

**INTERNATIONAL
INSTITUTE FOR
LABOUR STUDIES**

Discussion paper

DP/168/2006

**Policy concertation in Europe:
Explaining government choice**

Decent Work
Research
Programme

Lucio Baccaro
Marco Simoni

P.O. Box 6
CH-1211 Geneva 22
Tel. 00 41 22 / 799 6128
Fax. 00 41 22 / 799 8542
E-mail: inst@ilo.org
<http://www.ilo.org/inst>

The *International Institute for Labour Studies* was established in 1960 as an autonomous facility of the International Labour Organization (ILO). Its mandate is to promote policy research and public discussion on emerging issues of concern to the ILO and its constituents — government, business and labour.

The *Discussion Paper Series* presents the preliminary results of research undertaken by the ILS. The documents are intended for limited dissemination with a view to eliciting reactions and comments before they are published in their final form as special publications.

Policy concertation in Europe: Explaining government choice

Lucio Baccaro

Institute for Work and Employment Research
Massachusetts Institute of Technology
baccaro@mit.edu

Marco Simoni

European Institute
London School of Economics and Political Science
m.simoni@lse.ac.uk

International Institute for Labour Studies Geneva

Copyright © International Labour Organization (International Institute for Labour Studies) 2006.

Short excerpts from this publication may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the Editor, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

ISBN Print 92-9014-807-1 & 978-92-9014-807-4
Web/pdf 92-9014-808-X & 978-92-9014-808-1

First published 2006

The responsibility for opinions expressed in this paper rests solely with its author, and its publication does not constitute an endorsement by the International Institute for Labour Studies of the opinions expressed.

Requests for this publication should be sent to: ILS Publications, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

TABLE OF CONTENTS

Introduction	1
The trajectory of policy concertation between 1974 and 2003	2
Preliminary conclusions	7
Understanding government's demand for concertation	8
Case selection	11
Case study analysis.....	11
(1) Government weakness	11
(2) Problem load	12
(3) Negative policy feedback.....	13
(4) Unions' declining organizational strength.....	13
(5) The role of partisanship.....	14
(6) Changes in employer preferences	15
(7) The role of the macroeconomic regime.....	15
Overview of findings.....	16
Concluding remarks	17
Bibliography.....	19

Abstract

This paper focuses on the European governments' decision to involve union and employment representatives in the design and implementation of public policy. It begins by elaborating and plotting over time a measure of the phenomenon at hand (1974-2003), based on coding of textual sources. This reveals no secular growth (or decline) of government willingness to involve or devolve, and consequently no convergence on a pluralist model of interest representation. The measure is then used to identify the clearest cases of policy change by governments. We analyze the contrasting responses of the British and Irish governments as regards incomes policies, and of the Austrian and Italian governments as to pension reform, against the backdrop of several plausible hypotheses about government choice. We find that only two factors account for both increase and decrease in government willingness to involve: the role of government's parliamentary strength (the stronger the government the greater its ability to withstand social opposition on its own) and the trade unions' organizational and mobilization capacities: strong unions seem to discourage government's decision to cooperate, weak(ened) unions to favor it.

Introduction

The literature on corporatism and policy concertation has shown a tendency to conflate a number of questions that it would be best to keep separate: 1) Why are governments willing (or unwilling in some cases) to share their policy making prerogatives with trade unions and employer associations, not just informally, by incorporating their inputs, but, formally, by setting up a bargaining table and engaging in negotiations with them over the content of public policy? 2) In what conditions, contingent on government's decision to in- (or de-)volve, does a negotiated agreement emerge? 3) In what circumstances does negotiated regulation cease to reflect the contingencies and power balance of the time in which the deal is struck and becomes a durable way of processing public policy? 4) In what respects, if any, is policy concertation more or less effective than alternative policy-making processes?¹

Despite its massive size, most of the literature has focused so far on questions two and four, while it has been much less vocal on the other two. Much of the neo-corporatist literature of the 1970s and 1980s more or less assumed (based on functionalist reasoning about problems of governability in advanced societies) that governments would be willing to engage with labor and capital, and then went on to explore the interest group characteristics which allowed or prevented the emergence of durable agreements (see the articles in Schmitter and Lehbruch, 1979; Lehbruch and Schmitter, 1982; Berger, 1981; Goldthorpe, 1984). Another strand of research (by now probably larger than the former) dealt with the macroeconomic consequences of policy concertation, especially centralized or coordinated collective bargaining (for recent analyses, see Garrett, 1998; Iversen, 1999; Traxler et al., 2001; Kenworthy, 2002; Traxler, 2003).

In this paper we are interested in question number one, which we regard as analytically prior to the others. Governments, accountable to national parliaments (or directly to the electorate), are the sole institutions with a clear mandate to take binding decisions. The constitutional standing and democratic legitimacy of mixed systems of policy-making (involving private actors' access to the public sphere) have always been considered dubious (see Lowi, 1979; Habermas, 1989[1964]; 1996), including by theorists of neo-corporatism itself (see Schmitter, 1983, for an example). It needs to be explained why democratically elected governments are, in some circumstances, willing to share their policy-making prerogatives with the social partners rather than using them at full and proceeding unilaterally.

To address this question, this paper begins by measuring the phenomenon of interest. Based on coding of textual information contained in the European Industrial Relations Review – a monthly publication providing regular updates on industrial relations developments in European countries – we present two indicators of government willingness to engage in policy concertation in Europe, one pertaining to wage policy and the other to welfare policy. These indicators cover 15 European countries between 1974 and 2003.

¹ In this paper, the expression “policy concertation” is used as defined by Compston (Compston 2002), namely as a policy-making method whereby “employers and trade unions are involved in the making of decisions that are ultimately the exclusive province of the state, in particular decisions on the contents of legislation, regulations and administrative orders.” Policy concertation allows for the formal involvement of societal interests and is, in this sense, different from a pluralist model in which groups exercise informal influence on the governmental sphere. This definition is similar to the definition of corporatism as provided, for example, by Streeck and Kenworthy (2004: 11): “Corporatist theory and practice blur the boundary between state and society as the state shares authority with private interest associations, using the latter as agents of public policy by coordinating their behavior or delegating public functions and decisions to them. In a corporatist context, private interest representation thus shades into public governance.”

Simply by plotting these measures over time, a number of interesting trends emerge. First, government willingness to engage in negotiations with the social partners in at least one of the two policy areas has remained virtually stable over time in Europe. There is no evidence of secular growth or decline. However, the proportion of governments that are willing to bundle the two issues and deal with them simultaneously (in what may be called a “social pact”) has grown, at a decreasing rate. Second, while the path of wage policies is markedly cyclical around a U-shaped trend, the trend of government’s willingness to engage in negotiated welfare policies increases monotonically over time. Third, there is some evidence that the run up and establishment of EMU may have led EMU countries to be more willing to process welfare issues in a participatory fashion than non-EMU countries. Overall, however, the effects of EMU seem less remarkable than they are generally made out to be.

We then use the above-mentioned measures as criteria for case selection in a small-*n* design aimed at understanding the specific factors shaping government’s choice in favor of, or against, policy concertation. For each of the policy areas of interest, we identify those cases where government’s willingness increased and decreased the most, respectively, and then, for each policy area, seek to match cases of increase and decrease by keeping background factors as much as possible constant. In other words, we seek to apply Mills’ method of difference as rigorously as we can (Mill, 1946: book 3, ch. 8; King et al., 1994). This procedure leads us on focus on: 1) the shift from decentralized wage bargaining to social partnership in Ireland; 2) the transition from the “social contract” to Thatcherism in Britain; 3) the move from policy inertia to negotiated pension reforms in Italy; and 4) the recent unilateral restructuring of public pensions in Austria.

We analyze the selected cases against the backdrop of theoretical accounts emphasizing government’s preoccupation with governability and social consensus. The goal of the analysis is to establish which configurations of factors identified by the literature, apply, *mutatis mutandis*, to both increase and decrease in government’s willingness to engage in policy concertation (Ragin, 1987). We find that only two elements hold across the board: the role of government’s parliamentary strength (the stronger the government the greater its ability to withstand social opposition on its own) and the trade unions’ organizational and mobilization capacities: strong unions seem to discourage government’s decision to cooperate, weak unions to favor it.

This combination of factors suggests that the policy concertation may be regarded as a coalition of the “weak” and “the weakened”: governments are willing to engage in policy negotiations when they are unable to muster the necessary political support to pass potentially controversial and unpopular policies, and when the trade unions’ mobilization potential has been weakened by declining membership rates and lower rates of worker participation in strikes. Instead stronger governments (all of conservative orientation in our sample) seem to prefer unilateral policy-making.

The trajectory of policy concertation between 1974 and 2003

Both the early literature on corporatism/concertation and the more recent literature on social pacts lack a systematic measure of the object of analysis. To obviate to this, we designed two indicators of policy concertation, one (*government willingness*) capturing government’s decision to involve the “social partners,” i.e. capital and labor, the other (*social compacting*) capturing whether or not, contingent on the government’s willingness to involve, a negotiated policy agreement is reached. In this way we distinguish between attempted and actual concertation.

