

Disparate Models, Desperate Measures: The Convergence of Limits*

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In the wake of the ‘long downturn’ that began in the early 1970s, the relative positions occupied by a number of advanced capitalist economies in the various league tables that measure economic performance began to slide. As they did so, an international search began for an appropriate ‘model of capitalism’ which in whole or part might correct this slippage. Japan, Sweden and Germany quickly became frontrunners for emulation – seemingly capable of generating relatively low unemployment and inflation coupled with high productivity and growth – but by the early 1990s, Japan, and Sweden had fallen out of the running and even the shine of post-unification Germany had begun to dull. The relative reversal in the fortunes of the emulative models of the 1980s then brought about a temporary lull in the debate over emulation during the mid 1990s. For a while, not only was there seemingly a lack of emulative models, but there was also recognition among scholars of the general impossibility of grafting institutions from one national social formation onto another. However, the question of emulation is once again back on the table. This time it is the once-derided Anglo-American models – the United States and the United Kingdom, and the miraculously ‘cured’ Dutch patient – that are now widely proffered as the new economies to copy.

The object of this chapter is to track developments in what may be termed the ‘comparative political economy of exploitation’ in these favoured economies: the United States, the United Kingdom, the Netherlands, Sweden, Germany, and Japan. The central argument to be made in this chapter is that in truth there is not much to emulate here. On the contrary, those advanced capitalist countries – in particular the UK, Netherlands and Sweden – which managed to meet or exceed US performance over the latter half of the 1990s did so only by reinforcing extra-economic forms of exploitation which they already deployed, and by devising new strategies of exploitation that circumvented existing “bottlenecks” of resistance to flexibility. For what is perhaps most interesting about the case for the new emulative models is that it is not being made on their capacity to generate egalitarian outcomes from a fundamentally inegalitarian economic system. Rather, it is being made on their capacity to restructure their political economy in such a way as to re-enforce the coercive inegalitarian outcomes generated by capitalist markets, with only some limited measure of *ex post facto* distribution. In this sense, the chapter will argue that it is less productive to talk about the ‘success’ of the new emulative models than it is to speak of the exhaustion in the capitalist boom of the post war era as a pole of adjustment to which the new emulative models of the 1990s and their attendant electoral parties have successfully adapted.

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The ascendancy and decline of the emulative cases

This section critically interrogates the widely held opinion that the macroeconomic performance of the new emulative models of the 1990s was superior to the old emulative models of the 1980s

Domestic macroeconomic comparisons

Table 1.1 presents comparative cross-national GDP per capita data for the six model cases. The left column (L) measures GDP per capita relative to the US and the right column (R) indicates a simple ratio of each country's average GDP per capita growth rates relative to the US.¹ By these measures the common cleaving of the model cases into two distinct groupings — one of the old model cases of the eighties and the other of the new model cases of the 1990s — is given some credence. Clearly over the 1990s the Japanese and German models fell on tough times, although in the case of Germany this weakness began to show during the latter half of the 1980s. The Swedish case is an outlier in that it does not fall neatly into the periodization suggested. In fact, Swedish weakness began to appear in the latter half of the 1970s and did not manage an appreciable reversal until the latter half of the 1990s. By these measures, Dutch performance was actually better than that of Sweden over the two decade-long slowdown beginning in the mid 1970s, with an appreciable reversal not taking place until the second half of the 1990s. The UK is interesting because, if we average out its performance over each decade, what is remarkable is the degree to which UK performance closely tracks that of the US. Moreover, if the data is examined for the last half of the 1980s and 1990s, which roughly corresponds to the peak of each business cycle, it is clear that the relative performance of the UK economy to the US has been no better under the 'tutelage' of New Labour than it was earlier under the 'yoke' of Margaret Thatcher's Conservatives. Decade averages for the US reveals that the performance of the American economy did not improve over the 1990s, when it was still performing under its 1970s levels, and well under its 1980s levels. Hence, it is tempting to conclude that what made the American economy seem so strong through the 1990s was partially an artefact of the comparative decline in the performance of its chief emulative rivals.

One of the problems in using GDP per capita growth to measure economic performance in this way is that it does not reveal very much about the path of productivity. Nor does it reveal much about other important macroeconomic variables such as unemployment and inflation: all three of which are key measures when assessing the relative decline and ascendancy of the model cases. So Table 1.2 presents three additional measures of macroeconomic performance. Unlike the measures presented in Table 1.1 the averages presented in Table 1.2 have been cyclically adjusted so as to provide a comparison of the macroeconomic performances of each case over the entirety of their business cycles. On these measures a somewhat different picture of the relative strength and weakness of the model cases emerges.

Table 1.1 GDP per capita relative to the US

	71-75		76-80		81-85		86-90		91-95		96-01	
	<i>L</i>	<i>R</i>	<i>L</i>	<i>R</i>	<i>L</i>	<i>R</i>	<i>L</i>	<i>R</i>	<i>L</i>	<i>R</i>	<i>L</i>	<i>R</i>
JPN	69	1.9	71	1.3	76	1.2	79	1.9	85	0.9	79	0.5
DEU	84	1.2	86	1.3	86	0.6	84	1.2	78	-1	73	0.7
SWE	84	1.4	80	0.4	81	0.8	79	0.9	74	0.0	73	1.4
NLD	80	1.4	79	0.7	76	0.4	73	1.1	76	1.1	76	1.4
GBR	67	1.1	66	0.7	65	0.9	67	1.3	66	1.1	67	1.3
USA*		1.6		2.5		2.1		2.2		1.3		2

*US figures are not expressed as a ratio but rather as real GDP per capita growth in 1995 PPPs.

Note: *L* denotes level compared to the US; *R* denotes average rate of change.

All figures calculated based on constant 1995 PPPs.

Source: GDP authors own calculations based on Source OECD, *Economic Outlook No. 73*; population series taken directly from World Bank, *WDI Online*.

Table 1.2 Productivity, unemployment, and inflation rates: cyclically adjusted

	Labour productivity		Unemployment rate		CPI	
	1980s	1990s	1980s	1990s	1980s	1990s
JPN	3.1%	2.1%	2.5%	3.6%	1.7%	0.4%
DEU	0.8%	0.9%	5.1%	8.1%	2.8%	2.3%
SWE	1.3%	1.8%	2.7%	6.9%	7.6%	3.0%
NLD	2.6%	1.4%	9.3%	5.3%	2.9%	2.6%
GBR	2.0%	1.9%	10.0%	7.4%	7.4%	3.7%
USA	1.2%	1.6%	7.0%	5.6%	4.1%	2.8%
AVDEV	0.72	0.32	2.67	1.32	2.06	0.74

Note: Labour productivity is measured as output per hour worked.

Source: Productivity and unemployment figures based on data from Source OECD, *Economic Outlook No. 73: Annual and Semi-annual data*; Consumer Price Index (CPI) taken directly from World Bank, *WDI Online*.

