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Capitalist *Landnahme* – Consequences in Germany and Europe and Possible Alternatives

Papers presented at the 3rd ISA Forum 'The Futures We Want', Vienna, July 2016

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Die DFG-KollegforscherInnengruppe „Landnahme, Beschleunigung, Aktivierung. Dynamik und (De-) Stabilisierung moderner Wachstumsgesellschaften" – kurz: „Kolleg Postwachstumsgesellschaften" – setzt an der soziologischen Diagnose multipler gesellschaftlicher Umbruchs- und Krisenphänomene an, die in ihrer Gesamtheit das überkommene Wachstumsregime moderner Gesellschaften in Frage stellen. Die strukturellen Dynamisierungsimperative der kapitalistischen Moderne stehen heute selbst zur Disposition: Die Steigerungslogik fortwährender Landnahmen, Beschleunigungen und Aktivierungen bringt weltweit historisch neuartige Gefährdungen der ökonomischen, ökologischen und sozialen Reproduktion hervor. Einen Gegenstand in Veränderung – die moderne Wachstumsgesellschaft – vor Augen, zielt das Kolleg auf die Entwicklung von wissenschaftlichen Arbeitsweisen und auf eine Praxis des kritischen Dialogs, mittels derer der übliche Rahmen hochgradig individualisierter oder aber projektförmig beschränkter Forschung überschritten werden kann. Fellows aus dem In- und Ausland suchen gemeinsam mit der Jenaer Kollegsgruppe nach einem Verständnis gegenwärtiger Transformationsprozesse, um soziologische Expertise in jene gesellschaftliche Frage einzubringen, die nicht nur die europäische Öffentlichkeit in den nächsten Jahren bewegen wird: Lassen sich moderne Gesellschaften auch anders stabilisieren als über wirtschaftliches Wachstum?

Die Kolleg-ForscherInnengruppe zum Thema Landnahme, Beschleunigung, Aktivierung und (De-)Stabilisierung moderner Wachstumsgesellschaften wird gefördert von der DFG Deutsche Forschungsgemeinschaft

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Zusammenfassung

Das Working Paper kombiniert zwei Beiträge Klaus Dörres zum Landnahmekonzept, die auf dem 3. ISA-Forum zu ‚The Futures We Want' im Juli 2016 in Wien präsentiert wurden. Ausgehend von den Ursachen der ökonomisch-ökologischen Doppelkrise in Europa setzt sich der erste Beitrag mit kapitalistischen Krisendynamiken auseinander. Mit dem Konzept der Landnahme beschreibt er die expansive Dynamik des Kapitalismus und die daraus resultierende Konsequenz der Zerstörung seiner Selbststabilisierungs-mechanismen. Im letzten Teil diskutiert das Papier einen möglichen Rahmen für demokratische Alternativen.
Der zweite Beitrag fokussiert auf die Veränderungen auf dem deutschen Arbeitsmarkt in den letzten Jahrzehnten und konzeptualisiert sie als eine Landnahme des Sozialen. Vom deutschen, auf Export orientierten, Wirtschaftsmodell ausgehend zieht es einen Bogen zur Krise in Europa und skizziert die aus diesen Veränderungen resultierende Zunahme von Arbeitskämpfen.

Abstract

The Working Paper combines two papers on the *Landnahme* concept presented at the 3rd ISA Forum in Vienna in July 2016.Starting from the causes of the economic-ecological double crisis in Europe the first paper examines capitalist crisis dynamics. The *Landnahme* concept describes the expansive nature of capitalism and the resulting consequence: the destruction of its mechanism of self-stabilization. In its last part the author discusses a possible framework for democratic alternatives.
The second contribution focusses on the changes in the German labour market in the last decades and conceptualizes them as a *Landnahme* of the social. Using the German economic model as a starting point it examines the European crisis and discusses the rise of labour conflicts that result from the changes in the labour market.

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Part one

Europe, Capitalist *Landnahme* and the Economic-Ecological Double Crisis: Prospects for a Non-Capitalist Post-Growth Society[1]

1) What, in your perspective, are the cause and the effect of the multiple crises in Europe and beyond?

To begin with, let me say that I'm not happy with the term 'multiple crises', because it implies that everything is 'somehow' in crisis. But using the term crisis in this way obscures more than it clarifies. I would argue that Europe is currently in the midst of an *economic-ecological double crisis* (see: Dörre 2015, 2016). The common market and the economic and monetary union were conceived as a common European response to globalisation, and were linked to promises of economic growth and prosperity. These promises can no longer be fulfilled, however, and the EU today finds itself in a state of secular stagnation. There are two main causes for this that I would emphasise:

Firstly, the EU in its current state represents an attempt at integration mainly via market mechanisms. Market-restricting institutions, trade unions, collective bargaining agreements, labour laws and collective security systems are all regarded, or at least tend to be regarded, as impediments to capital accumulation and growth that society must overcome. One consequence of this development is growing inequality between and within the EU member states. The same is true for the core states of the EU empire. Germany is one of the 'most unequal countries in the industrialised world' today (says liberal economist Marcel Fratzscher, president of the German Institute for Economic Research (DIW Berlin), Fratzscher 2016). According to recent studies, the top thousandth of the German population owns 17 percent of overall wealth, while the richest ten percent own more than 64 percent. At the same time, half of all wage earners make less today than they did 15 years ago. The German job miracle is based on an increase in precarious jobs performed to a large extent by women in the service sector. In other words: the fruits of economic growth are failing to benefit the majority of the population, even in affluent Germany.

And, *secondly*, in those few places where it is still possible to shore up economic growth on a fossilistic basis, this growth in turn leads to an exponential rise in ecological dangers. Measured against pre-industrial standards and the ecological 'tipping points' based on them, we have already crossed a Rubicon of damage as far as climate change, biodiversity and the nitrogen cycle are concerned. Acidification of the oceans, depletion of the ozone layer, fresh water consumption, land use and atmospheric aerosol loading are all rapidly approaching limits of planetary tolerance. The main polluters are the growth-driven capitalisms of the global North, although larger emerging economies such as China are quickly catching up in this race. Presently, a quarter of the earth's population – located primarily in the global North – consumes about three quarters of its resources and produces three quarters of waste and emissions. Europe for its part has only one solution to offer: 'De-growth by

[1] Paper presented at the 3rd ISA Forum of Sociology, July 10 – 14, 2016, Vienna, Austria – Plenary Session: Facing the Multiple Crisis in Europe and Beyond, Session organized by Brigitte Aulenbacher, Johannes Keppler Universität Linz

disaster'. Wherever the economy shrinks, such as in Greece, for example, emissions and resource consumption decline as well. The fact that some 21 countries managed to decouple their GDP growth from carbon emissions for the first time ever in 2015 changes little about the overall trend, at least for the time being, because globally we remain firmly tied to an ecologically destructive model of economic growth.