These indicators were created for two policy areas: wage policies (including income policies and centralized wage bargaining) and welfare policies (that is, spending policies aimed

at providing social insurance of various kinds) for 15 European countries between 1974 and 2003.² The measures were based on information reported monthly in the European Industrial Relations Review. By considering the whole period from the first oil shock to the present day, we do not assume that the conditions leading to policy concertation have changed over time (as it has been argued for the transition from “old” to “new” social pacts, see Negrelli, 2000; Hassel, 2003), but leave the issue to be determined empirically.

For each country, year, and policy area, the government willingness index takes a values of 1 when: (a) there is textual evidence that, in the course of the year, the government publicly invites the social partners to negotiate a national agreement to set wage increases, or to design social security policies/welfare institutions; or that (b) the social partners are invited to design or implement autonomously, i.e. via bipartite agreements, any of the aforementioned policies.³ If, instead, there is textual evidence that a government designs and/or implements policies without the formal involvement of social partners, the willingness score is 0. It must be emphasized that a government could rely on the *implicit consensus* of one or more of the social partners when designing policy, and still receive a 0 score, since our construct of interest, policy concertation, refers to *formal involvement* rather than informal influence. Figures 1 and 2 plots the trajectory of *government willingness* over time. We also display the graphs on *social compacting* for comparison purposes.⁴

Figure 1 on wage policies shows a pronounced cyclical component, thus providing some support for the thesis articulated by Schmitter and Grote (1997) concerning a cyclical pattern of policy concertation over time. The quadratic fit reveals a mild “U” shape of the curve, suggesting declining willingness up until the mid 1990s, and a rising trend since then. The differences between the troughs and the peaks are also significant. In 1977, 83 percent of European governments were willing to pursue concerted wage policies.⁵ Only in France and Portugal, according to our measure, the governments were unwilling to do so.⁶ This percentage dropped to 47 percent in 1985 (and 1986) when concerted wage policies were attempted only in Finland, Greece, Sweden, Spain, Denmark, Austria, and Italy. A second trough is recorded in 1995, when only 40 percent of European countries pursued income policies or centralized wage negotiations, including Austria, Finland, Ireland, Norway, Greece, and Italy. Our data end in 2003 with another peak: 73 percent of European governments were willing to have some form of negotiated income policy, namely all except France, Denmark, Britain, and Italy.

² The 15 countries include the EU15 except Luxemburg and including Norway.

³ In the absence of information, we assume policy inertia. In other words, unless a change occurs in the process, the variable keeps the same score as in the previous year.

⁴ All the figures in this paper plot yearly values unless otherwise stated.

⁵ Notice that this does not transpire from the graph in Figure 1 as this plots three-year averages and not annual data.

⁶ Notice, however, that we have no information on Spain, Finland, and Greece for that year.

Figure 1 – Government willingness to engage in concerted wage policies

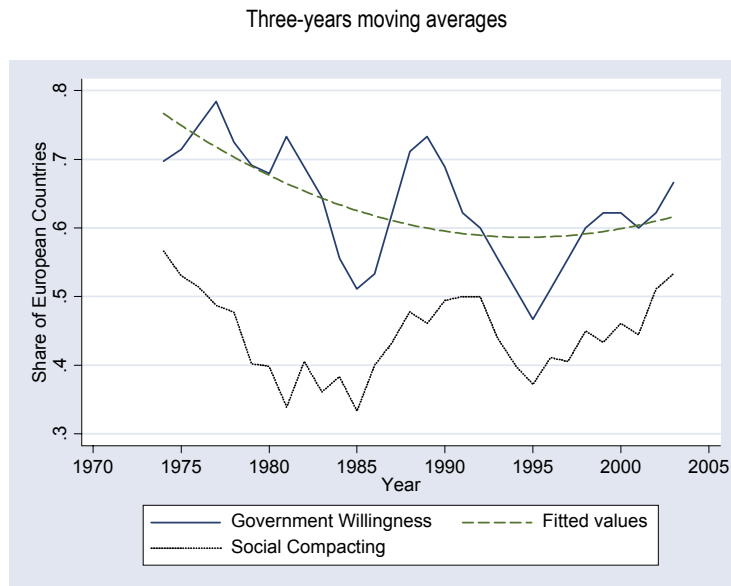
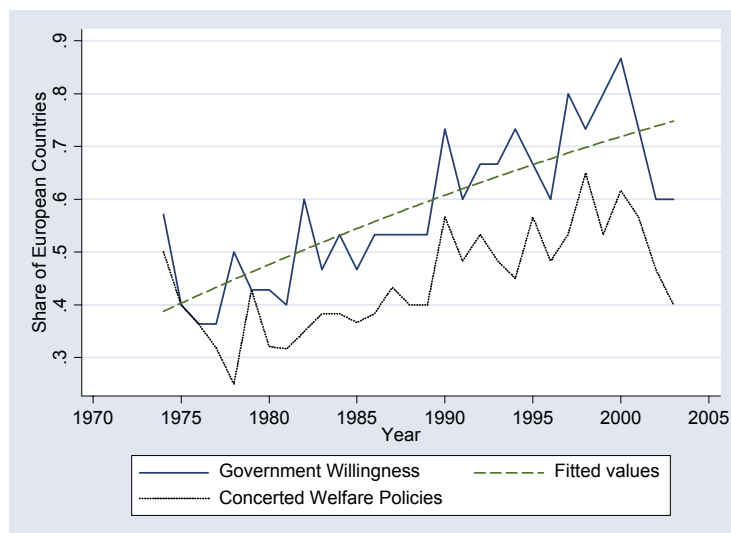


Figure 2 – Government willingness to engage in concerted welfare policies



The trend in Figure 2 on welfare policy is markedly different. The graph shows a clear growing trend since 1974, peaking in 2000 when, according to our information, all governments, except in Austria and the United Kingdom, were willing to adopt a participatory approach. After 2000 the share of governments declined slightly. It was 60 percent in 2003: in that year, the governments of Austria, Britain, Greece, Italy, Denmark, and Portugal took a unilateral approach to welfare policy. Like the wage policy graph, the welfare policy graph, too, shows a (mildly) cyclical component. Also, both Figures 1 and 2 show a persistent gap between the governmental demand for policy concertation and its supply (social compacting). In the case of wage policies, the gap seems to have been closing from the early 1990s on.

Some authors have proposed what we call a bundling hypothesis, namely that changes in international macroeconomic conditions in the 1990s have pushed governments to seek coordination in multiple areas simultaneously as opposed to single areas, as a way to increase national competitiveness (Ebbinghaus and Hassel, 2000; Rhodes, 2001). Figure 3 plots the number of governments that are willing to engage in concertation in at least one policy area, and the number of governments that are willing to engage concertation in both policy areas at the same time (bars). The first curve is cyclical around a rather stable mean, suggesting no secular growth or decline in government willingness to involve. On average, slightly more than 12 European countries per year (out of 15) have attempted some form of policy concertation. The second curve is instead growing over time at a decreasing rate. This confirms the bundling hypothesis, even though, contrary to theoretical expectations, most of the growth in bundling seems to have taken place in the 1970s and 1980s, rather than in the 1990s, as expected. Indeed, in the 1990s, the tendency of governments to approach both wage and welfare issues through policy concertation seems to have reached a plateau.

Linked to the bundling argument, scholars have also suggested that specific external pressures, coming from the run up to and the establishment of EMU, have increased the propensity of governments to seek explicit policy cooperation with the major interest groups, especially for those countries in which the established thresholds for qualification were more difficult to reach (Crouch 2000; Hassel 2003; Schmitter and Grote 1997; Rhodes 2001). With regard to wage policies, our data do not confirm this hypothesis. Figure 4 distinguishes between EMU countries and non-EMU countries between 1985 and 2003. On average, the former want to engage in income policies more than the latter throughout the period, but there is no appreciable growth trend in the 1990s.

