***Comparative Political Economy of Work,* edited by Marco Hauptmeier, Matt Vidal. Palgrave Macmillan, , 2014, 384pp., ISBN: 978-1-137-32227-2, Price £34.99, paperback.**

The book “Comparative Political Economy of Work” represents the official kick off of an exciting and much needed debate between the comparative political economy literature and the labour process theory. This edited book by Hauptmeier and Vidal has its main aim in encouraging the engagement between these two research traditions, whose analytical approaches are characterised by complementary strengths and weaknesses.

In their insightful theoretical chapter Hauptmeier and Vidal discuss the comparative political economy literature and the labour process literature, highlighting unresolved questions and the potential for synergies. The following empirical chapters exemplify how a synthesis of the two approaches can enhance our understanding of workplace dynamics at the micro-level and of structural shifts at the macro-level.

The comparative economy literature is argued to have “focused on institutional differences to the neglect of systemic capitalist processes” (p.2), which, instead, are central to the labour process literature. The chapters by Heyes et al. and by Haidinger et al. provide evidence that the Varieties of Capitalism (VoC) literature cannot account for the common trend towards weaker industrial relations and fragmented employment systems across national political economies because it ignores global phenomena such as the financialisation of the economy and the increasing importance of outsourcing and cross-border networks.

Furthermore, the VoC literature is criticised because it highlights the efficiency of institutional equilibria, providing a rather static picture of national political economies; in contrast, the labour process analysis of workplace dynamics and of macro-level structures claims that capitalist production processes are characterised by contradictions and dysfunctionalities. Vidal shows that dysfunctionalities such as underconsumption or debt-led growth characterise post-fordist accumulation regimes irrespective of national institutional models. Buchanan et al. question the “faith” in the job creation potential of markets characterising liberal market economies, showing that Australia has experienced greater job growth in the public sector, and overall a deterioration of working conditions due to lacking regulation Furthermore, job growth in the UK is mainly due to state intervention, as Hannon points out in his comparative chapter on industrial policy in the UK Pharmaceutical and Food manufacturing. Taking an original angle on the role of European institutions during the crisis, Meardi argues that the reforms of industrial relations imposed on Spain and Italy create a disconnection between the super-national economic governance and the locally embedded labour process, “with high risk of unintended consequences” (p.345). These chapters show that the common pressures for liberalisation and the dysfunctionalities between national institutions and the global/international capitalist production process do not only enhance our understanding of the labour-management dynamics within national political economies; they also provide an explanation for institutional change, and for the different (or similar) changing trajectories, which is missing in the VoC literature.

The labour process analysis offers a further contribution to the scholarship on institutional change thanks to its focus on actors ’strategies at company level, which are incoherent, driven by multiple motives, and embedded in power relations. Therefore, they lead to great diversity in the labour process within countries, across sectors, firms and workplaces. Indeed, Kirchner and Beyer find different patterns of flexibility and innovation at firm level within the German “coordinated” economy; Jansen and Akkerman also question the explanatory power of national institutional models, which do not seem to influence the relationship between employment flexibility and union density or industrial action. Other chapters further explore how actors’ strategies which deviate from the expected institutional path can lead to institutional change. Kwon and Lim point at the role of cross-class coalitions at sectoral level, which in the Korean banking sector led to the shift from a decentralised bargaining system to flexible centralisation. In their study of the Spanish and German auto-industry Morgan and Hauptmeier argue that actors’ ideas influence how they enact workplace institutions, leading to long-term institutional change. The chapter on posted workers in the European Union by Lillie et al. shows that the EU regulation has created “spaces of exception” which allow employers’ non-compliance with national regulations, leading to a permanent alternative system of industrial relations.

As labour process theory can contribute to the comparative political economy literature, the book argues that also the labour process theory would benefit of dedicating more attention to the role of institutions at workplace level. In their study of the steel sector, Evans and Stroud show that managerial strategies regarding training provisions and innovation in green technology differ between the UK and Germany according to the institutional context. Along these lines, the study by Hagen on board-level employee representatives in Scandinavian countries shows that Norwegian employee representatives could play a more relevant role than in Denmark and Sweden thanks to the “institutional strength of the labour market model” (p.159).

Despite the broad range of aspects covered, I found that a discussion of the potential intersection between the labour process theory and the VoC literature in the area of skills could have been included in the book. The insights from the labour process literature about the use of skills at workplace would help to overcome the VoC dichotomy between general vs. specific skills, which is still commonly used. Such a discussion would have more generally pointed at a further important contribution stemming from the solid empirical foundation of the labour process literature. This can contribute to a questioning of established concepts in the political economy literature which are often used in an unreflective way, such as “general vs. specific skills” or “institutional equilibrium”.

Still, the book was not meant to be exhaustive but rather to provide “suggestions for what each literature may learn from the other” (p.21). Based on my own experience, I can only reassure Hauptmeier and Vidal that they have fully achieved their aim to provide new inspiration to the research community. I am confident that future readers, either belonging to the labour process scholarship or to the VoC scholarship, will be both intrigued and challenged by this fresh attempt to illustrate the functioning of institutions at work and to theorise around them.

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