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***International & Comparative Employment
Relations: Globalisation and Change***
**by Greg J. Bamber, Russell D. Lansbury
and Nick Wailes.**
A Review

Anne Junor*

This valuable book is edited by three Australian academics, all of international standing, two of whom are perceived as highly respected “elders” of the employment relations discipline. As indicated in the book endorsements by Peter Auer (ILO) and Sarosh Kuruvilla (Cornell), and the forward by Thomas Kochan, this is an authoritative text, endorsed by top international academics in the field. Similar to earlier editions it will be widely used in the teaching of international and comparative industrial and employment relations. The chapter contributors include respected authorities on national employment relations systems, including Professor C.S. Venkata Ratnam, co-author of the chapter on India, who died before the book reached the bookshops.

Whereas the fourth edition, published in 2004, was subtitled “Globalisation and the Developed Market Economies” this fifth edition, published seven years later, is subtitled “Globalisation and Change”, and has a geographically wider and more dynamic focus. The introductory chapter begins with a discussion of contextual changes signalled or wrought by the post-2008 global financial crisis – changes that give a new

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The present review refers to G. J. Bamber, R. D. Lansbury, N. Waileseds, *International and Comparative Employment Relations: Globalisation and Change*, Allen and Unwin, Crow’s Nest, NSW, 2011. 418 pp. ISBN 978 1 74237 065 1. Also available as a google e-book.

urgency to the central problem of employment relations – the problem of securing living standards within and across societies whilst safeguarding productive capacity and economic stability. While the book's 2004 edition covered four Anglophone countries (the UK, USA, and Australia), four European countries (Italy, France, Germany and Sweden), and two East Asian OECD countries (Japan and Korea), the balance in the fifth edition shifts more to Asia, with the addition of chapters on China and India. Denmark, as an exponent of flexicurity, is substituted for Sweden. The same four Anglophone countries as in 2004 are now characterised as instances of liberal market economies (LMEs), while Germany, Denmark and Japan are chosen to represent Coordinated Market Economies (CMEs), with Italy and Korea which do not fit into either category. This typology is cross-cut with one in which the five European “developed economies” are contrasted with Japan and South Korea (“Asian developed economies”) and China and India (“Asian emerging economies”). With evidence on the one hand of globalisation and on the other of an almost uniform trend to employment relations decentralisation and low union density, the country analyses are based on the now-entrenched orthodoxy of blending industrial relations regulation and firm-level human resource management strategy/practice.

The LME/CME typology emerges from the editors' used of a comparative framework derived from the Varieties of Capitalism (VoC) approach of Hall and Soskice¹. This approach seems appropriate, as it brings together industrial relations, vocational training and education, corporate governance, inter-firm relations and intra-firm employee relations (p. 19). It is offered as a resolution of the convergence/divergence debate, long central to international comparative studies. In their introductory overview, the editors identify difficulties with the use of Kerr's² notion of pluralistic industrialism to resolve this debate. Kerr's attempted resolution used the notion of underlying convergence, shaped by the logic of industrialisation, overlaid or counteracted by a diversity of national institutional arrangements. As the editors indicate, it begged the question of which model of industrialism was the basis or end-point of convergence, and the further question of the relevance of the very notion of industrialism, given the shift nearly

¹ P. Hall, D. Soskice (eds.), *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford University Press, Oxford, 2001.

² C. Kerr, *The Future of Industrial Societies: Convergence or Continuing Diversity?* Harvard University Press, Cambridge, MA, 1983.

everywhere to service work. The need to take account of diversity had led all three editors to a recent research focus on industry-level, rather than country-level international comparisons³. A further issue faced by the editors and authors is whether the term “diversity” really captures the apparently growing duality or polarisation, within and between countries and regions, of “core” and “peripheral” labour markets. Moreover, as illustrated by the dominant debate over flexibility, a key question in the context of globalisation, is “the extent to which the same set of institutions can produce different outcomes over time” (p. 18).

