144–5
restricted employer discretion in the 1970s, 147
right to strike, 146, 158–9
SAF employer federation, 144–5, 149–50
Saltzj¨obaden era of industrial relations, 144–7
signs of extensive, transformational liberalization, 143–4
SN (Confederation of Swedish Enterprise), 149–50, 156–7
Stabilization Drive (1990–93), 152, 153, 154, 156
state role in liberalization of industrial relations, 152
state support for the Swedish model, 145
survival of collective regulation, 143
wage drift effects, 147
See also country cases comparison

Index

trade liberalization destabilizing effect on the Fordist model, 202
trade unions indicators of liberalization, 1
trade unions and employers comparison of five country cases, 176–81
trajectory of change drivers of, 11
quantitative analysis, 46–50
Trentin, Bruno, 129
trickle-down economics, 206
union density rates, 27–31

United Kingdom
achieving supply-side hyperflexibility, 53–6
adoption of the EU Social Charter, 63
alternative forms of consultation, 70
architecture of contemporary industrial relations, 67–71
austerity measures, 66
bargaining power of 1970s trade unions, 51–3
changes in employer discretion, 70
changes in employment rights, 61
changes in industrial relations after 1979, 53–6
collective laissez faire situation, 51–2
Conservative industrial relations legislation after 1979, 53–63
Conservative-Liberal Democrat coalition (2010–15), 51, 66
Conservative onslaught on collective regulation, 56–63
decollectivization of industrial relations, 56–63, 71–2
decollectivization under Conservative governments, 51
diminished role of trade unions, 58
dismantling of collective bargaining institutions, 60
Donovan Commission report (1968), 51–2, 54
downfall of the Heath government (1974), 54
employment tribunal system, 65
end of tripartism, 62–3
erosion and dismantling of institutions, 51
expansion of employer discretion, 71–2
Fordist influences, 51–2
from industry-level to firm-level bargaining, 51–2
Index

growth profile, 214–22
increasing employer discretion after 1979, 53–6
individualization of industrial relations, 58
legislation on trade union governance, 59–60
legislation to curtail industrial action, 59
liberalization index, 16, 49
limited employer discretion in the 1970s, 53
moves toward individualized bargaining, 53–6
neoliberal transformation, 67–71
new industrial relations consensus after 1997, 63–7
New Labour approach to industrial relations, 63–7
peak of the collective regulation regime, 51–3
post-Fordism, 55–6
public sector reforms, 61–2, 69
quantitative analysis of industrial relations change, 26
regulation of trade union power, 58–63
re-regulation under Labour governments, 51
restructuring of British capitalism, 55–6
shop stewards, 53, 68
state support for collective bargaining withdrawn, 53–6
statutory minimum wage, 65
strikes in the Winter of Discontent (1978–79), 54
Thatcher Conservative government, 54
Thatcherism, 54, 56–63, 67
trade union membership, 67–8
trade union membership in the 1970s, 53
voluntarist ideology of trade unions, 52–3, 54, 64
weakening of employment protection, 70–1
See also country cases comparison
United States
quantitative analysis of industrial relations change, 26
Varieties of Capitalism approach, 7–11, 17–18
differing views within, 10
possibility of convergence, 10
voluntarism
ideology of British trade unions, 52–3, 54, 64
Volvo, 151
wage bargaining coordination scores, 37–9
wage determination
employer discretion, 20
wage-led growth, 204
compared with profit-led growth, 204
demand scenarios, 206–7
in closed and open economies, 205–6
wage setting
effects of changes on price setting, 201
Wall Street financial hub, 212
work organization
employer discretion, 20
works councils
influence of institutional conversion, 19
Zwickel, Klaus, 109