Country	Change in CO_2 in % 2000-2014	Change in CO_2 Mt 2000-2014	Change in Real GDP 2000-2014	Change in Industry Share of GDP 2000-2013
Austria	-3%	-2	21%	-3%
Belgium	-12%	-20	21%	-6%
Bulgaria	-5%	-2	62%	2%
Czech Republic	-14%	-18	40%	-0.3%
Denmark	-30%	-17	8%	-5%
Finland	-18%	-11	18%	-9%
France	-19%	-83	16%	-4%
Germany	-12%	-106	16%	-1%
Hungary	-24%	-14	29%	-2%
Ireland	-16%	-7	47%	-9%
Netherlands	-8%	-19	15%	-3%
Portugal	-23%	-16	1%	-6%
Romania	-22%	-21	65%	-1%
Slovakia	-22%	-9	75%	-3%
Spain	-14%	-48	20%	-8%
Sweden	-8%	-5	31%	-4%
Switzerland	-10%	-4	28%	-0.3%
Ukraine	-29%	-99	49%	-10%
United Kingdom	-20%	-120	27%	-6%
United States	-6%	-382	28%	-3%
Uzbekistan	-2%	-2	28%	10%

Metrics of Absolute Decoupling[2]

Economic growth as the most important means for solving economic crises has itself become the driving force of ecological danger in contemporary capitalism.

The Greek example demonstrates what I call the *economic-ecological double crisis*. Modern capitalist societies are facing a growth dilemma: 'in a growth-based economy, growth is functional for stability. The capitalist model has no easy route to a steady-state position. Its natural dynamics push it towards

[2] table by World Ressources Institute, available at: http://www.wri.org/blog/2016/04/roads-decoupling-21-countries-are-reducing-carbon-emissions-while-growing-gdp (accessed on August 11, 2016) data used from BP Statistical Review of World Energy 2015; World Bank World Development Indicators

one of two states: expansion or collapse' (Jackson 2009, p. 64). Today, however, this growth dilemma is being uniquely intensified. Economic growth as the most important means of dealing with economic crises in its present fossilistic, carbonised form necessarily leads to an increase in environmental destruction. Growth becomes destructive growth, which has a negative impact on the lives of millions. In such a constellation, the early industrialised capitalist countries ultimately have only two options: either they render economic growth socially sustainable, or societies emerge which must survive in the absence of permanent growth. Naturally, such post-growth societies cannot be capitalist.

In other words: Europe and the capitalist societies of the global North are entering into a major transformation, the outcome of which remains both unknown and – at least for the time being – open to both political and social influence. Natural scientists tend to keep silent on how exactly this transformation might look. For instance, German climate researcher Hans Joachim Schellnhuber writes in his book *Selbstverbrennung* ('Self-immolation'): 'Whether a "social market economy" or a "democratic socialism" is the best social model for the medium-term, or whether one even requires a social model in the first place, is not something I dare to pass judgement on.' This is precisely where the opportunity for a sociology critical of capitalism emerges. It is the latter's task to develop concepts which a) allow for a better understanding of capitalist crisis dynamics and b) explore paths of democratically overcoming growth capitalism. The year 2015 also perhaps showed that a degree of latitude for reform and possibilities for a selective, social kind of growth do exist.

2) How do you analyse the economic, social, ecological and political dimensions? How are questions of labour, care and nature concerned?

The economic-ecological 'pincer-grip crisis' has systemic roots: namely, the expansive dynamic characteristic of all varieties of capitalism. There is no such thing as a pure, rational capitalism, as Marx's work, albeit at a certain level of abstraction, might suggest. Capitalism is incapable of reproducing itself exclusively from within. It relies on the ongoing conquest of 'new land'. This 'new land' should not be understood in a primarily geographical sense, but rather as the commodification of natural resources, territories, sectors, activities and lifestyles which were previously not, or not fully commodified. Thus, capitalism is an expansive system that makes all of our lives, even those of the capitalists, dependent on market imperatives. Nonetheless, this commodification can never be complete, as Karl Polanyi has demonstrated. *Landnahme* is therefore always accompanied by specific forms of 'land surrender'. The valorisation of labour capacity in the form of wage labour would be impossible without the performance of largely unpaid care work. And if care work is to be commodified, then there must be a non-commodified 'exterior' to constitute the new market. The main reason for this was already established by Bourdieu in his early studies on Algeria. Entrepreneurial, market-conforming behaviour requires a consciousness of and orientation towards the future; but such consciousness can only emerge on the basis of long-term life planning, which itself is impossible without a certain degree of income and employment security. That means: capitalist markets require an exterior to guarantee their

own security, allowing them to function and preserve what Polanyi calls fictitious commodities: money and financial markets, labour and its human 'container', and, not least, land and the extra-human natural world.

The nub of the matter is that the 'primitive accumulation' Marx describes in the first volume of Capital is periodically repeated. Each time the accumulation of capital encounters obstacles which cannot be surmounted within existing forms, special intervention is needed to get the process back on track. In such periods, political disciplining, repression, violence, over-exploitation and breaches of social norms are common. However, in contrast to Rosa Luxemburg's assumption, these continuous *Landnahmen* do not lead to the collapse of capitalism. A non-capitalist Other can be actively created. The welfare state represents a functional non-capitalist Other to capital.

This is the point from which a contemporary analysis of a *Landnahme* of the social proceeds. The new *Landnahme* strengthens private-capitalist ownership rights. It drives the re-commodification of areas of life previously withdrawn and thereby protected from the market. It rests on the subordination of economic activities to the rules of liberalised financial markets and restrictive fiscal policies. At its centre lies the weakening of wage-earners' power. Moreover, it amounts to restrictions on or even selective dispossession of publicly owned goods.

3) How are the actual developments – the (discussion on) migration, social inequalities, protest movements from the right and left wing – interfering?

We are currently at a decisive turning point. Capitalist market expansion, also known as globalisation, is destroying its own mechanisms of self-stabilisation, including credit, the system of innovation and the work-reproduction nexus. The political economy of labour, that is to say, trade unions, social democratic and socialist parties and welfare state institutions, have been weakened to a degree that even system-stabilising redistributive measures no longer fulfil their purpose. This is why globalisation and Europeanisation, both of which rely on ever more and accelerated *Landnahmen*, are reaching their limits, growing increasingly repulsive, and turning on their protagonists:

- in the form of a dramatic intensification of class inequalities, which have advanced to a point at which they function as growth impediments;

- in the form of migration movements triggered by war, climate change and social immiseration, the cusp of which even reached the Western centre, Germany included, in 2015;

- in the form of a de-democratisation linked to the state's management of these problems and afflicting the EU and its member states for a while now;

- and in the form of a new, multi-dimensional distributional struggle which pits not only the top and the bottom of society against one another, but also the poorer and the wealthier regions, the centre and the periphery.

