The social question was a European “discovery.” It was first perceived in France, after the Industrial Revolution had gone through its early boisterous phase, and after the Revolution of 1789 had run aground in the Bourbon restoration. At that time, during the 1830s, a “divorce” became visible “between a juridico-political order founded on the recognition of the rights of citizens and an economic order that carried with it widespread misery and demoralization.” Pauperism expressed the social question at its clearest. It challenged “the capacity of a society (known in political terms as a nation) to exist as a collectivity linked by relations of interdependency.” Paupers were no longer integrated into society through economic ties or through political authority. They revealed the existence of a “perilous” environment, of “dangerous classes” escaping elite control. After France, the dominant circles in other Western European countries would soon conceptualize the new menace in similar ways.

ORIGINS OF UNPROTECTED LABOR

Though the social question was discovered only in the nineteenth century, its antecedents were, of course, much older. Casual wage labor has existed for millennia in Europe and elsewhere. In ancient Athens, a space existed known as kolonos...
agoraios (or ergatikos or misthios), probably on the west end of the agora, where those who wanted to hire themselves out as land laborers offered their services daily.³ If casual laborers were “free” in the Marxian ironic sense, that is, if they had no other means of existence than their bodies, then they usually enjoyed no social protection in case of unemployment, sickness, invalidity, or old age.

Casual wage labor in precapitalist societies generally remained a “spasmodic, casual, marginal” phenomenon.⁴ Free wage labor often (but not always) was “an adjunct to other forms of labor and surplus appropriation, often as a means of supplementing the incomes of smallholders whose land—whether owned or held conditionally—has been insufficient for subsistence.”⁵ But in Western Europe, it became already important before the rise of capitalism. Michael Postan thought that in thirteenth-century England, “perhaps as much as a third of the total rural population was available for whole or part-time employment as wage labour.”⁶ Charles Tilly estimated that in 1500, about 94 percent of all European proletarians were “rural”; even in 1800, it still amounted to 90 percent. The great majority of the group of “early modern” wage earners probably consisted initially of unfree wage laborers, and not of more-or-less “modern” workers.⁸ Their existence signals the rapid increase of the cash economy in Europe since the High Middle Ages—a process that first became clearly visible in England and the Netherlands.¹⁰ Many were probably manorial workers, who were essentially nothing but “serf[s] to whom law denied that freedom of contract and movement which it allows to the twentieth-century labourer[s].”¹¹

Alongside these unfree wage laborers, there existed an increasing number of urban and rural poor who could not find sufficient employment and became “wage hunters and gatherers” (in Jan Breman’s words). We have no clue how numerous the poor were: “counts of the poor all across early modern Europe varied widely.”¹² Already in the late feudal period, the authorities tried to discipline these “floaters.” In Sweden, for instance,

Liability for employment was introduced as early as in the Urban Law of King Magnus Erik’s son (about 1350). Everybody who did not possess moveables worth three marks was subjected to the special provisions. Since three marks was the amount of property which enabled a person to earn his living for one year, the connection of poor relief with employment-policy is here very evident. If a poor man did not accept the work offered to him, a fine was imposed upon him and he was expelled from the town. If he returned and was still unwilling to work, he was whipped and expelled again.¹³

In the eighteenth and nineteenth centuries, most wage earners in Europe were therefore not “doubly free” in the Marxian sense. Research of recent years has revealed that many so-called free workers were really bonded laborers, far into the nineteenth century. Master-and-servant laws, apprenticeship arrangements, and similar policies ensured that workers were tied to their employers and had
significantly fewer legal rights than the literature previously suggested. In this context, there has indeed been mention of “industrial serfdom.” Legal historian Thorsten Keiser has even argued that in nineteenth-century Germany “multiple bonds existed, for factory workers and craftsmen as well. For grown-up industrial workers, these bonds were completely removed only around 1900, for domestics [Gesinde] and agricultural labourers not until 1918.”

Proletarianization in Western Europe went through two stages. During the first stage (roughly until 1800), the large majority of the proletariat was rural. Decentralized capital formation, with its cottage industries in rural areas plus the impoverishment of parts of the agricultural population, had the effect that even in Britain—the heartland of the so-called Industrial Revolution—for a long time only a minority of the proletarians lived in cities. When afterward, in the nineteenth and twentieth centuries, capital concentrated in cities, and rural areas deindustrialized, the proportion of rural proletarians decreased, and urban workers became concentrated in larger units of production.

