The analysis in this book disputes entrenched interpretations of the comparative political economy of industrialized democracies. It questions, in particular, the widely-held assumption that social democratic governments will defend the interests of labour. The evidence shows that labour has become split into two clearly differentiated constituencies: those with secure employment (insiders) and those without (outsiders). The book focuses on three policy areas: employment protection (representing the main concern of insiders), and active and passive labour market policies (the main concern of outsiders). The main thrust of the argument is that the goals of social democratic parties are often best served by pursuing policies that benefit only insiders. The implication of the book’s insider-outsider model is that social democratic government is associated with higher levels of employment protection legislation but not with labour market policy. The book also argues that there are factors that can reduce insider-outsider differences and weaken their influence on social democratic governments. These hypotheses are explored through the triangulation of different methodologies. The book provides an analysis of surveys and macrodata and a detailed comparison of three case-studies: Spain, the UK, and the Netherlands.

Never has the Left held power in so many advanced economies, yet never has the difference that this makes to economic policy been so
hard to specify. Across a range of European countries and in Australia, governments of the Left have struggled to chart a distinctive course in the face of the neoliberal backlash against state intervention, the welfare state, and guaranteed full employment. This book examines the record of these governments in securing high employment and a more equal distribution of income in the face of slow growth and global pressures to reduce inflation. Detailed studies of governments from Mitterand to Blair and from Keating to Papandreou by leading writers from the countries in question are complemented by surveys of experience of the welfare state and of the ideological and historical background to these governments' attempts to further the objectives of social democracy.

Gender and Social-Democratic Welfare States
Diane Sainsbury

in Gender and Welfare State Regimes

Utilizing a framework based on three gender policy regimes, this chapter analyses the inscription of gender relations in the social provision of Denmark, Finland, Norway, and Sweden. In contrast to the mainstream literature that emphasizes the similarities between Swedish and Norwegian social policies and that the two countries are the closest approximation of the social democratic welfare regime, policy differences stand out when gender is considered. The next part of the analysis seeks to explain the differences in terms of variations in women's movement strategies, party constellations, and policy legacies. The concluding sections discuss the features of the social democratic welfare regime that undercut gender inequalities and the emergence of a common gender policy regime.

Comparative Politics, Old and New
David E. Apter

in A New Handbook of Political Science

Traces the development of intellectual traditions in comparative politics from the ‘old’ to the ‘new’. ‘Old’ comparative politics reflects a focus
on institutionalism and ‘new’ comparative politics has arisen in part because of the end of the Cold War, devolution of powers, the rise of social democracy in Europe, decolonization, and democratization. We are now witnessing ‘neo-institutionalism’, characterized by a restoration of the political to centre stage, the use of rational choice perspectives, and economic analysis due to the importance of market forces and globalization.

Rethinking Economic Alternatives: Left Parties and the Articulation of Popular Demands in Chile and Peru
Kenneth M. Roberts

in The New Politics of Inequality in Latin America: Rethinking Participation and Representation

Published in print: 1997 Published Online: November 2003
Published Online: November 2003
DOI: 10.1093/0198781830.003.0013
Item type: chapter

How have left parties responded to the challenges of neo-liberalism, the debt crisis, and the decline of socialist models, and how have they adapted their economic projects? In Peru, the left went from serious national contender in the 1980s to political also-ran in the 1990s under Fujimori’s neo-liberal reforms, while the Chilean left was able to return to power in the 1990s with a moderate economic programme following Pinochet's authoritarian neo-liberal transformation of that country. This comparative examination of left parties’ responses in Chile and Peru argues that structural changes in capitalism have helped consolidate social democratic reformism on the left even as two structural constraints undermine the possibilities for redistributive social democratic reforms: namely, (1) the internationalization of economic competition and capital markets, and (2) the structural weakness of labour and social fragmentation of civil society.