Wage earners may spontaneously exhibit exclusive solidarity, that is to say, an excluding solidarity, as the prospects for a democratic re-structuring of unjust relations of distribution grow more dim. They also become more susceptible to the lure of modern right-wing populism. The European right-wing populists are frequently workers' parties. In the most recent Austrian presidential elections, some 72 percent of workers voted for the Austrian Freedom Party. The AfD in Germany is the most popular party among workers and the unemployed. This is possible because the right-wing populists relate to forms of everyday consciousness which could be described as a form of nostalgia or longing for the bygone era of social capitalism. Some wage-earners deploy resentments against others as a targeted means of gaining an edge in the competitive struggle for limited resources and social status. They seek to retain the old social capitalist promise of security by limiting the number of those entitled to it along 'ethnic', 'national', or 'cultural' lines. Corresponding orientations include some elements of a workers' solidarity, the functioning of which, however, is threatened by ethnic or national heterogeneity. What converges here is a rudimentary class instinct and a melange of malevolence and contempt, while 'those groups slightly above or slightly below one's own position on the social ladder are blamed for one's own misfortune'. Even unionised workers in protected core workforces often differentiate themselves not only from the elites, but also from the unemployed and precariously employed below them, as well as from 'lazy Greeks' or 'useless' migrants. This makes them susceptible to the messages of a new Right which postulates a distributional struggle over the 'people's wealth', not between the top and the bottom of society, but instead between inside and outside, between the 'German people' and the supposed 'migrant invaders'. Right-wing populism has further reinforced the specific vulnerability of refugees with its deployment of such a semantics of aggression. It attributes migrants with a lower level of civilisational development and places them under general suspicion. Refugees are indiscriminately portrayed as potential violent criminals, terrorists and rapists. The answer to such a construed barbaric invasion, then, is the defence of the national citizenry, conceived as ethnically 'pure' and homogenous. Through such semantic operations, contemporary right-wing populism has managed to re-interpret migration movements, at least indirectly the result of market-driven globalisation, as an invasion of uncivilised barbarians. The most vulnerable social groups, of all people, are stigmatised as land grabbers committing genocide against the native population and a quasi-naturalised national culture. In the context of distributional struggles reinterpreted as conflicts between weak and strong countries, or rather, cultures, the term *Landnahme* serves as a linguistic weapon against society's weakest.

4) What alternative visions of a social and democratic Europe can be imagined? What is its responsibility in a global perspective?

Essentially, what is valid for all other capitalisms applies to European capitalism as well: because the planet has become too small for capitalism, and because it is losing legitimacy in light of growing social inequality and uncertainty, I believe that contemporary growth capitalism may well come to an end in the next few decades. What I do not know is what will replace it. Change will most likely be driven forward

by a mixture of external shocks (for instance, natural disasters), social movements against the compulsions of growth and competition, reforms from above, and alternatives to the dominant lifestyle already being practised today. However, these changes will not automatically make things better. At least for the time being, we can still influence this anticipated process of change through participation in democratic politics. It therefore makes sense to begin actively working towards the overcoming of capitalism today, despite what may seem like very slim chances for success, instead of passively resigning ourselves to this social formation's eventual demise.

We need a global debate on the contours of a democratic, egalitarian, non-capitalist, post-growth society. There are at least four coordinates which could serve as an adequate compass for such a debate. They include: the critique of growth, substantive equality, radical (economic) democracy, and global cooperation. These coordinates can then, as I suggest, be assigned to four core projects.

(1) A *critique of growth* implies scientifically attacking systemic mechanisms which engender permanent destructive growth. We require modes of social regulation capable of rendering ecological and social destruction visible and counteracting the externalisation of its consequences. Furthermore, we need a global debate about ways of living that understand a rupture with superfluous consumerism and the ethical imperative of moderation as evidence of life quality.

(2) *Substantive equality* is applicable, because ecological sustainability cannot be achieved without social sustainability. Projects of radical democratic re-distribution are urgently needed – from the North to the South, from the European centre to the European crisis countries, from top to bottom, from the strongest to the weakest – the 60 million refugees of whom only a small fraction actually reach the capitalist centres, for example. An initial step may be a tax policy that turns the right to possess wealth into a temporary one, that closes tax havens and taxes large assets in favour of investments in combating poverty, hunger, and ecological destruction worldwide (Thomas Piketty).

(3) No redistribution will occur without *radical, rebellious democracy*. Here, the expansion of democracy to the economic sphere is of critical importance. The project of a *new economic democracy* will have to be fought for in and against the 1,318 companies currently controlling four fifths of the global economy. These corporations are essentially social institutions; their decisions influence the lives of several billion people. It is therefore unacceptable for them to remain exclusively in private hands. Radical democracy means posing the ownership question. It means finding new forms of collective self-ownership (like employee-run companies, etc.) beyond private and state property, which socialise and democratise decisions regarding the 'what', 'how' and 'what for' of production.

(4) Each of the projects mentioned here must take into account that a course towards democratic transformation today can only succeed on a global scale. Ecological threats, economic crises, refugee movements and wars demand a new 'global domestic policy' (Ulrich Beck). Achieving this will only be possible if differing interests and conflicts between different states and regions of the globe become cooperative. We must create – beginning in our respective national societies – a mode of *global cooperation*, without which the old sociologist's dream of a 'betterment of society' cannot be realised in a global order.

This is the task confronting us in Europe today. Instead of using access to the massive European common market as a tool to enforce social standards across the world economy, a supra-national disciplinary regime has emerged which increasingly relies on authoritarian means to ensure compliance. Austerity has engendered 'societies of contraction', such as in the case of Greece, which will require decades just to return to pre-crisis economic levels. Austerity reinforces the very debt economy it purports to overcome. Simultaneously, it promotes a post-democratic Europe which delegates 'the refugee crisis' to its outer borders. The crisis-stricken countries of the southern periphery are left to deal with an enormous additional burden, while human rights are sacrificed in a dirty deal with the Turkish state. The tragic outcome is the transformation of the Mediterranean Sea into a mass grave.

This kind of Europe has no legitimate right to exist. In order to advance an alternative, we must return to Walter Korpi's concept of 'democratic class struggle' (Korpi 1983) and fill it with new life. This concept denotes a struggle that is fought on the basis of wage earners' inalienable economic and social rights – regardless of how intense these struggles become. The basic idea implies that conflict and dissent represent crucial elements of a functioning democracy, as opposed to some kind of accidents or deviations. Europeanising and internationalising this idea is a very daunting challenge indeed. Wage-earners in Germany must come to understand that they have more in common with their French, Greek, Italian or Polish counterparts than either of them have with their respective national economic elites. In short: What we need is a new, international as well as transnational, class-specific collective identity. Such an identity can only emerge out of common struggle and experience. At the same time, it also requires the support of political education and trade union cooperation at the grass-roots level. Should this task be left unattended, we may well see a European class society without positive class identities among the dominated populations in the near future.

5) How could alternative visions be realized?

I suppose I would answer with a far more modest question: what can sociology do? At this point we are seeing, at best, vague outlines of possible social alternatives. The real challenge is developing these alternatives, particularly for a sociology that aspires to be a public sociology (Burawoy 2015). These four suggestions should be understood in the sense of a democratic experimentalism. They obviously consist of questions more than anything else, many of which are also for sociology: are these core projects adequate? Do they have to be amended or expanded? How can they be specified in detail? With whom could they be successfully carried out? And, not least: what should a new and better society be called? Like Erik Olin Wright, I have no difficulty working on a compass that describes the coordinates for a transformation towards *neo-socialist* post-growth societies. But that is just an individual preference. My suggestion to sociologists is this: let us begin a debate about a better society beyond capitalism, and develop viable alternatives in dialogue with civil society – globally, through constructive controversy, immediately, and – as a first step – at this conference.

