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**Citation:** Voessing, K. (2011). Social Democratic Party Formation and National Variation in Labor Politics. *Comparative Politics*, 43(2), pp. 167-186. doi: 10.5129/001041511793931771

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# Social Democratic Party Formation and National Variation in Labor Politics

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Why do different models of labor politics emerge as dominant across industrializing societies? Through the development of a comprehensive theory and an initial empirical test, this article accounts for the formation of different types of social democratic parties (quasi-revolutionary, evolutionary) and for the failure of social democracy that coincides with the embrace of either insurrectionism (bolshevism, anarchism-syndicalism) or moderate syndicalism. The theory extends to all independent and sufficiently industrialized polities during labor's case-specific formative stage in the political arena throughout the late nineteenth and early twentieth centuries. It overcomes theoretical and empirical limitations of prior structural and overly deterministic approaches (socio-economic, status system, institutionalist) by integrating socioeconomic background, political context, and elite agency into a systematic account for the interaction of labor elites with the environment that constrains and shapes their choices.<sup>1</sup>

Varying degrees of labor inclusion predict national variation in labor politics when the decision-making process of labor elites occurs along an "equilibrium path" unaffected by exogenous influences that would push outcomes "off the equilibrium path."<sup>2</sup> Whenever the following premises apply, an equilibrium outcome is predicted, and a particular environment of labor inclusion will lead to the formation of some model of labor politics that represents the optimal response of labor elites to the given set of external constraints. First, the primary interest of labor elites is to channel the demands of their constituency into the political arena through an optimal model that features the most rewarding cost-benefit ratio. Second, strategic preference formation is the result of a rational evaluation of labor inclusion as the set of external constraints on elite behavior. Third, the stable and unambiguous nature of this environment provides labor elites with accurate information about these external constraints.

Labor inclusion is a latent variable derived from a consideration of its six manifest components: enfranchisement, political liberties, and responsible government, as well as the behavior of the state executive, the behavior of competing parties toward the labor constituency, and the behavior of competing parties toward labor elites. Variation in labor inclusion identifies the opportunity structures that exist across polities for the efforts of labor elites to relay the interests of their constituency into the arena of politics. A choice for some model of labor politics is optimal when it features the most rewarding cost-benefit ratio for mobilizing labor and channeling its agenda into the political arena in some given context of inclusion.

A quasi-revolutionary social democratic party combines revolutionary rhetoric, pragmatic efforts at organization building, and an accommodation with the entrenched elites. It represents the optimal response to an environment of low inclusion, which is situated between institutionally inclusive and entirely repressive regimes by providing limited access to the political arena. An evolutionary social democratic party, just like its quasi-revolutionary cousin, advocates socialism as the fundamental objective.<sup>3</sup> But it abstains from revolutionary rhetoric and pursues its goals gradually in the framework of the established order. These features make it the optimal response to an environment of higher inclusion, where labor enjoys access to a consolidated set of liberal institutions. Moderate syndicalism stands for the integration of labor into an existing party system, the organization of workers exclusively through unions, and the pursuit of selective political interventions. It is the optimal response to an environment of highest inclusion, where on top of inclusive institutions competing parties incorporate labor elites and succeed in appealing electorally to the worker constituency. Cases of lowest inclusion are characterized by the complete exclusion of labor on all institutional and behavioral channels. Extremely costly insurrectionist approaches (bolshevism or anarchism-syndicalism) are more rewarding than alternative models only in this category.

### **Explanatory Interest**

Prior studies have suggested different conceptualizations of variation in labor politics and social democratic party types. At the most aggregate level, some institutionalist accounts are geared toward explaining the overall nature of labor politics. Stefano Bartolini distinguishes four “left experiences” of early class mobilization, while Flemming Mikkelsen refers to “overall syndromes.”<sup>4</sup> The explanatory interest of this article is about actual organizations as the constituent components of those broad labels—it seeks to explain the emergence of a specific model of labor politics as the dominant organization across industrializing societies. A disaggregated perspective on specific manifestations of labor politics allows for a more focused analysis. It is also the prerequisite for understanding how the behavior of one organization shapes the fortunes of competing models, and how this interaction causes variation in the overall nature of the left.

Some of the existing literature is equally geared at explaining variation in specific organizations.<sup>5</sup> Yet neither socioeconomic nor institutionalist contributions incorporate an account for alternative models of labor politics that emerged as dominant in cases where socialist parties failed to become institutionalized. The status system theory acknowledges instances of social democratic nonformation, but it does not provide a positive explanation for the embrace of alternative models. Contrary to these approaches, the comprehensive explanation suggested here is based on an encompassing taxonomy for variation in models of labor politics.

The institutionalist, socioeconomic, and status system contributions that study the formation of specific organizations identify variation in their dependent variable by

distinguishing between radical and reformist social democratic parties. This conceptualization is unsatisfactory because the classification of some parties as reformist underestimates their programmatic emphasis on socialism, while the labeling of others as radical evades their pragmatic, legalistic, and reformist features. A sufficient explanation for the relation between encountered circumstances and labor elites' choices requires a more complex typology that spells out ideological variation systematically and that also includes a description of organizational differences.