In terms of labour productivity performance the top three were Japan, the UK and Sweden respectively. Note that two out of the top three performances occurred in the models held to be in relative decline. In terms of open rates of unemployment, the superiority of the new model cases is more apparent, with the Netherlands and the US rounding out the top three. Even so, their reduction in open unemployment rates still

takes them nowhere near what was conventionally understood as full employment prior to 1973. (To the extent that either the Netherlands or the US can be considered to have achieved full-employment over the 1990s it can only be understood as a functional level of unemployment, of which more is said in the next section). For all the cases, inflation trended lower over the cycle of the 1990s, with the strongest reductions occurring in Sweden and the UK.

Two points are worth highlighting. Once again American strength over the cycle of the 1990s was as much a function of the poorer performance of its rivals over the two cycles, as it was a function of US prowess in terms of labour productivity growth and open unemployment rates. Second, while the data presented here contradict the impression left by the GDP per capita figures presented in Table 1.1 with regards to Japan, they do confirm the pervasive decline of the German case.

International macroeconomic comparisons

The final set of measures that need to be taken into account when assessing the relative macroeconomic performances of the emulative cases are those which provide some indication of the overall competitiveness of each case vis-à-vis its emulative rivals. Table 1.3 presents three measures which simultaneously provide an indication of export effort and competitiveness. By the first two measures it is clear that Japan and Germany saw an erosion of their market share from the 1980s to the 1990s. In the German case the trend is particularly troubling, given that by 2000 and despite an increase in export effort (exports as a per cent of GDP) the German share of high-income OECD trade remained well below its 1980s level. In the case of Sweden and the Netherlands, despite a substantial increase in export effort over the 1980s and 1990s, the two economies only managed to retain existing market share. This is significant because it demonstrates the effort that small countries need to make simply to maintain existing market shares. For the UK a minimal increase in export effort has been matched by a slight decrease in export shares — certainly not the hallmarks of a rejuvenated export sector. Alternatively the US increased its export effort and captured a larger share of high income OECD trade over the 1980s and 1990s. Thus, on these two measures, only in one of three new emulative cases has there been an appreciable improvement in international competitiveness.

Turning to the third measure of export competitiveness and effort presented in Table 1.3 — high-tech exports as a per cent of manufacturing exports — a slightly more nuanced picture emerges. Japan, Germany and Sweden increased the high-tech component of their exports over the 1990s; and in the case of Japan high tech-shares are now within the range of the other model cases, while Sweden and Germany still lag behind. The trend rate of growth for Dutch high-tech exports was strong and by 2004 led all the other cases. The UK had a steady growth in the high-tech component of trade such that it managed to retain its relative position within the group, while the US for its part maintained its high-tech shares over the 1990s. On this measure, therefore, there is evidence of considerable improvement in the international competitiveness of the UK and especially the Netherlands. There is also evidence of improvement in the case of Japan

and Sweden as well: to the point at which indeed, in the Japanese case at least, there is no appreciable gap between its performance and that of the other new model cases.

Table 1.3 Comparative measures of export effort

	Exports			% Hinc OECD			High-technology % Manufacturing exports		
	% GDP			1980s	1990s	2000	1989	1990s	2000
JPN	12	10	11	12	11	10	24	25	28
DEU	29	27	34	18	14	14	12	13	18
SWE	33	38	47	2	2	2	14	16	22
NLD	55	58	67	5	5	5	15	24	34
GBR	26	27	28	8	7	7	25	25	31
USA	8	11	11	15	18	18	32	32	33

Note: %Hinc OECD denotes countries exports of goods and services calculated as a percentage of total high income OECD trade in goods and services. All export figures calculated from constant 1995 US dollars.

Table 1.4 Comparative measures of export competitiveness

	Index of Relative Unit Labour Cost Manufacturing Sector					
	1980	1985	1990	1995	2000	2002
JPN	44	49	61	100	101	87
DEU	78	70	83	100	93	92
SWE	151	130	149	100	89	83
NDL	110	92	99	100	93	97
GBR	125	112	117	100	145	146
USA	136	169	114	100	118	121
	Current Balance as a Percentage of GDP					
	1980	1985	1990	1995	2000	2003
JPN	-1.0	3.7	1.5	2.1	2.5	2.9
DEU	-1.7	2.7	2.9	-1.1	-1.4	2.1
SWE	-3.2	-1.0	-2.5	3.4	3.9	3.7
NDL	-0.5	3.2	2.7	6.2	2.2	1.9
GBR	1.4	0.6	-4.0	-1.3	-2.1	-2.7
USA	0.1	-2.8	-1.4	-1.4	-4.2	-5.0

Source: Source OECD, Economic Outlook No 74: Annual and Semi-annual data.

Table 1.4 provides two additional measures of overall international competitiveness. The first measure tracks the evolution of unit labour costs from 1980 to 2002. Clearly over the 1980s the old emulative models (Germany, Japan and Sweden) were faced with an increase in their unit labour costs while the new emulative models (the US, UK and Netherlands) were experiencing a downward trend in unit labour costs. This general pattern held until the mid-1990s, at which point the trend rates began to reverse; such that it is now the new emulative models that are faced with increasing unit labour costs relative to the other three cases.

The deterioration in the competitiveness of the new emulative models is reflected in their current account balance. The Japanese, despite weak domestic growth and an erosion of relative market share, managed to run current account surpluses from the early 1980s and increasingly so since the mid 1990s. The Germans appear to have turned the corner on their deficit, posting a strong surplus in 2003, with the Swedes posting strong surpluses since the end of the severe recession of the early 1990s. Despite strong performance in terms of high-tech exports, the trend implied by the current account data for the Netherlands suggests a continued erosion of their trade surplus. This is compatible with the mild erosion of their competitive advantage implied by the evolution of their unit labour costs. Turning to the UK, there appears to be little to no relief from the chronic current account deficits of the 1990s. Indeed the data for 2003 indicates that the position of the UK has further deteriorated, as its unit labour costs evolve in lock step with the health of their current account. This suggests that over the 1990s the UK has suffered an overall decline in international competitiveness. The US performance mirrors that of the UK with less of a rise in unit labour costs but with a more severe deficit on the current account, such that by 2003 the trade deficit stood at 5 per cent of GDP. While it may be true that such a deficit does not portend a crisis, it does nonetheless indicate a weakness in terms of international competitiveness. In this sense it is possible to speak of a structural weakness in the US macro-economy, even if it can be more than covered by the privilege of empire. For both these reasons the US in this regard hardly stands out as an emulative model.