THE BEGINNINGS OF STATE PROTECTION

The more general proletarianization became, the larger the number of households without forms of social security. Families that depended exclusively or almost exclusively on wage incomes were extremely vulnerable; they often could not rely on a second line of defense, such as subsistence agriculture on a small piece of land or additional income through petty commodity production and trade. The larger the number of unprotected proletarians, the less effective traditional methods of charitable social assistance proved to be. Two kinds of responses emerged. First, self-organization of workers in mutual-aid societies, called Friendly Societies in Britain, mutualités in France, and Hilfskassen auf Gegenseitigkeit in Germany. Second, responses from the elites, who became aware of the so-called social question. Three motives were of crucial importance.

First, the fear for the classes dangereuses, who were uncontrollable and brought dirt, disease, and rebellion. After the July Revolution in France, in 1830, European states began to establish statistical offices, collecting demographic and economic data, and thus giving some insight into the size and distribution of social problems amongst the national population. And the wave of protest that swept over continental Europe a few years later and that culminated in the revolutions of 1848 prompted the first large-scale budget surveys. In the words of George Stigler: “The agitation and violence of the working classes led to an increasing concern for their economic condition and thus to the collection of economic data, including budgetary data.” Studies of budgets were made in Saxony and Prussia in 1848, and in 1855 a Belgian study, by Edouard Ducpetiaux, was published with full details on almost two hundred budgets. The motive for these studies was generally a simple view of the relationship between household budgets and collective action: if the
first were inadequate, the second would surely follow. But in France, the Revolution of 1848 had yet another result. Jacques Donzelot and others have shown how the defeat of that year’s rebellion resulted in the beginnings of institutionalized social assistance.\(^{21}\) Robert Castel has summarized the sequence of events as follows:

[In] February, under pressure from the streets, the provisional government proclaimed at the same time the Republic, universal suffrage, and the right to work. . . . It opened the National Ateliers, which resembled more the charity workshops of the ancien régime than a genuine public system for the management of labor. The closing of these Ateliers, in June, launched the workers’ insurrection and its bloody repression. The consequences of this defeat of the right to work, correlated with the awareness of the fragility of the tutelary controls exercised by the elites, opened a whole range of uncertainties that would require the development of a new conception of the social and of social policy.\(^{22}\)

A second crucial factor was the concern that in the somewhat longer run, the working class might become incapable of working properly, because it would be ill nourished, physically weak, careless, and indifferent. Many of the social-security arrangements that have been realized in Western Europe since the nineteenth century were the product of these fears: reactive responses to unforeseen and threatening developments. The first Dutch law prohibiting some forms of child labor in 1863 is a good example. The liberal economist and former minister Nicolaas G. Pierson has later explained the considerations behind this initiative:

Very often the factory-owner, who treats his workers badly, understands his own benefit all too well. Because there is sometimes a difference between what is advantageous to the entrepreneurs as a class, and what is advantageous to the individual entrepreneur. The individual entrepreneur derives benefit from everything that immediately increases his income. If he can cut down what he calls production costs by employing young children, then it is in his interest to do so, and if the consequence is that these children will later become very defective workers, then this may harm his successors, but it will be nothing to him. . . . The interests of the entrepreneurial class are durable interests, those of the individual entrepreneurs are . . . immediate interests. . . . Self-interest therefore does not only need guidance, but also curbing. . . . The state cannot quietly look on, while production is organized in a way that . . . undermines the people’s productive forces. If only for purely economic reasons, which in this case are not the very best of reasons, it has to intervene.\(^{23}\)

In this case, as in quite a few others, state intervention resulted from the contradiction between individual and total capital—a contradiction that creates the necessity for the state to act as an ideelle Gesamtkapitalist, the ideal or imaginary total-capitalist.