Figure 3 – Bundling of policy issues over time

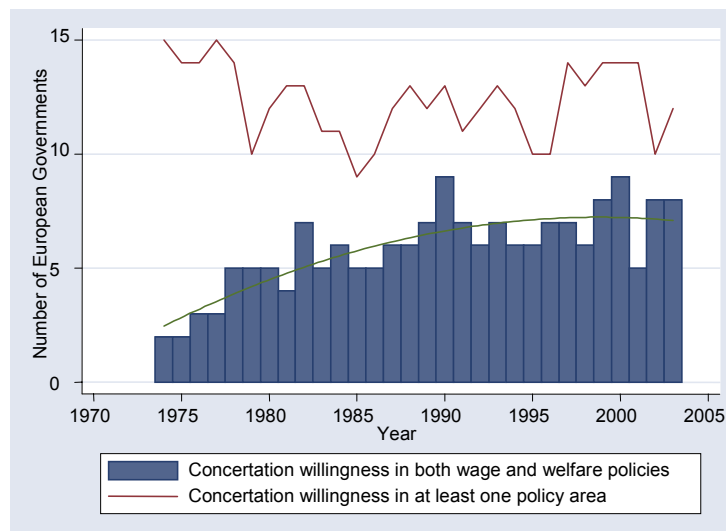


Figure 4 – Government willingness to engage in concerted wage policies: EMU vs. non-EMU countries

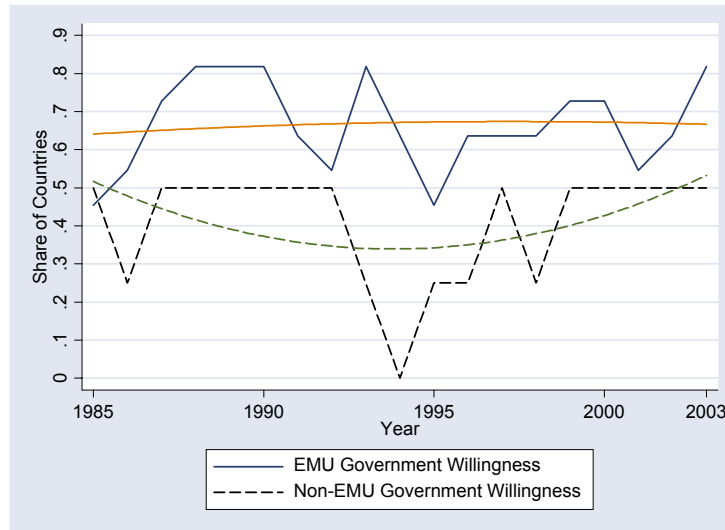
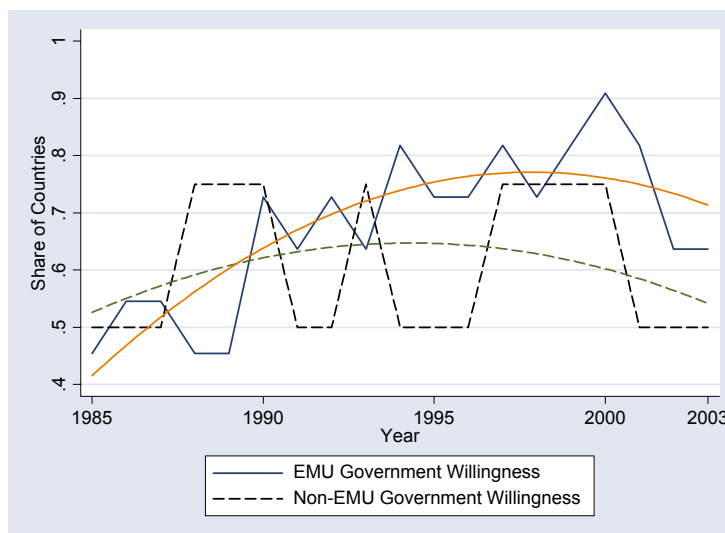


Figure 5 – Government willingness to engage in concerted welfare policies



The picture changes slightly when one considers welfare policies. Figure 5 again differentiates between EMU and non-EMU countries. It shows that in the Euro group there is a fairly clear increase in willingness as the Euro approaches, and a decrease after qualification. However, this graph must be read against the evidence presented in Figure 2, which shows a secular increase in willingness in European countries. Against this backdrop, the EMU seems to have reinforced a tendency that was already present.

Figure 6 and 7 plot the average government willingness score per country against an average measure of economic openness (imports plus exports as a percentage of GDP). The data show a positive bivariate association between the two measures and, as such, provide some degree of support for the Katzenstein hypothesis (1985) that greater exposure to international trade makes a country more willing to look for negotiated solutions to commonly perceived problems. In both cases, however, the bivariate correlation is far from perfect.

Figure 6 – Openness of the economy and government willingness (wage policies)

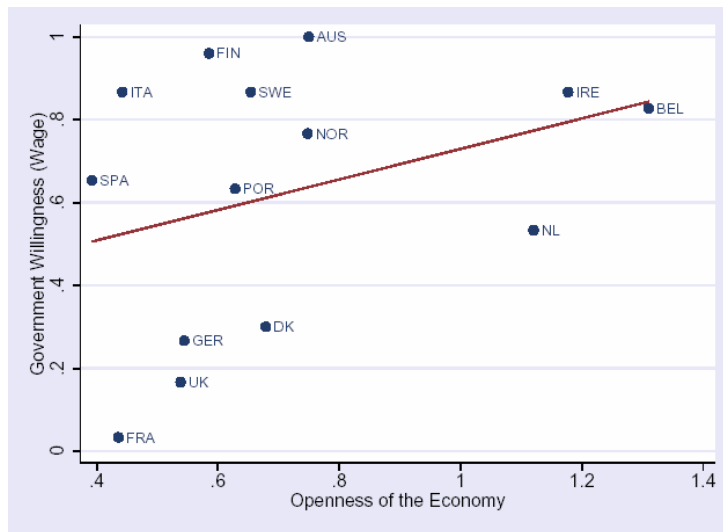
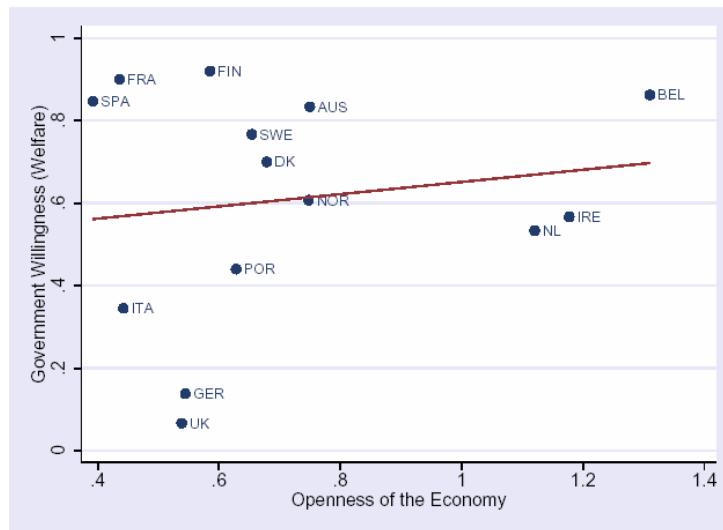


Figure 7 – Openness of the economy and government willingness (welfare policies)



Preliminary conclusions

The involvement of labor and capital in policy-making seems a stable feature of European politics in the last thirty years rather than an arrangement confined to the decades of the ‘Keynesian consensus’ (Goldthorpe 1984; Hall 1989). The convergence, expected by many, towards a pluralist system of interest intermediation, characterized by a lower impact of organized labor in the formation of policies does not seem to have materialized, in spite of workforce fragmentation and internationalization of capital and good markets (Sharpf 1991). Our data show that government propensity to negotiate either wage or welfare policies has

remained unchanged over time, with a strong rise in the propensity to negotiate both simultaneously.

The evidence illustrated above casts doubt on theories predicting the demise of concertative/corporatist models of policy-making and convergence on a pluralist model of interest intermediation (Streeck and Schmitter, 1991; Streeck, 1993). However, it has nothing to say about the factors explaining government choice of cooperation vs. unilateralism. To address these, the paper now moves to a set of hypotheses. These hypotheses will then be tested against case study evidence.

Understanding government's demand for concertation

The early neo-corporatist literature interpreted the emergence of concertative arrangements essentially as a response to "governability" problems characterizing advanced countries (Schmitter 1981). In a seminal contribution, Pizzorno (1978) pointed to the important role that trade unions played in the mobilization of political consensus within democracies. He argued that because trade unions commanded the loyalty of thousands of workers, they had the potential to be valuable allies for governments, especially when these sought to pass controversial policies that might imply short-term costs (see also Regini, 1981). Pizzorno (1978) referred to the ensuing *entente* between trade unions and governments as "political exchange," an exchange in which the unions delivered consensus and were, in turn, repaid with access to the policy-making sphere and with the political/institutional resources that flowed from there. As is well known, Pizzorno considered this type of arrangement as inherently unstable. The unions' choice to enter the policy-making sphere led them to violate the representational mandate of at least a portion of their constituency. This created a representation gap, which, in turn, spurred a grass-root mobilization and the collapse of political exchange institutions.

