SEVENTH EDITION

INTERNATIONAL & COMPARATIVE EMPLOYMENT RELATIONS

GLOBAL CRISES AND INSTITUTIONAL RESPONSES

• GREG J. BAMBER • FANG LEE COOKE •
• VIRGINIA DOELLGAST • CHRIS F. WRIGHT •

INTERNATIONAL & COMPARATIVE EMPLOYMENT RELATIONS

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To some of the great people who contributed to our field who have passed away since the sixth edition was published, including: Jacques Bélanger, David Bensman, Roger Blanpain, William A. Brown, Frank Burchill, Peter D. Carr, Sandra Cockfield, Steve Deutsch, Ronald P. Dore, Peter Feuille, Bill Ford, Robert (Bob) Fryer, Gladys Gershenfeld, Lois Gray, Bob Hawke, Bob Hepple, Kevin Hince, Golda and Joe Isaac, Tom Keenoy, Sid Kessler, Nick Oliver, Tom Redman, John Ritchie, Jacques Rojot, Robin H. Smith, George Strauss, Paul Sutcliffe, Robert Taylor, Malcolm Warner, Alexander Wedderburn, Hoyt Wheeler, Barry Wilkinson and David Winchester. Thank you. We miss you and honour you.

Proceeds from this book will contribute to charities that foster health-related research and hunger-relief efforts.

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Praise for *International and Comparative Employment Relations*

'The new edition of this widely admired text analyses systematically the rapidly changing world of employment relations in a range of countries. It places similarities and differences in a powerful framework embracing global and national forces and the strategies and choices of governments, employers and workers.' (Paul Edwards, University of Birmingham, UK)

'This new edition provides an excellent, up-to-date entry point into the study of international and comparative employment relations. Readers will benefit greatly from its geographic coverage and conceptual insights.' (Michele Ford, University of Sydney, Australia)

'By virtue of a veritable who's who of international experts authoring the country chapters, a review of the central theoretical debates in the field that is comprehensive and sophisticated, and attention to key challenges facing employment relations, including timely discussions of climate change and global public health crises, this volume is the best compendium of employment relations scholarship available.' (Chris Howell, Oberlin College, USA)

'This comprehensive book has long been essential for the study of comparative employment relations. The new edition brings the coverage right up to date, with a focus for example on the crucial issue of COVID-19 and the world of work.' (Richard Hyman, London School of Economics and Political Science, UK)

'The most enduring and valuable book in the field of international and comparative employment relations in the last 30 years, the seventh edition covers advanced and emerging economies with insightful theoretical implications from

a comparative perspective.' (Dong-One Kim, Korea University; former president, International Labour and Employment Relations Association (ILERA))

'The 7th edition of the book builds on, and extends, the contributions of the earlier versions in a unique manner. This is a comparative and international book that is an important reference point for any scholar or student in the subject. It continues to broaden both the intellectual and empirical horizons of the subject allowing us to appreciate the nuances and differences – but also curious similarities – of different systems and national contexts. It is a significant reference point.' (Miguel Martínez Lucio, University of Manchester, UK)

'The 7th edition of this established book is a gem: with an ever-stronger and more diverse team of contributors, it combines the rigorous analytical clarity of the previous editions with new perspectives and insights on the recent trends of precarious work, transnational economic, technological and environmental forces, and new forms of employer and employee activism.' (Guglielmo Meardi, Scuola Normale Superiore, Italy)

'This new edition has grown in stature and sophistication. It demonstrates why an understanding of better work and the institutions that help to achieve it are so important, for those in the world of work and those preparing to enter it.' (Gregor Murray, Université de Montréal, Canada)

'This classic book is an invaluable source of knowledge and inspiration for everyone – scholars, students and practitioners – interested in international and comparative perspectives on employment relations. The book offers important analysis of a multitude of national systems, as well as a discussion on current challenges facing the world of work, including the Covid-19 pandemic.' (Mia Rönnmar, Lund University, Sweden; president, International Labour & Employment Relations Association (ILERA))

Foreword

This seventh edition of *International and Comparative Employment Relations* is a welcome contribution to the study of work and employment relations. The evolution of the successive editions of *International and Comparative Employment Relations* over the past three decades is proof of the dynamic role that employment relations institutions play in shaping labour market outcomes. In comparison with the sixth edition, it is good that the present volume enriches that understanding by extending appropriately the analysis to include an additional important emerging economy, South Africa,[1] and by examining key issues transforming the world of work in all of the other countries too.