With the exception of Germany the measures provided in this section resist easy generalizations across the model cases, or even easy generalizations for the individual model cases themselves. Clearly the German model has stalled. Indeed, the severity of the German problem is evidenced by stagnation across both business cycles and by stagnant labour productivity growth. Given that manufacturing counts for the larger share of employment in Germany than in any of the other five models, the decline of manufacturing has no doubt contributed to the deteriorating conditions in the German labour market. The US, on the other hand, has not only seen an improvement in its international competitiveness in some areas, but by-and-large has managed to attain functional levels of open unemployment. What this section makes most clear is that it is not possible to draw any straightforward generalization about the overall success and failure, based on the relative empirical status and merits, of the macroeconomic performance of the emulative cases. And in fact success and failure ought not to be measured simply in these terms. For if success cannot be demonstrated by reference to

improvements in the lives of working populations both inside and outside of work, then to talk of ‘success’ at all here is misplaced.

‘Model’ labour markets: ‘flexploitation’ and ‘functional’ unemployment

The return of full employment or near full employment has been touted as one, if not the, central accomplishment of the model cases of the 1990s. As the data presented in Table 1.2 demonstrated, none of the model cases actually managed a return to full employment, at least as that term was once commonly understood in the post war era. Given so much of the battle over the superiority of the new model cases has been fought out on the terrain of unemployment, it is worth considering what the open unemployment rate actually measures, and why measuring unemployment in this way is increasingly a poor measure of the overall condition of labour markets.

The problem with the open unemployment rate is that it is a relative measure in both static and dynamic terms. Taking the static aspect first, the unemployment rate expresses the number of persons currently unemployed and actively seeking work (over a limited reference period) as a per cent of the total active labour force. The total active labour force, in turn, is comprised of those individuals that are currently employed (broadly defined as anyone receiving a minimal amount of paid employment during the reference period) plus all of those deemed to be unemployed. So given the expansive definition of what it means to be employed versus the narrow definition of what it means to be unemployed, there is a built in downward bias in the static calculation of unemployment rates. In dynamic terms a problem arises because the size of the labour force tends to contract and expand. In practice this means that a country may experience zero or negative employment growth while at the same time registering little or no increase in the open unemployment rate, simply because members of the unemployed have given up looking for work and hence are no longer considered in the labour force, so leaving a higher proportion of employed to unemployed in the labour force. Something like this has occurred in the US over the past three years — the labour market has been contracting while at the same time a significant number of persons have left the labour force, effectively countering to some extent the upward pressure on the unemployment rate.

Outside of the relative problems with standard or open definitions of unemployment, there is another way in which official unemployment data can be a poor indicator of conditions in the labour market. Given that only a minimal amount of paid labour within the reference period is required to count a person as employed, the open unemployment rate says virtually nothing about the quality (job security and stable hours) of employment. For example, some workers may be chronically underemployed and in search of full-time employment but are nonetheless regarded as employed. Once again, in the US this is the case to the extent that by the expanded definition of unemployment (one that includes underemployment and self-employment for economic reasons in its definition of unemployment) the rate of unemployment is almost double that of the rate

recorded by the standard definition. For all the above reasons, and given the increased incidence of part-time and insecure labour contracts over the past two decades, the standard definition of unemployment has become less useful as a measure of conditions in the labour market. In the first part of this section therefore a critical assessment of the labour market performance of the emulative cases is made in an attempt to circumvent the serious limitations of unemployment as a measure of the overall performance of labour markets.

Employment and participation

While there has been a general decrease in the open unemployment rate in four out of the six cases over the latter half of the 1990s, such aggregate statistics obscure the degree to which pools of marginalized workers face labour markets in which there is a much higher incidence of unemployment. Among the top four model cases (the US, UK, Netherlands and Sweden) for example, youth unemployment rates were double or more national rates during the 1990s (see Table 2.1). Only in the case of the Netherlands did youth unemployment relative to total unemployment improve, and in the rest of the cases including the US it worsened. There is some irony here because both the UK and US instituted rather Victorian measures in an attempt to ‘encourage’ participation by the poor and young adult workers in the labour market via the introduction of extensive compulsory workfare schemes. The effect of this was not so much to increase employment as to increase the unemployment rate of young adults. In the US, the other major group excluded from the ‘jobs boom’ of the 1990s were African American and Hispanic workers. African American workers experienced double the rate of open unemployment (10.8%) of their white counterparts over the 1990s, while the corresponding Hispanic unemployment rate was 8.6% (Mishel et al, 2003: Table 3.1).

Table 2.1 Youth unemployment

	Youth unemployment rate		Total unemployment rate	
	1990s	2002	1990s	2002
JPN	7.0	10	3.6	5.4
DEU	8.1	9.7	8.1	7.7
SWE	15.6	12.8	6.9	4
NLD	9.0	5.9	5.3	4.1
GBR	13.4	11	7.4	5.1
USA	11.7	12	5.6	5.8

Note: 1990s average cyclically adjusted.

Source: unemployment rate, OECD; Youth unemployment based on World Bank, *WDI Online*, and OECD *Employment Outlook 2003: Towards More and Better Jobs: Statistical Annex* (2003).

Leaving aside for the moment the fact that the ‘successful’ capitalist models are increasingly dumping unemployment on the politically marginalized (especially in the case of Sweden, the US and UK), there has nonetheless been significant improvement in the labour market for four of the six model cases. What we see here is not full employment certainly, but the achievement of what may be termed ‘functional levels of unemployment’ (FLU). A functional level of unemployment can be defined as a rate of unemployment which is sufficient to ensure overall price flexibility in wage rates while at the same time being low enough so as not to be politically destabilizing or *ceteris paribus* excessively taxing on government spending.ⁱⁱ

The question, however, is to what extent such levels of open unemployment are a function of the capitalist models’ superior performance in terms of employment growth, or are merely attributable to other factors such as a decline in the hours of work or changes in labour force participation rates? Table 2.2 present data that help answer this question. Three measures are presented which taken together go some way toward an explanation of the dynamics at play in each of the cases’ employment performance. The first measure tracks the cyclically adjusted rate of employment growth which allows for a comparison of the job richness of each of the cycles for each case, and a comparison between the cases. Significantly, in all of the cases, except the Netherlands, employment growth was weaker over the 1990s than during the 1980s. The second measure presented in Table 2.2 is a straightforward measure of the rate of growth for the working age population. This measure allows for an assessment of the underlying demographic pressure: the potential supply of workers. On this measure, only in the case of the US was there a substantial increase in the potential supply of new workers during the 1990s, whereas in the rest of the cases the growth in the supply of labour was minimal and either stagnant or declining compared to their 1980s average. The third measure presented in Table 2.2, tracks the actual supply of new workers via changes in the growth of the participation rate.