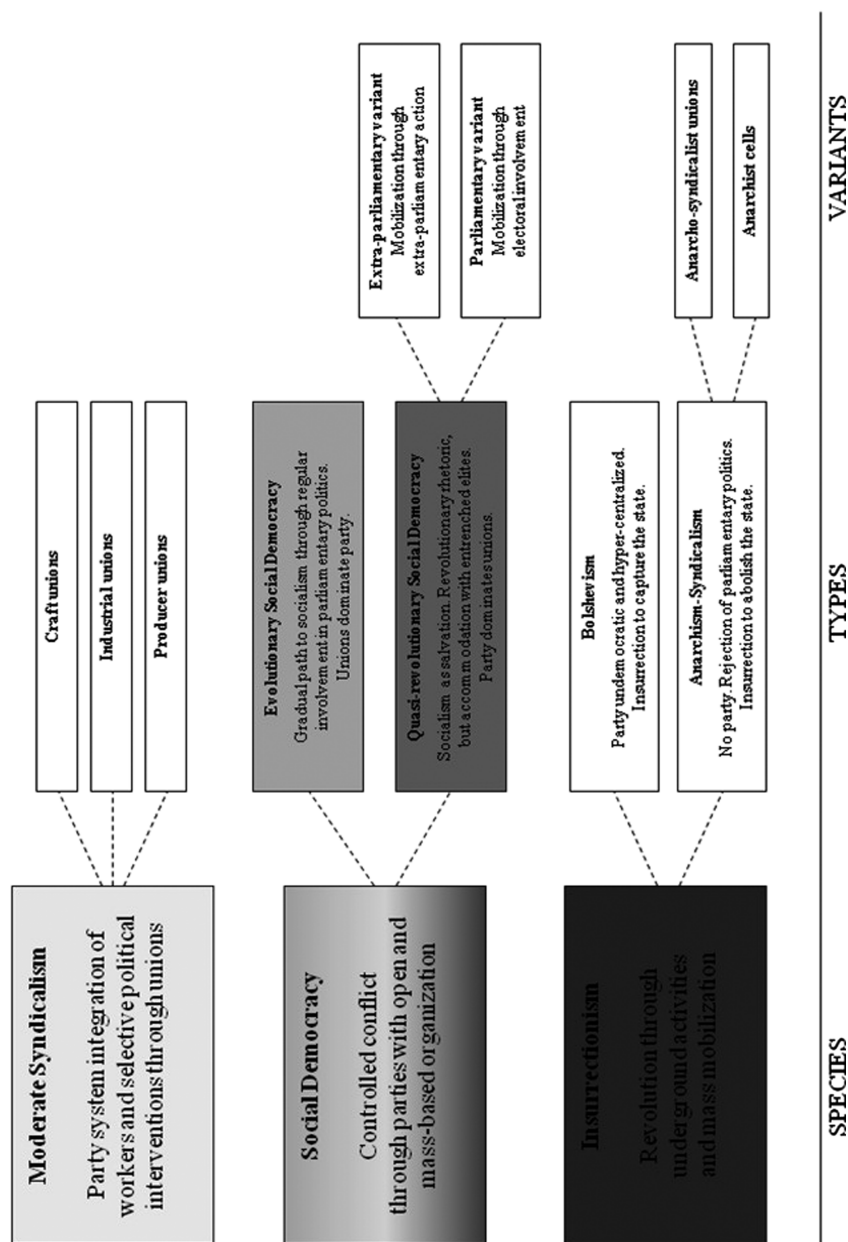
### Typology for Varying Models of Labor Politics

The typology outlined here conceptualizes variation in models of labor politics as the explanatory interest of this study through one analytical roster that distinguishes between function, ideology, and organization. A hierarchical variety of species, types, and variants is derived on the basis of those three conceptual dimensions.<sup>6</sup> This produces a comprehensive taxonomy for all the models of labor politics that occurred before 1919. Table 1 contains a complete overview, while the focus of this article is on an explanation for the most fundamental variation between insurrectionism, moderate syndicalism, and the two social democratic party types. The underpinning functional dimension refers to the basic *raison d'être* of some political association.<sup>7</sup> A particular ideology is understood as a tool for social integration that is created through the formulation of goals (or agendas) and the means (or strategies) to obtain these goals.<sup>8</sup> Varying approaches to organization manifest themselves internally through different decision-making procedures, and externally through different patterns of relations with the labor constituency and the unions.

As manifestations of the same party species, evolutionary and quasi-revolutionary social democratic parties share a set of key features. They are established to advance the interests of the emerging industrial working class in the political arena (function). Their fundamental objective is the implementation of socialism, understood as the collectivization of the means of production (goals). They are mass based, democratic, and externally embedded into a broader network of labor associations (organization).

Several characteristics identify them as distinct party types. Most important, they suggest radically different means to obtain the socialist end. Evolutionary social democracy proposes a gradual transformation of political and socioeconomic conditions toward socialism, through electoral participation and the legislation of socialist policies. Quasi-revolutionary social democracy is guided by the deterministic expectation that the collapse of capitalism is inevitable.<sup>9</sup> Pragmatic endeavors of organization building and maintenance are combined with radical rhetoric and justified by a quasi-religious emphasis on revolutionary "salvation."

The most crucial organizational difference occurs through varying patterns of external relations with the unions. Quasi-revolutionary social democracy sees itself as one branch of the same movement, within which the political struggle and the party take precedence over the economic struggle and the unions. The situation is reversed for evolutionary parties. They were formed by the unions as their vehicle to conduct the

**Table 1** Models of Labor Politics during Labor's Formative Stage in the Political Arena before 1919

economic struggle through political involvement, and as a result the unions dominate the party.

The defining differences between social democracy and alternative models of labor politics occur in the domains of strategy and organization. Bolshevism advocates socialism and thus pursues the same goal as social democracy. Its strategy is insurrectionist, and hence different because it involves the actual pursuit of uprising and revolution, while social democratic parties engage in controlled conflict with their opponents. Even quasi-revolutionary social democracy, despite its rhetoric, is not actually a “revolution making” party. To render their strategy feasible, bolsheviks are organized from the top down and through secret local cells led by a strong center, which is maintained by what Lenin referred to as “professional revolutionaries.”<sup>10</sup> Anarchism-syndicalism represents a different type of insurrectionism that is equally committed to socialism but, in contrast to bolshevism, aims to abolish the centralized exercise of political authority.

Moderate syndicalists focus exclusively on organizing workers through unions, which are primarily involved in economic activities such as strikes or wage bargaining. They accept the political integration of their constituency into the existing party system and refrain from establishing an independent presence in the political arena. Political involvement occurs through selective interventions into the process of policymaking and electoral competition, for the achievement of specific reforms.

## **External Environment**

Existing socioeconomic, status system, and institutionalist studies have suggested different environmental factors as causes of national variation in labor politics. Common to all these approaches are a focus on structural variables in conceptualizing this environment and overly deterministic arguments about the relationship between context and outcome.

