

Philip Rathgeb (2018) *Strong Governments, Precarious Workers: Labor Market Policy in the Era of Liberalization*, Ithaca, NY: Cornell University Press, \$55.00, pp. 234, hbk.
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We live in difficult times for workers. Since the collapse of the Keynesian macroeconomic system in the late 1970s, high capital volatility has made governments increasingly attuned to the needs of large employers, at the detriment of workers and their representative unions. If employment insecurity is a commonplace reality even in high-pay segments like the tech sector, the situation of labour market outsiders on temporary contracts is even more worrisome (especially if they are female, low-skilled or young). *Strong Governments, Precarious Workers*, however, argues that there still is a glimmer of hope in these turbulent times, because, under certain conditions, labour market outsiders might benefit from the implementation of protective labour market and welfare reforms. Rathgeb identifies two conditions for this protective legislation to come about. First, the presence of inclusive, centralized and encompassing trade unions sharing a first-order interest in the protection of all workers. Second, the presence of governments with a weak reformist capacity, which forces them to rely on trade unions' support to design, implement and legitimize their labour reforms. Governments' reformist capacity is in turn weakened by two factors: ideological heterogeneity, i.e. the co-existence within the governmental majority of parties with divergent labour market preferences, and lack of a parliamentary majority in a polarized party system. Instead, governments relying on a cohesive majority of seats in parliament will be strong enough to pursue a unilateral reformist strategy that excludes trade unions to the detriment of outsiders. This argument is then tested through empirically-rich case studies covering three decades of reforms of employment protection legislation, unemployment insurance and active labour market policy in three small corporatist countries: Austria, Denmark and Sweden. Among them, the Austrian and Swedish cases form the empirical core of the book, showcasing the causal logic of Rathgeb's argument.

In Austria, the presence of weak, ideologically divided governments prevented a frontal assault against labour market outsiders' rights. Instead, the frequent reliance on trade unions by weak governments led to a strengthening of outsiders' protections, therefore smoothing over the dualized features that currently characterize the labour markets in many states in Western Europe. Paradoxically, it was unions' relative strength and ideological cohesiveness that allowed Swedish governments to loosen the strictness of regulation on temporary forms of employment, thereby leading to a more dualized system of statutory employment protection. This deregulation of temporary employment is even more remarkable as it often took place under Social Democratic rule. Denmark, with the alternation between strong and weak governments, stands somewhere in between, with a still comparatively protective system despite the progressive erosion of many core institutional tenets of the flexicurity model.

The book's main merit is undoubtedly to refocus the debate about the drivers of labour market liberalization on governments' strength, thereby breaking away with producer groups' and partisan explanations. This refreshing perspective, which builds on earlier debates on the emergence and decline of social pacts across Europe at the turn of the century, opens many promising avenues for research. Future works should test the relevance of governmental strength as a driver of liberalization across other policy areas and country cases. On a more general note, the book is also part of a recent revival in the study of the role of the state, be it the central government, unelected agencies or state-owned national development banks, in shaping modern capitalism, which was long-awaited in the field of comparative political economy. The Austrian case study also provides a couple of precious insights into Germany, which stands at the core of the European economy and of the comparative political economy debate alike (Durazzi and Benassi, 2018; Rothstein and Schulze-Cleven, forthcoming). Rathgeb

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identifies two reasons why Austria did not follow the path of pronounced dualization taken by Germany since the early 2000s, in spite of the many similarities shared by the two countries. First, the presence of a centralized and concentrated trade union movement, in which the confederation (ÖGB) incorporates the voice of less organized workers, whereby in Germany the weakness of the Deutscher Gewerkschaftsbund (DGB) favors sectoral solutions, detrimental to workers in low-wage sectors. Second, the fact that in the early 2000s the populist right-wing Freedom Party (FPÖ) blocked an attempt by the Conservatives to implement measures akin to the Hartz IV legislation. This latter observation calls for a more thorough analysis of the economic platform of right-wing populist parties and the impact their inclusion in government might have on labour market and welfare outcomes.

While as social scientists we should all aim for parsimony, and Rathgeb's remarkable work sets a high standard in this regard, parsimony often comes at the cost of nuance. It is in portraying the preferences of governments that this lack of nuance is perhaps the most evident. In fact, Rathgeb espouses a structuralist view of governments' preferences by positing that, in an era dominated by neoliberal economic ideas, fiscal austerity and volatile capital, when sufficiently strong, *all* governments will support labour market deregulation and welfare cuts irrespective of their partisan affiliation. Within this common reformist trajectory, differences in partisan reform ambition, if they still exist, affect only the *degree* of support for dualization. In other words, when strong, all governments will support deregulatory reforms to the detriment of labour market outsiders. This is a strong claim to make in the case of Social Democratic parties. In fact, although it is undeniable that their economic platforms have progressively shifted towards the center as a result of the very dynamics Rathgeb correctly identifies, studies focusing specifically on the evolution of the macroeconomic platform of Social Democratic paint a somehow more nuanced picture. In particular, there appears to be more variation within the Social Democratic family, with some parties shifting towards the center in their welfare preferences to the point of becoming indiscernible from their conservative counterparts, while others, like the Austrian SPÖ, preserve a more left-wing identity (Bremer, 2018). Indeed, few readers of Rathgeb's book would question the fact that there are important differences between the economic platforms of the Social Democratic parties in Sweden and Austria. Furthermore, the Eurozone crisis led to realignment towards the left in the welfare agenda of most Social Democratic parties across Europe (Bremer, 2018). The structuralist view of limited party competition and convergence among moderate left-wing and right-wing parties due to economic constraints portrayed by Rathgeb seems instead to hold only when looking at their positioning on austerity and fiscal consolidation (ibid. pp. 30-34). Despite this limitation, however, *Strong Governments, Precarious Workers* provides an innovative take on a much-debated issue, making it highly recommended reading for all scholars concerned with the transformations of labour relations in modern capitalism.

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