Like Pizzorno, Lehbruch (1979), too, centered his analysis of policy concertation on the government's need to activate alternative channels of consensus mobilization, parallel and in some cases substitute to those of the parliamentary system. He interpreted the emergence of "liberal corporatist" patterns as the result of "increasing *structural differentiation and functional specialization* of the political system" (Lehbruch 1979: 155). In mature industrial democracies, so the argument went, governments relieved themselves of the burden of carrying out certain tasks, particularly those (like incomes policies) that entailed a sizeable risk of conflict, by devolving them to autonomous sub-systems of peak-level associations representing labor and capital.⁷

Possibly due to an implicit assumption of corporatist convergence underlying much of the early corporatist writing (see Streeck, 2004), this literature did not systematically distinguish between the reasons motivating governments and those motivating unions and employers. Policy concertation was assumed to be a functional necessity of advanced societies (Schmitter, 1974; Lehbruch, 1979), such that all governments, sooner or later, would want to engage in it. From this vantage point, the interesting questions to ask were not about the conditions in which certain governments (and not others) would develop a demand for policy concertation, but about

⁷ It needs to be emphasized that, if this devolutionist model may have accurately captured the basic features of countries like Austria, Germany, and Sweden up to the 1960s, when bargaining was mostly bilateral, it failed to account for the much more active role of governments in other countries, like Italy and the UK in the 1970s (see Regini, 1984). Also, present-day governments, including in Sweden and Austria, seem to have adopted a much more interventionist stance, even in areas, like wage regulation, which used to be left to the parties' collective autonomy (see Rhodes, 2001: 177-80).

the conditions in which policy concertation would be supplied (Schmitter and Lehmbruch, 1979; Lehmbruch and Schmitter, 1982; Berger, 1981; Goldthorpe, 1984).⁸

More recent literature, particularly on welfare state reform, has proceeded on similar lines to classic corporatist theory, emphasizing the importance of mustering the necessary popular consensus both through parliamentary and non-parliamentary means, but has at the same time made it very clear that only certain governments, and not all, take a participatory approach (see, for example, Kitschelt 2001; Schludi, 2001; 2003; Bonoli, 2000; 2001; Pierson, 1996). To explain in what circumstances they might do so, it is possible to formulate a series of hypotheses, having to do with: (1) governmental strength; (2) problem load; (3) policy feedback; (4) unions' strength; (5) partisanship; (6) employers' preferences; and (7) macroeconomic regimes.

The *government strength* hypothesis stipulates that weak governments (i.e. unable to muster the necessary electoral consensus in parliament to pass policy) may be better disposed than strong governments to share their policy-making prerogatives with social actors as a way to build consensus around their choices and diffuse potential opposition. The *problem load* hypothesis contends that governments faced with more pressing problems than others (for example, the need to engage simultaneously in fiscal correction, disinflation, employment creation, etc.) prefer to collaborate with representatives of the prospective recipients in order to gain their buy-in (Kitschelt, 2001; Schludi, 2003). One could even hypothesize that the combination of government weakness and high problem load has a multiplicative effect on the government willingness to engage in policy concertation. In other words, a weak government could be even more willing to share responsibility with the social partners when it is faced with a heavy problem load, a combination that seems to capture the situation of Italy and other Southern European countries faced with the need to qualify for the second phase of EMU in the mid-1990s.

The *negative policy feedback* hypothesis suggests that a government that comes to the conclusion that the previous policy regime has failed is more likely than others to change drastically its policy approach (along these lines, Schmitter and Grote, 1997: 187). The *unions' strength* hypothesis states that a decline in the organizational strength of unions makes governments more willing to involve them in policy-making because it tempers the unions' militancy (Esping Andersen and Regini 2000). The hypothesized relationship is probably curvilinear. In other words, unions have to be neither too strong nor too weak for governments to be interested in policy concertation with them. In the latter case they may cease to be perceived as a potential threat to policy implementation such that one of the primary reasons for involvement disappears.

The *partisanship hypothesis* suggests that social democratic governments are more willing to engage in policy concertation than conservative governments. To the best of our knowledge, this has never been expressed in exactly these terms, possibly because it may have been considered too trivial. Much of the literature of the 1980s dealt with a related theme: why it would be easier for a social democratic (Schmitter 1981; Cameron 1984), or at least consociational (Crouch, 1985), government to gain the support of the union movement. A social democratic government may find policy concertation congenial because wage labor is the key constituency of both social democratic parties and trade unions (Boix 1998). Furthermore, social democratic parties are more likely to be punished electorally for policies that dissatisfy a large proportion of workers. Also, policy concertation may help a social democratic party in government to control inflation in a Keynesian macroeconomic regime (Cameron 1984; Streeck

⁸ This emphasis on consensus is not just a characteristic of the old literature, but of the new as well. According to Traxler, "the purpose of social pacts is to achieve adjustment on a basis of consensus with the organised interest groups" (Traxler 1997: 27). Similar considerations can be found in Crouch (2000), too.

1993), or may reduce the unemployment costs of disinflation in a monetarist regime (Garrett 1998).

The *employer choice* argument states that the choice of governments reflects the preferences of organized employers. This hypothesis has not been explicitly formulated in exactly these terms, possibly due to its similarity to a coarse Marxist-Leninist view of the state, according to which “the executive of the modern state is essentially a committee for managing the common affairs of the whole bourgeoisie” (Marx and Engels, 1978: 475).⁹ It is, however, compatible with a critically pluralist view of the state, which regards the public policy-making sphere as an arena in which different actors vie for power so that state choices are reflective of the constellation of interests prevailing in society, namely those of business (Truman, 1955; Schattschneider, 1960; McConnell, 1966; Dahl, 1971; Bachrach and Baratz, 1963). Perhaps more importantly, this hypothesis resonates with the recent emphasis in comparative political economy on the strategic choices of organized employers as the main determinant of policy outcomes (Hall and Soskice, 2001; Swenson, 2002; Thelen, 2001; Culpepper, 2002).

The *macroeconomic regime hypothesis* states that the government’s interest in policy concertation is a function of its macroeconomic stance. It has been argued that, in a Keynesian regime, the state has incentives to seek to involve the unions in negotiated wage moderation, while moderation is a strictly dominated strategy for the unions (namely irrational), since government is committed to full employment (Scharpf 1991). So, governments actively seek policy concertation in a Keynesian regime (even though they often fail to obtain it) but not in a monetarist one. In a monetarist regime inflation is exogenous to the collective bargaining system (for example because it is set by an independent central bank) and governments have little incentives to engage in negotiations with the unions over wage moderation, while the unions have incentives to spontaneously moderate their demands because of the negative effects of lower real money supply (in case the target inflation rate of the central bank is exceeded) on employment (Sharpf, 1991; Streeck, 1994; Hassel, 2003). Thus, if unions are rational actors in a monetarist regime, they spontaneously moderate their demands, with no need for explicit peak-level coordination. This hypothesis directly applies to government’s choice whether or not to engage in concerted wage policies. It also indirectly applies to choices concerning the welfare state because the latter is an important determinant of labor costs and wage inflation.

However, it has been persuasively shown that even in a monetarist macroeconomic regime (and even if one adopts a rational expectation framework, as in Soskice and Iversen, 2000), the incentives for government to promote collective bargaining coordination do not disappear (Hall and Franzese, 1998; Franzese, 2001; Iversen, 1999; Cuckierman and Lippi, 1999). Indeed, collective action problems in a fragmented collective bargaining regime could prevent individual unions to respond optimally to the central bank’s inflationary targets in the absence of coordination.

The next section will examine whether the hypotheses listed above hold water against case study evidence. The purpose is not so much rigorously to test them (which would probably require a large-N, probabilistic framework, in which one would test the hypothesis whether a particular regression coefficient equals zero in the underlying population), but, rather, to determine if particular configurations of factors can explain both the adoption of policy concertation by governments and its demise.

⁹ A more refined Marxist theory of the state recognizes its relative autonomy and its capacity to pursue policies that may be in conflict with the immediate, short-term interests of the dominant class (Block, 1973; Poulantzas, 1973)

Case selection

We averaged our *government willingness* scores over five-year periods for each country (1974 to 1978; 1979 to 1983; 1984 to 1988; 1989 to 1993; 1994 to 1998; 1999 to 2003) and calculated the differences between the periods. By doing so, we created a quantitative measure of *change in government willingness* to engage in policy concertation and used it to identify the countries that had undergone the largest policy changes in either direction. We then selected one country at or near the top and one at or near bottom of the list. The specific choice was motivated by an attempt at matching (and, hence, control for) background conditions in the two countries. In this way, we approximated a “method of difference” research design (Mill, 1946: book 3, ch. 8), in that we ensured maximum variation on the dependent variable while controlling for as many background conditions as possible.

For wage policy, we decided to contrast Britain (1979-83/1974-78) – namely the transition from the “Social Contract” to Thatcherism – and Ireland (1989-93/1984-88) – approximately, the emergence of social partnership in the Emerald Isle. For Britain, the choice was straightforward since this was the case which seemed to have undergone the greatest decline in government willingness to negotiate. Ireland, instead, had the second greatest increase in government willingness score after Germany 1999-2003/1994-98 (namely the Social Democratic-Green Party coalition’s unsuccessful attempt at producing a social pact), but was a good match to Britain in other respects. Indeed, the Irish economy is considered very similar to the British from various viewpoints, and especially as regards the industrial relations system (see Murphy and Roche, 1997; Gunnigle et al., 1999).

For welfare policy, we chose Austria (1999-2003/ 1994-98) as our negative case, corresponding to the Austrian government’s decision to abandon the traditional partnership approach and engage in unilateral pension restructuring, and Italy (1994-98/ 1989-93), approximately the transition from policy inertia to negotiated pension reforms, as our positive case. While Austria was at the bottom of our list, exhibiting the highest decrease in government willingness to concert over social policy issues, Italy was one of three countries at the top, together with Greece (1994-98/ 1989-93) and Norway (1989-93/ 1983-88). In Italy and Austria (unlike other countries), the bone of contention was exactly the same, pension reform, which the two countries tackled in dramatically different fashions. The next section examines the hypothesis listed above against evidence from the four cases.