Capitalist competition was a third important factor. In Germany, for example, a number of big enterprisers, such as the steel- and coal-magnate Carl Friedrich Stumm, began, from the 1870s on, to ardently advocate social-insurance legislation.
Their companies used extensive and technically refined machinery and employed highly skilled workers. But these workers were increasingly attracted by the higher wages in northern France and elsewhere, resulting in huge fluctuations of personnel. The challenge for German big employers was to develop a social-security system that would be so attractive for workers that it could compensate for lower wages and would allow for mobility between German industries. Municipal or company-based social-security arrangements tied workers to specific localities and could not achieve this. Therefore, state intervention was unavoidable. The campaign in favor of such intervention was legitimated propagandistically with reference to the supposed social-democratic “red danger.”

Naturally, all these trends are situated in the context of the rise of capitalism, which on the one hand reduced restrictions on trade and commerce, but on the other hand—often after stubborn resistance—resulted in the freedom of association, thus enabling the founding of local and regional and, later, of national trade unions and trade-union confederations (table 2.1).

<table>
<thead>
<tr>
<th>Year</th>
<th>Freedom of trade</th>
<th>Freedom of association</th>
<th>National trade-union confederations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1789</td>
<td>France</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1813</td>
<td>United Kingdom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1824</td>
<td>United Kingdom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1831</td>
<td>Belgium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1839</td>
<td>Netherlands</td>
<td>Norway</td>
<td></td>
</tr>
<tr>
<td>1846</td>
<td>Sweden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1848</td>
<td></td>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>1850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1855</td>
<td></td>
<td>Netherlands</td>
<td></td>
</tr>
<tr>
<td>1857</td>
<td>Denmark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1859</td>
<td>Austria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1860</td>
<td>Italy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1864</td>
<td>France, Sweden</td>
<td></td>
<td>United Kingdom, Germany</td>
</tr>
<tr>
<td>1869</td>
<td>Germany (Prussia 1810)</td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>1870</td>
<td></td>
<td>Austria</td>
<td></td>
</tr>
<tr>
<td>1879</td>
<td>Finland</td>
<td></td>
<td>Switzerland</td>
</tr>
<tr>
<td>1880</td>
<td></td>
<td>Italy</td>
<td></td>
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<tr>
<td>1890</td>
<td></td>
<td></td>
<td>Austria</td>
</tr>
<tr>
<td>1892</td>
<td></td>
<td></td>
<td>Netherlands</td>
</tr>
<tr>
<td>1893</td>
<td></td>
<td>Belgium</td>
<td>Belgium, Denmark, Sweden</td>
</tr>
<tr>
<td>1898</td>
<td>Finland</td>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td>1906</td>
<td>Finland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td></td>
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</table>

Source: Jens Alber, *Vom Armenhaus zum Wohlfahrtsstaat. Analysen zur Entwicklung der Sozialversicherung in Westeuropa* [Frankfurt am Main: Campus, 1982], 39.
The growth of labor movements is of great importance here, because it increased the social pressure in favor of social-security provisions. A precondition of this growth and the concurrent bargaining power of sections of the working classes was the falling off of over-unemployment (that is, the number of people that are not unemployed only temporarily, but permanently). The reduction of over-unemployment (the term was introduced by Paul Bairoch) was aided by massive emigration, especially to the Americas (table 2.2).

The historical demographer Peter Marschalck summarized the German development:

One could describe the effect of emigration as follows: it liberated the German economy for the time being from precisely that number of people that it could no longer offer jobs without depriving an equal number of employees of their resource base. German industry therefore always had an “industrial reserve army” at its disposal of which the size did not create [long-term] unemployment; social upheaval was thus avoided and industrial development was not impeded. . . . As the surplus population, i.e., the “unemployed,” found possibilities to work and live across the Atlantic, emigration was an important factor in Germany’s development into Europe’s largest industrial nation.25

In Norway, “emigration absorbed about half the natural population increase, and in Norway, Sweden and Finland the population increase was a good deal