What is crucial, however, is that it does not remain a debate by sociologists solely for sociologists. What is needed is a bridge to the everyday critique and action of civil society. The desire for a better society may begin from a critique of destructive lifestyles just as well as from conflicts over wages or practical assistance to refugees from the global South. It is possible in opposition as well as from the government bench. What is crucial is that each intervention is pursued as part of a transformative politics. Behind the demands for higher pay by, say, striking German child care workers, lies the desire for appreciation and social recognition of reproductive activities. This desire ultimately aspires to a fundamental reshaping of society, its reproductive sector and the funding thereof. To realise this goal is not only important for the women and migrants working in this sector, but is also in the interests of the parents and children involved. Should adequate corresponding measures be implemented, they would gradually replace the tendency to increase productivity by displacing living labour. The growth drivers could at least be weakened, leading to an outcome of selective, social growth. To point out these connections means engaging in transformative progressive politics. And it is certainly better to practise such a politics than to go down without a fight in the face of a system that seems to promise the majority little more than a miserable life.

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Part two

Capitalist *Landnahme* and the Transformation of the German Model of Industrial Relations[3]

I. Let me begin with some specific characteristics of the 'German model'. What exactly does this label entail? How has this model of capitalism changed since the early 1990s? And is it still possible to speak of a German model as such today?

Could one of you detail a few phenomena of change in the world of work and workplaces or production resp. service models? Wolfgang Streeck described the German model as diversified quality production, and in the debate about "varieties of capitalism" Germany has often been characterized as a prototype for a highly corporative capitalism. Is this still true today?

The 'German model' originally referred to a variety of capitalist society in which the profit drive of the private economy and wage earners' collective interests in social security and a welfare state were successfully reconciled. The main achievement of social capitalism was the welfare state enclosure of wage labour. For the vast majority of wage earners, particularly men, the enclosure of wage labour brought with it a relative decoupling of income and employment status from market risks. Social capitalism was nevertheless based on class-specific inequalities and gendered asymmetrical labour market integration. Full male employment depended on mainly unpaid care work, performed largely by women. Migrants (so-called 'guest workers') left the Southern periphery of Europe and Turkey to take up unattractive, badly paid, and lowly regarded jobs in the core states. However, for the majority of workers, salaried employees and their families, this change signified a transition to wage labour as an integrative social status, that is to say, social citizenship. Wage labourers now disposed of 'social property'. Poverty and precarity still existed, but were pushed to the margins of continental Europe's full-employment societies and protected domestic labour markets, or made invisible by families and social networks.

This social capitalism no longer exists. In contrast to, say, the USA under Ronald Reagan or the UK under Margaret Thatcher, there was no all-out assault on the welfare state, trade unions, the collective bargaining system, or structures of co-determination in Germany. Rather, the erosion of social capitalism took place incrementally, but has nevertheless led to a change of the model altogether, albeit largely within the framework of the formally intact institutions of social capitalism. There are some important developments I would like to point to, all of which began in the 1990s.

(1) The old network of Germany, Inc. ('Deutschland AG'), in which credit institutions and market leaders supported each other by supporting common industrial policies, has been destroyed by the internationalisation strategies of export-oriented companies and the market for corporate control. In contrast to the 1990s, when internationalisation primarily meant capital exports, today Germany has become a popular market for Foreign Direct Investment (FDI). This capital inflow has also triggered a

[3] Paper presented at the 3rd ISA Forum of Sociology, July 10 – 14, 2016, Vienna, Austria; roundtable debate "Current Transformation Processes on the German Labour Market - Empirical Evidences and Theoretical Explanations" with Gerhard Bosch and Klaus Schmierl

shift in the ownership relations of many major corporations. While the share of stocks held by foreigners in 24 DAX companies stood at 45 percent in 2005, it rose to about 57 percent by 2012. As a result of this altered ownership structure, the old firm-network has been replaced by international corporate management networks. Here, financial market actors have greater influence over operations, even if they own relatively few shares in a company, as it becomes a way for investors to avoid costly control practices.

(2) Altered ownership relations have facilitated a transition to capital market-oriented forms of corporate management and the financialisation of corporate organisation as a whole. German corporations once guided by stable, negotiated relations between capital and labour are now subjected to a system of strict profit control. In export-oriented companies, profit targets are broken down by company headquarters and transmitted to the various facilities and decentralised units via benchmark schemes. As a consequence, branches and profit centres for financial controlling may turn out to be operating at a loss even when generating profits, in that they may nevertheless fail to meet specified targets. The precise instruments for implementing tight profit management differ from company to company. They include equity returns (economic value added – EVA) or the operative earnings before interests and taxes (EBIT). The main goal, however, is always to secure a minimum return for the company. Less profitable departments are restructured or their functions outsourced. This represents an important impetus for the emergence of transnational value chains and production networks. The aim of ensuring relatively stable profit margins in volatile markets is pursued via long-established instruments which, however, take on new meaning in the value-based mode of corporate governance. Thus, human resource planning is guided by the 'median' of an average workload. Sales fluctuations, both upwards and downwards, are to be buffered by flexible staff. From the perspective of financialised corporate governance, permanently employing a worker becomes an investment that absorbs capital for decades to come. Such investments are to be made with as little risk possible in volatile markets. Headcounts (specific targets for employment equivalents) and the strict budgeting of business activities are the levers with which to limit such investments. If decentralised management cannot meet targets with their specified fulltime equivalents, the only plausible options become outsourcing, temporary labour, special-order contracts or other forms of flexible employment which can then even be – as is particularly the case for temporary work – written off as material expenses. This leads to a lasting division of workforces. Temporary workers are hired in addition to permanent employees by the same company: an example is the BMW plant in Leipzig. We also find permanent de-facto-temporary workers employed by subcontractors whose services are purchased through special-order contracts, and in turn differ from the temporary workers hired by that same subcontracting company. As a result, a peculiar kind of stability through instable employment emerges. Grouped around the core workforces of end-producers almost like concentric circles, we find varying precarious forms of employment, the wages, standards of security and work quality of which decrease the greater the distance to core workforces.

(3) This development is accompanied by severe changes in the German labour relations system. Of particular note here is the decline in trade unions' organisational power. The unionisation rate in former West Germany was at roughly 35% of all workers in 1980, but had declined to 18% for all of Germany

by 2015. As a result of this erosion of trade union organisational power, the incentive for corporations to organise themselves in employers' associations has also waned. Responding to losses in membership or a simple refusal on the part of corporations to become members in the first place, many employers' associations introduced a new form of membership that no longer ties members to collective bargaining agreements. As a result, trade unions have lost their traditional negotiating counterpart in some sectors. In general, compliance with collective bargaining agreements has been on the decline.