The editors’ advocacy of a firm-centred VoC approach to working through these questions means that the coordination problems faced by firms in market economies become the central problematic. Rubery⁴ however points out some basic weaknesses in the VoC approach, including its tendency to a functionalist assumption that national or international regulatory institutions neatly supplement the coordinating role of the market. Rubery points out, for example, that there is much that cannot be explained by the basic LME/CME distinction. For a large employee group – namely women – the greatest national divergence in patterns of labour market participation and occupational distribution is not between LMEs and CMEs, but within CME economies. Rubery argues that (like the logic of industrialism literature before it) the VoC literature fails to take adequate account of the rise of service firms. She also argues that an over-simplistic conceptualisation of the state and of state support for the business community fails to account for the contested and contradictory nature and impact of state action. There are “contradictions” in the various roles of the state in regulating production, welfare and reproduction (family, education), and thus the result may not be the institutional stability assumed in the VoC literature. Instead, instabilities and certain incoherence may arise from tensions and slippages between the systems regulating labour markets, training, welfare and care. The poor articulation of these systems may, for example, legitimate relationships among gender, skill and labour market segmentation. In

³ G. J. Bamber, J. H. Gittell, T. A. Kochan, A. von Nordenflycht, *Up in the Air: How Airlines can Improve Performance by Engaging their Employees*, Cornell University Press, Ithaca, 2009. N. Wailes, R. Lansbury, A. Kirsch, *Globalisation and Varieties of Employment Relations: An International Study of the Automotive Assembly Industry*, *Labour and Industry* 20, No. 1, 2009, 89-106.

⁴ J. Rubery, *How Gendering the Varieties of Capitalism Requires a Wider Lens*, *Social Politics* 16, No. 2, 2009, 192-203.

place of the VoC approach, Rubery argues for comparative studies based on dynamic national systems models, integrating different classifications of countries based on different parts of the socio-economic framework (firms, welfare, education, families)⁵.

One useful suggestion then for a future sixth edition would be to widen the analytical framework beyond the firm-level coordination problem, just as in earlier editions it was necessary to widen the perspective beyond regulatory institutions by looking at firm-level management issues. For example, the problem of integrating international labour mobility into national or regional systems of labour market and welfare regulation is of growing importance, as illustrated by a recent Canadian study of the generation of social exclusion⁶. The introduction to the current book includes a useful discussion of national employment relations responses to globalisation (using institutionalist and business systems analyses) (pp. 14-18). It also covers international employment relations initiatives such as International Framework Agreements and Global Union Federations; identifies the emerging role of labour-oriented NGOs, and briefly discusses the role of the ILO, international labour standards and the decent work agenda (pp. 25-33). The US chapter, by Katz and Colvin, contains an important comment:

“The problem confronting labour movements all over the globe is that they need cross-national unionism, but their efforts to create such unionism face substantial barriers. These barriers include divergent interests (i.e. each labour movement wants the employment) and national differences in language, culture, law and union structure” (p. 81).

Another suggestion for the sixth edition would thus be the inclusion of a section containing chapters on international organisational and government structures, and on international industries and union mobilisation, such as IndustriALL, and telecommunications, education, media and public service internationals.

The fifth edition already has many strengths. The overall thematic approach outlined above makes each of the individual country chapters

⁵ G. Bosch, S. Lehndorff, S. and J. Rubery, *European Employment Models in Flux: A Comparison of Institutional Change in Nine European Countries*, Basingstoke, Palgrave, 2009; J. Rubery, *op. cit.*

⁶ M. Gellatly, J. Grundy, K. Mirchandani, M. A. Perry, and M. Thomas, “Modernising” Employment Standards? Administrative Efficiency, Market Regulation, and the Production of the Illegitimate Claimant in Ontario, Canada, *The Economic and Labour Relations Review* 22, No. 2, 2011, 81-106.