Global economic integration has continued to influence the direction of economic and labour market policies. At the same time, the imperative to shift to a low-carbon economy and associated labour market transitions has created both opportunities and challenges. Technological advances are further accelerating processes of job creation and job destruction and transforming the way in which work is organised. In addition, the study of employment relations now needs to grapple with the growth of platform-mediated work, the increased surveillance and algorithmic management of lower-skilled jobs, and the expanding autonomy of white-collar workers engaged in remote teleworking. Rising income inequality in many countries and structural racial, ethnic and gender-based inequality are fuelling discontent and disillusion in existing forms of economic and democratic governance. To compound matters, efforts to contain the COVID-19 pandemic have plunged us into a deep economic recession, exacerbating labour market insecurity and exclusion.

This edition provides unique insights drawn from the comparative analysis of national employment relations systems – a challenging task given the diversity of these institutional arrangements and traditions. It shows that global economic integration and associated policies have not led inevitably to deregulation and the liberalisation of collective employment relations. The apparent erosion of employment relations institutions in some countries has been tempered by a significant degree of institutional continuity in others.

The analysis brings to light a variety of institutional innovations that are shaping productive and inclusive outcomes and facilitating the resilience of our workplaces

and economies. It provides a welcome reminder that the future of work is not predetermined – it depends, among other factors, on the actions of actors in the world of work and the relations between them. Social justice, labour market inclusion, equity and just transitions are within our reach.

The comparative analysis of national systems is complemented by an examination of international, cross-border relations, involving either multinational enterprises, or taking place in supra-national organisations such as the International Labour Organization, the only agency of the United Nations in which employers' organisations, trade unions and governments from 187 member states come together to set the international labour standards. In June 2019, the International Labour Conference adopted a Centenary Declaration for the Future of Work that calls on members of the ILO, taking into account national circumstances:

> to strengthen the institutions of work to ensure adequate protection of all workers, and reaffirming the continued relevance of the employment relationship as a means of providing certainty and legal protection to workers, while recognizing the extent of informality and the need to ensure effective action to achieve transition to formality.[2]

I welcome this timely and valuable contribution as we seek to recalibrate and strengthen our institutions of work to tackle the effects of the pandemic on jobs and incomes.

Guy Ryder
Director-General, International Labour Organization

Notes

1 Compared with the first edition, earlier editions had already extended the analysis also to other important emerging economies: China and India.
2 See ILO Centenary Declaration for the Future of Work, adopted by the Conference at its 108th session, Geneva, 21 June 2019: www.ilo.org/global/about-the-ilo/mission-and-objectives/centenary-declaration/lang–en/index.htm.

About the Editors and Contributors

Editors

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List of Acronyms and Abbreviations

AC	Akademikernes Centralorganisation (Danish Confederation of Professional Associations)
Acas	Advisory, Conciliation and Arbitration Service (UK)
ACCI	Australian Chamber of Commerce and Industry
ACFIC	All-China Federation of Industry and Commerce
ACFTU	All-China Federation of Trade Unions
ACTU	Australian Council of Trade Unions
AFL	American Federation of Labor
AFSCME	American Federation of State, County and Municipal Employees
AFT	American Federation of Teachers
AiG	Australian Industry Group
AIMO	All-India Manufacturers' Organisation
AIOE	All India Organisation of Employers
AITUC	All India Trade Union Congress
AMCU	Association of Mineworkers and Construction Union (South Africa)
AMMA	Australian Mines and Metals Association
ANC	African National Congress (South Africa)
ANI	Accord National Interprofessionnel (France)
BCA	Business Council of Australia
BDA	Bundesvereinigung der Deutschen Arbeitgeberverbände (Confederation of German Employers' Associations)
CAC	Central Arbitration Committee (UK)
CBI	Confederation of British Industry
CCL	Canadian Congress of Labour
CCMA	Commission for Conciliation, Mediation and Arbitration (South Africa)
CCP	Chinese Communist Party
CDU	Christian Democratic Union (Germany)