The number of wage-earners paid according to collective agreements is disproportionately lower in the 'new' states of eastern Germany than in the west. The share of companies committed to region-wide bargaining agreements in west Germany was still at 31 percent in 2014 (2000: 45 percent), while this was true for only 17 percent of companies in the east (2000: 23 percent). We find a similar picture with regard to wage-earners who are coverd by collective bargaining agreements. In the year 2000, 60 percent of wage-earners in the west and 39 percent in the east were paid in accordance with regional-wide wage agreements. By 2014, this number had declined to 47 percent in the west and 28 percent in the east. This decline was not compensated by company-level agreements, however. One reason for this is the implementation of a rationalisation strategy to weaken the collective bargaining system. Service divisions in particular tend to be outsourced in order to circumvent wage norms. Tellingly, the proportion of companies in industry-related support services committed to collective bargaining agreements lies only at 14% in west Germany and 18% in east Germany. This erosion of the labour agreements system fosters a fragmentation of collective bargaining, characterized by under-cutting and out-bidding. Small trade unions in certain professional branches where occupational groups possess a high degree of primary power resources may sometimes manage to win demands that the conglomerate trade unions could hardly dream of. Conversely, small splinter unions in poorly organised sectors such as temporary labour have long accepted labour contracts that entail extremely low wages of less than 5 Euros per hour.

(4) All of this required market-centred political reforms. The most important of these measures include the so-called 'Hartz Reforms', whose protagonists viewed the long-term unemployed as a passive 'Lazarus layer' of the working class, lacking initiative and unwilling to advance socially. In order to change this 'passive mentality', conditions for the long-term unemployed were to be made as uncomfortable as possible. In the form of a special body of laws (the 'Hartz laws'), the standard rates of unemployment benefits were lowered to the level of basic security benefits after one year of unemployment. The labour authorities, namely the 'job centres', now enjoy extensive authority to encroach upon and control the private lives of benefit seekers and intervene in both their living and financial situations. Adding to this is the fact that the recipients' entitlement is subject to continuous review. Assets, savings and income of a so-called 'benefit community' are monitored and calculated into benefit entitlements. Such a 'benefit community' includes all members of a household. Because of the abolishment of individual benefits eligibility, it is becoming increasingly difficult for entitlement claims to be recognised altogether. Moreover, employability itself has been redefined. Anyone able to pursue gainful employment for more than three hours per day is considered fit for employment. These measures, which also include the revaluation of non-standardised forms of employment such as

temporary labour, are tied to strict rules concerning what benefit claimants can be reasonably expected to do as well as the corresponding sanctions should they refuse. Benefit recipients must be prepared to resettle in order to take up a position and are expected to work far below their previous income and qualification level. Any type of work that unemployed people are physically, intellectually and emotionally capable of performing is deemed reasonable. As turning down potential job offers may lead to further sanctioning, those affected are often forced to lower their standards concerning remuneration and quality of work.

Pressured by the labour market reforms, the precarisation of work and employment has progressed even further. I would like to illustrate this with reference to the so-called 'German job miracle'. Germany currently has a record number of economically active people – roughly 43.4 million. It is claimed that this is a result of the labour market reforms enacted by the Schröder government. In essence, the reforms amounted to a separation of wage labour from its welfare state-protected shell, laying the legal groundwork for precarious, low-paid, ill-regarded forms of employment. What has by no means been created, however, is actual additional paid work. What has emerged is a precarious full-employment society in which a decreasing volume of paid working hours is asymmetrically shared between a record number of economically active people. If the average wage-earner worked 1,473 hours in 1991, this figure declined to 1,313 by 2013. Though the volume of work has increased since 2005, the number of people in employment has risen even faster. Job creation occurs to a large extent via the integration of female workers in particular into precarious jobs in the service sector. The share of non-standardised forms of employment relations of total employment rose to 38 per cent (in the east, and 39 per cent in the west) in 2013. The low-wage sector, which has come to constitute a significant portion of full-time employment, continually accounts for 22 to 24 per cent of all employment relations.

Moreover, while part-time work (+2.23 million), marginal employment (+770,000) and (single) self-employment (+550,000) have increased between 2000 and 2012, not only the number of registered unemployed (-990,000), but also that of full-time employed (-1.44 million) has declined significantly. The 'German job miracle' rests on a reduction of unemployment at the cost of protected full-time employment as well as through the expansion of 'undignified' – because precarious – (wage) labour.

In addition to tight profit control, corporate financialisation and the aforementioned labour market reforms, market-centred policies in the areas of social security, health care, education and care work have gradually extended the principle of competition into spheres of society beyond the export economy. In orchestrated, organisation-internal 'quasi-markets', bureaucratic instruments such as budgeting, rankings, ratings, or target specifications are applied in hospitals, universities, public administration, but also in elderly care as well as youth and social work, so as to universalise the logic of competition. But competition inevitably produces winners and losers. Or, as neoliberal pioneer Friedrich von Hayek once put it: comparatively more rational individuals can thus 'make it necessary' for the rest 'to emulate them, in order to prevail'. This 'competification' of society, which we call the *Landnahme* of the social, is based on a selective dispossession of 'social property', or the commons. Its targets include institutions, forms of social organisation and social rules designed to limit the effects of market-based coordination mechanisms. *Landnahme* in this case means that the protective shield of the welfare state,

which ascribed to wage labour a recognised social status and transformed it into a central medium of social integration, is being peeled away layer by layer. In Germany, this process has received a tremendous boost from the labour market reforms. The reforms, which initially appeared incremental and gradual, in sum constitute a change in the model as such. The old social capitalism is a thing of the past, and whoever praises its ongoing vitality and adaptability has most likely been taken in by a myth.

II. Which theoretical explanations and concepts describe and explain the empirical trends, which are, to be sure, of a partially contradictory character?

For theoretical explanations I am working on a concept of capitalist *Landnahme*. There is no adequate precise English translation of the German term *Landnahme*. When Michael Burawoy speaks of 'The Landnahme' in his address to the ISA in Japan, this is obviously a small triumph for Germanists around the world, as it represents a tiny spot that has avoided conquest by English, the world's lingua franca. *Landnahme* is a socio-economic concept. It is a category central to theories which seek to analyse and criticise industrial capitalism as an expansive system. These concepts are united in their assumption that capitalist societies cannot reproduce themselves exclusively from within. Capitalist development always occurs as a complex internal-external movement. It commonly involves the internalisation of some form of the external, the conquest of a not (yet) fully commodified Other. In contrast to what the term might suggest, *Landnahmen* do not exhaust themselves in a socio-spatial or physico-material dimension. The expansion of capitalism occurs within space and time. It unfolds both within and outside of national societies. It proceeds sectorally as well as in a field-specific way, encompassing distinct modes of production, social groups, life forms and even personality structures.