Modernizing the State: A New Style of Governance?
Janet Newman

in Welfare State Change: Towards a Third Way?

Published in print: 2004 Published Online: January 2005
Published Online: January 2005
DOI: 10.1093/0199266727.003.0004
Item type: chapter

Examines the social policies associated with 'third ways' in European social democracy. It focuses on the Third Way in terms of discourse
(e.g. a rhetoric of reconciliation), values (e.g. solidarity, equity), and policy goals and mechanisms (e.g. maximizing employment; containing public spending and strengthening the social investment component of welfare states). Our main conclusion is that the current position is best represented by one-third way with several variants, and that there is greater similarity on the level of policy content than on values or discourse.

The Scandinavian Party Model at the Crossroads
Jan Sundberg

in Political Parties in Advanced Industrial Democracies
Published in print: 2002 Published Online: November 2003
Publisher: Oxford University Press DOI: 10.1093/0199240566.003.0007
Item type: chapter

Scandinavian party systems have often been seen as ‘ultra stable’, a view that was certainly justified between 1945 and the early 1970; however, the general election of 1973 in Denmark signalled a new era of instability as the three major parties saw their aggregate share of the vote slashed; soon similar developments became visible in Norway, to some extent in Finland, and (a little later) in Sweden. The main political actors in the Scandinavian democracies are organized around conflicts between labour and capital, and between the rural peripheries and urban centres; the five party families of the classic Scandinavian model (social democracy, conservatism, liberalism, agrarian ‘centrism’, and communism) are deeply anchored in these social bases, with class especially having been a more important determinant of party loyalty than in other west European democracies; in particular, the mutual tolerance and moderation that parties typically accord each other in consensus democracies has resulted in the creation of an extensive and well-known mixed welfare economy. However, the classic five-party model no longer provides a comprehensive account of party politics in Scandinavia: since the early 1970s a variety of other parties, old and new, have emerged, and this has led to doubt as to whether the Scandinavian party systems remain distinctive, although they may still be located in the category of moderate pluralism. The increasing fragmentation of parliaments has also affected governments in different ways in the four countries. The introduction discusses these changes; the next three sections cover the same topics as those in the other country case studies in the book, and examine (the erosion of) party legitimacy, party organizational strength (finance, members), and the systemic functionality of political parties (in governance, political recruitment,
Welfare Philosophy and the Third Way
Stuart White

in Welfare State Change: Towards a Third Way?

Critics of the Third Way in welfare argue that it represents a break with the philosophy of the welfare state characteristic of mainstream social democracy. They argue that the Third Way is not genuinely egalitarian. They argue that it embodies ideas about personal responsibility and social duty that are incompatible with a social democratic commitment to a welfare state founded on ‘social rights’. This paper considers these claims. It argues that central Third Way claims about the balancing of rights and responsibilities do in fact fit with the mainstream traditions of social democratic welfare philosophy. However, Third Way thinkers do indeed aspire to a much less ambitious kind of egalitarianism than was aspired to by past generations of social democratic thinkers.

‘High Stakes’ and ‘Low-Intensity Democracy’: Understanding America's Policy of Promoting Democracy
Jason G. Ralph

in American Democracy Promotion: Impulses, Strategies, and Impacts

Explores the gap between rhetoric and practice in the American policy of promoting democracy. It attributes it to the US, promoting two inconsistent goals at the same time: democratization and free market capitalism. This is not because the US responds only to corporate interests. Instead, this policy mix stems from America's image of its own success: at the time of its foundation, democratic development was compatible with economic individualism due to extraordinary socio–economic circumstances. However, given the contemporary socio–economic circumstances of new democracies, it would be more appropriate to promote social democracy rather than liberal democracy.
Challenges the conventional wisdom that welfare state builders take their cues solely from labor and other progressive interests. It argues instead that pragmatic social reformers in the U.S. and Sweden looked for support from above as well as below, taking into account capitalists’ interests and preferences in the political process. Legislation associated with the American New Deal and Swedish social democracy was built, consequently, on cross-class alliances of interest. Capitalists in both countries appreciated the regulatory impact of reformist social and labor legislation. Their interests in such legislation derived from their distinct systems of labor market governance. Thus, new theory and historical evidence in this book illuminate the political conditions for greater equality and security in capitalist societies.