Case study analysis

(1) Government weakness

The hypothesis that electorally weak governments may be better disposed towards policy concertation than strong governments, and vice versa, resonates with all four case studies.¹⁰ With 48.8 percent of seats in the Irish Dáil, the Fianna Fail government that initiated social partnership in Ireland in 1987 was a minority government, unlike its predecessor, a Fine Gael-Labor coalition, which could count on 54.8 percent of the seats. Additionally, the weakness of the Fianna Fail government was not just in terms of the number of parliamentary seats it controlled, but was also compounded by the party’s own interclass nature, which made it difficult for the leadership to pass policy decisions that penalized the party’s labor constituency (Hardiman 1988).

¹⁰ As formulated in some of the literature (see Kitschelt, 2001; Schludi, 2003), the hypothesis is really more nuanced than this: it is not necessarily the case that currently weak governments may need to build alliances with key social actors. Even governments with a strong parliamentary majority may find expedient to do so if, given the strategic configuration of the party system, the opposition is well-poised to benefit from an electoral backlash in the future.

In Britain, the difference in governmental strength between the Labor government that promoted the Social Contract experiment and the Tory government that demised it entirely is also quite clear. The Labor government had a majority of three from 1974 to 1976, when it became a minority government due to defections and losses in by-elections. Additionally, the Labor party was marred by intense factionalism at was internally divided in at least three factions (Thorpe 2001: 172-176). The Thatcher government could rely instead on a comfortable parliamentary majority thanks to the largest electoral swing since WWII. Additionally, during its tenure, it faced an extremely fragmented and weakened opposition (Thorpe 2001: 190-193).

In Italy, the Dini government that reformed pensions through policy concertation in 1995 was a technocratic government without a clear parliamentary majority and with a very restricted mandate. Conversely, the Berlusconi government that attempted to pass pension reform adopt a reform unilaterally, was stronger in terms of parliamentary support: its coalition, composed of three parties, Forza Italia, Lega Nord, and Alleanza Nazionale, could count on 58.1 of seats in the lower chamber and a lower proportion in the Senate (Ginsborg, 1998: 544). The Prodi government that engaged in a second negotiated pension reform in 1997 was a multiparty coalition, and had to rely on the crucial support of the Party of the Communist Refoundation in the Senate, with which the relationship was less than smooth.

In Austria, the majority of the center-right government that demised policy concertation was smaller (albeit still sufficiently ample) than the majority supporting the previous grand coalition (EIU 1992; 1995; 2000). However, the SPÖ-ÖVP coalition had a policy-specific weakness (pertaining to the particular issue of pensions) that the FPÖ-ÖVP did not have. Much of the problem was internal to the Social Democratic Party. In the 1995-1999 legislature, over a fourth of SPÖ MPs were trade unions officials, while very few union officials were members the FPÖ or ÖVP political groups. It was remarkably difficult for the grand coalition government to overcome the unions' veto power over a key issue like pensions. The new coalition instead was free from direct union influence and was definitively stronger vis-à-vis the major opponent in this particular respect (Schludi 2003: 180).

(2) Problem load

The hypothesis that government willingness to negotiate with social actors may be contingent on the extent and depth of problems to solve does not apply uniformly to all of our cases. It seems to apply to Ireland, since at the time of policy change all major actors in Ireland were aware that the economy was out of control and that something drastic needed to be done to bring it back on track. This is brought out clearly by the 1986 report produced by the National Economic and Social Council (NESC), a tripartite institution, and subscribed to unanimously by both government and the social partners. Indeed, no minority report was appended to the document (Hardiman 1992). The document argued that the economy had stopped growing in the previous five years and that this had both gravely compromised the government's fiscal stance and exacerbated the already serious labor market situation, which included high (and growing) unemployment and rising migration (NESC 1986).

In Britain, this hypothesis does not seem to hold. In fact, the conservative government believed that the "country [was] faced with its most serious problems since the Second World War" (Dale 2000: 266). However, the gravity of the macroeconomic framework was not a sufficient reason to embark in policy concertation. Far from believing that policy concertation was needed to bring the country back on track, the new government was persuaded that negotiated policy-making was largely to blame for the deteriorating macroeconomic situation.

Italy is again a case where the government responded to a very serious macroeconomic situation through policy concertation. In the early 1990s there was widespread perception in Italy that because the country was undergoing a very serious macroeconomic crisis linked to the

deteriorating situation of public finances (to the point that participation in the second phase of EMU was in doubt), there was a need for a broadly concertative approach to problem solving and for actors to share the burden of adjustment (Ferrera and Gualmini, 1999; Salvati, 2000: ch. 6). However, the 1994 Berlusconi government was faced with a very similar problem load and, yet, responded to it by seeking unilateral reform.

Macroeconomic problems seem to have no clear effect in the case of Austria. On the one hand, the overall macroeconomic framework, at the time of the policy shift, was sound. On the other hand, the financial situation of the pension system was extremely serious. Austria spent on pensions the highest share of GDP in the EU15, and this proportion was also the fastest growing. This was surely a major concern for the government, but the concern itself was not a sufficient reason for continuing the experience of social partnership. If anything, social partnership was considered (as in the UK) part of the problem, rather than part of the solution (Economic Policy Committee 2001: 5; Schludi 2003: 178).

(3) Negative policy feedback

The hypothesis that past experiences with policy concertation determine its continuation or demise does not seem to have general purchase but does seem to be a valid explanation for decreasing willingness to engage in policy concertation. In Britain, before dismissing tripartism, past governments (both Tory- and Labour-controlled) had unsuccessfully attempted to curb inflation through statutory incomes policies, first, and voluntary incomes policies, later. The former were undone by union opposition, the latter by wage drift (Peden 1991: 202; Powell 1992: 133). In Austria, two previous pension reforms had failed to be implemented because each time the trade unions had been able to shelter their members from cuts (Schludi 2003: 186-190).¹¹ In both countries, the new governments had come to the conclusion that the previous, concertative policy approach had failed and needed to be cast aside.

In both cases of increase in government willingness to negotiate, past experiences do not seem to have played a clear role. As to Ireland, there is no clear evidence that the Fianna Fail government considered the previous phase of free-for-all collective bargaining to be a failure. Indeed, the 1986 NESC report made no explicit mention of the collective bargaining system, even though it did state that the wage determination system per se (i.e. leaving aside the effects of exchange rate devaluation) had failed to deliver wage moderation. Additionally, the actors had vivid in their mind the experience of the national agreements of the 1970s, which were widely considered, especially by the employers, to have failed miserably to keep wage growth in check (Hardiman 1988). In Italy, the 1995 government probably learnt from the Berlusconi experience that a unilateral approach to pension reform was politically impractical. However, there is absolutely no evidence that it also considered it to be a technical failure.

(4) Unions' declining organizational strength

This argument seems to apply to all our case studies, and therefore to both policy areas and both the directions of the policy shift. The evidence suggests that the relationship might be parabolic: government willingness to engage in policy concertation seems maximum when the unions are neither too strong, nor too weak, even though the exact threshold cannot be determined at this point. In Ireland the unions were weakened both in terms of membership and capacity to bring out workers on strike, but they still maintained a formidable capacity to make life very difficult for government in case they decided to do so (Hardiman 1988: 215). In Britain, conversely, unions were at the peak of their strength at the time of the policy shift. They were so strong that they were able to deadlock any negotiation with the government until all their requests were secured. The excessive power of the unions was one of the main arguments

¹¹ See also <http://www.eiro.eurofound.eu.int/1997/11/feature/at9711144f.html>

put forward by the Tories to support their requests for a demise of concertation and unions' reform (Dale 2000: 268; Powell 1992: 138).

The situation of Italian unions was similar to the Irish. The unions were on the decline in terms of density rates but at the same time maintained considerable mobilization capacities to the point that they had been instrumental in bringing down the Berlusconi government in 1994 (Baccaro, 2002). In Austria, instead, the unions had probably become too weak to represent a credible threat. Union density had been declining at one of the fastest rates among advanced countries (OECD 2001; Golden, Lange and Wallerstein, 2002). However, the major problem was not membership per se, which remained non-negligible, but mobilization capacity and strategic isolation. Unlike in Italy (and France), where union mobilizations were supported by the general public, in Austria citizens largely ignored the unions' protests against pensions reform and the other unilateral welfare reforms (Schludi 2003: 180, 191).