<table>
<thead>
<tr>
<th></th>
<th>Emigration 1851–1910 in millions (A)</th>
<th>Population growth 1850–1911 in millions (B)</th>
<th>Emigration as percentage of population growth (Estimate: A/B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria-Hungary</td>
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<td>18.8</td>
<td>4.3</td>
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<td>Belgium</td>
<td>0.07</td>
<td>3.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.25</td>
<td>1.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Finland</td>
<td>0.24</td>
<td>1.3</td>
<td>18.5</td>
</tr>
<tr>
<td>France</td>
<td>0.35</td>
<td>3.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Germany</td>
<td>4.22</td>
<td>24.9</td>
<td>16.9</td>
</tr>
<tr>
<td>Italy</td>
<td>6.39</td>
<td>10.3</td>
<td>62.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.16</td>
<td>2.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Norway</td>
<td>0.69</td>
<td>1.0</td>
<td>69.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.03</td>
<td>2.0</td>
<td>51.5</td>
</tr>
<tr>
<td>Spain</td>
<td>2.48</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.99</td>
<td>2.0</td>
<td>49.5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.21</td>
<td>1.4</td>
<td>15.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13.29*</td>
<td>20.0</td>
<td>66.5</td>
</tr>
</tbody>
</table>

* Excluding 1851–52.

smaller than the relation between their birth- and death-rates might lead one to suppose.” Trade unions sometimes encouraged emigration enthusiastically, as it would strengthen their power.

This mass emigration probably acted as a safety valve. Albert Hirschman suspected that “the history of Europe in the 19th century would probably have been either far more turbulent or far more repressive and the trend toward representative government much more halting, had it not been possible for millions of people to emigrate toward the United States and elsewhere.”

During the whole “long” nineteenth century, European labor movements remained rather weak. Historian Richard Price writes about the United Kingdom in the 1870s that there was “no working-class movement in the sense of an organised presence that exercised a continuing national influence. Trade-union membership included perhaps 5%–10% of the occupied male labour force, but, as in the past, it was highly unstable and fluctuated with the local labour market.”

On the eve of World War I, approximate trade-union density rates in Western Europe were between 7 percent in Austria and 23 percent in Britain and Denmark. Apparently, the big growth of union density happened only after the first stage of industrialization had been concluded.

From a global perspective, this reduction of over-unemployment marks a crucial difference with the contemporary Global South: in present-day Africa, Asia, or Latin America, the possibility of mass migration does not exist, and this, at least partly, may explain why informal labor has remained dominant and labor movements have mostly remained weak.

**TOWARD THE “GOLDEN AGE”**

From the final decades of the nineteenth century until the 1950s or 1960s, an often cumulative but planless process of reforms and changes resulted in a relatively wide spreading of the so-called standard employment relationship. These reforms and changes pertain to seven policy areas: (1) protective labor legislation, including the prohibition of child labor, safety rules at work, the prohibition of night work for women, and similar rules; (2) legalization of workers’ coalitions, with the founding of employers’ associations as a (delayed) response; (3) regulation of labor time through the shortening of the working day, shortening of the working week, and introduction of paid holidays; (4) introduction of obligatory insurances, such as sickness insurance, old-age pensions, invalidity insurance, and unemployment insurance (which implies the “discovery” of unemployment as a social phenomenon); (5) institutionalization of collective bargaining; (6) spread of labor contracts with unlimited duration; and (7) arrival of full employment and a high-wage economy.

This is not the right place for a detailed comparative reconstruction of this planless, cumulative process in various Western European countries, but I will
briefly highlight some trends. Table 2.1 already gave a quick chronology of the legalization of workers’ coalitions. Protective labor legislation dates from the first half of the nineteenth century at the latest. It usually focused on female and child labor. From the 1880s and 1890s, the debate on more extensive protective legislation intensified and resulted in international conferences, partly motivated by the consideration that “restrictions on industrial methods intended for the benefit of the workers employed should be adopted in competing countries at the same time and in equal degree.”

Labor time was increasingly regulated everywhere, but the average number of hours worked declined significantly after World War II (table 2.3).

Forms of obligatory insurance were introduced after voluntary forms of insurance had become institutionalized. This happened mostly during the first three decades of the twentieth century. At the beginning of the long boom of the 1950s, social-security schemes were therefore mostly in place.

The next step was the tendential generalization to all citizens, or to a substantial part of all citizens—in many cases, social security became a right for all citizens, not just for wage earners. Although the social question had largely been perceived as a labor question, its partial solution brought in its wake the tackling of other social problems, such as old-age pensions for farmers and health care for self-employed. Naturally, this process took more time and took off somewhat later, as is illustrated by tables 2.4 and 2.5.