According to all three perspectives, broad social structures shape the nature of the working class and translate into a corresponding character of labor politics. The socioeconomic approach suggests that the nature, especially the pace of industrialization, determines how workers’ interests are channeled into politics. More rapid industrial development is said to cause more radical responses. The status system approach argues that national differences in the pervasiveness of feudal status differentials cause variation in labor politics. Greater radicalism is the result of a more pronounced aristocratic influence in politics. Institutional accounts relate variation in the observed outcome to differences in institutional circumstances. For instance, Bartolini introduces the institutional determinants of some polities’ openness toward labor as the key explanatory variables. Different predictions are made from a broadly conceived institutionalist perspective, but the most prevalent argument suggests that greater institutional inclusiveness and lower degrees of institutional repression will lead to less radical types of labor politics.<sup>11</sup>

All these approaches provide important yet incomplete conceptualizations of the environment that triggers variation in labor politics. First of all, industrialization, taken as a causal factor by the socioeconomic approach, is understood here as a prerequisite for the emergence of labor politics, but not as an explanatory variable. Economic deprivation of workers resulting from industrialization needs to be taken into account as the causal mechanism that leads to socioeconomic “alienation” and a corresponding set of demands by workers. A functionally equivalent process of political alienation occurs through labor’s political exclusion, which results in the formulation of demands for political-institutional change. Unlike other approaches, which acknowledge either political or socioeconomic alienation, I understand both as contributing sources to labor’s goals. The defining features of competing models, however, manifest themselves through variation in strategy and organization. These two elements in a typology of labor politics represent different mechanisms for mobilizing workers and channeling their goals (both political and socioeconomic) into the political arena.

Second, I treat political institutions and status systems as contributing factors to the environment of labor inclusion faced by labor elites. The nature of status differentials should be understood as a historical background condition, but not as an explanatory variable, because variation in aristocratic strength does not unequivocally determine a certain degree of labor inclusion. Political institutions, on the other hand, are an immediate causal factor. In and of itself, however, the reference to institutional inclusion or an understanding of repression in purely institutional terms is insufficient because the responses of labor elites also depend on the behavior of competing parties and the state executive. This is why I conceive of the institutional context as one set of determinants for labor inclusion, in addition to the behavior of entrenched elites.

### **Labor Inclusion as an Environmental Causal Factor**

The environment encountered by labor elites in their decision making about the formation of some model of labor politics can best be conceptualized as varying ordinal degrees of labor inclusion. Elaborating on institutionalist contributions, I understand labor inclusion as a latent variable that emerges from the assessment of its institutional and behavioral manifestations.

The first of three institutional components of inclusion, enfranchisement, identifies the extent to which workers are effectively included into the electoral process. I conceive of Goldstein’s overview of restrictive techniques as elements of two separate dimensions of suffrage exclusion—restrictions imposed on the right to vote such as material or education requirements, and mechanisms that limit the effectiveness of the workers’ vote, for example, class-based voting systems or electoral fraud.<sup>12</sup>

The formal guarantee of political liberties to labor—through freedoms of speech and association—represents the second institutional channel of inclusion. Restrictions occur when an explicit constitutional foundation is absent, but also as the result of simple legislation limiting constitutional guarantees. Freedom of speech can be undermined

directly through censorship or indirectly through the imposition of unfair newspaper taxes. Labor's right of association can either be restricted through explicit legislation or through legal provisions that allow the state to dissolve meetings or organizations based on the claim that they present a threat to public security. The third formal institution of labor inclusion is the principle of responsible government, which identifies the extent to which policymaking and the composition of the executive depend on public support. An established practice of responsible government functions as an inclusive mechanism through its institutionalized potential for effective inclusion even when this does not translate into actual executive power for labor.

The behavior of the state executive is one of three behavioral elements of inclusion. It identifies the degree of repressive or inclusive behavior toward labor by the executive, its bureaucracy, and its enforcement agencies. Formal institutions reflect or constrain the actions of the state to some extent, but a state's behavior can deviate from institutional provisions. The behavior of competing parties is relevant in two distinct ways. Electoral inclusion identifies the extent to which competing parties appeal to workers through activities in the electoral arena. Organizational inclusion measures the extent to which labor elites are incorporated as activists, cooperation partners, or candidates for public office.

Varying latent degrees of inclusion emerge through the identification of critical junctures resulting from a systematically defined combination of these six manifest components. In instances of lowest inclusion, labor is completely excluded from the political arena through particularly pronounced and permanent repression, evidenced by lowest inclusion on all institutional and behavioral channels.

Low inclusion polities feature a less repressive state executive, and the opening of one institutional avenue for labor. This can occur through enfranchisement, while political liberties and responsible government remain precarious, or through at least the minimal guarantee of political liberties and responsible government, while enfranchisement remains at the lowest possible level. Both higher and highest inclusion polities are characterized by liberal constitutional institutions and a state executive that behaves in a more neutral fashion. But competing parties in cases of highest inclusion make significantly more pronounced attempts to incorporate labor elites and the worker constituency.

### **The Agency of Labor Elites**

Labor inclusion represents a set of circumstances that only provides an environment for choices about strategies of political mobilization made by labor elites. This is a point of departure that is not sufficiently acknowledged by existing socioeconomic, status system, and institutionalist approaches. The role of agency and the conditions under which agents translate a given environment into a corresponding choice are not spelled out systematically.<sup>13</sup> My account shares the concern of historical institutionalism with broad processes of political development. But I develop a systematic argument about the agency



of labor elites that considers the rational choice variant of the new institutionalism.<sup>14</sup> This article thus responds to the call for a systematic consideration of agency by scholars lamenting the structural bias of institutionalist approaches.

Reference to rational choice institutionalism facilitates the outline of scope conditions for the occurrence of an equilibrium path, but contributions from that perspective rarely study the factors that move outcomes off that path. The theory developed here extends to those outcomes as well and details their causal determinants. Whenever labor elites act in a suboptimal fashion and fail to translate the external constraints of some given environment of inclusion into an optimal model of labor politics, the observable outcome moves “off the equilibrium path,” and a model is adopted that would not have been predicted on the basis of considering the encountered environment.

The equilibrium path rests on a set of three premises, which should be understood as scope conditions for the validity of the causal relation between labor inclusion and the formation of a particular model of labor politics. An environment of inclusion is only translated into the expected outcome when these assumptions apply. Whenever the effect exercised by any one or a combination of three exogenous variables on the decision-making process of labor elites alters one or more of these premises, outcomes move off the equilibrium path. Each of the three assumptions of the equilibrium scenario, along with its inversion resulting from the effect of an according exogenous factor, is related to a different stage in labor elites’ decision-making process—the availability of information about the constraining environment, the primary interest of labor elites, and their process of strategic preference formation.

Access to sufficient information about the external environment of labor inclusion represents the first premise of the equilibrium scenario. Whenever this is the case, labor elites know enough about the existing constraints on their behavior to make an informed decision about the optimal response. The more stable and clear an environment presents itself, the better the quality of information based on which labor elites make their choices, which increases the potential for making an optimal choice and the likelihood of an equilibrium outcome.