(5) The role of partisanship

The hypothesis that social democratic governments are more willing to engage in policy concertation than conservative governments does not hold across the board. Our cases suggest that partisanship may be better at explaining disengagement from policy concertation (Austria and Britain) than engagement (Italy and Ireland). The party system of the Emerald Isle is difficult to classify along a left-right axis. Instead, party composition reflects cleavages that go back to the war of independence. The electoral left (the Labor party) is particularly small (Mair 1992: Table 1, p. 386) and the major parties (Fianna Fail and Fine Gael) are both inter-class, catch-all parties (Laver, 1992; Hardiman 1988: Table 7.2., p. 190). The government that engaged in concertation (Fianna Fail) and the one that preceded it and kept unions at arm's lengths (a Fine Gael-Labor Party coalition) were probably equivalent in terms of represented interests (Mair 1992: 408). In Britain the picture is very different. Thatcher reversed a long-standing tradition of her own party that considered policy concertation a crucial tool to keep society stable and united (Letwin 1992: 130-132). The Labour Party took a U-turn and pursued a policy program aimed at restoring "the government's authority to rule" (Letwin 1992: 132; Dale 2000: 266-270). The Labour Party, instead, had not changed its stance vis-à-vis concertation with the unions. Much evidence, including the Labour Manifesto and a renewed 'social contract,' suggest that had Labour won the 1979 elections, policy concertation would probably have continued to be attempted (EIRR 1979: 26-32).

In Italy, the center-right Berlusconi government attempted to reform the pension system unilaterally, while the Dini and Prodi governments, both with center-left majorities, engaged in negotiated reforms (Baccaro, 2002). This is in line with the hypothesized relationship. However, the realignment of trade unions in support of the centre-left coalition was very recent, dating back only to 1994/1995, when the Italian political system evolved from a "consensus" model towards a "majoritarian" model (Lijphart 1984; Mascini 1994; Mascini 1996a; Mascini 1996b). Indeed, the Italian governments of the late 1980s were center-left coalitions built around an alliance between the Socialist Party (PSI) and the Christian Democrats (DC), and, yet, pension reforms were attempted only unilaterally (Baccaro, 2002). The role of partnership in Italy, therefore, remains unclear. In Austria, the policy shift coincided with a change in parliamentary majority: the Christian Democrats terminated their 13-year-old alliance with the Social Democrats, and went instead for a center-right coalition with the Freedom Party. The FPÖ was more liberal in its economic stance than the other parties, and had a strong interest in jettisoning the corporatist system for two interrelated reasons. First, because it had built its electoral fortunes, among other things, on a populist critique of 'unions privileges' in the corporatist system (Viebrok, 2003). Second, because the FPÖ, unlike the socialist and the Christian democrats, did not have any special relationship with the interest representation bodies (Schludi 2003: 191-193; Tàlos and Kittel 2002: 39).

(6) Changes in employer preferences

The hypothesis that government attitudes towards concertation are reflective of employer interests finds no corroboration in our case studies. For Austria we do not have sufficient information to pass a judgment. In Britain, the monetarist shift implemented by the Thatcher government met with the opposition of the Confederation of British Industry, for it entailed a steep rise in interest rates. During the fall of 1980, “British industrialists had begun a sustained campaign against the government’s monetary policy” (Walsh 2000: 497). In Ireland, at the time of policy change, the Irish organized employers were relatively happy with the decentralization of collective bargaining they had been so keen to promote (Hardiman, 1988: 200, 221, 236). In December 1986 and then again in June 1987, the General Council of the major employer association “restated the policy position it had held since the early 1980s: it asserted that negotiations with the trade unions on pay and related matters should continue to take place at local level” (Hardiman, 1988: 236; see also Hardiman, 1992: 350). Finally, in Italy, not only did the employers withdraw from negotiations over pension reform in 1995, they also actively lobbied Berlusconi (who seemed uncertain) to take a draconian approach to reform in 1994 (Mascini, 2000: 181).

(7) The role of the macroeconomic regime

The hypothesis that government willingness to negotiate may be a function of the particular macroeconomic regime prevailing in a country (Keynesian vs. monetarist) finds little confirmation in our data. It is not testable in the case of Britain. Indeed, the shift to a monetarist regime – where inflation becomes the main priority and it is controlled through strict regulation of money supply – emerged simultaneously to the demise of policy concertation on wage policies. In Italy there is no doubt that, progressively over the course of the 1980s, price stability took priority over unemployment and the increasingly independent central bank sought to mirror the behavior of the Bundesbank. Yet (some) of the governments of the 1990s determinately pursued policy concertation on both wages (the 1992 and 1993 agreements) and pensions.

In Austria, too, the hypothesis finds little confirmation. The Austrian Central Bank (ÖNB) adopted a monetarist stance in the early 1980s, whose effect was a steady reduction of inflation levels and a temporary surge of unemployment. Under this macroeconomic regime there were no major disruption to the system until 2000, when social partnership was cast aside by the right-wing government. The macroeconomic stance of the country seems to have had no influence, neither pro-concertation nor anti-concertation, on this particular policy choice (Kittel 2001: 125).

In Ireland a hard currency policy was accompanied by the staunch pursuit of a centralized wage agreement by government to ensure moderation. In a small open economy like Ireland, heavily dependent on foreign demand, the most important constraint on wage dynamics is not that of an independent central bank, which mostly affects domestic demand through real money supply, but the presence (or absence) of fixed exchange rates and their impact on foreign demand. Ireland joined the EMS in 1979 and from the mid-1980s on became committed to a policy of hard currency aimed at “maintaining the value of the Irish pound within the narrow band of the European Exchange Rate Mechanism. (NESC, 1986: 201). This meant that higher domestic wage inflation than international competitors would not be accommodated by exchange rate devaluations and might lead to real appreciation. This stable currency regime allowed Irish interest rates to converge to German rates and to break the linkage with British interest rates.

In a fixed exchange rate regime, it should be clear to all unions in the exposed sector that a higher rate of domestic wage inflation than commercial partners (controlling for productivity increases) leads to lower employment through higher costs. Unions should therefore have incentives to spontaneously moderate their wage claims. Yet here, too, as in the case of an

independent central bank setting nominal money supply growth rates, there could be collective action problems such that what is collectively rational becomes individually sub-optimal. In Ireland, decentralized collective bargaining in the 1980s was unable to ensure wage restraint, even in the traded sector as a whole (Baccaro and Simoni, 2004). It is therefore not surprising that the government would deem it important to seek explicit coordination of the collective bargaining system even in the presence of a nominal anchor like the fixed exchange rate.

Overview of findings

Table 1 presents a synthetic overview of our “tests.” It is clear from the table that very few hypotheses agree with the data across the board. One of these is the hypothesis concerning the strength of government: it seems to be the case that the governments that most dramatically increased their willingness to concert (Ireland and Italy) were all weak governments, in the sense that they did not have the necessary parliamentary support to deal with policy unilaterally. Vice versa, the governments that moved away from concertation (Britain and Austria) were both holding comfortable majorities in parliament. This argument about strength needs to be qualified in the case of Austria. Here, the kind of strength at issue is not numerical but issue-specific. While the Social Democratic party was unable to overcome the opposition of an internal faction, which was able to block previous attempts at far-reaching pension reform, the center-right coalition was free from direct influence from this group.

Another factor that seems to explain government willingness to embark in concertation in all our cases is related to union strength and may be linked to the government’s expectations about the likely *supply* of partnership by the unions. Strong governments facing either unions that are too weak – so that the government may not fear their reaction, like in Austria – or that are too strong – so that they are able to deadlock any negotiation until their objectives are met, like in Britain, or worse undo the outcomes of negotiated regulation through collective action at the plant level – tend to abstain from concertation. Vice versa, the cases of Ireland and Italy suggest that (weak) governments facing weakened unions tend to embark in concertation. This allows them to activate a non-parliamentary channel of consensus mobilization and protects them from societal backlashes.

Another element that emerges from our analysis is that the configuration of factors leading to adoption and abandonment of policy concertation may be slightly different. In particular, in both cases of demise (Britain and Austria) – which, it should be remembered, are the two most extreme cases of demise in our database – the elements of partnership and policy feedback seem to have played a role. The Austrian and British were conservative governments and, in both cases, had come to the conclusion, based on past experience, that policy concertation had been a failure and needed to be disposed of. These two elements have to be considered in combination. Indeed, both the Tory party in Britain and the Christian Democrats in Austria had, in the past, displayed completely different, and positive, attitudes towards policy concertation. The element of partnership alone cannot explain the policy shift. It needs to be combined with the policy feedback element, namely with a recognition that past experiences with policy concertation have been a failure. Other hypotheses – that policy concertation may be more likely when the problems faced by governments are both more extensive and deep than in other cases, that governments’ attitudes towards concertation reflect employer preferences; that government willingness to engage in concertation is contingent on particular macroeconomic regimes (Keynesian vs. monetarist) – do not find corroboration in our case study data.

Table 1: Overview of findings

Policy Area	Wage		Welfare	
	Ireland	Britain	Italy	Austria
Country	<u>Increase in willingness</u>	<u>Decrease in willingness</u>	<u>Increase in willingness</u>	<u>Decrease in willingness</u>
Direction of change				
<i>Explanatory Factors</i>				
Government weakness	+	+	+	+*
Unions' weakening	+	+	+	+*
Role of partisanship	-	+	?	+
Negative policy feedback	-	+	-	+
Problem load	+	-	+ /?	?
Employer preferences	-	-	-	?
Macroeconomic regime	-	?	-	-

“+” indicates empirical support for the hypothesis; “-” the opposite;
“?” indicates that no clear conclusion was reached; * qualified

Concluding remarks

This paper has sought to understand the European governments' decisions to engage in policy concertation with unions and employers. To address this question, it has used both a large- N and small- n research strategy. A dataset was built based on the systematic coding of information from the European Industrial Relations Review for 15 European countries over a time span of 30 years (1974-2003). The measures distinguished between government willingness to address policy concerns in a participatory fashion (the object of this paper) and the actual results of such attempts, and between two policy areas, wage policy and welfare policy.