CE	Comité d'entreprise (Works Council) (France)
CEC	China Enterprise Confederation
CEDA	China Enterprise Directors Association
CFDT	Confédération Française Démocratique du Travail (French Democratic Confederation of Labour)
CFE-CGC	Confédération Française de l'Encadrement-Confédération Générale des Cadres (French Confederation of Management – General Confederation of Executives)
CFTC	Confédération Française des Travailleurs Chrétiens (French Confederation of Christian Workers)
CGB	Christlicher Gewerkschaftsbund (Confederation of Christian Unions) (Germany)
CGIL	Confederazione Generale Italiana del Lavoro (Italian General Confederation of Labour)
CGT	Confédération Générale du Travail (General Confederation of Labour) (France)
CGT-FO	CGT-Force Ouvrière (General Confederation of Labour) (France)
CHSCT	Comité d'Hygiène, de Sécurité et des Conditions de Travail (Health, Safety and Improvement of Working Conditions Committee) (France)
CII	Confederation of Indian Industry
CIO	Congress of Industrial Organizations (USA)
CIPD	Chartered Institute of Personnel and Development (UK)
CISL	Confederazione Italiana Sindacati Lavoratori (Italian Confederation of Workers' Unions)
CLC	Canadian Labour Congress
CME	Co-ordinated market economy
CNTU	Confederation of National Trade Unions (Canada)
COBAS	Confederazione dei Comitati di Base (Confederation of Rank-and-File Committees) (Italy)
COPE	Committee on Political Education (USA)
COSATU	Congress of South African Trade Unions
COVID-19	Coronavirus disease 2019 that precipitated the 2020 pandemic
CPME	Confédération des Petites et Moyennes Entreprises (Confederation of Small and Medium Enterprises) (France)
CSE	Comité Social et Économique (Social and Economic Committee) (France)
CSR	Corporate Social Responsibility
CSU	Christian Social Union (Germany)
CTUO	Central Trade Union Organisation (India)
CWA	Communications Workers of America

DA	Dansk Arbejdsgiverforening (Danish Employers' Confederation)
DBB	Deutscher Beamtenbund und Tarifunion (German Civil Service Association)
DGB	Deutscher Gewerkschaftsbund (German Union Federation)
DI	Dansk Industri (Confederation of Danish Industry)
DME	Developed market economies
DP	Délégué du Personnel (Personnel Delegate) (France)
DPJ	Democratic Party of Japan
DS	Délégué Syndical (Union Delegates) (France)
EEC	European Economic Community
EFI	Employers' Federation of India
EIP	Employee involvement and participation
EPZ	Export processing zones
ET	Employment tribunal (UK)
ETUC	European Trade Union Confederation
ETUI	European Trade Union Institute
EU	European Union
FA	Finansektorens Arbejdsgiverforening (Association for the Financial Sector) (Denmark)
FDI	Foreign direct investment
FDP	Free Democratic Party (Germany)
FEDUSA	Federation of Unions of South Africa
FH	Fagbevægelsens Hovedorganisation (Danish Trade Union Confederation)
FICCI	Federation of Indian Chambers of Commerce and Industry
FIE	Foreign invested enterprise
FKTU	Federation of Korean Trade Unions
FOSATU	Federation of South African Trade Unions
FRG	Federal Republic of Germany
FTA	Free Trade Agreement
FTF	Salaried Employees and Civil Servants Confederation (Denmark)
GDP	Gross domestic product
GDR	German Democratic Republic, a.k.a. East Germany
HR	Human resources
HRM	Human resource management
HSU	Hope Solidarity Union (Korea)
IAM	International Association of Machinists and Aerospace Workers (USA)
ICA	Industrial Conciliation Act (South Africa)
ICE	Information and Consultation of Employees Regulations (UK)
IG Metall	Industriegewerkschaft Metall (Industrial Union of Metalworkers) (Germany)
IIMD	International Institute for Management Development (India)
ILO	International Labour Organization ILR Industrial and Labor Relations