From Solidarism to Social Democracy

Peter A. Swenson

in Capitalists against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden

This chapter turns to an explanation of welfare state development in Sweden, where ironically, the major strides had to wait until the 1940s and 1950s, although Sweden's progressive political forces seemed stronger than America's in the 1930s. First it looks at why. Because of their solidaristic system of labor market governance, capitalists in Sweden would benefit from progressive reforms in times of acute labor scarcity (associated with postwar macroeconomic conditions) rather than the reverse as in the U.S. Then it analyzes how the Social Democratic government's very modest unemployment insurance and pension reforms of the 1930s served solidarism's need for low levels of militancy and heightened labor mobility, and thus helped forge the kind of cross-class alliance that was to secure a long reign of peaceful relations between labor and capital under a leftist government.
Market-Oriented Development Strategies and State–Society Relations in New Democracies: Lessons from Contemporary Chile and Spain

Eric Hershberg

in The New Politics of Inequality in Latin America: Rethinking Participation and Representation

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Discusses Spain under the Socialist government of Felipe González and post-Pinochet Chile under the Concertación as potential “social democratic” models, embodying what many view as a successful combination of market reforms with social equity and societal participation worthy of emulation by Latin America as a whole. The author finds significant limitations in the degree of popular-sector participation in decision-making (as seen through governments’ distancing and combative postures towards allied unions) and in the extent of re-distributive social reforms under post-transition center-left governments in both countries. The predominance of logic of market-oriented reforms, economic and political stability, and of insulation from pressures from below acted to undercut the reformist ethos of both national governments, leaving them well short of social democratic ideals. At the same time, the González and Concertación governments helped consolidate formal electoral democracies in their countries that continue to be marred by a major weakness on the participation and equity fronts.

Expanding the Solidaristic Welfare State

Peter A. Swenson

in Capitalists against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden

Published in print: 2002 Published Online: November 2003
Item type: chapter

This chapter turns to the social democratic reforms of the 1940s and 1950s, rooted in cross-class alliances that were ultimately to distinguish Sweden as the world's paragon social democratic welfare state. Looking first at its People's Pension and universal health insurance reforms, it shows how the Social Democratic government assisted organized
employers in their efforts against welfare capitalism by relieving pressure on individual firms to use private social benefits to attract and retain labor under the labor scarcity associated with solidarism and strong expansionary macroeconomic pressures. It then looks at Sweden's renowned “active labor market policy” and its controversial pension legislation of 1959 to show how additional social democratic reforms directly served employers’ solidaristic interests in wage restraint, labor mobility, and the rationing of labor made scarce by collectively administered underpricing – all the while preserving capitalist domination of the investment process.

Conclusion
Mark J. Joe

in Political Determinants of Corporate Governance: Political Context, Corporate Impact
Published in print: 2006 Published Online: October 2011
Item type: chapter

This chapter wraps up the main points of this book. Corporate governance can be examined in terms of the inner workings of the corporation: the mechanical requirements for the board of directors, the degree to which minority stockholders are protected, the degree to which incentive-compatible compensation is implemented, the quality of specialized committees, and the quality of securities law disclosure, and insider-trading enforcement. The major factors influencing and affecting corporate governance are labor markets, politics, and capital and product markets. Political differences among the world's richest democracies explain much about their corporate differences. Social democracies wedged open the gap between shareholders and managers in public firms by raising agency costs and reducing the efficacy of the techniques that would control them.