In the UK, job growth was anaemic over both cycles — almost on par with the German performance during the 1990s. What then accounts for the success of the UK in reducing its unemployment rate? The answer the data suggest is that the growth of the working age population slowed relative to the 1980s along with an almost complete levelling out of the participation rate. There is therefore less of a New Labour economy at work here than there is a favourable change in the underlying demographic pressure (population growth) coupled with a decrease in the rate of labour force participation. Even this begs the question as to why and who left the labour market. The answer as to who is partly answered in Table 2.3. Male participation rates declined from 76 per cent during the 1980s to 72 per cent during the 1990s. In sum this means that the decline in male participation rates accounts for half of the decrease in male unemployment rather than being the result of an increase in employment. Further study has revealed that the bulk of men leaving the labour force are over fifty (Gregg & Wadsworth, 1999: 59). Moreover, as is demonstrated later in this chapter, the other major exit route from British labour markets has been through entry into the disability system. Neither of these

developments suggests improvement in the equality of opportunity that Labour's New Deal claims to deliver.

The German experience is instructive relative to that of the UK because employment and labour force growth rates were almost the same in the two economies, whereas the growth in labour force participation in Germany was 2 per cent higher than in the UK over the 1990s. Hence, it is worth speculating that, had the UK economy been faced with the same increase in labour force participation that Germany experienced over the past two cycles, whether the UK unemployment rate would have been any better. Indeed it might even have been worse.

The US performance on job creation, although worse than during the 1980s, nevertheless managed to track the increase in the underlying growth of the working age population. US unemployment rates decreased, as the data make clear, partly as a result of an overall decrease in the participation rate over the cycle of the 1990s: a result which is hardly suggestive of a strong economy eating away through its labour reserves towards full-employment. As the data on participation growth presented in Table 2.2 suggest, both the UK and US were at least as successful in discouraging workers from entering the labour force as they were in providing jobs for all those who wanted one.

This brings us to the Dutch case, which has been heralded as nothing short of a jobs 'miracle' (Keman, 2003). As the data in Table 2.2 make evident, not only did the Dutch manage to improve their job creation performance considerably during the 1990s, but they did so well in excess of the underlying pressures on labour force participation rates. Employment grew at almost twice the rate of labour force participation and over six times the rate of working age population growth.

Table 2.2 Components of employment growth

	Employment		Working-age population		Labour-force participation	
	1980s	1990s	1980s	1990s	1980s	1990s
JPN	1.31	0.07	0.76	-0.01	0.54	0.38
DEU	1.23	0.40	0.57	0.22	2.46	2.22
SWE	0.57	-0.42	0.32	0.38	2.46	-0.57
NDL	1.05	1.96	0.92	0.49	0.28	1.14
GBR	0.55	0.42	0.42	0.22	0.33	0.02
USA	1.57	1.28	0.85	1.27	0.65	-0.07

Note: all figures cyclically adjusted; employment figures based a common definition.
Source: Source OECD, Economic Outlook No 73: Annual and Semi-annual data.

However, more detailed labour market statistics provide an entirely different and more negative assessment of not only Dutch performance but of that of all the cases under review here. Two significant structural shifts have taken place in advanced capitalist labour markets. First there has been a general feminization of labour markets (see Table 2.3). Male participation rates have decreased while female participation rates have increased. This could be interpreted as a progressive structural change if female workers were gaining access to core ‘golden age’ jobs, but they are in fact not. What is more, this feminization has occurred in the context of the winding down of the core golden age sector for males: that is, a winding down of highly unionized, living-wage remunerated, secure full-time employment. Second, as is well known, there has been an overall growth in the relative share of service sector employment as a percent of total employment. As the data in Table 2.4 also reveal, however, this too has been an equally gendered development. Excluding Germany and Japan, by the latter half of the 1990s well over 80 per cent of all female employment was in the service sector. These two structural shifts, more than any other factors, seem to be the key components of the new emulative models’ capacity to generate functional levels of unemployment and the requisite degree of flexibility.

By 2003, fully one out every two jobs in the Netherlands was either of the part-time or self-employed variety. Moreover, on a comparative basis Dutch employers made extensive use of temporary labour contracts (Barell and Genre, 1999: 51). The ‘Dutch miracle’ it turns out then, was, and remains a chimera. Dutch employers have done a remarkable job in spreading work rather than creating full-time employment. In a detailed study of Dutch labour market policies, including active labour market measures, Hans Keman concluded that Dutch employment performance “... is not the direct result of an active labour market policy *per se*, but is rather the effect created by the relaxation of labour market regulation...insofar as one can speak of an above average performance by the Netherlands, this due to the exceptional growth in part-time labour” (2003:131) And as Keman further points out, part-time employment is negatively correlated with the capacity of individuals to receive full welfare benefits. As such “the Polder model is not capable of bringing about a miracle in terms of both work *and* welfare” (2003:132).

Part-time and self-employment growth have stabilized in the US, where they now account for one out of every five jobs created. However, when all forms of non-standard labour contacts are taken into account, the level of insecure part-time jobs in the US economy is substantially higher even than that: particularly for women, where fully 34 per cent of all jobs are of the non-standard variety (Mishel et al, 2003: Table 3.16). Some analysts have explained the levelling off in the use of part-time non-standard contracts as the result of the relatively lax regulations that govern US labour markets, such that American employers have less need of temporary and part time contracts to achieve flexibility (see discussion in Peck and Theodore, 2002).

Table 2.3 Structure of employment and labour force participation

	Part-time* /Full-time		Female part-time /Total part-time		<i>Labour Force Participation Rates</i>			
	1980s	1990s	1980s	1990s	<i>M</i>	<i>M</i>	<i>F</i>	<i>F</i>
					1980s	1990s	1980s	1990s
JPN	20%	28%	72%	68%	78	77	48	49
DEU	13%	17%	90%	87%	70	71	41	48
SWE	13%	11%	86%	82%	73	69	61	60
NDL	33%	41%	74%	75%	73	71	39	50
GBR	25%	29%	87%	82%	76	72	50	54
USA*	21%	22%	67%	67%	76	75	54	59

*US figures not strictly comparable based on national definition of dependent employment.

Note: *M* denotes male; *F* denotes female. All figures expressed as averages, non-cyclically adjusted.

Source: Part-time data calculated from OECD Corporate Data Environment, "Labour Market Statistics: Employment by full-time/part-time distinction based on a common definition"; participation rates calculated from Bureau of Labor Statistics (BLS), "Foreign Labor Statistics".

Table 2.4 Distribution of employment by gender and sector

	Service sector employment as % of total male and female employment						Service sector employment as % of total employment		
	1981		1991		1998		1981	1991	1998
	<i>M</i>	<i>F</i>	<i>M</i>	<i>F</i>	<i>M</i>	<i>F</i>	<i>M & F</i>	<i>M & F</i>	<i>M & F</i>
JPN	52	59	54	64	56	71	54	58	62
DEU	NA	NA	44	70	50	79	NA	55	62
SWE	47	82	53	85	58	86	63	68	72
NLD	54	83	60	85	63	84	63	70	73
GBR	50	78	53	81	59	86	62	66	71
USA	56	80	61	84	63	86	66	72	74

Note: *M* denotes male; *F* denotes female

Source: Calculations based on World Bank, *WDI Online*.