sufficiently comparable to allow students to draw patterns of comparison and contrast. Yet the framework is loose enough to allow chapter authors to use their own structures to explain very specific institutional issues. As a result, the template is not formulaic: each chapter unfolds according to its own logic. At the most superficial level, there can be little uniformity of approach in the face of major country differences. Denmark, for example, has a population of 5.5 million, a 78% workforce participation rate, and as argued in the chapter by Madsen, Due and Andersen (pp. 236-238), comprehensive social security support for labour market transitions, a 64% unionisation rate and a 83% collective agreement coverage rate. China has a population of 1.3 billion, a 58% participation rate in the formal labour market, a social security system described in the chapter by Cooke (p. 307) as “rudimentary”, over 90% union density with little bargaining power in the public and formal sectors and low union density in the private and informal sector. Its emerging regional or industry-based collective agreements, often very broad-based, are made between unions and employers without real negotiation or employee participation (Cooke, pp. 319-320). India, on the other hand, where freedom of association is enshrined in the Constitution, nevertheless has a union density of 7% (understandable when 60% of the population are dependent on agriculture and the majority of workers are in the informal rural sector) (Venkata Ratnam and Verma, pp. 330, 345). Whilst industrial settlements in a range of jurisdictions are binding, in some cases for up to ten years, there are few enforcement mechanisms for collective agreements. These seem to involve rather chaotic processes of individual worker ratification and non-exclusive and competing coverage within workplaces, both in terms of bargaining agent recognition and in terms of application. As a result 2 % of workers overall and 30 % in the formal sector are covered by collective agreements (Venkata Ratnam and Verma, pp. 336-343).

Each chapter lends itself to an exploration of the origins of similarities and differences through an interesting account of historical, political, legal and economic backgrounds. These are presented in different ways, whether through an explicitly sub-headed section, or woven through the exposition of issues. As in earlier editions, each chapter ends with a useful chronological table, in some cases including references to events additional to those outlined in the text, whose significance the keen student might follow up. All country chapters set out the industrial parties or actors, and the role of the state as regulator, employer and industrial party. In the CME and Asian chapters, lucid expositions of structures take on a particular importance. For example in the chapter on Germany, Anglophone readers will be interested both in the operation of collective

bargaining and co-determination, and in the remaining juridification of enforcement, through case law based on judgments in local, regional and national labour courts (Keller and Kirsch, pp. 202, 2004). Just under 50% of private sector employees in former West Germany and 40% in former East Germany are covered by Works Councils, whose rights range from weak (access to information and documentation and oversight of legal compliance) through moderate (right to make recommendations and be consulted) to strong (right of veto over personnel decisions; right to negotiate social matters such as hours and rosters). Whilst workplace level co-determination is formally separate from industry level collective bargaining, unions provide training and support for activists on works councils (Keller and Kirsch, pp. 206, 207).

The accounts of how different countries have approached the widespread trend to decentralisation of bargaining level provide fertile ground for theoretically satisfying comparative studies and also for exploring important strategic and public policy questions. When does decentralism contribute to economic stabilisation, and when is it destabilising? What patterns of redistribution have eventuated between wages and profits, and which workers and/or regions have been positively and adversely affected? When does complexity provide checks and balances and when does it result in incoherence? Writing on Italy, Baccaro and Puglinano (pp. 151-155) describe the chequered history, between 1992 and 2007, of attempts at national-level concertation of company-level bargaining. Issues explicitly mentioned in national-level agreements were bargained locally by agents that were at the same time union bodies and worker representative structures. The authors argue that national-level coordination failed, not for structural reasons, but because of strategy conflicts among the three peak union bodies. In 1993 these bodies worked with the national government on stabilisation measures including abolition of wage indexation and nation-wide ceilings on the wage outcomes of industry- and company-level bargaining, and in 1995 they secured major pension reforms in return. In the tripartite pacts of 1996 and 1998 they accepted flexible and contingent labour practices in exchange for social policy consultation and devolved decision-making. While the consensus frayed in the early 2000s, national-level agreements continued with or without the support of the most left-leaning peak union body. Baccaro and Puglinano (p. 155) argue that this helped stabilise the economy and allowed Italy to join the euro currency, albeit at the expense of workers' trust in unions. In the washout from the current crisis, further evaluation will undoubtedly appear in the next edition.

The guiding theme of firms' problems of non-market coordination gives the book an appeal to students interested in management approaches to employment relations. Other students will be interested primarily in worker perspectives, whether on substantive outcome (interest) questions such as standards of living, equitable distributions, and decent work, or on process (rights) questions such as freedom of association, representation, voice, participation, mobilisation and labour standards enforcement. Each of the country chapters ends with a discussion of key debates current at the time of writing. In the UK chapter, Marchington, Waddington and Timming briefly raise fairness, pay equity, gender equality, discrimination against immigrant workers and research on bullying/harassment. They discuss the UK's belated 1997 adoption of the EU Social Chapter, its clash with voluntarism and its implications in terms of workplace participation and OHS, work/life provisions and the regulation of part-time and fixed-term employment (pp. 52-56). As one would expect from the first of these authors, there is also a discussion of the fragmentation of employment relations that has resulted from networking and the blurring of organisational boundaries through outsourcing (pp. 56).