The nub of the matter is that the 'primitive accumulation' Marx describes in the first volume of Capital is periodically repeated. Each time the accumulation of capital encounters obstacles which cannot be surmounted within existing forms, special intervention is needed to get the process back on track. In such periods, political disciplining, repression, violence, over-exploitation and breaches of social norms are common. However, in contrast to Rosa Luxemburg's assumption, these continuous *Landnahmen* do not lead to the collapse of capitalism. A non-capitalist Other can be actively created. The welfare state represents a functional non-capitalist Other to capital.

This is the point from which a contemporary analysis of a *Landnahme* of the social proceeds. The new *Landnahme* strengthens private-capitalist ownership rights. It drives re-commodification of areas of life previously withdrawn and thereby protected from the market. It rests on the subordination of economic activities to the rules of liberalised financial markets and restrictive fiscal policies. At its centre lies the weakening of wage-earners' power. Moreover, it amounts to restrictions on or even selective dispossession of publicly owned goods.

What does '*Landnahme* through precarisation' mean? In a nutshell: the *Landnahme* of the social functions according to the 50-50 principle. One is paid for a part-time position but works the hours of a

full-time position. This means: exploitation is not conducted as an exchange of equivalents, not even in its contractual form. Instead, we find secondary exploitation, or over-exploitation. The price of labour power is suppressed below its actual value via political means. In order to understand this process, we require a broad understanding of the concept of work, or labour. Paid wage labour, unpaid care work, pro-active self-directed labour, and activities exclusively in pursuit of individual self-fulfilment all represent distinct labour capacities. According to Oskar Negt and Alexander Kluge, these capacities and activities must be linked to one another within a 'balance economy' coordinated through navigational labour (*Steuerungsarbeit*). Precarity often means that the flexibility compulsions of uncertain employment come to occupy all other forms of activity. Negt and Kluge speak of a 'balance imperialism' that operates via the 'withdrawal of coordinating energies'. It is this coordination imperialism that lies at the heart of the new *Landnahme*. Ever more activity is required to coordinate various spheres of life and work activities. From this need arises an exploitation problematic that goes beyond the private appropriation of unpaid work time within the capitalist production process. The compulsions created by flexible modes of production and their time regimes seize upon and privatise unpaid navigational labour. As institutionally guaranteed social navigational labour – which would allow for more long-term life planning – disappears, individual navigational labour becomes increasingly necessary. Unpaid navigational, coordinating labour is drawn on as a cost-free resource. It becomes, as it were, 'new land' with which the decreasing volume of work within the valorisation process is to be compensated. The volume of paid work decreases, and yet many members of society feel they have to work more and more at an ever faster pace.

III. Looking at the past three years: what are the current developments on the German labour market? In the political arena, there seems to be a tendency to modify some of the changes implemented during the Agenda 2010. The "Große Koalition" (grand coalition) of Christian Democrats and Social Democrats, with Andrea Nahles as Minister of Labour and Employment, has adopted laws like the Minimum Wage Law and is planning a law to promote more equal relations between contract work and standard employment. But are these modifications sufficient, and which measures did I forget to mention?

The fact that it was possible to preserve Germany's industrial sector during the 2008-9 crisis is largely owed to a crisis management which – through considerable participation by the industrial trade unions – essentially signified an abandonment of the neoliberal 'Agenda policies' (referring to the 'Agenda 2010') of the Schröder government and a return to the job creation policies of the 1980s and 1990s. The state protected long-term employment through subsidised short-time work, while the scrapping ('*Abwracken*') of older passenger vehicles ensured that unemployment did not nosedive during the crisis. [The so-called *Abwrackprämie* was introduced in Germany in 2009 as part of the economic stimulus package. It prescribed a 2,500 Euro subsidy for anyone who scrapped their (at least 10-year-old) car and bought a new one.] Having said that, works councils and trade unions capable of acting and dealing with conflict

were necessary to ensure that job-securing measures were actually implemented at the company level. This successful crisis management has earned the trade unions renewed prestige, but does not signify a return to the old social capitalism. There are two reasons for this:

Firstly, crisis management mainly benefitted the core workforces in the export sector. In the lesser organised service sector with its high share of women workers, nothing of the sort was achieved. Successful crisis management has thus failed to fundamentally rectify the power asymmetries on the labour market in favour of 'weak interests' and the precariously employed. In this context, a central weakness of the German economic model becomes evident: namely, that support for the export-oriented industrial sector has traditionally been linked to a modicum of social contempt for and depreciation of person-related care services and reproductive labour in Germany.

Powerful export-driven sectors with a high share of skilled employees in the high-tech field are matched by an expanding sector of low-paid, instable and often lowly-regarded service activities, the labour productivity of which, at least when measured by conventional standards, lags behind that of the industrial sector. Simultaneously, we can observe a shift in the relative weight of the two sectors in terms of employment relations. In the rapidly expanding social economy alone (whose share of total employment has risen from 4.5 % to 6.2 % in the last decade), there are about 1.7 million employees in employment subject to social security contributions, just as many as are employed in mechanical and automotive production, the heart of the German economy. This shows that in relation to the highly productive export-oriented sectors, the supposedly less productive yet labour-intensive sector of paid care work (including all those activities aiding in the 'production of labour power') is becoming increasingly important. Because professional care work is largely funded by state transfers, this appears primarily as a cost problematic from the microeconomic perspective of export-oriented industry. State policy has structured the exchange between the export sector and care work as a 'metabolism' of valued internal and devalued external markets. A competition-oriented tax policy designed to ensure the inflow of liquid capital encourages governments to implement tax breaks for the wealthy and corporations, thus creating problems for state revenues and preventing generous transfers in favour of person-oriented services or paid care work. One consequence is that the reproductive responsibilities of the state gradually come to require financing via the privatisation of public goods and public borrowing. While private assets expand and become increasingly concentrated, public assets are being 'melted down', so to speak. As a result, the state is unable to fund increased demand for care services. In this way, the production of care as a public good comes under additional pressure, lacking state-funded solvent demand. Political decision-makers react with a mix of commodification, 'competification', precarisation of working conditions and a re-channelling of care work into private households.

The German export model rests, this much we can establish, on a capitalist *Landnahme* of both person-related services and care work. In the German case, *Landnahme* means increasing the competitiveness of the export sector via an intensified depreciation and precarisation of (paid) care work. However, the two sectors by no means face off as homogeneous blocs with antagonistic interests in this process. The export sector is also witnessing the erosion of a citizenship status founded on the notion of 'social property', for here we also find precarious employment and the disciplining of core workforces. In the

case of care work, however, the status of social citizen was never institutionalised, or only to a very minor extent. Traditionally regarded as women's work, continuously reproduced gender-specific mechanisms of discrimination can be drawn upon in order to preserve the social depreciation of this sector in order to lower costs of reproduction.

Secondly, the Merkel government, the European half-hegemon, is prescribing a recipe for the southern European periphery that it has long ceased to apply domestically, at least in this form. In other words: German financial capitalism is a political capitalism in the Weberian sense, and has little to do with the rational capitalism depicted by Marx in the pages of *Capital*.

