

LECTURE 17: THE POLITICS OF COMPARATIVE CAPITALISM (1)

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Introduction

- Why are some countries more unequal than others?
- This is a question that Piketty does not consider, and does not answer. But it's central to the study of political science.
- Interests, ideas and institutions interact in different ways to produce cross-country variation in public policy outcomes (varieties of capitalism) between countries.
- **Interests**
 - Producer groups; business-state interests; electoral coalitions
- **Institutions**
 - Rules of the game that shape actor behaviour; path dependency
- **Ideas**
 - Belief systems; cognitive shortcuts; instruction sheets; ideologies

The supply/demand of politics

- More specifically, to explain cross-national variation in public policy outcomes (varieties of capitalism), consider the “supply” and “demand” of politics.
- Demand = what voters want (attitudes/preferences)
- Supply = what political parties have to offer (party strategies).
- To understand how these have changed (particularly the demand side of politics), we need to look at the socio-structural change in the labour market.
- This has led to new socio-economic and new socio-cultural cleavages

Globalisation and labour market change

- Most research would suggest that the main long-term driver of labour market change is technology, which transforms the jobs we do.
- This is often just referred to as “globalisation”.
- In advanced capitalist societies, there are four distinct trends:
 - A growth in service sector jobs
 - Occupational upgrading
 - Increased job polarisation
 - Increased female participation rates in the labour force
- All four have important socio-political consequences (demand side of politics).

Service sector jobs

- In most advanced capitalist societies, services now constitute 75% of employment. Industry and agriculture makes up the rest.
 - High-skilled services in the competitive/traded sector (finance/ICT)
 - High-skilled services in the public/non-traded sector (education/healthcare)
 - Low-skilled services in the exposed sector (retail/security/leisure/food/care)
 - Low-skilled services in the non-exposed sector (transport)
- The extent to which each of these groups are threatened by globalisation (free movement of goods, people, services) impacts their electoral preferences.

Occupational upgrading (CSO)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Managers, directors and senior officials	6.58%	6.66%	7.27%	7.48%	7.62%	8.15%	7.98%	8.10%	8.24%	8.37%	8.42%
Professionals	15.16%	15.65%	16.87%	18.37%	18.44%	18.89%	18.86%	18.17%	18.07%	17.96%	18.15%
Associate professional and technical	9.29%	9.75%	10.50%	10.98%	11.32%	11.70%	11.52%	11.65%	11.83%	11.70%	11.77%
Administrative and secretarial	11.85%	12.21%	12.66%	12.46%	11.80%	11.28%	11.08%	11.05%	10.54%	10.39%	10.34%
Skilled trades	20.58%	19.71%	17.31%	15.28%	14.55%	14.48%	15.17%	15.83%	15.99%	15.77%	15.80%
Caring, leisure and other services	6.65%	7.01%	7.84%	7.64%	7.89%	7.93%	7.68%	7.78%	8.12%	8.23%	8.38%
Sales and customer service	8.16%	8.12%	8.14%	8.36%	8.75%	8.67%	8.53%	8.32%	8.30%	8.15%	8.07%
Process, plant and machine operatives	7.86%	7.74%	7.08%	7.43%	8.25%	7.75%	7.70%	7.35%	7.47%	7.63%	7.52%
Elementary	13.58%	12.88%	12.06%	11.62%	11.07%	10.83%	11.17%	11.29%	10.89%	10.88%	10.70%
Managers, directors and senior officials	141.1	138.9	143.6	138.1	142.9	150	150.9	158.4	165.1	173.6	173.3
Professionals	328	343	336.8	344.7	338.1	351.3	354	345.5	359.6	367.7	375.1
Associate professional and technical	208.6	209.1	203.9	210.2	211.1	217.4	220.1	226.8	237.3	242.2	245.1
Administrative and secretarial	253.7	255	243.6	224.7	216	206.1	210.7	210.4	206.6	211	213.7
Skilled trades	440.5	404.7	316.2	275.4	269.1	270.8	304.5	308.2	312.6	319.3	322.5
Caring, leisure and other services	146.1	148.8	151.2	141.8	147.6	145.7	147.5	154.1	161.8	173.2	173.1
Sales and customer service	178.5	167.4	158.9	157.8	164.6	159.8	160.4	164.1	160.6	165.1	166.5
Process, plant and machine operatives	170.9	158.8	134.1	146	150.9	143.7	143	141.1	149	155.2	156.3
Elementary	282.1	253.5	227.5	209.9	201.3	199.8	212.5	220.7	213.9	223	221.7

Job polarisation

- Job polarisation is often described as the “winners/losers” of globalisation.
 - The “winners” are those in high-skilled, high-income, business-finance jobs (legal/consultancy/accountancy/managerial), and high-skilled socio-cultural professions (education/healthcare/civil society).
 - The “losers” are those in low to medium-skill, median-income jobs such as administrative-clerical workers, and industrial operatives (manufacturing).
- Job polarisation refers to the extent to which there is a growth in high-skill jobs and low-skilled jobs, and a hollowing out of median-skilled jobs.

Feminisation of the workforce

- Perhaps the most important socio-structural change in the labour market over the past generation (30 years) is the increase in the number of women working.
- This is what's called the female "participation rate".
- In most northern European economies, with universal childcare, this is usually 70+%. In southern European economies, it is as low as 50%.
- But these numbers vary significantly when women reach 35+.
- In Ireland, the number is also low, and varies between 58-60%.
- It's also worth noting that most people who work low-paid precarious jobs (sometimes called pink jobs) in the domestic service sector are women.

Conclusion

- Why does this matter?
- <https://drive.google.com/a/ucd.ie/file/d/0B8XXih2ReeuKUzdEbmJFd012Q0ZkTIRhWWstalNnbm hLRTVz/view?usp=sharing>
- On Wednesday, we will discuss how these socio-structural changes are impacting the socio-economic and socio-cultural preferences of voters.