By contrast, an unclear or fluctuating environment of labor inclusion decreases the quality of information about the existing constraints that labor elites have at their disposal. Whenever this is the case, a suboptimal choice and an outcome off the equilibrium path become more likely. The misperception of objective degrees and configurations of labor inclusion as the consequence of imperfect information occurs whenever a polity’s institutions and political approaches to labor are subject to frequent changes, or when the nature of the regime altogether is not quite clear.

Following Peter Hall, I distinguish strategic preference formation from the concept of interest, which is sometimes referred to as an actor’s preference.<sup>15</sup> I understand strategic preference formation as the process through which actors make a decision that best serves their fundamental interest under a given set of external constraints. As the second premise of the equilibrium scenario, the fundamental interest of labor elites is assumed to be about providing a model of labor politics that represents the most rewarding cost-benefit ratio for mobilizing the labor constituency and

channeling its demands into the political arena. This assumption explicates at the level of elite agency the implicit behavioral foundation of structural approaches to political mobilization.

However, labor elites might be motivated by different sets of interests, most importantly the desire to maximize their own personal gains, for example, through parliamentary representation. If this is the case, an optimal model of labor politics can be a different one than the model that would be expected on the basis of the equilibrium path assumption about labor elites' primary interest. I argue that the most important determinant for labor elites' being motivated by other interests than the one posited for the equilibrium scenario is their class or status group background. When labor elites emerge from the labor movement, have close ties to it, or are equally alienated from the entrenched social and political mainstream, the predominance of an interest in most effective constituency mobilization becomes more probable. If this does not apply, an outcome is more likely to move off the equilibrium path.

The third premise of the equilibrium scenario posits that strategic preference formation proceeds through a rational evaluation of labor inclusion and that this process remains unaffected by external influences. Knowledge diffusion is the exogenous factor that can undermine an instrumentally rational formation of preferences. The diffusion of some paradigmatic model of labor politics can lead to the adoption of that model in a domestic context, where it does *not* represent an optimal choice. The presence of strong diffusion pressure toward the adoption of a suboptimal model thus increases the likelihood of an outcome off the equilibrium path, whenever this pressure is not counteracted by a pronounced domestic tradition of "knowledge production" in labor politics or related areas. This would raise the probability of resistance to the diffusion item or the potential for its adaptation to the domestic environment.

### **Strategic Preference Formation and Predicted Outcomes**

Whenever the three equilibrium path premises apply and therefore no exogenous variables have a significant effect on the decision making of labor elites, their actual process of strategic preference formation will lead to an outcome that represents the optimal response to some given environment. I regard a choice for some model of labor politics as optimal when it entails the most rewarding ratio of costs and benefits for channeling labor's interests into the political arena. Different environments of labor inclusion provide different sets of opportunity structures, within which different models of labor politics are more or less effective and rewarding. The extent of their effectiveness can be established by analyzing the costs and benefits that would accrue to labor elites from making a choice for a specific model of labor politics in a particular environment of inclusion.

On the cost side, personal risks for labor elites through criminal persecution rise with a decrease in inclusiveness. The overall amount of investment in organization building varies across models, and it increases with a decline in inclusion. These costs

have to be set in relation to the according benefits expected from varying choices. The potential for institutionalization is determined by the extent to which decisions for ideology and organization suit their environment. The organizational features of varying models find themselves in an almost mechanic relation to their context of inclusion, while the utility of more radical ideology and its appeal to the labor constituency increase with a rise in repression.<sup>16</sup> Different environments also provide varying opportunities for labor elites to influence the exercise of political authority. Evolutionary social democracy, for example, can only realistically expect to shape policies and the composition of the executive branch when it finds itself in an institutionally inclusive context.

**Table 2** Predicted Outcomes on the Premises of the Equilibrium Scenario

<b>Labor Inclusion</b>	<b>Predicted Outcome</b>	
Highest	No Social Democratic Party	Moderate Syndicalism
Higher	Evolutionary Social Democratic Party	
Low	Quasi-revolutionary Social Democratic Party	
Lowest	No Social Democratic Party	Insurrectionism

Table 2 summarizes the substantive expectations derived on this background. It details the model of labor politics that is predicted to emerge as dominant in some given environment of labor inclusion, provided that the premises of the equilibrium scenario apply. Social democratic party formation is expected to fail in an environment of highest inclusion, where moderate syndicalism represents the optimal choice. The potential benefits of evolutionary social democracy and moderate syndicalism are the same in this context, but the responsiveness of entrenched elites makes the more costly establishment of an independent presence in the political arena unnecessary, and therefore favors less costly moderate syndicalist approaches. Access to political power and the ability of labor elites to shape policies as well as the mobilization success of moderate syndicalism depend on the existence of entrenched elites that respond effectively to the political interventions from moderate syndicalist organizations. Only in highest inclusion cases have entrenched elites accomplished such an extent of labor integration.

It is precisely the lack of effective integration that significantly reduces the benefits of a moderate syndicalist strategy in higher inclusion cases, where the failure of entrenched elites to respond to labor's claims has manifested itself as a precursor to party formation. Evolutionary social democracy represents the optimal response to higher inclusion, because access to all institutional channels allows for the piecemeal legislation of socialism, access to executive power, and the establishment of a union-dominated party. Revolutionary rhetoric and deterministic appeals to "salvation" that make quasi-revolutionary parties attractive in low inclusion polities would be counterproductive for a labor constituency that has been shaped by exposure to an environment of higher inclusion.

In lowest inclusion polities, essentially all models of labor politics that demand political change are met with fierce resistance by the state. Activists propagating independent political organizations of labor face heavy repression, persecution, and

severe punishment. Costs of organization building are also unusually high because every organizational effort is under constant supervision by the authorities. As a result, the costs for all three independent models of labor politics are at a maximum, regardless of the extent of their radicalism. Insurrectionism emerges as the most rewarding model under lowest inclusion because it entails the highest benefits, while the costs are equally high for all these models. The maximalist promise of actual insurrection and revolutionary turnover in political power is particularly appealing in an environment characterized by the complete absence of institutional inclusion and a permanently repressive state. Moreover, the possibility of establishing a mass-based party with an open organization is much more precarious in the context of lowest inclusion. The organizational models suggested by insurrectionist approaches either rely entirely, in the case of bolshevism, or significantly, in the case of anarchism-syndicalism, on secrecy and underground activities, and are therefore much better suited for this environment than the open and democratic organization favored by social democracy.