To put it bluntly: Confronted with dwindling growth rates, capitalism becomes cannibalistic. We can already see indications of this within the Eurozone. Here, the rule is: bad news from Greece is good news for the German revenues office. The worse the crisis in Greece gets, the more attractive German government bonds become, as they appear as a safe haven to investors. Because the European Central Bank (ECB) is flooding the market with cheap money, Germany is able to replace expiring government bonds with titles at lower interest rates. As a result, the German treasury has managed to save at least 100 billion euros over the past four and a half years. This is significantly more than the roughly 90 billion euros that Greece owes Germany for the so-called 'rescue packages' from ECH, ESM and IMF. Germany will continue to profit from the crisis, even in the case of a total Greek payment default. I would describe such a situation as capitalist cannibalism. The hegemonic countries stabilise their economies by destroying those of weaker states. The scenario of political cannibalism implies that such phenomena become the dominant tendency. Equally valid for such a scenario, however, is that it is highly fragile and crisis-prone. This is precisely what we are seeing in Europe today. Integration – what was once conceived as a response to the deregulating tendencies of globalisation (common European market) and a safeguard against German dominance (a transnational European currency), has itself become a trouble spot and driver of deregulation. Instead of using access to the massive European common market as a tool to enforce social standards across the world economy, a supra-national disciplinary regime has emerged which reinforces the inequalities within and between member states of the Eurozone in particular, and thus increasingly relies on authoritarian means to ensure compliance.

European constitutionalism and its core projects have effectively withdrawn this aspect of European politics from the democratic decision-making process. They have driven forward a transformation that firmly implants market radicalism into the institutions of the EU empire. The degree to which this political trajectory has tied the EU and especially the Eurozone states to the global finance economy was revealed during the crisis of 2008-9. One truth that continues to apply, is: institutions matter! Yet the institutional divergence, at least in the Atlantic countries, manifests itself as a variation of – rather than protection from – the results of the crisis. Austerity, firmly institutionalised through the fiscal pact, the European semester, Two-Pack, Six-Pack, etc., has had devastating effects – particularly in the crisis-ridden states of southern Europe. Unemployment, poverty and precarity have skyrocketed, but public debt – particularly damaging in the Greek case – has continued to rise nonetheless. As it targets collective security systems, collective wage agreements, dismissal protection and co-determination

structures, austerity weakens the very institutions that have proven the most reliable protection against the crisis for at least certain parts of the labour force.

The fundamental economic problematic of Western Europe in the 1970s has therefore, as it were, been reversed. Triggered by elite perceptions of a profit squeeze crisis, the *Landnahme* of the social diminished the power resources of the trade unions and their political allies to a degree that the newfound structural weakness in demand has engendered a new, utterly differently configured barrier to capital accumulation. As a result of a weakening of the trade unions and the decline of Social Democratic and Socialist parties, the 'political economy of the labour force' (Negt und Kluge 1993: 83) was pushed onto the defensive to the point where even system-stabilising redistributional measures lacked the necessary political support in many countries.

IV. What do all these changes mean for the foundations of German industrial relations?

In Germany, we are currently witnessing a comeback of the trade unions. The membership figures of important unions are growing again, and the willingness to engage in labour conflicts is on the rise as well. What could be interpreted as a revitalisation of the 'social market economy' at first glimpse is actually a reaction to (financial) market-driven capitalism with fragmented labour relations, a capitalism that resembles the social capitalism of the past only in its – albeit crumbling – institutional façade. This capitalism's regulation of labour relations takes place in two separate worlds. The first world includes whole industries, large or medium-sized corporations in which industry-wide collective bargaining or company-level agreements advance the betterment of wage-earners' conditions by regulating wages, salaries and working conditions. The institutionalisation of the class conflict appears unchanged in this world. The second world is one of outsourcing, of circumvention of social and wage norms, of low-wage competition, of eroding collective bargaining agreements and the abandonment of even company-wide agreements. It is a world of over-exploitation, and of insecure, lowly-regarded and therefore precarious gainful employment. These two worlds are not, if you will, worlds apart. The boundaries between them are fluid, and there are conflict-fraught movements which can lead a company from one world to the other.

And that is the real novelty: what is left of co-determination structures, trade union organisational power and re-distributive effects of the welfare state has become the point of departure for a conflict dynamic around the containment of the new finance capitalism. The steady rise in labour conflicts, and the strike year of 2015 in particular, bear witness to a newfound confidence among trade unionists. Some two million strike days (2014: 392,000) involving the participation of about 1.1 million wage-earners (2014: 345,000 on strike; WSI 2016) stand in stark contrast to the general decline of labour conflicts in many OECD countries. Trade unions obviously have the greatest scopes of action in the first world of tariff-based regulation, in which industry-wide agreements still represent the norm. In the world of deregulated work, trade unions have to conduct painstaking fights, company by company, or even go on strike in order to win even a minimum of such action scope. The 'border regime' between the two worlds

is structurally conflict-prone, producing countless small-scale conflicts related to company-level and in-house wage agreements that follow their own logic. Only the most spectacular cases make headlines, and thus often go unregistered in official strike statistics. According to available figures, labour conflicts involving strike action have almost tripled in less than a decade, from 82 (2007) to 214 (2014) (WSI 2016). More than half of these conflicts take place in the service sector and commonly involve only small numbers of workers, but they also occur in core industrial areas, albeit less frequently.

Four phenomena stand out:

(1) The new conflict formation results out of the fragmentation of both labour relations as well as labour conflicts. This in turn requires the trade unions to return to their role as social movements. Quite surprisingly, movement elements also influence conflicts fought by and for individual occupational groups. This is true, for instance, of the German engine drivers, who are often characterised as a section of highly privileged, corporative workers. Occupational pride and faith in one's own professional capabilities clash with the market- and competition-driven depreciation of entire occupational groups' labour. If used correctly, what appears as a strictly occupational consciousness can become a source of recalcitrance, protest and collective action. A similar phenomenon can be observed in the social and educational services. Here, professional identity – long considered an obstacle to trade union organisation – has instilled a form of collective consciousness similar to that of other skilled labourers, which has now become the subjective driving force of an intense labour conflict.

(2) This illustrates how wage-earners' obstinacy and activists' convictions can become an important trade union power resource. This dimension of class-based union action is not only neglected in the concept of conflict partnership, but in institutionalist approaches more generally. Collective action of wage-earners cannot be adequately grasped as mere rationalisations of an intermediary conflict logic, nor as the result of individual cost-benefit calculations. Measured by labour conflict outcomes, the strikes in the postal service, in social and educational services (kindergartens etc.) and at Amazon must appear utterly irrational from the perspective of Mancur Olson's logics of collective action. This is very different from the perspective of the strike activists themselves, however. Although there is certainly no political consciousness among wage-earners resembling that of a socialist workers' movement, key active groups do exhibit some nuclei of identity and motivations which feed efforts towards an obstinate, independent assertion of trade union interest-driven politics. Subjective gains in the eyes of strike activists can include the experience of standing up to their employer, which becomes particularly important when a labour conflict does not – as was the case with the postal service and the childcare workers – end with demands being (fully) met. The question as to how those involved in a strike deal with a negative outcome depends not least on how core activists interpret and collectively understand it.