The large- N results suggest there is no downward trend of government willingness to share policy prerogatives with the social partners. Between 1974 and 2003, the number of European governments that were willing to engage in at least one policy area between wage and welfare policy oscillated around a constant mean of 12 out of 15 countries. Additionally, there was a greater tendency over time to bundle together both policy areas in a single concertation package (which may be called a “social pact”).

Government approach to concerted wage policies shows a clear cyclical pattern around a U-shaped trend, while the trend in welfare policies is markedly positive. The effects of EMU on government willingness to engage in policy negotiations seem less remarkable than is generally argued. The strongest result concerns the welfare policy domain, where the run-up to EMU seems to have provided further incentives for participating countries to engage in negotiations with the social partners. This conclusion needs to be taken with caution, however, because the overall 1974-2003 trend was increasing. Thus, the impact of EMU can at best be considered an accelerating element within a general growing trend.

To understand the specific factors shaping government choice in favor or against policy concertation, the paper has then moved to a small- N study in which the measures of government willingness have been used to identify the most extreme cases of policy change in both directions (in Ireland, Britain, Italy, and Austria). These four cases have been analyzed against the backdrop of a series of hypotheses about the determinants of government's attitude towards

policy concertation drawn from the literature. The results of this analysis suggest that the emergence of policy concertation can be likened to the building of an alliance between the “weak” and the “weakened.” Governments are willing to share their policy-making prerogatives with the social actors when they are politically weak, either because they lack strong and united parliamentary majorities, or because they are otherwise marred by internal struggles and legitimacy crises. As originally hypothesized by Pizzorno (1978), in these circumstances trade unions can be valuable allies of weak governments because they can activate for them non-parliamentary channels of consensus mobilization. In particular, governments are willing to bring the trade unions on board when these are still a credible threat to the smooth implementation of policy but their capacities for rank-and-file mobilization have been declining in recent times.

Strong governments facing either unions that are too weak, so that the government does not fear their opposition, or that are too strong, so that are able to deadlock any negotiation until their objectives are met, prefer a more unilateral approach to policy-making. In particular, strong governments are likely to move decisively away from concertation when they are of conservative orientation and when they have reached the conclusion that a system of policy codetermination has been a failure and has aggravated the problems it was intended to address.

Those stated above are hypotheses that have been inductively drawn from a structured comparison of the most dramatic cases of change in policy regime by governments. They need to be refined and properly tested in future work, perhaps even our own. In particular, the conditions under which partisanship has a role in shaping governmental approach to concertation seem not entirely clear. Even at this stage, however, one firm conclusion can be drawn from our study: policy concertation is not simply a phenomenon that can be circumscribed to the industrial relations system, but an eminently political phenomenon that needs to be framed against the backdrop of the structural and strategic configuration of the political system. Simply approaching it through the prism of structural interest group or industrial relations theories, as it has often been done so far, may imply missing most of the action.

Bibliography

- Baccaro, L. (2002). "Negotiating the Italian pension reform with the unions: lessons for corporatist theory." *Industrial and labor relations review* **55**(3): 413-431.
- Baccaro, L. and M. Simoni (2004). *The Irish social partnership and the "celtic tiger" phenomenon*. Discussion Paper 154, Geneva, International Institute for Labour Studies.
- Bachrach, P. and M. S. Baratz (1963). "Decisions and nondecisions: An Analytical Framework." *American Political Science Review* **57**(3): 632-642.
- Berger, S. and Joint Committee on Western Europe. (1981). *Organizing interests in Western Europe : pluralism, corporatism, and the transformation of politics*. Cambridge {Schmitter #9}; New York, Cambridge University Press.
- Boix, C. (1998). *Political parties, growth and equality : conservative and social democratic economic strategies in the world economy*. Cambridge, U.K ; New York, N.Y., Cambridge University Press.
- Bonoli, G. (2000). *The politics of pension reform institutions and policy change in Western Europe*. Cambridge, Cambridge University Press.
- Bonoli, G. (2001). Political Institutions, Veto Points, and the Process of Welfare State Adaptation. *The New Politics of the Welfare State*. P. Pierson. Oxford, Oxford University Press: 165-194.
- Cameron, D. (1984). Social Democracy, Corporatism, Labour Quiescence, and the Representation of Economic Interest in Advanced Capitalist Society. *Order and conflict in contemporary capitalism*. J. H. Goldthorpe. Oxford, Clarendon: 143-178.
- Compston, H. (2002). The Strange Persistence of Policy Concertation. *Policy concertation and social partnership in Western Europe : lessons for the 21st century*. S. Berger and H. Compston. New York, Oxford, Berghahn Books: 1-16.
- Crouch, C. (1985). Conditions for trade union restraint. *The politics of inflation and economic stagflation*. L. N. Lindberg and C. S. Maier. Washington DC, Brookings Institution: 105-139.
- Crouch, C. (2000). "The Snakes and Ladders of Twenty-First-Century Trade Unionism." *Oxford Review of Economic Policy* **16**(1): 70-83.
- Cuckierman, A. and F. Lippi (1999). "CBI, Centralisation of Wage Bargaining, Inflation and Unemployment - Theory and Some Evidence." *European Economic Review* **43**: 1395-1434.
- Culpepper, P. (2002). "Powering, Puzzling and "Pacting": the Informational Logic of Negotiated Reforms." *Journal of European Public Policy* **9**(5): 774-790.
- Dahl, R. A. (1971). *Polyarchy*. New Haven and London, Yale University Press.

- Dale, I., Ed. (2000). *Conservative Party General Election Manifestos, 1900-1997*. London and New York, Routledge.
- Ebbinghaus, B. and A. Hassel (2000). "Striking deals: concertation in the reform of continental European welfare states." *Journal of European Public Policy* 7(1): 44-62.
- Economic Policy Committee (2001). Budgetary challenges posed by ageing population. Brussels, Directorate General for Economic and Financial Affairs of the European Commission in http://europa.eu.int/comm/economy_finance/epc/documents/summary_en.pdf (last access June 2005).
- EIRR (1979). "Joint UK Government/Trades Union Congress statement." *European Industrial Relations Review*(63).
- EIU (1992). "Austria. Country Report." Economic Intelligence Unit.
- EIU (1995). "Austria. Country Report." Economic Intelligence Unit.
- EIU (2000). "Austria. Country Report." Economic Intelligence Unit.
- Esping Andersen, G. and M. Regini, Eds. (2000). *Why Deregulate Labour Markets?*, Oxford University Press.
- Ferrera, M. and E. Gualmini (1999). *Salvati dall'Europa?* Bologna, Il Mulino.
- Franzese, R. J. (2001). Institutional and Sectoral Interactions in Monetary Policy and Wage/Price-Bargaining. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. P. A. Hall and D. Soskice. New York, Oxford University Press: 100-144.
- Garrett, G. (1998). *Partisan Politics in the Global Economy*. Cambridge, Cambridge University Press.
- Ginsborg, P. (1998). *L' Italia del tempo presente. Famiglia, società civile, Stato (1980-1996)*. Torino, Einaudi.
- Golden, M., P. Lange and M. Wallerstein (2002). "Union Centralization among Advanced Industrial Societies." *Dataset available at /www.shelley.polisci.ucla.edu/data* (Version dated July 28, 2004).
- Goldthorpe, J. H., Ed. (1984). *Order and conflict in contemporary capitalism*. Oxford, Clarendon.
- Gunnigle, P., G. McMahon and G. Fitzgerald, Eds. (1999). *Industrial Relations in Ireland: Theory and Practice*. Dublin, Gill & Macmillan.
- Hall, P. A. and R. J. Franzese (1998). "Mixed Signals: CBI, Coordinated Wage-Bargaining, and European Monetary Union." *International Organization*.
- Hall, P. A. (1989). *The Political Power of Economic Ideas: Keynesianism across Nations* Princeton University Press, Princeton, NJ

