

BOOK REVIEWS

Social Citizenship and Workfare in the United States and Western Europe: The Paradox of Inclusion, Joel F. Handler (Cambridge: Cambridge University Press, 2004, 330 pp., £19.99, paperback).

European Integration and Industrial Relations: Multi-Level Governance in the Making, Paul Marginson and Keith Sisson (Houndmills: Palgrave Macmillan, 2004, 360 pp., \$65.00(U.S.), hardback).

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In the third quarter of the twentieth century, labor movements in much of the industrialized world won substantial improvements in employment rights and social protections. In the following quarter, these gains were in most cases eroded, though by very different degrees according to national context, and the attacks have escalated in recent years. In very different ways, these two books chart aspects of modern hard times. They also address the contentious issue of the nature and viability of the “European social model” of the regulation of work and economic citizenship. This is the theme on which I primarily focus.

Handler provides a powerful critique of the trend from welfare to workfare. In the former, social citizenship provided protections and entitlements as a right; in the latter, the emphasis is on the obligations of those receiving benefits. To retain (full) eligibility for support, the unemployed and non-employed must demonstrate their readiness to accept employment and if necessary to enhance their own employability. Handler’s thesis is that the assessment of whether claimants satisfy these criteria re-establishes the nineteenth-century division between “deserving” and “undeserving” poor. Drawing on detailed U.S. evidence, he shows how the overburdened administrative agencies charged with applying the workfare rules

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routinely stereotype claimants, concentrate their job-finding efforts on those most likely to obtain employment, and penalize those they judge unsuitable. The result is actually to reinforce the social exclusion of the most vulnerable.

Having commenced by demonstrating the perverse effects of the Clinton-Bush approach to workfare, Handler spends much of the book insisting that the European welfare states are following the same trajectory: "Western Europe is beginning to resemble the United States" (124). A major driving force is the conversion of most European social-democratic parties to "Third Way" ideologies that embrace many of the principles of neo-liberalism.

To my mind there is a plausible case to be made here, but I am not certain how firmly Handler establishes it. His familiarity with European evidence seems rather less than in the case of the United States, since he relies rather heavily on a limited number of secondary overviews of European trends. There is also a tension in his account, between assimilating all changes in welfare states to a common neo-liberal trajectory, and recognizing that national starting points differ radically and that changes may be path-dependent. It seems to me that Handler makes too easy an equation between the concept of "activation" and workfare. The former may be simply a euphemism for the latter, but is not necessarily so: "active labour market policy," for example, was a core element of the Swedish welfare state in its heyday. Much depends, crucially, on the relationship between labor market and broader macroeconomic policy; Handler makes the important point (263) that "there is no point having active labor market policies if, at the end of the day, good jobs are not available"; but his book is largely innocent of economic analysis. He ends with a plea for a citizen's income (or "basic income guarantee"): a demand I would happily endorse, but not on the current political agenda. What Handler might usefully have discussed rather more is the contested political environment of welfare "reform" and the possible scope for at least relatively progressive options in responding to the genuine challenges of managing welfare states in the face of fiscal constraints, demographic transformations, and levels of unemployment unimaginable when these regimes were constructed.

More nuanced questions of this kind are at the heart of the study by Marginson and Sisson. They draw on a wide variety of literatures, address a multiplicity of themes, and in consequence make it hard for any reviewer to summarize their story. However, one may point to two key issues that drive their discussion. First, is European integration, and in particular economic and monetary union (EMU)

undermining established regulatory institutions at national level? More specifically, is multi-employer collective bargaining at sectoral level, traditionally the dominant process in most countries of continental western Europe (typically resulting in agreements with a coverage rate of 80% or more, even in countries with a far lower rate of unionization), giving way to a company-based system of the kind familiar in North America? Second, to the extent that national regulatory capacity is weakening, are the mechanisms that have been established at supranational level an adequate compensation.

To the first question, the answer appears to be: “yes, but . . .” and to the second: “perhaps.” Drawing on previous research and their own four-country study of company-level industrial relations in engineering and banking, they conclude that decentralized bargaining is indeed assuming ever increasing importance, but without displacing sectoral regulation. In most countries, the latter remains important for setting the broad framework for lower-level negotiations. Moreover, the bargaining agenda tends to differ at company and at sectoral levels: the latter continues to focus on the traditional issues of pay, standard working time and holidays; the former addresses “new” issues of company restructuring, competitiveness, and more flexible forms of production organization.

At EU level, new forms of regulation have indeed emerged, but they do not replicate the familiar national systems. The typical approach is what has come to be known as “soft law”: initiatives by the European Commission, agreements between unions and employers in the process of “social dialogue,” and interchanges between management and employee representatives in European Works councils, characteristically establish guidelines or set benchmarks with no directly binding force. This does not, Marginson and Sisson insist, entail that they are vacuous. At the same time, collective bargaining at national level is increasingly constrained—and was long before EMU—by considerations of competitiveness. Common constraints have to some extent induced similar processes (notably the negotiation of “competitiveness pacts” at both macroeconomic and establishment levels) through what the authors term “mimetic isomorphism.” As the book’s subtitle asserts, adopting another piece of popular Euro-jargon, we are witnessing in industrial relations the growth of a system of “multi-level governance.” To this reviewer, the key problem, which Marginson and Sisson do not really resolve, is whether, and how, “governance” as process is likely to result in effective regulatory outcomes.