INMF	Indian National Mineworkers' Federation
INTUC	Indian National Trade Union Congress
IRC	Industrial Relations Commission (India)
IT	Information technology
IWGB	Independent Workers Union of Great Britain
JLMC	Joint Labour–Management Committee (Japan)
KCCI	Korean Chamber of Commerce and Industry
KCTU	Korean Confederation of Trade Unions
KEF	Korea Employers Federation
KFIU	Korea Finance Industry Union
KHMWU	Korea Health and Medical Workers Union
KL	Kommunernes Landsforening (Local government) (Denmark)
KMWU	Korea Metal Workers Union
LH	Ledernes Hovedorganisation (Organisation of Managerial and Executive Staff) (Denmark)
LMC	Labour–Management Council (Korea)
LME	Liberal market economy
LO	Landsorganisationen i Danmark (Danish Confederation of Unions)
MEDEF	Mouvement des Entreprises de France (Movement of French Companies)
MNE	Multinational enterprise
NACTU	National Council of Trade Unions (South Africa)
NAFTA	North American Free Trade Agreement
NASSCOM	National Association of Software and Service Companies (India)
NCL	National Commission on Labour (India)
NDP	New Democratic Party (Canada)
NEA	National Education Association (USA)
NEDLAC	National Economic Development and Labour Council (South Africa)
NGO	Non-government organisation
NHS	National Health Service (UK)
NLRA	National Labor Relations Act (USA)
NLRB	National Labor Relations Board (USA)
NUM	National Union of Mineworkers (South Africa)
NUMSA	National Union of Metalworkers of South Africa
OECD	Organisation for Economic Cooperation and Development
ONS	Office of National Statistics (UK)
PCIRR	Presidential Commission on Industrial Relations Reform (Korea)
PQ	Parti Quebecois (Quebec Party) (Canada)
PSU	Public sector units (India)

QS	Quebec Solidaire (Solidaristic Quebec) (Canada)
RSA	Rappresentanza Sindacale Aziendale (Company Union Workplace Representation Structure) (Italy)
RSU	Rappresentanza Sindacale Unitaria (Unitary Union Workplace Representation Structure) (Italy)
SA	South Africa
SACP	South African Communist Party
SAFTU	South African Federation of Trade Unions
SEIU	Service Employees International Union (USA)
SME	Small and medium enterprise
SOE	State-owned enterprise
SPD	Social Democratic Party (Germany)
SUD	Solidarity Univary Democratic (France)
TLC	Trades and Labour Congress (Canada)
TUC	Trades Union Congress (UK)
TULRAA	Trade Union and Labour Relations Adjustment Act (Korea)
U2P	Union des Entreprises de Proximité (Union of Local Entreprises) (France)
UAW	United Automobile, Aerospace and Agricultural Implement Workers of America
UGL	Unione Generale del Lavoro (General Union of Labour) (Italy)
UIL	Unione Italiana del Lavoro (Italian Union of Labour)
UK	United Kingdom of Great Britain and Northern Ireland
UNI	Union Network International (a global union federation)
US/USA	United States/United States of America
USB	Unione Sindacale di Base (Rank-and-File Workers' Union) (Italy)
USMCA	USA, United Mexican States, and Canada Agreement
VEBA	Voluntary Employee Benefit Association (USA)
Ver.di	Vereinte Dienstleistungs-gewerkschaft (United Services Union) (Germany)
WERS	Workplace Employment Relations Surveys (UK)

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Preface

The changes in the economy, along with the COVID-19 pandemic, have far-reaching implications for the world of work. Such changes highlight the importance of the field of international and comparative employment relations. We are pleased to have the opportunity to publish this book to share the contributors' insights and knowledge.

This edition of our book examines patterns and issues in employment relations in 13 significant countries: the United Kingdom, the United States of America, Canada, Australia, Italy, France, Germany, Denmark, Japan, South Korea, China, India and, for the first time, South Africa. The book provides interested readers with the information necessary to compare employment relations policies and practices across different countries. Chapter 1 reviews several theories of international and comparative employment relations and discusses the key contemporary debates and perspectives.

National experts wrote the following country chapters. Each analyses employment relations using a similar format, with a concise discussion of the relevant history and political economy, social and legal context of the country. The country chapters describe the main actors: workers, their unions and alternative forms of worker representation; employers and their associations; and governments and associated agencies. They consider approaches to the determination of pay and other conditions, collective bargaining, employee voice, partnerships, and disputes and their settlement. The chapters conclude by exploring key issues including labour market flexibility, digitalisation, the gig economy, and novel forms of work organisation. They also discuss such challenges as work-related inequalities, work and family, training and skills, health and safety at work, working time, globalisation, outsourcing and offshoring, social responsibility, pensions, migrant labour, corporate governance, and other salient issues. Country chapters include comparative reflections on developments in terms of theory and practice, discussion questions, further readings and chronologies of key events.

In light of the evidence presented in the country chapters, Chapter 15 identifies the similarities and differences across national employment relations systems. It also discusses trends of convergence and divergence across these systems. This comparison suggests that, while there has been some degree of neoliberal convergence, it is tempered by institutional resilience, particularly through the actions of key institutions and other

actors, including the International Labour Organization. Chapter 15 also examines the impact of four sources of globalisation – economic integration, technological change, and environmental and public health crises – on national employment relations systems. Employment relations is being transformed in far-reaching ways by multinational enterprises and their global supply chains, as well as by union, employer and government responses to digitalisation and artificial intelligence, climate change, and the pandemic.