In low inclusion cases, quasi-revolutionary social democracy is perceived as the same kind of threat to the established order as the evolutionary party type. The pragmatic and legalistic practices of quasi-revolutionary parties function as an important signaling device vis-à-vis the state to prevent outright dissolution of the organization. As a consequence, the costs of quasi-revolutionary parties are not higher than those of evolutionary social democracy. The embrace of more radical rhetoric, on the other hand, functions as an appealing social integrative mechanism for the party's constituency. As a result, the potential for mobilization success of quasi-revolutionary social democracy, and thereby the expected benefits of the model, are significantly higher than for the evolutionary party type in an environment of low inclusion.

### **Empirical Assessment of Competing Explanations and Their Predictive Power**

The following initial empirical test for the suggested causal relation between labor inclusion and national variation in labor politics also provides a brief explanation for "off equilibrium" cases and a comparative assessment for the predictive power of all competing "environmental" variables. The analysis is comprehensive because it includes all countries where the formation of labor politics is possible. For that, two prerequisites have to be met—the presence of a sufficiently large industrial working class as the *sine qua non* condition for labor politics and the existence of an at least "internally" sovereign state, which controls for the potential effects of labor's involvement in broader anticolonial movements.

The investigated time period extends to the case specific formative stage of labor's entry into the political arena, beginning with the first organizational manifestation of a nationally organized labor movement in the arena of party politics to the accomplishment of organizational and ideological institutionalization by some dominant model. All ensuing developments are considered stages in the transformation of labor politics. The overall cut-off point is the year 1919, when a number of new developments changed the context

for the choices of labor elites, most importantly the emergence of corporatist forms of labor inclusion, the wide diffusion of communism, and the effects of World War I.

I identified forty-nine states, which were internally sovereign for at least thirty years before 1914, and which continued to be independent after that date.<sup>17</sup> I then used harmonized data on the sectional structure of economic activities derived from national census reports to determine varying levels of industrialization.<sup>18</sup> Sufficient industrialization requires a significant share of industrial workers in the economically active population. The specific threshold, which had to be reached between 1910 and 1919, is set at a level of 15 percent to delineate an adequately large social group for the purpose of political contestation. Table 3 shows the twenty cases that were selected, because they meet the two prerequisites for the possibility of labor politics.<sup>19</sup>

### **National Variation in Labor Politics**

Variation in the formation of social democratic parties or alternative models of labor politics as the dominant approach is determined on the basis of the previously outlined taxonomy. Informed by that typological underpinning, a model of labor politics needs to pass minimum thresholds in three different domains to be considered “institutionalized” or “successfully formed”: systemness (organizational institutionalization), social integration (through a dominant ideology), and external institutionalization.<sup>20</sup>

The nature of a dominant model of labor politics is determined primarily through an assessment of its founding documents, including substantive platforms, organizational statutes, and programmatic contributions of leaders. Actual political practice is considered an affirmation or qualification of formal statements. External institutionalization requires the party to achieve at least 10 percent of the vote in two consecutive elections. Whenever the electoral route was inaccessible, the party needed a record of continuous and significant extraparlimentary forms of mobilization or a leading role in the organization of transformative events.

The variety of observable outcomes presented in Table 3 is the result of a comprehensive, in-depth analysis. Quasi-revolutionary social democratic parties became the dominant model of labor politics in thirteen out of twenty cases, while evolutionary social democracy emerged as dominant in Britain, Australia, and New Zealand. The absence of a successfully institutionalized social democratic party characterizes four countries. This coincided with the embrace of moderate syndicalism in the United States and Canada. In the remaining two cases, social democratic party formation failed in favor of insurrectionist approaches—bolshevism in Russia and anarchism-syndicalism in Japan.

### **Empirical Assessment of Competing Explanatory Variables**

The causal factor suggested as the determinant for variation in labor politics by the socioeconomic approach is the pace of industrialization. The empirical distinction

**Table 3** Empirical Assessment of Observable Outcomes and Competing Explanatory Variables

	<b>Formative Stage</b>	<b>Dominant Model of Labor Politics</b>	<b>Industrialization Pace (Socioeconomic)</b>	<b>Aristocratic Strength (Status System)</b>	<b>Institutional Openness (Institutionalist)</b>	<b>Degree of Labor Inclusion</b>
United States	1868-1919	Moderate syndicalism	Rapid	Weak	Highest	Highest
Canada	1894-1919	Moderate syndicalism	Gradual	Weak	Higher	Higher
Australia	1890-1908	Evolutionary SD	Rapid	Weak	Highest	Higher
New Zealand	1900-1918	Evolutionary SD	Gradual	Moderate	Highest	Higher
Great Britain	1893-1918	Evolutionary SD	Gradual	Moderate	Higher	Higher
France	1879-1905	Quasi-revolutionary SD	Gradual	Moderate	Higher	Higher
Switzerland	1870-1904	Quasi-revolutionary SD	Gradual	Weak	Highest	Higher
Germany	1863-1891	Quasi-revolutionary SD	Rapid	Strong	Low	Low
Denmark	1871-1888	Quasi-revolutionary SD	Gradual	Strong	Low	Low
Netherlands	1878-1894	Quasi-revolutionary SD	Gradual	Weak	Higher	Low
Belgium	1875-1894	Quasi-revolutionary SD	Gradual	Weak	Higher	Low
Norway	1885-1891	Quasi-revolutionary SD	Rapid	Strong	Low	Low
Sweden	1883-1897	Quasi-revolutionary SD	Rapid	Strong	Low	Low
Italy	1877-1895	Quasi-revolutionary SD	Rapid	Moderate	Low	Low
Argentina	1882-1896	Quasi-revolutionary SD	Rapid	Moderate	Low	Low
Spain	1878-1888	Quasi-revolutionary SD	Rapid	Moderate	Low	Low
Austria	1863-1889	Quasi-revolutionary SD	Rapid	Strong	Low	Low
Hungary	1868-1903	Quasi-revolutionary SD	Rapid	Strong	Low	Low
Japan	1898-1919	Insurrectionism	Rapid	Strong	Lowest	Lowest
Russia	1883-1917	Insurrectionism	Rapid	Strong	Lowest	Lowest

between rapid and gradual patterns (see Table 3) is derived through the calculation of growth rates per decade for the number of industrial workers in the economically active population.<sup>21</sup> The juncture between gradual and rapid development occurs at an average of 29.44 percent. Due to the lack of a comparative data point, the classification for Russia, Argentina, and Denmark was derived from the standard economic history literature.<sup>22</sup> Given the strong regional concentration of industry, Italy and Spain are treated

as examples of rapid industrialization, even though they fall slightly below the average growth rate. If this biases the analyses, it does so in favor of the socioeconomic approach and against my theoretical expectation that the nature of industrialization is unrelated to qualitative variation in models of labor politics.

