

## BOOK REVIEWS

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*Structural Crisis and Institutional Change in Modern Capitalism: French Capitalism in Transition.*  
By Bruno Amable. New York and Oxford: Oxford University Press, 2017. 248 pp. ISBN 9780198787815, \$75 (Cloth).

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This book is historical-institutionalist political economy at its best. Obviously it is on industrial relations, but it is also, as it should be, on capitalism and the state, on politics and markets, and most important, on their dynamic over time. One thing that we learn (unless we have learned it previously) is that industrial relations cannot be understood outside of its capitalist-political context, and it must be conceived as a story, a movie, not a still, embedded in the long history of modern capitalist society. That history, quite appropriately, can be recounted as one of “modernization,” but not in the 1950s and 1960s American sense in which it stands for quiet, steady, universal, and basically self-driven development toward ever-higher levels of prosperity, democracy, and general happiness. Rather, what Bruno Amable identifies as modernization is a political project of a state under capitalism trying to design a regime that overcomes the dysfunctions of liberalism while avoiding the lure of socialism or communism—a perennial political search for a “Third Way” and for a political coalition capable of sustaining it that goes back to the beginning of capitalist industrialization in the 19th century.

Amable’s narrative proceeds on a number of theoretical premises that are worth extracting. A state in a capitalist society is more than just an executive committee of the bourgeoisie; it requires and sometimes achieves a considerable amount of creativity in cobbling together what Amable calls a “dominant social bloc” (p. 5)—a coalition of forces capable of securing both social peace, or at least social acquiescence, and successful accumulation of capital. All such alignments are precarious; they can and do collapse in political-economic crises when the balancing act between pacification and accumulation goes wrong, for external or internal reasons such as technological change, foreign competitive pressure, or erosion of bloc solidarity and political support. Capitalist societies, Amable suggests, never rest: They continuously produce social discontent rooted in what ultimately are fundamental incompatibilities between individual and collective desires for a good life and the functional requirements of profit-making in competitive markets. States undertaking to govern a capitalist society must moderate the conflict between the two, among other things by setting up effective institutions regulating the capital-labor relationship, which is where surplus value is ultimately generated. The institutionalization of what we call industrial relations and its continuous revision in response to changing circumstances is an important part of this exercise and, inevitably, one of the central issues on the agenda of any government seeking to make capitalism acceptable to society and society acceptable to capitalism.

The story of Amable’s book is on France, but the general lessons that can be gleaned from it are essential for any up-to-date theory of capitalism and capitalist political economy. French bourgeois society felt from early on that *laissez-faire* liberalism was not enough to secure working-class compliance with the exigencies of capitalist progress. It understood that it needed a state with the capacity to steer the country through the narrow passage between the Scylla of a self-regulating market (Polanyi) and the Charybdis of socialism and communism. “Modernist” experiments included state planning, corporatism (remember the Preface to the Second Edition of Durkheim’s *Division du travail!*), and the “postwar settlement” of Fordist mass production and consumption. All of these served their purpose more or less well, but after a while they had run their course and had to be replaced with other, more timely but equally temporary solutions. Amable, one of the main contributors to the literature on varieties of capitalism, has framed what is a single case history in concepts so clear and

sophisticated that readers interested in and knowledgeable about other capitalist countries find it easy to recognize differences and similarities and derive general insights from them.

Among the many merits of Amable's study is that it reminds us of the centrality of the wage nexus for the politics of capitalist democracies. Capitalism is about what Marx calls "plus-making," a plus that can be invested to yield more plus, in unending progress. Employment, productivity, prosperity may as side effects ensue; or they may not, and this is perfectly fine as long as profit is forthcoming and society can be kept compliant. Profit arises when labor power is successfully deployed to work old capital so that new capital can be formed. When profits are squeezed, for whatever reason, as they were at the end of the Fordist period in the 1970s, the time has come for the next round of modernization. Then a new social compact—another social bloc able to achieve dominance—needs to be forged, today one that delivers wage moderation, flexibility of employment, pension cuts, a higher retirement age, privatization of public services, and so forth. Preferably profit-enhancing reforms of this sort are to be instituted democratically, with the agreement of a political majority concerned about national competitiveness and jobs migrating abroad, about restoring growth, defending the work ethic, or bringing outsiders back in. But it must also be possible, if need be, for democracy to be suspended, for example by contracting in reforms as international obligations, or delegating economic policy to technocratic institutions such as central banks or international monetary funds.

Note that the "cutting," the squeezing of labor, that is in this way administered is open-ended as profits can never be too high for those who depend on them. Labor regimes can always be improved by cutting and more cutting, relative and absolute, as long as subsequent socialist temptations can be suppressed. This point is the hard core of capitalist political economy, with all sorts of stories construed to allow governments to accommodate the systemic constraint of plus-making, and with a huge list of parameters to work on: competition, globalization, immigration, privatization, credit and debt, family structures, education, and, of course, labor law and industrial relations in a narrow sense. Capitalists are uniquely creative, or creatively destructive, when it comes to inventing new ways of extracting surplus from the labor process and putting together a social bloc to oversee the capitalist game as long as it lasts.