As is clear from the data presented in Table 2.3, in every case except Sweden and the US the increase in female participation rates has occurred in tandem with a significant increase in part-time employment. What is equally interesting is that within this sample the gender distribution of part-time jobs is most skewed in the European countries, including the UK (see Table 2.3 for detail). Once the relatively low proportion of part-time employment in Germany and Sweden is taken into account, the UK and the

Netherlands — the vanguards of the Third Way — stand out as the two most gendered and ‘flexploitative’ of the model cases. Indeed, they are well ‘ahead’ of Japan which is routinely singled out in the literature as having relied heavily on a part-time female labour force to provide overall labour market ‘flexibility’ (Landsberg, 2003). In this regard Japan is closer to that of the US than it is to the other ‘model’ cases.

Hours, stress and quality of life

All of these measures only get at the broad structure of unemployment and employment in the model cases. What do assessments of life at the workplace reveal about job satisfaction and stress? Here the picture is even bleaker. The starting point for this phase of the investigation is cross-national data on work hours. There are several limitations to the data on average annual work-hours as used by the OECD. First, the national statistics on which they are based use different methodologies: the most problematic of which is that some use household surveys (such as the US), while other countries use establishment surveys (such as Japan). The difference between the two is that household surveys better reflect paid and unpaid overtime, while the latter only include paid overtime (Mizunoya, 2001). One result is that the Japanese estimates are significantly lower than the actual hours worked. The second limitation to cross national data on work hours is that they pool part-time and full-time employment when calculating averages. So in the case of the Netherlands, average annual hours have decreased partly because of the rapid increase in part-time employment. Similarly, given the UK’s higher proportion of part-time workers relative to the US, meaningful comparisons are hard to draw at lower levels of detail.

Nonetheless, based on the published data, calculations for cyclically adjusted average annual hours of work are presented in Table 2.5. Despite the high incidence of part-time employment in Japan and despite the fact that unpaid ‘service overtime’ is not included, Japanese workers still worked the longest hours of any advanced capitalist workforce and of all the model cases studied here over the 1990s. The ILO estimated that Japanese workers actually clock 350 hours more than the OECD statistics suggest (Kato, 1995).

More recent estimates in a cross national comparison of paid and unpaid overtime estimate that male workers in Japan provide an extra tenth, or 180–200 hours of service overtime annually (Mizunoya, 2001). The problem of overwork was so pervasive in Japan over the 1990s that a new phrase entered the Japanese lexicon, ‘Karoshi’, which literally translated means ‘death from overwork’. In a national poll 48 per cent of the households surveyed said that they were concerned about themselves or a member of their family dying as a result of overwork (Kato, 1995). Clearly there is not much more productivity that can be squeezed out of the Japanese labour force through intensified managerial techniques.

Among the economies studied here, American and British work hours were the second and third longest respectively (Table 2.5). The increase in female participation rates, coupled with the average hours worked per person, means that US and British households are now collectively engaged in more paid labour than at any other time. Hence, it is hardly surprising that in both countries work-time related concerns of over-work and overtime are on the rise, and this has occurred across both sectoral and occupational lines.

Table 2.5 Average annual hours

	1980s	1990s
JPN	2065	1870
DEU	1653	1524
SWE	1529	1597
NLD	1571	1372
GBR	1751	1738
USA	1831	1838

Source: Source OECD, *Economic Outlook No 73: Annual and Semi-annual data*.

Taking the American case first, 37 per cent of all full-time workers in the US feel overworked. The cost of overwork is not a trivial matter. With family members spending longer hours at work there is less time for family life, and higher degree of stress both at work and in the home. The recession and slow recovery since 2001 has only added to the general frustration over long hours of work, as US companies have shed employees and squeezed increased productivity out of their remaining workforce. Indeed, the level of overwork has become so pervasive in the US of late that employees have been fighting back through collective action lawsuits over unpaid overtime. As one Human Resource consultancy commented: ‘companies hit by such lawsuits read like the Fortune 500. Settlements so far, include Starbucks paying its store managers \$18 million, Pacific Bell paying engineers \$35 million and \$27 million to its sales managers, and Farmers Insurance paying \$130 million to claims adjusters. Wal-Mart has 28 separate lawsuits pending against it’.ⁱⁱⁱ In the most recent of the Wal-Mart lawsuits to go to court, in which the retailer was found guilty, company officials defended their managerial practices by arguing that they were simply ‘trying to encourage teamwork’ (Associated Press, 2004).^{iv}

The data on average hours of work presented in table 2.5 obscure the full extent of increased hours because such data are averages and therefore spread increased hours of work by some members of the labour force over the whole of the working population. Disaggregated studies of average working hours reveal that there has been a general increase in the proportion of males and females performing paid and unpaid overtime since the late 1980s. In 1989 for example, 43 per cent of full-time workers performed paid overtime, with 25 per cent reporting working unpaid overtime. By 1998 these figures had increased to 55 and 41 per cent respectively (Harkness, 1999: Table 6.1a).

The extent of unpaid overtime in the UK is now so pervasive that British workers performed £23 billion in unpaid over-time in 2003. Moreover, this increase in unpaid overtime has been registered across occupational categories, with the average unpaid overtime among professionals at 9.5 hours a week and among manual workers at between 5.5 – 6 hours a week. Given New Labour's continued insistence on exercising an opt-out from the European directive on work time, and, the labour cost advantage gained by capital, UK workers will likely continue to work longer hours for less pay than their European counterparts.

In a discussion paper put out by the Institute for the Study of Labor a bi-national comparison of German and UK rates of overtime found that overtime, unpaid and paid, "was more prevalent in the UK than Germany" (Bell, Hart, Hübler and Schwerdt, 2000: 25). The contribution of unpaid overtime to the UK's professional service sector is not trivial. For example, once unpaid overtime is factored in, holding constant for education and experience, professional salaries are more than twice as high in Germany than in the UK. Moreover, female professionals in the UK with 10 years of experience earn one-third of their female counterparts in Germany (Bell, Hart, Hübler and Schwerdt: Table 6 & 7). In a related report from the Joseph Rowntree Foundation based on a nation wide survey conducted by researchers at Cambridge, extensive job insecurity among professional workers was reported (1999). Such insecurity was intimately connected to work intensification as result of the increased volume of work being demanded of individual employees, and the corresponding long working hours to complete the tasks demanded of them by managers. Although not the focus of the report, it nonetheless mentions that the stress professional employees were feeling was similar to that experienced by craft and operative workers during the 1980s.

