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**Institut Arbeit
und Technik**



Gerhard Bosch

Dynamics of national models: Problematic of analysis and approach


DYNAMO PROJECT

1st Meeting

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Prof. Dr. Gerhard Bosch
Institut Arbeit und Technik, Munscheidstr. 14, D - 45886 Gelsenkirchen
Tel: +49 209/1707147, Fax: +49 209/1707124, email: bosch@iatge.de

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DYNAMO: Problematic of analysis and approach

1 Typologies of national models



Corporate governance / varieties of capitalism	State led / negotiated or consensual/ market (Coates 2000); Liberal versus trust based (Coates); Shareholder value/ Stakeholder capitalism (Hutton 1995); Business coordinated / uncoordinated or liberal (Hall and Soskice 2001); Social systems of production (Dore 1986, Lazonick 1991, Best 1990, Hollingsworth and Boyer 1997, Hollingsworth et al. 1994); National business systems (Lane 1989 and 1995, Whitley 1999)
Production regime/work organisation	Lean production/ diversified quality production/ flexible specialisation/ socio-technical systems (Applebaum and Batt 1994) (country level) Fordist/ post-Fordist (Supiot 2001) Production or training oriented job structures- high/low discretion (Marsden 1999)
Training and education system	Internal labour market/ occupational labour market (Marsden 1986); State led/ consensus led/ market led (Expertenkommission 2002)
Welfare regime	Social democratic/ liberal/ corporatist (Esping-Andersen 1990; Bosch/Wagner 2002) Plus Family based (Daly 1996)
Employment protection / industrial relations	Corporatist/ centralised/ decentralised; Industrial relations (Visser 2001); Level of employment protection (OECD 1999)
Gender regime	Strong/ modified/ weak male breadwinner models (Lewis 1992); Gender order (Connell 1987); Gender arrangements (Pfau-Effinger 1998)
National systems of innovation	Competitive, corporate-led, state-led, corporatist (Amable, Barré and Boyer 1997) Nelson 1993; Edquist 1997

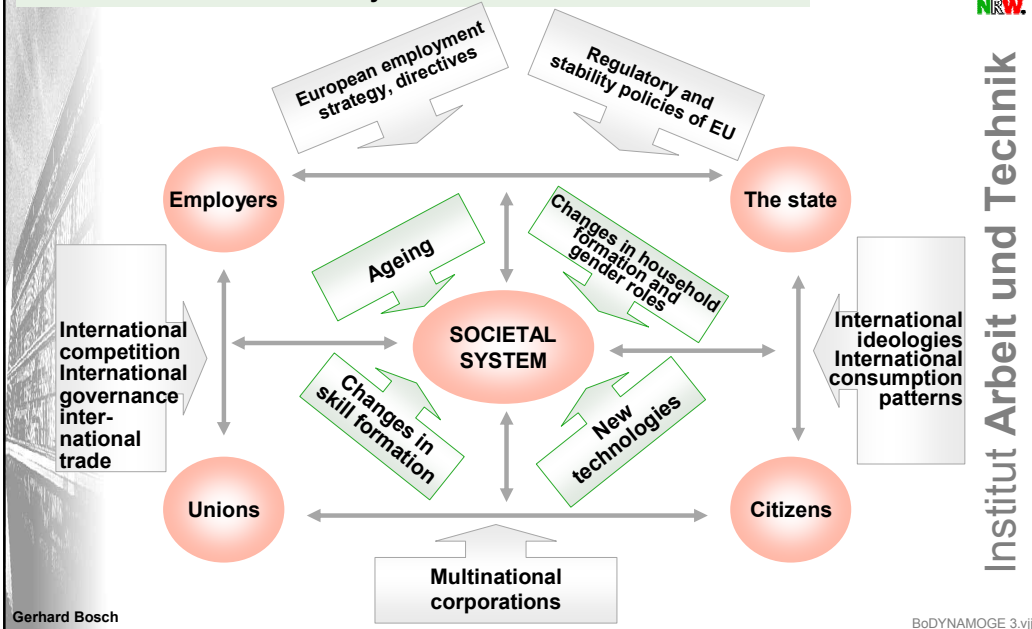
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2.1 Pressures on societal systems