The status system approach holds differences in the continuing pervasiveness of feudal status differentials accountable for national variation in labor politics. The determination of empirical variation across cases for the extent of aristocratic strength is based specifically on John Kautsky's "ordinal" instead of Seymour Martin Lipset's more complex "categorical" argument. Weak status systems are the result of a lasting liberal transformation, moderate status systems are characterized by the presence of conservative elites as one contender among others in a system of constitutional governance, and strong status systems feature an aristocracy that exercises political control through a monarchical-bureaucratic state. The classification of particular cases (see Table 3) is derived from my analysis of labor inclusion and the assessments provided by Kautsky and Lipset.

The institutionalist argument tested here represents my own effort to translate general accounts for national "syndromes" or experiences of labor politics into an explanation for variation in specific dominant organizations. As a precursor to the suggested theory, I test the causal argument that more institutional openness results in more moderate versions of labor politics. In order to arrive at a classification of cases, I use the institutional manifestations of labor inclusion introduced in this article (enfranchisement, responsible government, political liberties). Akin to the determination of overall degrees of labor inclusion, I distinguish four ordinal levels of institutional openness resulting from a combination of these constituent dimensions (see Table 3).

Based on the previously outlined conceptualization of labor inclusion, the empirical classification of cases is the result of a comprehensive qualitative and quantitative analysis of constitutional and other legal documents as well as enfranchisement data and secondary literature. The United States stands out as the only polity that has accomplished highest labor inclusion. On the background of an institutionally inclusive polity, varying coalitions of actors succeeded in incorporating labor organizationally and electorally: the Jacksonian Democrats between the 1820s and 1840s, and both major parties until the end of the nineteenth century. During the following Progressive Era, inclusion occurred through a loose coalition of progressive politicians from both parties and entrenched elites in the executive branch.

Higher inclusion polities are also defined by the presence of institutional inclusiveness, but they lack the successful inclusion of labor through competing parties. Britain, Canada, and France did not accomplish highest inclusiveness on all institutional dimensions during labor's formative stage in the political arena, but the trend was toward a full embrace of liberal democratic principles. The extent to which competing parties appealed to labor also varied across higher inclusion cases, but all of them fell short of the U.S. highest inclusion.

The greatest amount of within-group variation can be observed for the low inclusion category, where the provision of limited access to the political arena has occurred in two distinct ways: either through the opening of the electoral channel, while limits on political liberties and responsible government persisted (Germany and Denmark), or



through the at least minimal guarantee of political liberties and responsible government, while the electoral channel remained closed (all remaining cases). This second type of low inclusion also features differences across cases regarding the relative quantity of inclusion: the extent of responsible government and political liberties was significantly higher in Belgium, the Netherlands, Norway, and Sweden. Labor was subject to repression in all industrializing societies, but complete exclusion during its formative stage in politics and a permanently hostile state executive occurred only in Japan and Russia. These two manifestations of lowest inclusion have no significant channel for incorporation—inclusion is lowest on all six dimensions.

### **Predictive Power of Competing Explanations**

Table 4 displays the substantive expectations of different approaches for national variation in labor politics, based on the empirical assessment of their explanatory variables summarized in Table 3. These predictions are paired with the observable outcomes to determine their accuracy. To enable a comparative assessment of the socioeconomic and status system explanations, their terminology is adjusted to the typology introduced here: radical is treated as the equivalent of quasi-revolutionary, and reformist as the equivalent of evolutionary social democracy. The comparison reveals that the explicit consideration of elite agency and the introduction of labor inclusion as a causal factor lead to a significant increase in predictive power. The socioeconomic and status system explanations predict the outcome in only ten out of twenty countries. A general argument based on institutional openness, which I developed into a specific explanation for national variation in labor politics, predicts thirteen cases. Labor inclusion as an environmental causal determinant predicts the observable outcome in seventeen out of twenty cases.

The socioeconomic approach predicts quasi-revolutionary to emerge from rapid and evolutionary social democracy from gradual industrialization. It does not expect outcomes other than social democratic party formation. The status system explanation expects the absence of social democracy in those cases that are characterized by weak feudalism, but it makes no specific “positive” prediction about an alternative. It is implied here, to the benefit of the status system approach, that some form of moderate syndicalist strategy will emerge. Moderate status systems are predicted to cause the formation of evolutionary social democracy, and strong status systems should lead to quasi-revolutionary social democratic parties. My adapted institutionalist argument would predict that more radical forms of labor politics will emerge, the less institutionally inclusive a particular polity presents itself. More specifically, highest institutional inclusiveness would lead to the embrace of moderate syndicalism, higher institutional inclusiveness to evolutionary, low to quasi-revolutionary social democracy, and lowest institutional inclusiveness to insurrectionism.

While the socioeconomic perspective suggests a spurious causal relationship, the status system approach provides a plausible account for its correctly predicted cases. However, it remains an incomplete explanation because it fails to consider that labor also responded in a radical manner to repression from liberal parties, as, for example, in Belgium and the