For Germany, given the low incidence of part-time work, it seems safe to conclude there has been an overall reduction in hours worked although less than the data suggests due to the increase in part-time work. Swedish hours actually increased over the cycle of the 1990s, which makes intuitive sense because Sweden actually saw a decrease in part time employment during the 1990s. The actual path of work hours is hard to track in the case of the Netherlands once again due to the high incidence of part-time work; but given the Dutch, like their German counterparts, have an active policy of work time reduction and job sharing, it would seem safe to conclude that average hours of full-time workers has decreased. However, in a study conducted by a Dutch research and consultancy firm, it was found that not only had contractual hours of work increased but that a further 9.5 hours per of paid and unpaid overtime were being clocked by Dutch workers on a weekly basis in 2002, up from 6.5 hours in 2000 (TNO, 2003). Dutch disability rates still remain twice the European average despite a series of changes from the beginning of the 1990s that were designed to repeal the use of disability as a form of unemployment insurance (Barell and Genre, 1999). This suggests that despite the 'consensual' basis upon which flexibility has been pursued in the Netherlands, Dutch workplaces are not free from high stress and overwork.

Model welfare states and the modalities of “flexploitation”

The central task of this section is to establish the link between private and public sector restructuring. The welfare state has no doubt been under severe *retrenchment* pressures but the real action has taken place in terms of welfare state *restructuring*. However, before proceeding directly to the behavioural changes embedded in welfare state restructuring across the individual model cases, it is useful to make a cursory analysis of changes in the size of the welfare state, as much of the debate on the relative fortunes of the model cases has hinged on the supposed ‘crowding out’ effect of welfare state. The most interesting aspect of any such cursory analysis of the quantitative measures of the size of welfare states is that it inevitably reveals the absence of any necessary connection between the size of the welfare state and economic performance. That is, although the size of the welfare state may be fiscally unsustainable at certain levels of persistent unemployment, there is no ‘iron law’ that relates the nominal size of public social expenditure to economic growth, stagnation or decline.^v

A simple confirmation of this is suggested in table 3.1. Notice, for example, that Japan ran the leanest welfare state over the 1980s and, as illustrated above, had the best record on unemployment and GDP growth. In the 1990s, however, Japan continued to run the leanest welfare state but with one of the worst performances in terms of GDP and employment growth. Near the other extreme, the Netherlands during the 1980s combined a larger welfare state than all of the other cases, excluding Sweden, with one of the worst performances in terms of GDP and unemployment; and yet during the 1990s the Dutch had the best performance in terms of GDP growth and open unemployment despite (or perhaps because of) an increase in the absolute and relative size of the welfare state. Even in the case of the US there has been a moderate increase in the size of the welfare state. Clearly a range of growth and unemployment rates is compatible with a range of welfare state sizes, *sans* any cross national or intra national correlation between welfare state size and macroeconomic performance.

In fact, on both measures of public social expenditure provided in table 3.1 there was an across-the-board increase in real welfare state program spending. On the third measure of welfare state size presented, however, which consists of a simple ratio of total population to number of government employees, there is some evidence of retrenchment. On this measure, Germany, the Netherlands, and the UK showed strong signs of a decline in the size of the welfare state. In the case of Netherlands the decline in public sector employment is somewhat surprising, given that it already had the second highest ratio of the six cases. In the case of the US, Sweden and Japan there was little to no change in public sector employment relative to the population, with Japan continuing to lead with highest population to government employee ratios of the six cases.

Table 3.1 Public social expenditure (PSE) and government employees

	PSE (% of GDP)		PSE (per capita)		Ratio Pop: Gempl		Combined Rank	
	1980- 89	1990- 98	1980- 89	1990- 98	1980- 89	1990- 98	1980- 89	1990- 98
JPN	11.1	12.9	1999	3034	24:1	24:1	1.0	1.0
DEU	22.9	28.1	5207	6090	15:1	17:1	3.3	3.7
SWE	31.3	35.9	5634	7126	6:1	6:1	6.0	6.0
NLD	30.0	30.4	5233	6415	20:1	22:1	4.0	4.0
UK	23.0	25.8	3523	4815	8:1	11:1	4.0	3.7
US	13.6	15.3	3106	4212	14:1	14:1	2.7	2.7

Source: Public social expenditure figures calculated from ESDS; Government employment (Gempl) data from Source OECD, *Economic Outlook No 73: Annual and Semi-annual data*.

If the link between welfare state size and economic growth is non-causal, then it also appears from the preceding data that there is also no necessary relationship between retrenchment, economic growth and unemployment. But from this observation it should not be concluded that the present ‘success’ of the model cases has nothing to do with the configuration of their welfare states. The first factor that needs to be firmly kept in mind is that aggregate measures of welfare state spending may mask changes in the composition of that spending. Spending may be redeployed from direct universal cash benefits to selective targeted benefits, or it may be directed from one area of program spending to another, without affecting the overall level of public social expenditure. The movement away from universal to specific and targeted benefits has been the dominant characteristic of welfare reform in all the six economies under review here. The second factor that also needs to be kept in mind is that measures of welfare state spending, with population or GDP as the denominator, may be misleading because the key is to track benefit per beneficiary and not program spending per capita or as a per cent of GDP. Third, and closely related to the first, is that welfare state retrenchment needs to be understood as only one aspect of the broader phenomena of welfare state restructuring in general and labour market policy in particular.

In general there are essentially two strategies that managers of the welfare state can employ to enforce the norms and size of capitalist labour markets. The first strategy involves the mobilization of *inactive* labour reserves: mobilizing those that have little to no attachment to the paid labour market – primarily individuals on some form of social assistance or disability. The second strategy involves the mobilization of *active* labour reserves: mobilizing those who are attached to the paid labour market – the currently unemployed or underemployed. Modification of the behaviour of labour reserves in the aggregate (altering the set of ‘choices’ faced by members of the labour reserve) can be achieved through so called ‘passive’ measures: that is, through a direct lowering of the duration and level of the benefit and through ‘active’ measures which alter the conditions attached to receipt of the benefit (mandatory skills training, job search, job placement and so on). Taken together such measures can have a profound impact on labour force

participation and unemployment rates, and the overall degree of flexibility within paid labour markets.

The data in table 3.2 attempts to capture public social expenditure in those welfare programs (excluding unemployment insurance) that have a direct bearing on the level of inactive labour reserves. By these rather conservative measures there has been, with some notable exceptions, a general retrenchment in welfare state spending, except possibly in disability spending. The Netherlands has seen an across-the-board reduction in all three program areas: markedly so in the case of disability and family cash benefits, which in 1998 was well below its 1980s level. The fall in Dutch disability spending was directly related to the retroactively applied tightening in criteria used to determine disability, and to an expansion in the definition of suitable employment for the disabled. The result of such changes was an immediate 8 per cent decrease in the number of disability recipients: which translated into nearly a quarter of million persons (OECD, 1998). Such figures help explain the large growth of the Dutch labour force despite a relatively low growth rate for the working age population (refer back to Table 2.2). What the Dutch case illustrates is the degree to which public policy is linked to the relative size of passive and active labour reserves.