Labour conflicts and trade union organisation drives are (3) an expression of a Polanyian wage-earners' reaction to unjust market-driven distribution. Wage demands often act as a trigger, which ostensibly corresponds to the operating principle of intermediary trade unions mainly addressing quantitative demands (wages). In these new labour conflicts, however, we see a different configuration: wage issues represent merely a catalyst for qualitative demands. Wage conflicts often see the development and

articulation of a critique of excessive working hours, pressure to perform, a lack of time sovereignty and authoritarian internal regimes. Incremental wage demands can only mobilise skilled workers and qualified staff precisely because of this accumulation of experiences of injustice. Even seemingly conventional wage conflicts are thus never 'only' about the money, although the latter is of course very important. What wage-earners demand is more justice, more recognition, more time for friends and family, more co-determination as well as self-determination. It is a question of 'living wages', that is, wages informed by the standard of industry-wide collective bargaining agreements and regional average wage levels. Wages sufficient for living become synonymous with life quality, while major differences in wages and income are obviously perceived as limitations to a self-determined life. Highly-skilled workers in particular complain about the treadmill of a constant 'always more, but never enough', which they perceive as an intensifying burden at the workplace, but also in other areas of life. This suggests that the contents of social conflict are likewise subject to change. Class conflicts become conflicts over quality of life and part of a greater socio-ecological conflict throughout society.

(4) This differentiation of labour conflicts has been accompanied by a gradual functional transformation of strike action. Labour conflicts continue to offer the possibility of implementing, through economic pressure, exemplary wage agreements for entire industries. That said, they are increasingly becoming a – primarily symbolic-political – form of mobilisation which is only deployed as a last resort so as to strengthen trade union organisational power and thereby create the necessary conditions for negotiated conflict regulation. The functional transformation of labour conflict is not always obvious. It is more readily apparent in the world of deregulated labour, but its impact is nevertheless severe. The trade unions are less and less able to rely on their institutional power resources. They depend on their capacity to engage in conflict, which in turn rests on organisational power. The capacity for collective action and strike activity needs to be rebuilt, company by company. This urgently requires organising new groups of wage-earners. Labour conflicts are becoming increasingly women-dominated as they move into the precarious sector, and are particularly fierce in the new service industries. They are based in part on conditioned forms of membership and workforce participation which in turn shape strike forms and other demands and objectives. Condition-bound trade union work renders the attainment of a certain level of workplace organisation the precondition for conflict activity. As a result, conflicts become less predictable. Moreover, their outcome is made uncertain by the unpredictability of the conflict parties' action strategies.

Whether or not this will lead to a sustained development of social movement elements within the trade unions, or an increase in their organisational power and willingness to strike as such, we cannot say. The compulsion to engage in trade union renewal while in conflict complicates interest politics.

(5) The state appears as a conflict actor in diverse contexts and with surprising frequency. Indeed, the state has itself become a conflict party. As an agent of privatisation and owner, it exerts at least partial influence at the Deutsche Post as well as the Bahn AG, thereby acting as the ultimate instance in terms of a re-definition of the rules governing labour conflict and adjusting them to structural changes in labour relations. The crucial aspect, however, is not whether the state intervenes, nor that it actually does so, but the way in which it does. Wherever the state, and with it organised labour relations, is on the retreat,

standardised, regulated contestations are replaced by other forms of conflict – riots, youth unrest, spontaneous revolts, or, as in the French suburbs, religiously veiled violence. In those places where left-popular forces such as Syriza, Podemos or the Portuguese Left Bloc unfold a democratic form of representation, this often occurs in deliberate dissociation from the old Left and partly also from established trade unions. Their right-wing populist counterparts, by contrast, practice a *völkisch*, that is an ethnic-nationalist tainted exclusive solidarity. Their re-interpretation of the distributional struggle as a fight for the 'people's wealth', not between the top and the bottom of society but instead between inside and outside, between the 'German people' and the supposed migrant 'invaders', resonates alarmingly well with some sections of the unionised labour force. This is a further reason why the new conflict formation brings with it challenges for trade unions to exert targeted influence on the balance of power within the state apparatus in order to mobilise institutional support, without which the future of organised labour relations would likely look rather grim.

To summarise: (West) German social capitalism is a thing of the past. Although the institutions and action strategies of the old form of conflict partnership still exist in the first world of tariff-based wage regulation, in the broader picture a new game with different rules is emerging. The fact that we witnessed a return – albeit with little substance – to mechanisms of the social-capitalist era during the financial crisis does not contradict this. Successful crisis management has consolidated Germany's – primarily economically based, and therefore at best half-hegemonic – position in Europe. Nevertheless, relevant actors would be unable to universalise the German system of dual interest representation, the strength of which emanates from its core within the industrial export sector, on a European scale even if they wanted to. And besides, the political will to do anything of the sort is nowhere to be seen in the current constellation.

The austerity therapy which the EU empire, under considerable pressure from the Merkel government, imposes (not only) on its southern European periphery, further weakens organised labour relations. The abolishment of the favourability principle, which allows for deviations from industry-wide collective bargaining agreements only in the case of improvements in the agreed conditions (Spain, Greece), prioritisation of company- and workplace-based tariff agreements over industry-wide agreements, elimination or limitation of universal applicability of tariff-related regulations (Greece, Hungary, Portugal, Romania), legally sanctioned downward deviations from labour agreements, strong declines in coverage rates of industry-wide regulations (Spain, Greece, Portugal) as well as the dilution of dismissal protection and the lowering of the legal minimum wage represent the standard arsenal of wage-political interventionism in Europe today. Even if trade union organisation drives were to continue, if co-determination were consolidated and applicability of labour agreements once again increased, the old social-capitalist conditions cannot and will not be restored. The very function of labour relations is changing fundamentally. In the future, they will deal, regardless at which level of regulation, with only a fraction of the problems that taken as a whole represent the social question of the 21st century.

V. What are deficits (and desideratea) of current research and current theory in sociology of work, in your opinion?

Conflicts which typically develop along the faultlines between the two worlds can no longer be adequately be grasped by drawing on a conceptual framework which ascribes to the trade unions a pragmatic role of intermediary between systemic and members' interests. The new transnational conflict formation can no longer be explained with concepts of intermediarity or conflict partnership, and neither can organised labour relations be fully understood if merely proving their contribution to economic efficiency structures' research interests. To say it with Max Weber, contemporary finance capitalism is of a thoroughly political nature and is thus unresponsive to such demonstrations of rationality. Wherever capitalism and economic-industrial democracy develop an antagonistic relationship, trade unions will have no choice but to reshape their dual character in the fight *within* as well as *against* the wage system. Research exploring the possibilities of a corresponding strategic choice by the unions should preferrably be designed in the spirit of a public sociology. As an organic public sociology founded on the closest possible interaction and exchange with the subalterns and their forms of self-organisation, so as to take into account innovative practices of trade union renewal. Whether or not such scholarship can establish itself in the academic landscape in a lasting way remains to be seen.

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