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2.2 Pressures for change

- Some pressures are stronger than others
- Pressures might be complementary or contradictory or tensions between them
- Countries might be able to respond to some challenges but not to others

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2.3 Lisbon Employment Target: Employment rate = 70% in 2010



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Source: EU Employment in Europe 2003, Luxembourg 2004: 29

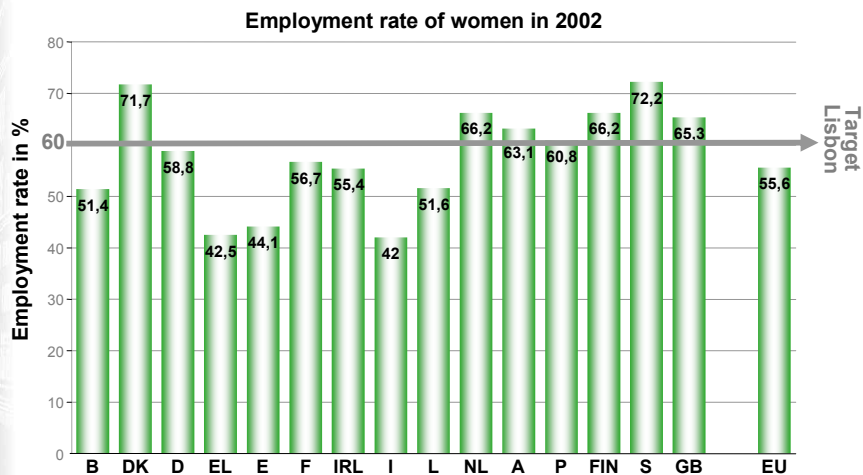
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2.4 Lisbon Employment Target: Employment rate of women = 60% in 2010



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Source: EU Employment in Europe 2003, Luxembourg 2004: 29

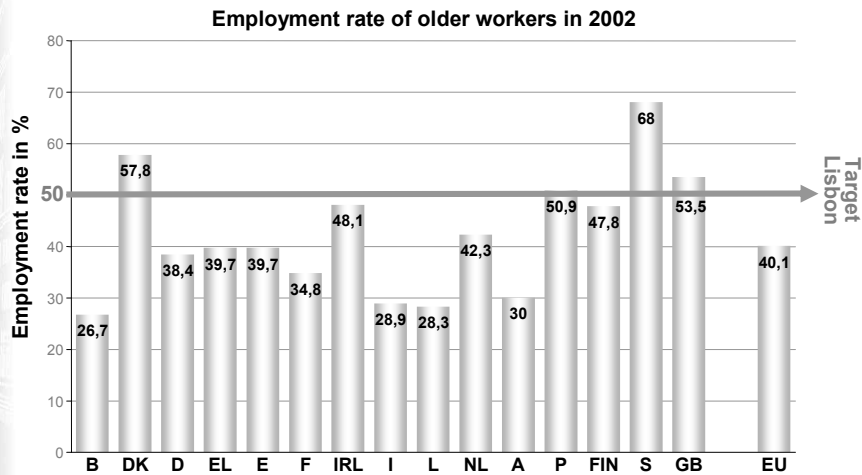
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2.5 Lisbon Employment Target: Employment rate of older workers (55-64 years) = 50% in 2010



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Source: EU Employment in Europe 2003, Luxembourg 2004: 29

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3.1 Starting points for of comparative analysis

- 1) Capitalism always “**institutionalized**” order which constraints the range of change → path dependency
- 2) Institutions have been constructed on a national basis. Does **not rule** out reconstruction (models have been reconstructed in the past)
- 3) National models generate **differences** in economic **performance**
- 4) Despite difficulties in re-engineering challenges require **changes**. International benchmarking
 - **opens** up possibility of identifying desirable model changes
 - **contradicts** the basis principles of embeddedness



Does the state have the capacity to respond
by changing priorities or
by developing new institutions / instruments



