



Strong Governments, Precarious Workers: Labour Market Policy-Making in the Era of Liberalisation

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Abstract

Outsiders are perhaps the clearest losers of the neoliberal era. They are either unemployed or have atypical jobs, thereby often lacking adequate coverage in such fundamental areas as wage bargaining, job security, and welfare benefits. The growing number of outsiders in advanced capitalist political economies is associated with several trends that are adverse in their implications for democracy and society: declining voter turnout and political resignation, diverging life chances and growing poverty as well as poor health, and even an increased relative risk of suicide. The willingness of a state to protect workers from the risks of being unemployed or atypically employed is thus of great political and social significance.

Why, then, did some European welfare states protect outsiders better than others, given the common constraints of the neoliberal era? My PhD thesis examines this question through a comparative investigation of labour market policy change in Austria, Denmark, and Sweden over the past three decades, complemented with shadow case studies of Italy and Spain. A historical reconstruction of reform trajectories in similar small states with different distributive outcomes allows us to test the explanatory power of different theoretical approaches. Building on primary and secondary sources as well as evidence from 46 interviews with policy-making elites, this thesis follows a qualitative methodological approach that combines co-variation analysis, causal process tracing and counterfactual arguments.

Challenging conventional theories, the thesis finds that the enhanced protection of outsiders rests on the interaction between inclusive trade unions and politically weak governments. High levels of inclusiveness continue to provide trade unions with an acute interest in the protection of outsiders. But governments of all partisan colours prioritised fiscal consolidation over the social protection of outsiders in the neoliberal era. When they had a united majority of seats in parliament, they were therefore strong enough to pursue a unilateral reform strategy that excludes unions to the detriment of outsiders. When they were weakened by intra-coalitional divides or a hung parliament, on the other hand, they negotiated political deals with trade unions to mobilise an extra-

parliamentary channel of consensus mobilisation. This kind of weakness was instrumental in forcing governments to compensate outsiders for economic uncertainty. The core argument of this thesis can therefore be summarised as follows: the weaker the government, the stronger the capacity of inclusive trade unions to enhance the protection of outsiders through an extension of job security regulations, unemployment benefit entitlements, and active labour market policy spending. This finding calls into question the electoral responsiveness of national governments – and thus political parties – to the social needs of an increasingly numerous group of precarious workers.



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Bio

Philip Rathgeb is a political economist with a particular interest in the study of labour market reform, welfare state development, and organised labour. He holds an M.A. in Political Science from the University of Vienna. His PhD thesis examines the question of why some European welfare states protect unemployed and atypically employed workers better than others. For his doctoral research, he was awarded the Theodor Körner Prize in honour of outstanding young academics in the category of Law, Social Science, and Economics. Prior to his doctoral studies, he was a policy adviser and student research assistant. In his postdoctoral research at the University of Konstanz he will investigate the policy impact and distributive outcomes of right-wing populist government participation in European welfare states.