- Hall, P. A. and D. Soskice (2001). *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. New York, Oxford University Press.
- Hardiman, N. (1988). *Pay, Politics, and Economic Performance in Ireland 1970-1987*. Oxford, Clarendon Press.
- Hardiman, N. (1992). The State and Economic Interests: Ireland in Comparative Perspective. *The Development of Industrial Society in Ireland*. J. H. Goldthorpe and C. T. Whelan. Oxford, Oxford University Press.
- Habermas, J. (1989[1964]). *The Structural Transformation of the Public Sphere*. Cambridge, Mass.: MIT University Press.
- Habermas, J. (1996). *Between Facts and Norms*. Cambridge, Mass.: MIT University Press.
- Hassel, A. (2003). "The Politics of Social Pacts." *British Journal of Industrial Relations* **41**(4): 707-726.
- Iversen, T. (1999). *Contested Economic Institutions. The Politics of Macroeconomics and Wage Bargaining in Advanced Democracies*. Cambridge, Cambridge University Press.
- Katzenstein, P. *Small States in World Markets*. Ithaca, NY: Cornell University Press.
- Kenworthy, L. (2002). "Quantitative Indicators of Corporatism." *International Journal of Sociology* **33**(3): 10-44.
- King, G., R. O. Keohane and S. Verba (1994). *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton, Princeton University Press.
- Kitschelt, H. (2001). Partisan Competition and Welfare State Retrenchment: When Do Politicians Choose Unpopular Policies? *The New Politics of the Welfare State*. P. Pierson. Oxford, Oxford University Press: 265-302.
- Kittel, B. (2001). "Deaustriification? The Policy-Area-Specific Evolution of Austrian Social Partnership." *West European Politics* **23**(1): 108-129.
- Laver, M. (1992). Are Irish Parties Peculiar. *The development of industrial society in Ireland : the third joint meeting of the Royal Irish Academy and the British Academy*. J. H. Goldthorpe and C. T. Whelan. Oxford, Published for the British Academy by Oxford University Press: 359-381.
- Lehmbruch, G. (1979). Consociational Democracy, Class Conflict, and New Corporatism. *Trends toward corporatist intermediation*. P. C. Schmitter and G. Lehmbruch. London, Sage Publications: 53-61.
- Lehmbruch, G. and P. C. Schmitter, Eds. (1982). *Patterns of corporatist policy-making*. Sage modern politics series ; v.7. London, Sage.
- Letwin, S. R. (1992). *The Anatomy of Thatcherism*. Glasgow, HarperCollins.
- Lijphart, A. (1984). *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*. New Haven, Yale University Press

- Lowi, T. (1979). *The End of Liberalism: The Second Republic of the United States*. WW Norton, New York
- Mair, P. (1992). Explaining the Absence of Class Politics in Ireland. *The development of industrial society in Ireland : the third joint meeting of the Royal Irish Academy and the British Academy*. J. H. Goldthorpe and C. T. Whelan. Oxford, Published for the British Academy by Oxford University Press: 383-410.
- Marx, K. and F. Engels (1978). Manifesto of the Communist Party. *The Marx-Engels Reader*. R. C. Tucker. New York and London, Norton & Company.
- Mascini, M. (1994). "Da Trentin spunta un uomo di Forza Italia. A via Po restano due anime. Larizza dice AD." *Il Sole 24 Ore* (10 March).
- Mascini, M. (1996a). "Autonomi, ma politici - La dottrina D'Antoni." *Il Sole 24 Ore* (15 March).
- Mascini, M. (1996b). "Uil, per Larizza niente candidatura." *Il Sole 24 Ore* (16 March).
- Mascini, M. (2000). *Profitti e salari*. Bologna, Il Mulino.
- McConnell, G. (1966). *Private Power and American Democracy*. New York, Alfred A. Knopf.
- Mill, J. S. (1946). *A System of Logic*. New York: Harper & Brothers
- Murphy, T. and W. K. Roche, Eds. (1997). *Irish Industrial Relations in Practice. Revised and Expanded Edition*. Dublin, Oak Tree Press.
- Negrelli S. (2000) "Social Pacts in Italy and Europe: Similar Strategies and Structures; Different Models and National Stories" in Giuseppe Fajertag and Philippe Pochet (eds) *Social Pacts in Europe – New Dynamics*, Brussels, OSE – ETUI , pp.85-113.
- NESC (1986). *A Strategy for Development, 1986-90*. Dublin, National Economic and Social Council.
- OECD (2001). *Labour Force Statistics*, OECD.
- Peden, G. C. (1991). *British Economic and Social Policy: Lloyd George to Margaret Thatcher*. Oxford, Philip Allan.
- Pierson, P. (1996). "The New Politics of the Welfare State." *World Politics* **48**(2): 143-179.
- Pizzorno, A. (1978). Political Exchange and Collective Identity in Industrial Conflict. *The resurgence of class conflict in Western Europe since 1968*. C. Crouch and A. Pizzorno. London, Macmillan.: xxiv,349p.
- Poulantzas, N. (1973). *Political Power and Social Classes*. New York, Verso.
- Powell, D. (1992). *British Politics and the Labour Question, 1868-1990*. New York, St. Martin's Press.
- Ragin (1987). *The comparative method: moving beyond qualitative and quantitative strategies*. Berkley, University of California Press.

- Regini, M. (1981). *I dilemmi del sindacato*. Bologna, Il Mulino.
- Rhodes, M. (2001). The Political Economy of Social Pacts: 'Competitive Corporatism' and European Welfare Reform. *The New Politics of the Welfare State*. P. Pierson. Oxford, Oxford University Press: 165-194.
- Salvati, M. (2000). *Occasioni mancate. Economia e politica in Italia dagli anni '60 a oggi*. Roma, Laterza.
- Scharpf, F. W. (1991). *Crisis and choice in European social democracy*. Ithaca, N.Y, Cornell University Press.
- Schattschneider, E. E. (1960). *The Semisovereign People. A Realist's View of Democracy in America*. New York, Chicago, San Francisco, Toronto and London, Holt, Rinehart and Winston.
- Schludi, M. (2001). *The Politics of Pensions in European Social Insurance Countries*. MPIfG Discussion Paper 01/11, Köln, Max Planck Institute for the Study of Societies.
- Schludi, M. (2003). The Reform of Bismarckian Pension Systems. A Comparison of Pension Politics in Austria, France, Germany, Italy, and Sweden. PhD Thesis, Berlin, Humboldt University.
- Schmitter, P. (1974). "Still the Century of Corporatism?" *Review of Politics* (36): 85-131.f.
- Schmitter, P. (1981). Interest Intermediation and Regime Governability in Contemporary Western Europe and North America. *Organizing interests in Western Europe : pluralism, corporatism, and the transformation of politics*. S. Berger. Cambridge [Eng.]; New York, Cambridge University Press: 285-327.
- Schmitter, P. (1983). "Teoria della democrazia e pratica neo-corporativa." *Stato e Mercato* 9 (December).
- Schmitter, P. C. and J. R. Grote (1997). The Corporatist Sisyphus: Past, Present and Future. *EUI Working Paper SPS*. Florence: 22.
- Schmitter, P. C. and G. Lehmbruch, Eds. (1979). *Trends toward corporatist intermediation*. Contemporary political sociology ; vol. 1. London, Sage Publications.
- Soskice, D. and T. Iversen (2000). "The Nonneutrality of Monetary Policy with Large Price or Wage Setters." *Quarterly Journal of Economics* 115 (February): 265-284.
- Streeck, W. (1993). The Rise and Decline of Neocorporatism. *Labor and an Integrated Europe*. L. Ulman, B. Eichengreen and W. T. Dickens. Washington, D.C., The Brookings Institution.
- Streeck, W. (1994). "Pay Restraint Without Incomes Policy: Constitutionalized Monetarism and Industrial Unionism in Germany," in R. Boyer, R. Dore and Z. Mars, eds., *The Return to Incomes Policy*, London: Francis Pinter: 118-140.

- Streeck, W. (2004). *The Study of Interest Groups: Before "The Century" and After*. Philippe C. Schmitter's retirement from the European University Institute, Florence, September 17-18.
- Streeck, W. and P. Schmitter (1991). "From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market." *Politics and Society*, 19(2): 133-164.
- Streeck, W. and L. Kenworthy (2004). Theories and Practices of Neo-Corporatism. *A Handbook of Political Sociology*. Janoski, Alford, Hicks and Schwartz. Cambridge, Cambridge University Press.
- Swenson, P. A. (2002). *Capitalists Against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden*. Oxford, Oxford University Press.
- Talos, E. and B. Kittel (2002). Austria in the 1990s: The Routine of Social Partnership in Question? *Policy Concertation and Social Partnership in Western Europe*. H. Compston. Oxford, Berghahn Books.
- Thelen, K. (2001). Varieties of Labor Politics in the Developed Democracies. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. P. A. Hall and D. Soskice. New York, Oxford University Press: 100-144.
- Thorpe, A. (2001). *A History of the British Labour Party*. New York, Palgrave.
- Traxler, F. (1997). The logic of social pacts. *Social Pacts in Europe*. G. Fajertag and P. Pochet. Bruxelles, ETUI.
- Traxler, F., S. Blaschke and B. Kittel (2001). *National Labour Relations in Internationalized Markets*. Oxford, Oxford University Press.
- Traxler F. (2003). "Bargaining (De)centralization, Macroeconomic Performance and Control over the Employment Relationship." *British Journal of Industrial Relations* 41(1): 1-27
- Truman, D. B. (1955). *The Governmental Process*. New York, Alfred A. Knopf.
- Viebrock, E. (2003). *Coping with Corporatism's Legitimation Deficit: Recent Attempts at Reforming the Austrian Chamber System*. Unpublished Manuscript, Geneva, International Institute for Labour Studies.
- Walsh, J. I. (2000). "When Do Ideas Matter? Explaining the Successes and Failures of Thatcherite Ideas." *Comparative Political Studies* 33(4): 483-516.