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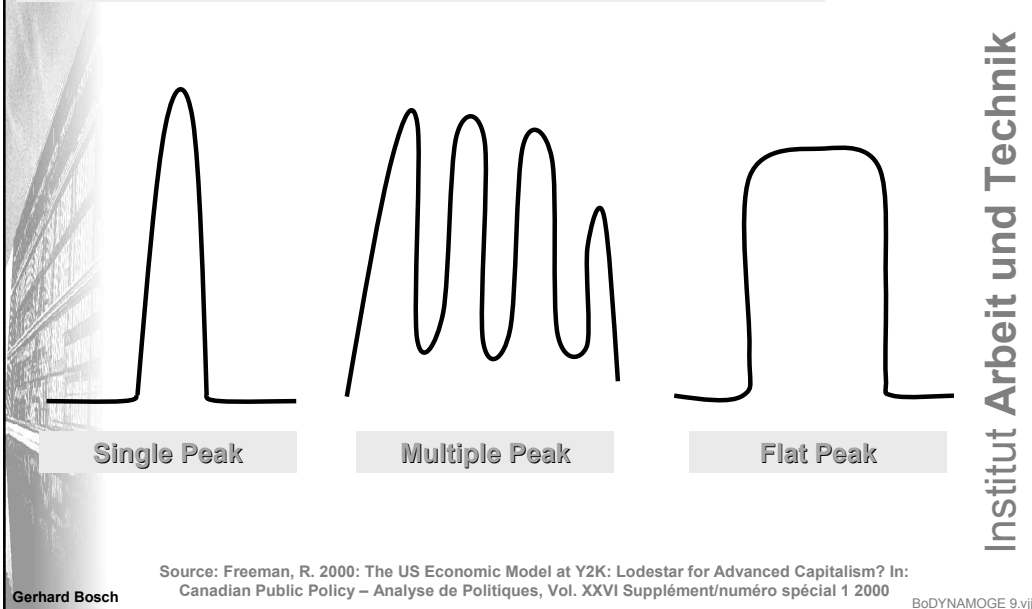
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3.2 Economic Institutions – Outcome Landscapes



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3.3 Evidence for judging the shape of the institution-Outcome Landscape

*N** represents nirvana

Characteristics of *N**

	Single Peak	Multiple Peak	Flat Peak
1. <i>N*</i> dominates on several key aggregate outcomes	YES	NO	NO
2. <i>N*</i> has higher well-being in much of distribution	YES	NO	NO
3. <i>N*</i> dominates over extended period	YES	NO	NO

Landscape near *N**

4. Near neighbours are also high	YES	NO	YES
5. Movements toward <i>N</i> raise well-being	YES	NO	NO

Landscape away from *N**

6. Big jumps cost little	YES	NO	YES
7. Institutions converge (or outcomes diverge)	YES	NO	NO

Source: Freeman, R. 2000: The US Economic Model at Y2K: Lodestar for Advanced Capitalism? In: Canadian Public Policy – Analyse de Politiques, Vol. XXVI Supplément/numéro spécial 1 2000

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3.4 Model Changes: 4 different answers

- 1) Comparative research has a tendency to concentrate on institutional differences → **path dependency**
- 2) **Declining ability** of the national state – probably reconstruction with in transitional governance structures (for example: European social model)
- 3) Boundaries of models **change** (sector, nation, region, world economy)
- 4) **Convergence** in some segments (for example: money, finance) and **divergence** in others (labour market, welfare state)