Institutionalized collective bargaining is usually only possible if two conditions are met. First, incomes have to be relatively high and should be rising, “so that labor-management conflicts are mainly concerned with the distribution of the
yearly increment of the national product rather than with shifts in the shares of different social groups in a given national income.” And second, the great majority of the workers should accept “the social and political fundamentals of the society in which they live.” Everett Kassalow was justified when he stated that “this
coming to terms . . . did not fully occur in several countries of Western Europe until the end of World War I.” In most Western European countries collective bargaining really took off during the interwar years, and very soon the results of this bargaining between unions and employers were extended to nonunion sectors. This method of extension had first been tried out in New Zealand and Australia around 1900 and was, after World War I, introduced in Germany (1918) and Austria (1919)—soon to be abolished by National Socialism (1934 and 1938, respectively). During the years of the Depression Britain (1934), Czechoslovakia (1935), Greece (1935), France (1936), The Netherlands (1937), Yugoslavia (1937), Luxembourg (1938), and Belgium followed. The Scandinavian countries did not participate in this development.

Combined with these trends, labor contracts with unlimited duration spread. “In the 1950s and 1960s, the labor contract for an undetermined length of time became the norm, and then served as a virtual guarantee of employment. But this stemmed only from the fact that in times of full employment, one often hires, and only rarely lays off employees.” At least two additional factors may have contributed to this process. First, when corporations embody large amounts of fixed capital and dominate stable markets through monopolistic competition, “a company [can] hold long term prospects, to which is linked the capability, when required, of employing workers for a long period.” And, second, the more specialized employees’ tasks become for the operation of these large amounts of fixed capital, the more “the worker moves from simple to more difficult jobs,” through on-the-job training, and becomes indispensable.

Finally, capital accumulation became, from the early 1950s on, fast and prosperous, so that unemployment rates reached “extraordinary low levels” in the early 1960s—thus stimulating the often government-driven international recruitment of migrant workers from other parts of Europe, North Africa, and Turkey. Parallel to this, Western Europe came fully into the stage of “high mass-consumption.” These developments had also major consequences for working-class culture. The traditional labor movements—with their socialist and communist newspapers, youth organizations, theater groups, and so on—disintegrated. And more and more members of the working classes no longer defined themselves as such.

The rise of the standard employment relationship by fits and starts can perhaps be interpreted as a Gramscian “passive revolution,” that is, as a result of attempts of the established order to disarm antagonistic forces by partly incorporating their methods and goals, up to the point where even representatives of the antagonist are absorbed. The temporary victory of standard employment was, of course, only relevant for segments of the working classes. Significant groups, such as migrant workers from Morocco or Turkey often did not share the same rights, and neither did many women entering the labor markets.
DECREASING PROTECTION

From the late 1960s, the *trente glorieuses* came to an end. The average profit rate began to fall again, and economic growth declined. As predicted by Michal Kalecki during World War II, full-employment capitalism did indeed reflect increased power of the working classes, and capital had to answer this challenge. From the late 1970s, the postwar compromise between capital and labor started to break down. The case of the most important Western European economy, that of West Germany, illustrates how the turn occurred. Already during the 1950s, a shortage of skilled laborers had become visible, and this shortage had been further reinforced by the building of the Berlin Wall, which blocked the import of workers from East Germany. Working hours had, moreover, been reduced since 1956. An upward pressure on wages was the outcome. This had two consequences. Firstly, extensive growth, based on the expansion of productive capacity at the old technical level, made way for intensive growth, based on further mechanization and increasing labor productivity. And second, the labor-power supply was enlarged through the recruitment of German housewives and Turkish (and other) immigrants. The first change had a stronger effect than the second and resulted, from about 1970, in a declining average profit rate, growing unemployment, and decreasing bargaining power for the unions. Besides, the European economic integration since the 1960s led to a partial synchronization of business cycles, thus reducing the steering capacity of national governments.

These trends, intensified by the oil crisis of 1974, led to major policy shifts. International labor migration began to fade away, while many settled immigrants initiated family reunions—a process accompanied by growing xenophobia and increasing racial harassment. An offensive of state and capital against the attainments and securities of the working population began. Four legitimations were usually given: the flexibilization of business organizations in consequence of the introduction of computerized work processes; the aging of the population, leading to higher expenditures for pensions and health care; the spreading of new family structures and new patterns of labor-market participation; and the enforced “harmonization” of social provisions in view of economic globalization and EU integration.