The first four editions of the book included an appendix with comparative data and commentary on employment relations and the relevant economics data. This is no longer necessary since such data are available on the Internet. Each chapter includes useful websites so readers can access the latest indicators. Omitting an appendix made space for us to include more country chapters. Ideally, we would have liked to include even more countries, but to do so would make the book too long or the chapters too short.

We are indebted to the large number of colleagues from many countries who kindly provided us with feedback on how they have used previous editions, and made constructive suggestions.

Earlier English-language editions and the subsequent Japanese, Korean and Chinese editions were repeatedly reprinted and have been read widely around the world since the first edition was published in 1987. It is gratifying that, once again, a Chinese version of this edition will be published by a leading publisher in China and that this book is used all over the world. We hope that this new edition will continue to meet the needs of scholars, students, practitioners and policy-makers who wish to delve into this interesting field.

Despite the challenges of working across different languages and cultures, the contributors have helpfully met our requests for revisions. We are grateful to them. Many country chapter authors also contributed to earlier editions, but we also welcome several new contributors to this edition.

We acknowledge colleagues who have commented on this and earlier editions, some of whom are included at the front of the book. We also thank Guy Ryder, Director-General, International Labour Organization for contributing the Foreword. We are much obliged again to Rawya Mansour for her astute editorial expertise.

Thanks too for the continuing support and encouragement of our excellent publisher, represented by Jessica Moran and Ruth Stitt of SAGE. The SAGE website includes supplementary information, including PowerPoint slides and useful links.

Our greatest debt, however, is owed to our families who have kindly tolerated us spending time on this book. Part of this time was while we were 'locked down' during a global pandemic.

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Special acknowledgement

We owe a particular debt to two good friends, especially Russell Lansbury, who co-initiated and co-designed the first edition that was published in 1987 and co-edited the first to the sixth editions of this book, and also Nick Wailes, who co-edited the fourth to the sixth editions. While Russell and Nick generously provided feedback on this seventh edition, we miss their important input. However, we are delighted that our good friends Fang Lee Cooke and Ginny Doellgast joined us as co-editors of this edition, and we are most grateful for their valuable and diverse ideas, insights, perspectives and contributions.

Greg J. Bamber & Chris F. Wright

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1

Introduction: Internationally Comparative Approaches to Studying Employment Relations

Chris F. Wright, Greg J. Bamber, Virginia Doellgast and Fang Lee Cooke[1]

Employment relations is the study of the formal and informal rules and mechanisms governing relationships between workers and the organisations who employ or engage them. Historical, economic, social, technological, legal and political contexts shape these rules and mechanisms, which vary due to distinctive national and regional institutions and norms (Bray et al. 2018; Dunlop 1958; Gospel & Palmer 1993). The field of international and comparative employment relations involves studying employment relations systems in cross-national contexts (Kaufman 2011).

Researching employment relations in cross-national contexts has both intellectual and practical purposes, as well as challenges. On the one hand, it can help us generate theories to explain why outcomes may be different or similar in various contexts. In practical terms, studying other systems enables us to better understand employment relations where we work and live. According to Kahn-Freund (1979: 3):

> if one's environment never changes, one tends to assume that an institution, a doctrine, a practice, a tradition, is inevitable and universal, while in fact it may be the outcome of specific social, historical or geographical conditions of the country.

On the other hand, researching employment relations in cross-country comparative contexts involves challenges. National systems are not static, with some institutions

changing more rapidly than others. Moreover, each national system may carry its distinct characteristics and configurations within its historical traditions. This can make direct comparison challenging and attempts at categorisation imprecise, which we will illustrate.

Nonetheless, studying different employment relations systems can help us to identify better ways of organising and regulating work. This is especially important as we face global economic and political upheavals that are connected to work and employment relations. *Financialisation* and organisational *fissuring* have contributed to growing job insecurity (see Box 1.1 for explanations of such key terms). New technologies have destroyed jobs and also generated new forms of work. Climate change threatens livelihoods in some regions but creates new job opportunities in others. A resurgence of nationalism (e.g. Brexit in the United Kingdom (UK), the Trump presidency in the United States of America (USA)) has resulted in policies to tighten immigration controls and to try to 'bring home' jobs that had been offshored to other countries, trends that the COVID-19 global pandemic may have accelerated. Workers and their organisations have responded to these developments by campaigning for more secure work opportunities and higher pay, especially for precarious and low-paid workers.