There is no guarantee, however, that the balancing act between capitalism and society, as demanded of the capitalist state, will always be successful. In fact, Amable's history of political conflict and its regulation in France shows that the shelf life of capital-friendly settlements was never long and has recently become even shorter. Amable traces how economic doctrines, political strategies, and social alliances took turns as French nationalist-bourgeois ambitions to rise to international capitalist leadership and compete on an equal footing with the United States and Germany remained unfulfilled. By the end of the *trente glorieuse*, a hectic search had begun for a new formula, political and economic, to modernize French capitalism without either pulverizing society or suffocating the market. In the process, the two big centrist parties of the postwar era, the Gaullists and the Socialists, moved ever closer to each other, until they became practically indistinguishable. (There is an exciting parallel here to other European countries, such as Germany and the UK, that Amable might have wanted to emphasize a little more.) The book recounts how in the early 1980s François Mitterand and his Socialist government, in their desperate effort to domesticate their unruly society, discovered "Europe" and the project of a common, German-style currency as a means to import German-style economic discipline into France. Increasingly they realized, however, that the cure they had in mind to enhance French competitiveness was impossible to administer with democratic participation. Effectively this left the bottom-up articulation of protest to a new right-wing party, the Front National (FN) of the Le Pens. Later, two Conservative presidents, Jacques Chirac and Nicolas Sarkozy, equally failed to overcome popular resistance against flexibility and austerity and to break what bourgeois opinion considered an economic and political deadlock. When François Hollande defeated Sarkozy in 2012, returning the Socialists to power, it soon became clear that they, too, lacked any idea, independent or not, of how to assemble a reform-minded social bloc, left or right, capable, again, of modernizing the country. In the end, Hollande, having become an object of popular derision, abstained from seeking a second term.

Amable's account ends shortly before Emmanuel Macron's rise to power from the ashes of a bankrupt party system. But the historical lines he draws in his book make this outcome appear as, sooner or later, inevitable—after democracy Bonapartism, of a new sort: peddled

to the masses by the well-oiled public relations machinery of French financial capitalism and promoted by a synthetic make-appear-party created out of the blue to disguise what is in fact the personal rule of a creature of Hollande, who stabbed his patron in the back when he saw close-up how shallow and burned-out he was. The first thing Macron did in office was push through by decree another reform of the French labor code, no longer primarily to revitalize French capitalism—nobody believes that it can do this—but to oblige the Germans, in particular Angela Merkel, to reciprocate with European solidarity, meaning increased investment, higher debt ceilings, and fiscal relief. Modernization under Macron is, more than under any of his predecessors, identified with Europe, the ersatz ideology of his presidency. Still, in the fall of 2017 Macron's ratings are lower than those of any French president at this early time of his term. Freely dished-out advice to the unemployed, according to which "the best way to get a suit is by getting a job," or public musings on railway stations as places where "successful people meet people who are nothing," have reminded the public of Macron's upper-class descent and make it apparent that he never had to "press the flesh" as normal politicians have to. Soon people, and Macron himself, may also remember that if only a few votes in the first round of the 2017 presidential election had been cast differently, it would have been the candidate of the radical Left—the Socialists ended up with less than 5%!—who would have faced, and certainly defeated, Marine Le Pen in the runoff (just as Bernie Sanders, had he been allowed to win the Democratic primaries, could have run against Donald Trump, likely defeating him). The story about capitalism and the twists and turns of the politics of its discontents, so masterfully reconstructed in its French version by Bruno Amable, is far from over, in France and everywhere else.

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*Trajectories of Neoliberal Transformation: European Industrial Relations since the 1970s.* By Lucio Baccaro and Chris Howell. Cambridge, UK: Cambridge University Press, 2017. ISBN 978-1-107-01872-3, \$89.99 (Cloth, 320 pp); ISBN 978-1-107-60369-1, \$29.97 (Paperback, 268 pp); ISBN 978-1-139-08838-1, <https://doi.org/10.1017/9781139088381>.

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An apocalyptic, post-catastrophic landscape of dead trees, barren and hopeless, under a sky of dark, threatening clouds: The cover of this book is a limpid, explicit statement of pessimism of the intellect, counterbalancing the optimism of the will of many international labor studies.

This long-awaited book expands on an influential article published in *Politics and Society* in 2011, in which the authors first presented their quantitative analysis of industrial relations change and their thesis of a universal neoliberal transformation. That article is still at the center of the book, in an updated version that constitutes the third chapter. But it is sandwiched between a theoretical part (Chapters 1 and 2) and a qualitative, historical analysis of five western European countries (Chapters 4 to 8), with the additional offering of a discussion of post-Fordist growth models (Chapter 9). These additions involve some slight revisions of the 2011 argument but maintain the same core message illustrated by the cover: Labor is doomed, everywhere.

The argument behind this discouraging message is that neoliberalism is compatible with different institutional forms, but those forms all result in ending Fordist wage-led growth, even if they do not replace it with a single post-Fordist model. Distinctive here is the long historical frame and the high level of abstraction: The book is about the big issue, about the forest (however dead) rather than the trees.

The theoretical chapters advocate a return to classic comparative political economy, with its "distinguished tradition from Marx to (most recently) Streeck" (p. 12). Besides (mostly recent) Streeck, the main reference is the *école de la régulation*, in its less recent, more Marxian version, focusing on historic, rather than geographic, variation of capitalism. Looking at historical variation means looking at change: The authors reject all functionalist arguments for stability, insisting instead that in industrial relations equilibrium can be understood only in its etymological meaning of weight (power) balance, as an inherently temporary truce within a historical all-out war.