**Table 4** Observable Outcomes and the Predictive Power of Competing Explanations

Dominant Model of Labor Politics Before 1919		Socioeconomic Prediction	Status System Prediction	Institutionalist Prediction	Labor Inclusion Prediction
United States	Moderate syndicalism	Quasi-revolutionary SD	Moderate syndicalism	Moderate syndicalism	Moderate syndicalism
Canada	Moderate syndicalism	Evolutionary SD	Moderate syndicalism	Evolutionary SD	Evolutionary SD
Australia	Evolutionary SD	Quasi-revolutionary SD	Moderate syndicalism	Moderate syndicalism	Evolutionary SD
New Zealand	Evolutionary SD	Evolutionary SD	Evolutionary SD	Moderate syndicalism	Evolutionary SD
Great Britain	Evolutionary SD	Evolutionary SD	Evolutionary SD	Evolutionary SD	Evolutionary SD
France	Quasi-revolutionary SD	Evolutionary SD	Evolutionary SD	Evolutionary SD	Evolutionary SD
Switzerland	Quasi-revolutionary SD	Evolutionary SD	Moderate syndicalism	Moderate syndicalism	Evolutionary SD
Germany	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Denmark	Quasi-revolutionary SD	Evolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Netherlands	Quasi-revolutionary SD	Evolutionary SD	Moderate syndicalism	Evolutionary SD	Quasi-revolutionary SD
Belgium	Quasi-revolutionary SD	Evolutionary SD	Moderate syndicalism	Evolutionary SD	Quasi-revolutionary SD
Norway	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Sweden	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Italy	Quasi-revolutionary SD	Quasi-revolutionary SD	Evolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Argentina	Quasi-revolutionary SD	Quasi-revolutionary SD	Evolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Spain	Quasi-revolutionary SD	Quasi-revolutionary SD	Evolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Austria	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Hungary	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD	Quasi-revolutionary SD
Japan	Insurrectionism	Quasi-revolutionary SD	Quasi-revolutionary SD	Insurrectionism	Insurrectionism
Russia	Insurrectionism	Quasi-revolutionary SD	Quasi-revolutionary SD	Insurrectionism	Insurrectionism
	<b>Cases correctly predicted</b>	<b>10 / 20</b>	<b>10 / 20</b>	<b>13 / 20</b>	<b>17 / 20</b>

Netherlands. The insurrectionist cases of Japan and Russia cannot be explained because the status system theory does not distinguish between different degrees of repression.

Variation in the institutional inclusiveness of different polities is a better predictor for national variation in labor politics than the socioeconomic and status system theories,

yet a significant number of cases remain unexplained. This stems from an incomplete conceptualization of the external environment that is said to trigger variation in labor politics and from the lack of a systematic account for elite agency. An exclusive focus on institutions prevents the detection of variation within democratic polities, where different degrees of inclusion depend on the behavior of entrenched elites. A purely institutionalist approach is also not equipped to explain the Belgian and Dutch cases, where overall higher institutional inclusiveness is combined with the exclusion of labor by dominant liberal parties through a denial of labor enfranchisement and oppressive executive behavior. Incorrect predictions for Canada, Switzerland, and France are not due to an insufficient conceptualization of external constraints. These cases fundamentally defy the causal logic suggested by an exclusively structural approach.

### **Causal Mechanisms**

Canada, Switzerland, and France also are examples for the off-equilibrium scenario in the theory suggested here because labor elites in these countries made choices for a model of labor politics that would not be predicted by the given degree of labor inclusion. The proposed theory explains these off equilibrium cases through the three previously introduced exogenous variables.

Knowledge diffusion emerges as the most influential factor in moving outcomes off the equilibrium path. The suboptimal choice for moderate syndicalism in Canada can be explained through the intellectual transfer of that model from the United States and the transplantation of unions across the border by the AFL. Quasi-revolutionary social democracy was embraced as the dominant model in Switzerland, even though the evolutionary party type would have been the optimal response to the Swiss environment of higher inclusion. Diffusion pressure from Germany, Austria, and through the presence of socialist émigrés is the single most important variable to explain this outcome.

The same kind of suboptimal choice in France was also influenced by the diffusion of the paradigmatic quasi-revolutionary party model through the German SPD and the Second International, but the unclear and fluctuating nature of labor inclusion figures as the most important exogenous factor. Labor was under the impression of frequent regime changes, from the short lived Second Republic (1848–1852) to the repressive Second Empire (1852–1870), and then the Third Republic, which was only consolidated as a higher inclusion polity by the mid-1880s. A more radical response thus seemed justified as a result of accumulated memory and the fear that liberal concessions might soon be reversed again.

Limited institutionalization is an indicator for the presence of a suboptimal choice. Deficiencies in organizational strength, ideological commitment, and electoral mobilization—yet above a minimum level of institutionalization—can be observed for the adopted suboptimal models in all these cases. A divided or weak left is another consequence of limited mobilization through a suboptimal model, when a contender is successful in exploiting this weakness.

The three premises of the equilibrium scenario apply in all those cases, where labor elites made optimal choices and thereby translated an existing degree of labor inclusion into the predicted model of labor politics. However, beyond the illustrative examples to be discussed now, there is some significant variation within this group of cases with respect to the relative absence of exogenous variables and according “degrees of optimality.”

Information about the nature of the external environment was excellent in the case of Germany, since the attitude of Prussia after 1848 and the German Empire from 1871 to 1890 toward labor were readily apparent. Quasi-revolutionary social democracy emerged as dominant over incipient evolutionary and protoanarchist challengers because there was little diffusion pressure from the outside and a pronounced tradition of domestic knowledge production that turned the SPD into the model party of Marxist socialism. The leading party theoreticians did not emerge from the labor movement, but they managed to establish a symbiotic relationship with the party’s working class leaders, exemplified by the cooperation between Karl Kautsky and August Bebel. A similar scenario also characterized Britain, where the evolutionary social democratic Labor Party developed out of a merger between a number of unions, the working-class ILP, and the middle class Fabian Society. The presence of a socialist think tank and a long tradition of active unions also favored a rational evaluation of domestic conditions over the uncritical import of paradigmatic foreign models.

Moderate syndicalism, which became dominant in the United States through the formation of the AFL, was an optimal choice in the U.S. environment of highest inclusion. Strategic preference formation was not unaffected by external diffusion, but throughout the nineteenth century a pronounced domestic tradition emerged that became distinct from foreign paradigms. The insurrectionist bolshevik model is an intellectual merger of the older Russian populism and the modern tenet of Marxism. The diffusion of Marxism was necessary for bolshevism to emerge, but it was not imported without adjustment. This intellectual effort prevented the embrace of the quasi-revolutionary social democratic model that would have been suboptimal in the Russian case of lowest inclusion. Even though Russian labor elites were almost without exception from the educated middle classes, this did not affect the premise of the equilibrium scenario because they were as alienated and excluded from the social and political mainstream as their constituency.

## **Conclusion**

The nature of labor inclusion in a given polity explains the emerging dominant model of labor politics, whenever labor elites make an optimal choice. Empirical analysis shows that labor elites translated their environment of inclusion into the theoretically expected model of labor politics in seventeen out of twenty cases. The nature of labor inclusion is therefore a significantly better environmental predictor for national variation in labor politics than prior socioeconomic, status system, and institutionalist variables. However, the suggested explanation extends further by detailing the causal factors that triggered suboptimal choices of labor elites in the three remaining cases.