Insecure work, and its relationship to the "decent work" agenda, emerge more centrally as a key concern in several of the country chapters. Suzuki and Kubo, for example, argue that in Japan there is now an unbridgeable "cleavage" between the one-third of jobs complying with the social norm of lifetime jobs, still requiring very long hours, and the other two-thirds of jobs that are "atypical", whether part-time, temporary, dispatched or sub-contracted (Suzuki and Kubo, pp. 259, 267-272). Overwhelmingly, employers say that they use "atypical" work to reduce labour costs. The 1986 legislation allowed the use of dispatched workers in technical jobs and specific occupations; a 1999 amendment exempted only manufacturing and construction, and in 2004 agency temporary work was legalised in manufacturing (pp. 267-268). Regulation of the duration of temporary employment is weak, and wages paid by small subcontracting firms are much reduced. Japanese of South American extraction are concentrated in such work (p. 268), and the proportion of women in all forms of non-regular work in Japan rose from 34.3% to 53.9% between 1987 and 2006 (p. 272). In South Korea too, where the majority of employment is in the pace-setting and relatively highly unionised public sector, labour market polarisation has also become a major issue since the Asian financial crisis of 1997 (Lee, pp. 293, 297). Large firms responded to the crisis by significant downsizing and outsourcing: the proportion of the labour force employed in firms of over 500 fell from 17.2% to 8.7% between 1993 and 2005 (p. 297). Lee paints an all too familiar picture of

increased labour market segmentation, wage dispersion whereby in 2006 non-standard workers earned half the monthly rate of regular workers, and mobility barriers between primary and secondary labour market jobs (p. 298). Without mincing words, Lee attributes these trends not only to de-industrialisation and external shocks but to government-led neo-liberal reforms, large firms “exploitative profit maximisation”, and self-protective “business unionism” strategies to exclude the majority of unorganised labour (p. 299). Lee sees these developments as the outcome of South Korea’s “compressed development”, from restructuring, through democratisation to economic crisis.

Finally, a thread running through a number of the chapters is the role of the political complexion of governments, in the face of the pervasive influence of neo-liberalism. In France, for example, unions have pressed for industrial legislation during the terms of left-wing governments. Collective bargaining has been shaped by legislation, for example the 1982 Mitterand laws, and some governments subsequently generalised bargaining outcomes through legislation (Goetschy and Jobert, pp. 180-181). While governments of both left and right have legislated measures to reduce unemployment, it was the leftist Jospin government that in 1998 and 2000 introduced the strongly-contested Aubry law for the 35-hour week. The legislation required that the shorter hours be implemented through bargaining at sector and enterprise level, and gave a “decisive boost” to collective agreement-making (p. 182). Legislation might also unpick bargaining gains: the right-wing Chirac government legislated in 2008 to allow for renegotiation of the 35-hour week at plant level, in what the unions saw as a betrayal, providing for “a gradual dismantling of an important part of the French labour code in the area of work time organisation, achieved without the government’s prior consultation with the social partners” (Goetschy and Jobert, p. 192-3). Whilst governments across the political spectrum have maintained training policies, it was a Socialist government that after 1988 introduced the “minimum integration income”, and the 1997 government of Jospin that introduced the Jobs for Young People program, providing heavy subsidies to ensure five years of full-time contracted work at no less than the national minimum wage in socially useful areas (pp. 181-2).

Hopefully, this review has suggested that the book provides a wealth of analysis, as well as of detail prompting further thought. Unlike the third and fourth editions of the book, the fifth edition does not contain a concluding chapter in which the editors draw out key themes and issues. Perhaps this was in order to make way for the two additional country chapters. Perhaps it was for teaching reasons, in order to place the onus

back on the reader to think through the themes and synthesise the issues. This reader for one, enjoyed reading the book, finding more to think about each time a chapter was revisited, and emerging after several readings with still more to mull over.

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.

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