The passive revolution more and more turned into an active counterrevolution. When the Organization for Economic Co-operation and Development (OECD) ministers decided “to move away from Keynesian demand management to a pronounced supply-side strategy, aimed at sound public finances and market flexibility,” this was a crucial turning point. Wolfgang Streeck has shown how capital, with the support of national governments and supranational institutions (International Monetary Fund, World Bank) pressed its offensive through in several steps, until today. This offensive implied the gradual forcing back of the working-class achievements of the 1950s and 1960s. A weakening of trade unions in most Western European countries was forced through (table 2.6).
Table 2.6. Union densities in selected European countries, 1920–2010.

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>39.3</td>
<td>39.9</td>
<td>51.3</td>
<td>51.1</td>
<td>56.2</td>
<td>53.8</td>
</tr>
<tr>
<td>Denmark</td>
<td>56.9</td>
<td>60.3</td>
<td>78.6</td>
<td>74.6</td>
<td>73.9</td>
<td>67.0</td>
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<tr>
<td>France</td>
<td>19.6</td>
<td>21.7</td>
<td>18.3</td>
<td>10.0</td>
<td>8.0</td>
<td>7.9</td>
</tr>
<tr>
<td>Germany/West Germany</td>
<td>34.7</td>
<td>32.0</td>
<td>34.9</td>
<td>31.2</td>
<td>24.6</td>
<td>18.6</td>
</tr>
<tr>
<td>Italy</td>
<td>24.7</td>
<td>37.0</td>
<td>49.6</td>
<td>38.8</td>
<td>34.8</td>
<td>36.0</td>
</tr>
<tr>
<td>Netherlands</td>
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<td>36.5</td>
<td>34.8</td>
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</tr>
<tr>
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<td>56.8</td>
<td>58.3</td>
<td>58.5</td>
<td>54.4</td>
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</tr>
<tr>
<td>Switzerland</td>
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<td>24.9</td>
<td>27.5</td>
<td>22.5</td>
<td>20.2</td>
<td>17.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>40.4</td>
<td>44.8</td>
<td>51.7</td>
<td>39.7</td>
<td>30.1</td>
<td>27.1</td>
</tr>
</tbody>
</table>

Source: ICTWSS Database, Amsterdams Instituut voor Arbeidsstudies [www.uva-aias.net/208], version 5.0, October 2015. All percentages indicate net union membership as a proportion of wage and salary earners in employment, unless these figures are not available. If data were missing, I used net union membership as a proportion of wage and salary earners in employment, as in national household or labor-force surveys.

Only in Belgium and the Scandinavian countries (countries where unions are involved in the payment of unemployment benefits) is the situation relatively stable. In parallel with the weakening of trade unions a shift from central to decentralized collective bargaining, and to individualized labor contracts occurred.

Weakened trade unions facilitated further steps, such as:\textsuperscript{55}

- A declining wage share. In OECD countries, one can observe that “overall, real wage growth has clearly lagged behind productivity growth since around 1980. This constitutes a major historical change as wage shares had been stable or increasing in the post-war era.”\textsuperscript{56} This trend seems to have been particularly strong in continental European countries.
- The tendential replacement of permanent and full-time employment by casualized and part-time jobs. In Germany, for instance, part-time work increased from 14 percent in 1991 to almost 27 percent twenty years later.\textsuperscript{57} This “flexibilization” is a major component of the labor contract, leading to hire-and-fire at short or no notice, withdrawal of protection against dismissal, and a progressive scaling down of out-of-work benefits. In parallel, we also see an increased role for labor mediators, for example, temporary-employment agencies.
- The increase of outsourcing and subcontracting, which is routinely resorted to in order to bring down the cost of labor, and gradually increasing multiple job holding.\textsuperscript{58}
- Waged work is increasingly substituted by self-employment, mainly in the tertiary sector of the economy, but that trend has been much strengthened by the growing lack of waged employment. In the EU25, already one out of six workers falls into this category.
- Drastic cutbacks on secondary benefits affect social protection and social security negatively. A wide range of allowances and provisions are curtailed or withdrawn.
- The introduction of so-called activation measures, inducing the unemployed to look harder for jobs, thus implicitly reintroducing the notion of the “undeserving poor.”\textsuperscript{59}
To sum up, the Western economies demonstrate a clear trend toward informalization or precarization of working class life. A recent ILO report says:

The past 40 years have witnessed changes to work arrangements globally. Overall, the changes have been characterised by less contract duration and job security, more irregular working hours (both in terms of duration and consistency), increased use of third parties (temporary employment agencies), growth of various forms of dependent self-employment (like subcontracting and franchising) and also bogus/informal work arrangements (i.e., arrangements deliberately outside the regulatory framework of labour, social protection and other laws). The factors underpinning these changes are complex but include shifts in business/employment practices, weakening union influence and government policies/regulatory regimes to promote labour market “flexibility” and weaken collectivist regimes (where they existed). The growth of international supply chains means that work has often been relocated to countries where union presence and regulatory protection is weak or non-existent.

This tendency was strengthened and accelerated by the global economic crisis since 2007–2008. In 2015, around 119 million people (23.7 percent of the population) in the European Union were at risk of poverty or social exclusion. This means that they (many of them women and first- and second-generation immigrants) were in at least one of the following three conditions: “at-risk-of-poverty after social transfers (income poverty), severely materially deprived or living in households with very low work intensity.” The social question seems on its way back.

NOTES

4. Moses I. Finley and Brent D. Shaw, Ancient Slavery and Modern Ideology (London: Chatto & Windus, 1980), 68. This does not exclude the possibility that sometimes small nuclei of permanent wage laborers appeared, but these were usually found among a larger group of seasonal or casual laborers. See, for example, the analysis of large Byzantine estates in late antiquity in Jairus Banaji, “Agrarian History and the Labour Organisation of Byzantine Large Estates,” Proceedings of the British Academy 96 (1999): 198–202.


15. Thorsten Keiser, Vertragszwang und Vertragsfreiheit im Recht der Arbeit von der Frühen Neuzeit bis in die Moderne (Frankfurt am Main: Vittorio Klostermann, 2013), 404. In a separate essay, Keiser has even argued “that the relationships of people engaged in physical work were also bonded and unfree in the German-speaking regions before 1919.” See his “Between Status and Contract? Coercion in Contractual Labour Relationships in Germany from the 16th to the 20th Century,” Rechtsgeschichte/Legal History 21 (2013): 32. The fact that this elementary fact was overlooked for a long time finds its cause, according to Keiser, in the scholarly assumption that the nineteenth century had witnessed an abrupt transition from “feudal” compulsion to market-based exploitation.


31. According to economic historian Walt Rostow, the “take-off” of Western European economies started in Britain (1783–1830), was succeeded by France (1830–1870), Germany (1840–1870) and Sweden (1868–1890), and concluded by slow developers like Italy (1895–1913). In Asia, on the other hand, Japan was relatively early (1885–1905), while other countries were generally much later. Taiwan, for example, experienced its take-off in 1953–1960 and South Korea in 1961–1968. W. W. Rostow, *The World Economy: History and Prospect* (London: Macmillan, 1978), 383, 400, 407, 415, 425, 447, 540, 551, and 555.


36. The pace and sequence of the introduction of social-insurance arrangements differed from country to country, but on average, accident insurance usually came first, and unemployment insurance came last. Accident insurance was easily reconcilable with the liberal viewpoint concerning entrepreneurial liability, while unemployment insurance seemed to break with the logic of the market. Often insurances started on a voluntary basis and later became compulsory.

37. The Swedish welfare state, for example, was originally based on “the old communality between industrial labourers, agrarian smallholders and other segments of the rural population.” Citizenship,


41. Union strength can have peculiar unintended consequences. If unions are capable of exerting direct influence, they do not have to operate through other political actors (such as political parties) and may have little interest in state regulation. An interesting analysis of this paradox is given in Patrick Emmenegger, "Maximizing Institutional Control: Union Power and Dismissal Protection in Western Europe in the First Half of the Twentieth Century," Comparative Politics 47, no. 4 (July 2015): 399–418.