The suggested theory can be linked to a more fundamental theoretical concern for the conditions under which some “transcendent rationality” trumps other determinants for the behavior of political actors in the embrace of organizational forms and procedures.<sup>23</sup> This study can also directly contribute to various adjacent areas of research. The transformation of social democracy has often been understood as a mechanic response to changing circumstances. A competing argument already shows that social democracy is capable of responding creatively to external developments.<sup>24</sup> Elaborating on this body of work, the research on the formative stage of labor politics outlined here allows for an analysis of the effects of formation experiences on party transformation. Varying patterns of party formation may create a point of departure for path dependency by limiting the decisional autonomy of party elites in later stages of party development.

## NOTES

The author expresses his gratitude to Richard Gunther for his feedback on this article as well as for his support for the broader underlying project and beyond. I would also like to thank Tony Mughan, Herbert Kitschelt, and Richard Hamilton for a multitude of valuable suggestions. I am grateful for comments on earlier versions of this article and helpful advice from Nicoleta Bazgan, Sam Decanio, Ellen Immergut, Roman Ivanchenko, Seth Jolly, Justin Lance, Dag Mossige, Srdjan Vucetic, and Lorenzo Zambarnardi. I have also benefited greatly from the feedback provided by three anonymous reviewers and the editors of *Comparative Politics*.

1. The term “labor elites” identifies individuals that engage in the political mobilization of workers, regardless of whether they are workers or union activists themselves.

2. Margaret Levi, “A Model, a Method and a Map,” in Mark Lichbach and Alan Zuckerman, eds., *Comparative Politics* (New York: Cambridge University Press, 1997), 31.

3. Evolutionary and quasi-revolutionary social democracy emerged during the formative stage investigated here; other types occurred later through party transformation. Social democracy is an analytical category that encompasses different party names such as “socialist,” “social democratic,” or “labor.”

4. Stefano Bartolini, *The Political Mobilization of the European Left, 1860–1980* (Cambridge: University Press, 2000). Flemming Mikkelsen, “Working-Class Formation in Europe,” *Labor History*, 46 (August 2005), 277–306.

5. Socioeconomic: Edvard Bull, “Die Entwicklung der Arbeiterbewegung in den drei skandinavischen Ländern 1914–1920,” *Archiv für die Geschichte des Sozialismus und der Arbeiterbewegung* 10 (1922), 329–61; Walter Galenson “Scandinavia,” in Galenson, ed., *Comparative Labor Movements* (New York: Russell, 1952). Status system: Seymour Martin Lipset, “Radicalism or Reformism: The Sources of Working-class Politics,” *American Political Science Review*, 77 (March 1983), 1–18; John Kautsky, *Social Democracy and the Aristocracy* (Brunswick: Transaction Publishers, 2002). Institutionalism: Gary Marks et al., “Radicalism or Reformism? Socialist Parties before World War I,” *American Sociological Review*, 74 (August 2009), 614–35.

6. For the terminology of party species, see Richard Gunther and Larry Diamond, “Species of Political Parties,” *Party Politics*, 9 (March 2003), 167–99.

7. Herbert Kitschelt, *The Logics of Party Formation* (Ithaca, NY: Cornell University Press, 1989).

8. Erich Matthias, “Kautsky und der Kautskyanismus,” *Marxismusstudien* 2 (1957), 151–97.

9. Karl Kautsky, *Der Weg zur Macht* (Berlin: Bloch, 1906).

10. V. I. Lenin, *What is to be Done?* [1902] in *Collected Works* 5 (Moscow: Foreign Languages Publishing House 1961), 347–531.

11. Embedded in his underlying concern with status systems, Lipset emphasizes universal suffrage. Marks et al. highlight civil liberties. Many additional pieces, institutionalism in the broadest sense, have related yet different explanatory interests. For a groundbreaking study, see Charles Tilly, *From Mobilization to Revolution* (Reading: Addison-Wesley, 1978).

12. Robert Goldstein, *Political Repression in 19<sup>th</sup> century Europe* (London: Croom, 1983).

13. Some contributions, most notably Marks et al., 618–19, outline general rationales regarding the behavior of labor that sustain a structural argument. But they do not formulate a systematic theory that would, among other things, also have the capacity to explain the actual agency of individual labor elites.

14. See Ira Katznelson and Barry Weingast, eds., *Preferences and Situations* (New York: Sage, 2005).
15. Peter Hall, "Preference Formation as a Political Process," in Katznelson and Weingast, eds., 129–60.
16. This establishes the most important link between elite choices and worker constituency. Successful mobilization is crucial for the institutionalization of any organization, and it depends on the ability of labor elites to devise a model that appeals to their constituency, whose demands are shaped by the given environment of inclusion.
17. Data from Kristian Gleditsch, "A Revised List of Wars between and within Independent States, 1816–2002," *International Interactions*, 30 (September 2004), 231–61.
18. Data from Paul Bairoch et al., "*La Population active et sa structure*," (Brussels: 1968).
19. James Mahoney and Gary Goertz, "The Possibility Principle: Choosing Negative Cases in Comparative Research," *American Political Science Review*, 98 (November 2004), 653–69. Some cases were excluded because no data are available. Given this lack of attention to industrialization in census reports, it is extremely likely that the prerequisite was not met. Other than Gleditsch, I treat Hungary and Austria as two separate cases because each of them enjoyed domestic autonomy.
20. This assessment is rooted in the party institutionalization literature. Vicky Randall and Lars Svasand, "Party Institutionalization in New Democracies," *Party Politics*, 8 (January 2002), 5–29; Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968). Akin to Huntington, I distinguish minimum institutionalization thresholds that need to be crossed for considering an organization "successfully formed" from varying degrees of institutionalization, and as one element of that broader concept, variation in mobilization success. The choice for an optimal model of labor politics is one determinant of mobilization success. Other determinants are the features of the working class: number of workers, regional concentration of industry, and size of firms. My argument implies that these factors influence mobilization success, but not qualitative variation in labor politics.
21. Data assembled by Bairoch et al.
22. Rondo Cameron, *A Concise Economic History of the World* (Oxford: Oxford University Press, 1993).
23. Peter Hall and Rosemarie Taylor, "The Potential of Historical Institutionalism," *Political Studies*, 46 (December 1998), 961.
24. Herbert Kitschelt, *The Transformation of European Social Democracy* (Cambridge: Cambridge University Press, 1994).