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'Beyond Neoliberalism: National Liberalisms and Labor-Market Reform in Contemporary France and Germany'

Abstract:

France and Germany have long been held up as exemplars of the European social model, which privileges social solidarity and provides workers with robust buffers against the vagaries of the market. At the same time, both have traditionally been treated as non-liberal, rejected many of the precepts of neoliberalism that have been so influential in the Anglo-American world and in international organizations that have long adhered to elements of the so-called Washington Consensus of expansive markets and limited states. The past two decades have witnessed significant liberalization in both countries in the critical areas of fiscal and labor-market policy, although the character of reforms in each country has differed significantly. France has accompanied deregulation with an expansion of citizenship-based income-support policies and confrontation of unions, while Germany has imposed the distributional burden of reform on labor-market outsiders even as they have shielded insiders from the costs of adjustment. I argue that differences in French and German labor-market policy trajectories stem from distinctive national conceptions of liberalism, reflected and institutionalized in the two countries' systems of political-economic governance. These national liberal traditions entail divergent notions of the appropriate scope of state intervention in the economy, and varying conceptions of the social and political constituents that policies are meant to serve. I develop these claims through an analysis of French and German labor-market reforms in the 1990s and 2000s and their responses to the post-2007 crisis. It concludes that these periods of uncertainty have yielded policy trajectories that recourse to both standard conceptions of "neoliberalism" and conventional models of French and German policy making are unable to explain.