

OPEN ACCESS

ISSN 2280-4056

*E-Journal of  
International and Comparative*

# LABOUR STUDIES

Volume 2, No. 2 May-June 2013



**ADAPT**  
[www.adapt.it](http://www.adapt.it)  
UNIVERSITY PRESS

*Scientific Directors*

Lauren Appelbaum (*USA*), Greg Bamber (*Australia*), Stuart M. Basefsky, (*United States*), Daria V. Chernyaeva (*Russia*), Richard Croucher (*United Kingdom*), Maurizio del Conte (*Italy*), Tomas Davulis (*Lithuania*), Tayo Fashoyin (*Nigeria*), József Hajdu (*Hungary*), Ann Hodges (*USA*), Richard Hyman (*United Kingdom*), Maarten Keune (*The Netherlands*), Chris Leggett (*Australia*), Guglielmo Meardi, (*United Kingdom*), Shinya Ouchi (*Japan*), Massimo Pilati (*Italy*), Valeria Pulignano (*Belgium*), Michael Quinlan (*Australia*), Juan Raso Delgue (*Uruguay*), Raúl G. Saco Barrios (*Peru*), Alfredo Sánchez Castaneda (*Mexico*), Malcolm Sargeant (*United Kingdom*), Jean-Michel Servais (*Belgium*), Silvia Spattini (*Italy*), Michele Tiraboschi (*Italy*), Anil Verma (*Canada*), Stephen A. Woodbury (*USA*)

*Joint Managing Editors*

Malcolm Sargeant (*Middlesex University, United Kingdom*)  
Michele Tiraboschi (*University of Modena and Reggio Emilia, Italy*)

*Editorial Board*

Lilli Casano (*Italy*), Francesca Fazio (*Italy*), Emanuele Ferragina (*United Kingdom*), Antonio Firinu (*Italy*), Valentina Franca (*Slovenia*), Maria Giovannone (*Italy*), Erica Howard (*United Kingdom*), Karl Koch (*United Kingdom*), Lefteris Kretsos (*United Kingdom*), Attila Kun (*Hungary*), Felicity Lamm (*New Zealand*), Cristina Lincaru (*Romania*), Nikita Lyutov (*Russia*), Merle Muda (*Estonia*), Boaz Munga (*Kenya*), Eleonora Peliza (*Argentina*), Daiva Petrylaite (*Lithuania*), Ceciel Rayer (*The Netherlands*), Aidan Regan (*Ireland*), Marian Rizov (*United Kingdom*), Salma Slama (*Tunisia*), Francesca Sperotti (*Italy*), Araya Mesele Welemariam (*Ethiopia*), Barbara Winkler (*Austria*), Machilu Zimba (*South Africa*)

*Language Editor*

Pietro Manzella (*ADAPT Senior Research Fellow*)

*Book Review Editor*

Chris Leggett (*James Cook University, Australia*)

*Digital Editor*

Avinash Raut (*ADAPT Technologies*)



***Labour Markets at a Crossroads: Causes of Change, Challenges and Need to Reform,***  
**by Henrik Lindberg and Nils Karlson.**  
**A Review.**

John Martin \*

---

*Labour Markets at a Crossroads* follows four themes and focuses on European nations contextualised as four models of European labour markets: Southern European, Central European, Northern European and Anglo. The different policy prescriptions that may be adopted have four potential outcomes: disruption; re-regulation; de-regulation; modernization. The Anglo model favours deregulation and the adoption of an aggressive approach to policy formation and reform. The editors argue against a convergence towards the Anglo model and for existing structures adapting to the liberalisation resulting from globalisation without the conflict associated with a deregulatory approach.

Their first theme is Flexicurity. Whilst originating in the Netherlands, flexicurity has been used to describe the Danish policy solution of liberal employment protections combined with high social security – flexible dismissal rules, generous and long-lasting unemployment benefits and active labour market policies (ALMPs). It is suggested that ALMPs are not feasible in countries with budgetary issues. Denmark's comparative success has been for problem groups such as the young and long-term unemployed. Chapter 1, "Flexicurity Pathways for Italy: Learning from

---

\* John Martin is Research and Policy Officer for the Queensland Council of Trade Unions.

The present review refers to Henrik Lindberg and Nils Karlsoneds. *Labour Markets at a Crossroads: Causes of Change, Challenges and Need to Reform*, Cambridge Scholars Publishing, Newcastle upon Tyne, UK, 2012, 282 pp., ISBN 978 144383610 4.

Denmark?’ by Gianetti and Madia assesses the possibility of a Southern European country adopting the Danish, Northern European model of flexicurity. Budgetary constraints and dual labour market issues mean that ALMPs may not be achievable in Italy. However, the gradual introduction of protections for insecure workers, accumulation of rights and access to training are cost-effective measures.

Chapter 2, Borghort’s ‘Employment Security for the Young Disabled – Policies and Practices’ discusses the definition of employment security and how that has changed. It is a study of several European nations and the approaches adopted in each concerns the employment of young people with disabilities. It identifies three approaches: rights based (e.g. anti-discrimination legislation); obligations based (quotas, etc.); and incentive based (a range of incentives to business, to employ assistants alongside disabled workers). The chapter also attempts to assess the effectiveness of various programs, but identifies a significant gap in their monitoring at a national or EU level.