In all of the cases there has been general clampdown in the access to sickness benefits, which has been offset to some degree, outside of the Netherlands, by an increase in spending on disability. This suggests that despite the increased restrictions in access to sick benefits, some workers have been merely reclassified as disabled. Substantially, in the case of the UK, the over two fold increase in disability spending since the 1980s has been driven by a trebling in the number of working age persons on incapacity benefit (OECD, 2004:86-7). Such volume in turn suggests that the drop in the unemployment rate has been partially achieved through a reclassification of some of the unemployed as disabled. This also helps explain why the British labour force grew at one tenth of the rate in growth of the working age population.

Table 3.2 Spending on the maintenance of inactive labour reserves

	Sickness Benefit			Disability Benefit			Family Cash Benefit		
	1980s	1990s	1998	1980s	1990s	1998	1980s	1990s	1998
JPN	0.07	0.06	0.06	0.27	0.30	0.32	0.22	0.19	0.21
DEU	1.74	1.80	1.43	0.88	1.03	1.12	1.39	1.58	2.04
SWE	2.18	1.76	1.81	2.00	2.26	2.10	2.35	2.09	1.87
NLD	2.71	2.40	2.15	4.30	3.94	2.44	1.66	1.03	0.81
GBR	0.97	0.80	0.66	1.16	2.40	2.64	1.80	1.79	1.73
USA	0.27	0.25	0.23	0.69	0.82	0.86	0.33	0.28	0.22

Source: ESDS.

The other major component of passive labour reserve maintenance is family income support. In all cases, except Japan and Germany where family cash benefits have been stable or increasing, recent years have seen reductions in the amount of spending on welfare (family cash benefits). In general the reduction has come from two sources. The first has been through the direct reduction of benefit levels in order to force welfare recipients into the paid labour market. This has been especially so in the US, the UK and the Netherlands, and to some lesser extent in Germany. The second has been through the tightening in the criteria for benefit eligibility and restrictions on the duration of benefits. These changes prefigure the general move to recalibrate welfare state programs in such a way as, on the one hand, to clearly demarcate those deemed capable of being forced into the paid labour market from those considered incapable of labour force participation; and on the other hand, to attempt to “activate” individuals within the passive labour reserves through implementation of mandatory workfare programs.

Just as ‘Keynes plus the welfare state’ came in many forms and sizes, the neo-liberal workfare state has come in many forms and sizes. Indeed, what is crucial to an appreciation of welfare state restructuring in the model cases from the US to the Netherlands are not changes in the size of the welfare state *per se*, but, rather, the way in which welfare state program design and delivery has been altered so as to reinforce the coercive logic of capitalist labour markets. As Jelle Visser observes “[s]ocial policy must increasingly earn credits as economic policy and show how it helps to improve business performance and human capital development” (Visser, 2000:2). Thus, the logic of welfare policy is no longer one of insulating workers from the vicissitudes of capitalist labour markets but rather one of, through a judicious use of behavioural carrots and a not so judicious use of material sticks, enforcing attachment to paid labour markets.

Meso-level theory and the persistence of limits.^{vi}

Neo-institutionalists have recently stressed that the models of capitalism must be understood as historically determined institutional matrices which, owing to their individual particularities, have developed organizational capabilities which afford their respective social formations with ‘comparative institutional advantages’ (Hall and Soskice, 2001). That is, embedded in each advanced capitalist country is a particular set of institutional arrangements which if properly exploited confer comparative advantages that simultaneously provide the basis for the persistence of variation across the advanced capitalist zone and regulatory niche marketing opportunities for individual states. The logic here is quite straightforward: if the models themselves are only ideal typical representations of spatially unique clusters of institutions (understood as corresponding to the geographic boundaries of the advanced capitalist state), which are themselves crystallizations of a unique set of historically contingent social relations, then it follows that the models are non-transferable from one national jurisdiction to another. Moreover, if individual models are understood as a totality of specific socio-historical relations, then even partial emulation (of a foreign financial complex, for example) will not embed the same socio-economic dynamic that it has in the model from which it is being

transplanted. If true, therefore, the US is not likely to make the Social or Christian Democratic turn anytime soon and likewise the European model cases are safe from cut-rate, wholesale, policy imports from abroad – in particular those emanating from the US.

There is indeed something to this logic. Take for instance the example of the United States. The U.S. has served as the competitive pole in the world market for more than a century. One of its dynamic sources has been the “flexibility of its labour market, which has provided wide latitude for employer restructuring, larger degrees of wage dispersion, minimal degrees of union organization, and almost an infinite supply of labour from migration. The U.S. has the capacity to employ the leading means of production in terms of scope and scale, and the flexibility of its labour markets allows extraction of longer hours of work than its economic rivals” (Fast and Albo, 2003:14). Although these dynamic qualities may seem like hard, but ultimately not impossible, qualities to emulate, it is worthwhile to consider the structural conditions that support the US’s flexible dynamism. As Bob Jessop has cogently put the matter:

...the many conditions for US success, if such it be, cannot be repeated elsewhere. There can be only one world debtor running massive trade deficits among leading capitalist economies; only one economy able to print the most liquid international currency to finance its debts; only one major economy able to exploit a global brain drain to sustain its technological prowess despite decrepit public education; only one economy able to impose its definitions of intellectual property and other standards to benefit its own producers; and so forth (2003:20).

All of this suggests that those countries which seek to emulate the macroeconomic *performance* of the US will need to ensure that they are capable of transforming their comparative institutional advantages into competitive advantages vis-à-vis their rival economies. Hence, at this level of analysis at least, not only is institutional convergence blocked by the path-dependent nature of the developmental trajectory of individual advanced capitalist countries, but also by divergent responses to the competitive imperatives that arise from an integrated world market characterized as it is by a ‘nested hierarchy’ of space and scale. The comparison of interacting advanced capitalist countries – and hence welfare states and their labour markets – must take place within the context of an integrating world market, which in turn produces dynamic transformations of each case through time. These transformations in their turn provoke a variety of responses by individual states *ad infinitum*. This argument is quite consistent on the descriptive level (meso-level) at which it is cast but itself is suggestive of a convergent logic operating at a broader level of analysis.

The convergent logic can be identified once the question is posed as to what is the underlying basis that makes possible a comparison of advanced capitalist countries? National capitalisms are comparable precisely because they share common constraints and imperatives that arise from a similar set of social property relations which give rise to a comparable social logic of reproduction. The logic of capitalist reproduction can be

understood in “both its abstract determinations apart from particular cases and in its concretization in specific social formations, as part of an encompassing and interacting world market” (Fast and Albo:12). The regional, national and local specificities of capitalism derive from the fact that the “spatial expansion of capitalist property relations occurs not against or apart from states, but rather is dependent upon states to guarantee the socio-economic property relations that makes possible the organisation of investment, production, distribution and exchange of goods and services between private actors. The uneven development and class conflicts forming a ‘nested hierarchy’ of specific institutional arrangements – from the local to the global – are both an internalization and a response to the common imperatives of capital accumulation in a world market” (Ibid). This is the point of Robert Brenner’s observation that to a greater or lesser extent “essentially every part of the capitalist world took part ... in the unprecedented economic expansion of the epoch before World War I, was struck by the devastating interwar depression, partook of the great post-World War II boom, and has been weighed down by the structural crisis that began in the late 1960s” (Brenner & Glick, 1991: 112).