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Source: Radice 2000

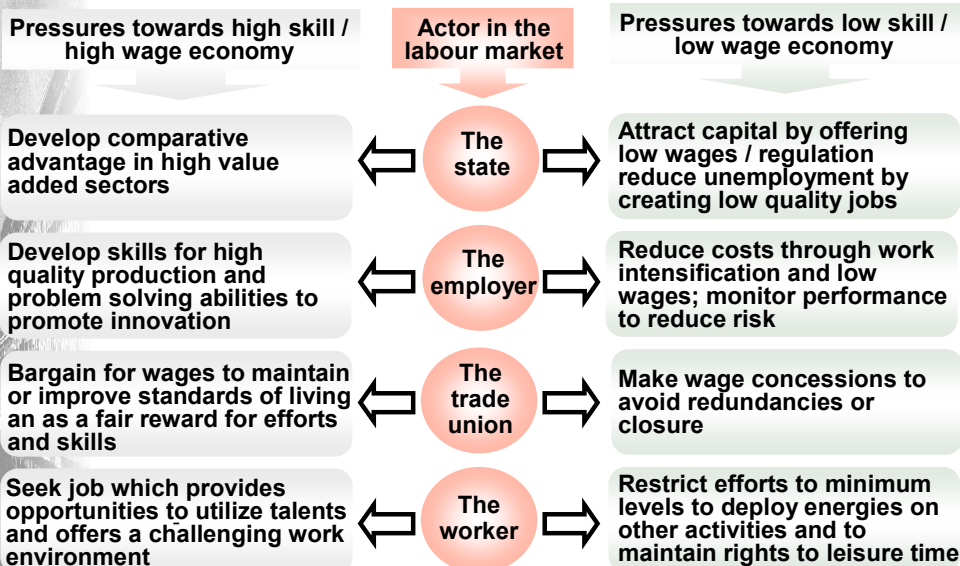
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3.5 Contradictory pressures on employment policy and practice: Will the short-term dominate?



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Source: Rubery / Grimshaw, 2003

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4.1 Goals of the Dynamo Project are:

- ➔ What form or forms of socio-economic development models are required if Europe is to simultaneously pursue competitiveness and social cohesion ?
- ➔ What are the challenges currently faced by European national models and the overall European social model ?
- ➔ How are these models responding to and adapting to these challenges, as compared to each other and to North America and Japan ?
- ➔ How far are these challenges leading to convergence or divergence within Europe ?
- ➔ How far are these developments making it more or less difficult to obtain the goals of the Lisbon strategy ?

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4.2 Ways of adaptation to change within EU

- National specific response, that is the continuation of path specific development by which different societal systems process the response to similar pressures differently
- Learning and adaptation, drawing on elements of other institutional models seen as more successful than the traditional national model - this learning could occur within Europe or by reference to external models
- Acceptance of universal market model and the deregulation of markets to facilitate adaptation at the organisation level to international "best practice"

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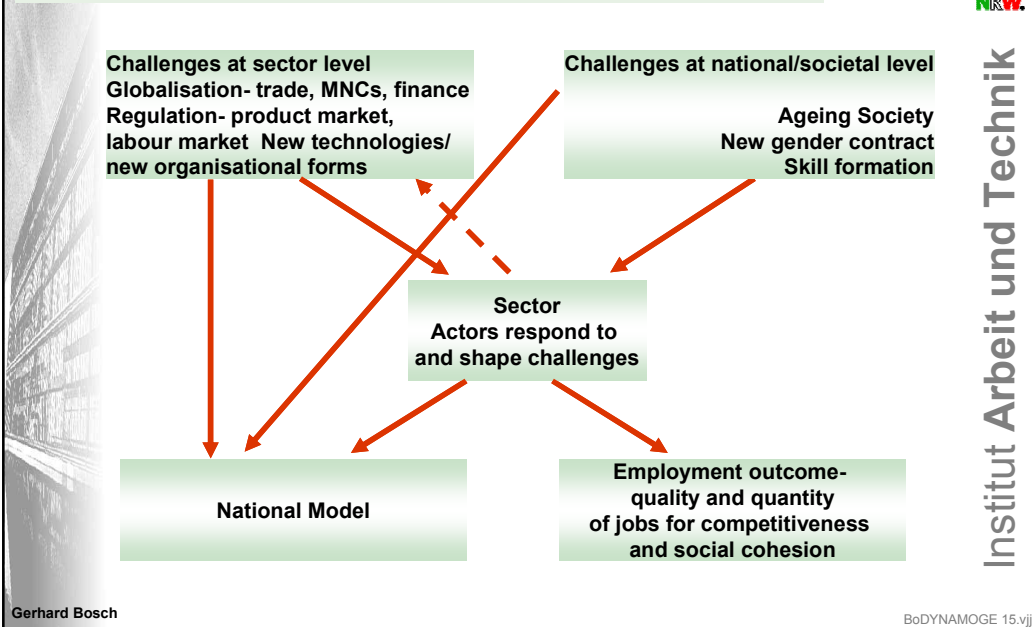
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4.3 Dynamics of national employment models (DYNAMO)



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4.4 Design of empirical research