Chapter 3, ‘Trade Unions and the Development of Employment Security: Can They Deliver?’ by Nuna Zekic discusses the role for unions and associated attitudes adopted by them in light of the recent emphasis on employment security and flexicurity in Europe. It asks, and to some extent answers, the question as to whether employment security as opposed to job security can be achieved by social partners in the context of collective bargaining. The European context is a familiar one, with a decline in union membership and therefore power and influence being juxtaposed with rising unemployment and ever increasing fiscal restraint and austerity.

Serious limitations exist for union support for the concept of flexicurity. It is criticised for its emphasis on the supply side of the labour market and its failure to address the fundamentals of the creation of employment through demand at a macro-level. In addition, unions have demonstrated a healthy scepticism of flexicurity, it being a vehicle for the removal of existing rights for workers in return for the less tangible and enforceable employment security.

Flexicurity envisages the development of transportable skills and training that may not necessarily advantage the employer. The cost of training and who bears that cost is problematic at both industry and enterprise level. None the less, the author is confident in the capacity of the industrial parties to address the outstanding issues surrounding employment security.

The second theme is Unions and Industrial Action. Chapter 4, Olafsdottir’s ‘Efficiency of Collective Bargaining: Analysis Changes in



Wage Structure in the Public Sector in Iceland” examines the decentralisation of public sector bargaining. Its underlying principle is that centralised bargaining will lead to a lower dispersion of earnings amongst employees, and its conclusion is that the effect of budget on bargaining outcomes is greater the more decentralised the system of wage determination.

Chapter 5, Dittrich and Schwirwitz’s “Union Membership, Employment Dynamics and Bargaining Structure” concentrates on the welfare effects of union bargaining, assuming that there is a dual labour market: unionised and competitive. Unionised workers displaced by wage demands will be able to obtain employment in the competitive sector. The study of OECD nations establishes that to some extent there was decentralisation, albeit a flirtation in some cases, in most of them towards the end of the twentieth century. The authors conclude that where wages alone are bargained in a centralised model it will yield greater welfare measures if wages and employment are bargained at the firm level.

Chapter 6, Lindberg’s “Industrial Action in Sweden: A New Pattern?” hypothesises that if it is accepted that the ability of employers to outsource production and reduce labour costs has seriously limited the union’s general ability to use strike action as means of exerting economic power, it follows that globalisation potentially accounts for an ongoing reduction in industrial conflict. In this regard, Sweden is not unlike many other industrialised nations.

The editors’ third theme is Wages and Bargaining. Chapter 7, Duma’s “Union Wage Premium and the Impact of Unions on Wage Inequality in Turkey” is a study of the effects of unions on wage dispersion in Turkey. It assumes that unions will increase the wages of their members and decrease the level of inequality. Despite falling memberships, unions still provides for a premium of around nine per cent when control factors are taken into consideration, but for males, not females. The wage dispersion is also greater for males than for female union members in Turkey.

Chapter 8, Battisti’s “Mobility and Wages in Italy: The Effects of Job Seniority” based on data collected for young workers in the period 1985-1999 analyses the effects of job seniority on both mobility and wages. The Italian labour market is one of growing employment insecurity and a decline of the impact of unions and collective bargaining on wage outcomes. The author assumes that job seniority will have an unconditional impact on wages.

Chapter 9, “The Wage Costs of Motherhood: Which Mothers are Better Off and Why?” by Nivorozhkina *et al.* deals with a fertility crisis in Russia that has led to a policy of promoting reproduction. This policy has had to

be balanced with the needs of working mothers to ensure that there is sufficient incentive for mothers to remain connected to the workforce. The gap between male and female wages in Russia has been declining, as has the gap between the wages of mothers and non-mothers. The conclusion is that if social policy is to be geared to increasing fertility, then the protection of the rights of working mothers is axiomatic.

Chapter 10, Karlson and Lindberg's "The Decentralisation of Wage Bargaining: Four Cases" is also concerned with an analysis of the decentralisation of wage determination, among 16 OECD nations. In particular, patterns within Sweden, Denmark the UK and the Netherlands have demonstrated the most pronounced trends with respect to decentralisation. As was noted earlier, decentralisation is by no means universal and some OECD nations have either re-centralised or actually become more centralised. The chapter focuses on three aspects of centralisation; the level of bargaining, the involvement of federations and government intervention.

*Labour Markets at a Crossroads* offers the reader a clear and reasonably contemporary understanding of the labour market challenges facing European nations. In a globalising world it is instructive to consider the similarity of those challenges by way of comparative analysis. Despite the divergent histories and contexts of the nations considered in this book, the similarity of labour market outcomes is remarkable. For the reader – in this case the reviewer – who is not from Europe and prone to think that many of the problems associated with modern labour market analysis and policies are of Anglo-American origin, this book demonstrates the universal nature of problems facing employees and their representatives in trying to ensure adequate levels of employment security, wages and employment conditions on a cross- national basis.





# Adapt International Network



**ADAPT** is a non-profit organisation founded in 2000 by Prof. Marco Biagi with the aim of promoting studies and research in the field of labour law and industrial relations from an international and comparative perspective. Our purpose is to encourage and implement a new approach to academic research, by establishing ongoing relationships with other universities and advanced studies institutes, and promoting academic and scientific exchange programmes with enterprises, institutions, foundations and associations. In collaboration with the Marco Biagi Centre for International and Comparative Studies, ADAPT set up the International School of Higher Education in Labour and Industrial Relations, a centre of excellence which is accredited at an international level for research, study and postgraduate programmes in the area of industrial and labour relations. Further information at [www.adapt.it](http://www.adapt.it).

For further information about the E-journal and to submit a paper, please send a mail to [LS@adapt.it](mailto:LS@adapt.it).