COVID-19 is a pertinent example since it created significant labour market disruptions in most countries and many sectors, but there were variations in national and sub-national policy responses. To try to minimise business closures and job losses, governments in many countries – sometimes in cooperation with employer associations and unions – developed employment retention schemes in the form of wage subsidies, often combined with reduced hours, *flexible work arrangements* (see Box 1.1) and other schemes. National policy responses focused on expanded assistance for unemployed workers, tax relief for businesses and/or financial support for adversely impacted industries (ILO, 2020). These policy choices have had major implications for unemployment rates associated with the pandemic as well as the strategies of the various employment relations *actors* (see Box 1.1), which are further discussed in the country chapters and in Chapter 15.

Studying international and comparative employment relations is important for several other reasons. First, it can contribute to our knowledge of employment relations in different nations. The globalisation of business activity, through cross-border trade, global supply chains and technological advancements, means that practitioners and policy-makers increasingly require knowledge about employment relations systems across multiple nations, sectors and workplaces (Strauss 1998).

Second, knowledge about different employment relations systems can generate awareness of policy innovations that may provide inspiration for practitioners and policy-makers elsewhere. For example, the 'strategic enforcement' approach to improving employer compliance with labour standards in supply chains, which

Box 1.1: Specialist terms mentioned in the text

Actors refers to the formal and informal institutions and collective organisations regulating work, including unions and other organisations representing workers, employer associations, as well as government agencies and tribunals (Heery et al. 2008).

Financialisation refers to the increase in size and prominence of a country's financial sector and its influence on wider business and non-commercial activities. In some countries, this has had a growing influence on employer strategies and government policy and has resulted in greater financial pressures and costs being shifted from enterprises to workers (Bryan & Rafferty 2018).

Flexible work arrangements include: (1) flexibility in the scheduling of hours worked, such as alternative work schedules (e.g. night or weekend working, 'flexi time' or compressed work weeks) and arrangements regarding shift and break schedules; (2) flexibility in the number of hours worked, such as part-time work, job shares or zero-hours contracts; (3) flexibility in the place of work, such as working from home or at a satellite location; and (4) flexibility in the type of work conducted, such as between different craft specialisations like mechanical and electrical engineering or production and maintenance work (Clarke & Holdsworth 2017).

The International Labour Organization (ILO) was founded in 1919, after World War It is now a specialised United Nations agency. The ILO is a 'tripartite' organisation that brings together governments, employers and workers of 187 member countries to set labour standards and policies and programmes to support these standards and its other objectives. The ILO's main aims are to promote rights at work, encourage decent work and employment opportunities, enhance social protection and strengthen dialogue on work-related issues (www.ilo.org/global/about-the-ilo).

Workplace fissuring occurs when, in pursuit of economic efficiencies, 'lead' enterprises devolve responsibility for certain workers to suppliers or subcontractors. This may be at the expense of workers as the employment arrangements are fragmented between different employers who may seek to win tenders by cutting their prices, based on offering lower-cost terms and conditions of work than competitors and the lead enterprise (Weil 2014).

was developed to address problems of 'wage theft' in the USA (Weil 2014), has inspired similar models in Australia, Canada and the UK (Brown & Wright 2018; Hardy & Howe 2015; Mitchell & Murray 2017). At various times, aspects of employment relations in the UK, USA, Japan, Germany and Nordic countries have been lauded as models to emulate. One reason for including Denmark in this book is its

unique 'flexicurity' model, combining weak employment protections, active labour market policies and a 'Nordic model' of collective institutions for protecting workers (Bredgaard & Madsen 2018), which some see as a 'best practice' example for other countries (Scott 2014).

Third, the internationally comparative study of employment relations has the potential to provide theoretical insights into the factors shaping relationships between workers and their employers (Bean 1994). Employment relations has been criticised for being too 'empiricist' and descriptive as a field and insufficiently focused on developing theoretical explanations for the phenomena that it studies (Marsden 1982). Comparative research can help to address this criticism because of the abstraction required to compare concepts across multiple contexts. As Kochan (1998: 41) puts it:

> Each national system carries with it certain historical patterns of development and features that restrict the range of variation on critical variables such as culture, ideology, and institutional structures which affect how … actors respond to similar changes in their external environments. Taking an international perspective broadens the range of comparisons available on these and other variables and increases the chances of discovering the systematic variations needed to produce new theoretical insights and explanations.