Insiders, Outsiders, Partisanship, and Policy: Concluding Remarks
David Rueda

in Social Democracy Inside Out: Partisanship and Labor Market Policy in Advanced Industrialized Democracies
Published in print: 2007 Published Online: January 2008
Item type: chapter
This chapter presents a summary of the book's main findings and offers some final thoughts. It shows that insider-outsider politics have become an important part of any adequate account of social democracy since the 1970s. In the presence of insider-outsider conflicts, there exists a strong temptation for social democratic governments to promote less than egalitarian policies.

**Introduction**
David Rueda

in Social Democracy Inside Out: Partisanship and Labor Market Policy in Advanced Industrialized Democracies

Published in print: 2007 Published Online: January 2008
DOI: 10.1093/acprof:oso/9780199216352.003.0001
Item type: chapter

This chapter begins by presenting the main argument of the book, namely asking whether the well-known assumption that social democratic governments will defend the interests of labour is valid. It then describes some of the elements that distinguish the book's analysis from many others in the comparative political economy literature. An overview of the succeeding chapters is presented.

**Governments and Policy: The Insider–Outsider Partisanship Model**
David Rueda

in Social Democracy Inside Out: Partisanship and Labor Market Policy in Advanced Industrialized Democracies

Published in print: 2007 Published Online: January 2008
DOI: 10.1093/acprof:oso/9780199216352.003.0002
Item type: chapter

This chapter analyses the transformations in party strategies that result from new voter demands and political-economic conditions. It presents a model that attempts to put together two important but often unrelated literatures: one focusing on electoral competition and the other on comparative political economy institutions. It argues that comparing and identifying social democratic governments with low unemployment and conservative ones with low inflation is not productive. This identification is based on the assumption that labour is disproportionately affected by unemployment, which is inaccurate. It is shown that labour is divided into those with secure employment (insiders) and those without (outsiders).
and that the electoral goals of social democratic parties are sometimes best served by pursuing policies that benefit insiders while ignoring the interests of outsiders.

Peace as Predicate
Mark J. Joe

in Political Determinants of Corporate Governance: Political Context, Corporate Impact
Published in print: 2006 Published Online: October 2011
Publisher: Oxford University Press DOI: 10.1093/acprof:oso/9780199205301.003.0002
Item type: chapter

This chapter examines the proposition that before a nation can produce, it must achieve social peace. The first section discusses two political foundations to the firm. First, before serious economic activity can take place, social and economic conflict must be minimized, and the ways modern societies have minimized it can affect, and have affected, the structure of the modern corporation. Second, under one modern and widespread political condition, ownership can not easily separate from control, and the truly public firm can not dominate business. The second section considers the variety of ways and persistence in distancing shareholders from employees.

Pathways to Twentieth-Century Industrial Politics:
Colin Crouch

in Industrial Relations and European State Traditions
Published in print: 1994 Published Online: November 2003
Publisher: Oxford University Press DOI: 10.1093/0198279744.003.0011
Item type: chapter

The impact of the events of the twentieth century on the patterns described in the previous two chapters is addressed, paying attention to the impact of fascism and Nazism and, in particular, social democracy.

Ideology, History, and Politics
Sheri Berman

in Ideas and Politics in Social Science Research
Published in print: 2010 Published Online: January 2011
Publisher: Oxford University Press DOI: 10.1093/acprof:oso/9780199736430.003.0006
Item type: chapter
After years of neglect, scholars have once again begun studying the role played by concepts such as ideas, norms, and culture in political life. While this literature has advanced our understanding of political actors and outcomes in critical ways, it is also plagued by a number of problems, one of which is the focus of this chapter: its status quo bias. The chapter presents a reexamination of social democracy as a reminder of the need to analyze carefully the role played by both structure and agency, and the need for different types of historical analysis and process tracing in order to understand the two-stage process by which ideologies rise and fall. A better understanding of how and why ideologies develop, in turn, can critically contribute to the ideational “wave” currently sweeping through the social sciences.