To compare advanced capitalist countries, which are always the object of the VoC literature, is to compare a group of countries that have ‘achieved’ similar levels of capitalist ‘maturity’. Such maturity is evidenced across a range of demographic and structural variables which taken together allow for comparison based on a dynamic common to advanced capitalist development. To disregard the logic driving advanced capitalist development — the specificity in the way the domination of value over use value, private as apposed to substantive democratic control over the means of production and the social surplus, and so forth — and remain within the descriptive bounds of meso-level theorizations, however accurate and revealing they may be, disregards changing imperatives arising from the location of these countries within the global capitalist hierarchy and their own level of capitalist development. We need not go far to see the degree of convergence at this broader level: by the 1990s all advanced capitalist countries had adopted conservative monetary policy regimes and all had instituted floating exchange rates, and deregulated capital and financial markets.

Institutional differences remain but the more interesting question is to what end those institutions are being put. The Netherlands, for example, has been credited with using its distinctive brand of coordinated bargaining arrangements to achieve price stability. And while this represents on the one hand, the continuing viability and variety of advanced capitalist institutional arrangements to raise the margins for capital, it nonetheless, on the other hand, is an example of a convergence in the logic driving institutional evolution, namely, price stability.^{vii} As David Coates remarks, certain varieties of welfare capitalism in the current period “may be a more civilised way of proceeding, but [they are] still ratcheting down ... we have to recognize that although the institutional structures of ‘trust based’ capitalisms may remain in place, their substance will not” (2000).

Notes

ⁱ Reporting GDP per capita performance in relative terms to the US has the advantage of filtering out the long slowdown that set in during the mid 1970s.

ⁱⁱ From the worker's point of view such rates are rather like having a case of influenza: nothing that will kill you, just enough to wear you down. This concept can be usefully compared to the NAIRU.

ⁱⁱⁱ Michael A. Holzschu, "Overtime Liability: Can it Blowup in Your Face?"

Electronically accessed @ <http://www.businessknowhow.com/manage/overtime.htm>

^{iv} With 1.2 million employees, Wal-Mart is the largest service sector employer in the US. AP Newswire, Wednesday, Feb. 18.

^v For econometric confirmation of this lack of relationship between welfare state size and economic growth see A. Benabou, 'Inequality and Growth', NBER Macroeconomic Annual, (Cambridge, MA: MIT Press, 1996).

^{vi} This section relies heavily on a co-authored discussion paper presented at the Annual Meetings of the Canadian Political Science Association, Congress of the Humanities and Social Sciences. Fast, Travis, and Greg Albo, "Varieties of Neoliberalism: Trajectories of Workfare in Advanced Capitalist Countries." Dalhousie University, Halifax, Nova Scotia, 30 May 2003.

^{vii} It may be argued that coordinated bargaining arrangements were developed to maintain price stability so that the logic in the Dutch case has not shifted. Such a retort would, however, be remiss because coordinated bargaining arrangements were designed to pursue the *dual* spire of full-employment and price stability. For the Dutch, full employment was sacrificed on the spire of price stability. In this sense there has clearly been a shift in the logic driving institutional evolution and it may be said of the same shift across high income OECD countries: price stability over full employment.

Table Notes

Frequently Cited Sources

The following abbreviations are used throughout the chapter and table notes

BLS—Bureau of Labor Statistics
ESDS—Social Expenditure Database
OECD—Organization for Cooperation and Development
WDI—World Development Indicators

The following electronic databases and their respective web sites provide the time series data upon which the data presented in the tables is calculated. Where noted data is taken directly from source.

Bureau of Labor Statistics (BLS)—<http://www.bls.gov>
 Social Expenditure Database (ESDS)—<http://www.esds.ac.uk>
 SourceOECD (OECD)—<http://www.sourceoecd.org>
 Corporate Data Environment (CDE)—<http://www1.oecd.org/scripts/cde/default.asp>
 WDI Online (WDI)—<http://devdata.worldbank.org/dataonline/>

Section 1

- 1.1 *GDP per capita relative to the US.*
 Note: L denotes level GDP per capita relative to the US; R denotes the ratio of GDP per capita growth to the US (less than 1 represents a decline relative to the US). All figures calculated based on constant 1995 PPPs.
 Source: GDP authors own calculations based on SourceOECD, *Economic Outlook No. 73*; population series taken directly from World Bank, *WDI Online*.
- 1.2 *Productivity, unemployment, and inflation rates: cyclically adjusted.*
 Note: Labour productivity is measured as output per hour worked.
 Source: Productivity and unemployment figures based on data from SourceOECD, *Economic Outlook No. 73: Annual and Semi-annual data*; Consumer Price Index (CPI) taken directly from World Bank, *WDI Online*.
- 1.3 *Comparative measures of export effort.*
 Note: %Hinc OECD denotes countries exports of goods and services calculated as a percentage of total high income OECD trade in goods and services. All export figures calculated from constant 1995 US dollars.
 Source: Export statistics: World Bank, *WDI Online*.
- 1.4 *Comparative measures of export competitiveness.*
 Source: SourceOECD, *Economic Outlook No 74: Annual and Semi-annual data*.

Section 2

- 2.1 *Youth unemployment.*
 Note: 1990s average cyclically adjusted.
 Source: unemployment rate, OECD; Youth unemployment based on World Bank, *WDI Online*, and OECD *Employment Outlook 2003: Towards More and Better Jobs*: Statistical Annex (2003).
- 2.2 *Components of employment growth.*

Note: all figures cyclically adjusted; employment figures based a common definition.

Source: SourceOECD, *Economic Outlook No 73: Annual and Semi-annual data*.

2.3 *Structure of employment and labour force participation.*

Note: all figures expressed as averages, non-cyclically adjusted.

Source: Part-time data calculated from OECD Corporate Data Environment, “Labour Market Statistics: Employment by full-time/part-time distinction based on a common definition”; participation rates calculated from Bureau of Labor Statistics (BLS), “Foreign Labor Statistics”.

2.4 *Distribution of employment by gender and sector.*

Source: Calculations based on World Bank, *WDI Online*.

2.5 *Average annual hours.*

Source: SourceOECD, *Economic Outlook No 73: Annual and Semiannual data*.

Section 3

3.1 *Public social expenditure and government employees.*

Source: Public social expenditure figures calculated from ESDS; Government employment (Gempl) data from SourceOECD, *Economic Outlook No 73: Annual and Semiannual data*.

3.2 *Spending on the maintenance of inactive labour reserves.*

Source: ESDS.

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