International and comparative employment relations scholars have tended to focus on the differences between national employment relations systems (Martin & Bamber 2004). However, many scholars have argued that these differences are becoming less important due to the erosion of unique features of national employment relations systems (Baccaro & Howell 2017), particularly those institutions designed to protect workers (Greer & Doellgast 2017). This reflects a shift in the literature from a focus on how national systems differ to how and why they are changing, as well as the economic and social consequences of these changes. In many contexts, the 'standard employment relationship', based on assumptions of full-time continuing contracts, has, to an extent, been supplanted by other, less secure arrangements. These include temporary employment, independent contracting, 'gig work' mediated through digital platforms, and other forms such as involuntary part-time, agency work, and dependent self-employment (Fudge 2017; Kalleberg 2018). Local *actors* (see Box 1.1) and institutions are finding ways to create and repurpose protections for workers engaged insecurely, which is inspiring actors in other local contexts and generating 'policy learning' where innovations developed in one context are being adapted in others (Dølvik & Jesnes 2018).

The dominant frameworks used in international and comparative employment relations have focused on the institutions and norms that influence the behaviour of employers, workers and the organisations that represent their interests. While these are important, they tend to be deterministic, in that they understate the potential of actors to shape institutions and the systems in which they work. The analytical framework

Table 1.1 Countries included in this book

'Anglosphere' countries	EU countries	East Asian countries	Emerging countries
UK	Italy	Japan	India
USA	France	South Korea	South Africa
Canada	Germany	China	
Australia	Denmark		

we adopt in this book, compared to previous editions, seeks to give greater attention to the power of actors, whose activities are important for understanding the features of employment relations systems.

We aim, then, to provide readers with conceptual tools to study international and comparative employment relations. The following chapters, written by leading experts on each country, provide an overview of employment relations in 13 countries, as shown in Table 1.1. These include: (1) four 'Anglosphere' nations: the UK, the USA, Canada and Australia; (2) four European Union (EU) nations: Italy, France, Germany and Denmark; (3) three East Asian nations: Japan, South Korea and the People's Republic of China; and (4) two nations with emerging economies: India and South Africa.

This chapter provides an introduction to the study of international and comparative employment relations. It discusses some of the benefits and the challenges of adopting a comparative approach to work and employment. It also reviews influential conceptual frameworks to establish a foundation for analysing the issues discussed in the book.

What is international and comparative employment relations?

The focus of this book is the broad range of factors that shape employment relations systems and the similarities and differences in these systems, particularly across nations. We adopt the term *employment relations* to encompass the related notions of industrial relations and human resource management. *Industrial relations* scholarship has traditionally focused on three aspects of the employment relationship: the employment relations actors; the processes through which employment relations are governed; and the outcomes of these processes. Industrial relations has therefore tended to focus on the formal and informal *institutions* and collective actors regulating work, including unions and other organisations representing workers, employer associations, and government agencies and tribunals (Heery et al. 2008). By contrast, *human resource management* is more concerned with enterprises and how employing organisations manage their workforce in the pursuit of enterprise objectives

(Bamber et al. 2017). Human resource management has tended to focus on organisation-level *processes*, such as recruitment, selection, pay, performance, training and development, linking them to individual and organisational outcomes. Both industrial relations and human resource management perspectives are important for understanding the factors shaping employment relations in particular contexts. For instance, labour disputes often reflect poor human resource management practices, which can be mobilised to prevent and redress workplace grievances and improve workplace relations.

Given their focus on the institutions and management of work, the behaviour of employment relations actors reflects the economic, social and political factors that influence the relative power of, and interactions between, capital, labour and government. The study of employment relations therefore is most fruitful if it involves interdisciplinary approaches that use analytical tools drawn from several academic fields, including geography, history, law, management, organisation studies, political economy, psychology and sociology.

Adopting an *internationally comparative approach* to employment relations requires not only a multi-disciplinary perspective, but also knowledge of different national, subnational and transnational contexts. A distinction can be made between *comparative* and *international* approaches (Frege & Kelly 2020). Comparative employment relations may involve describing and systematically analysing institutions, processes and outcomes in two or more nations. By contrast, international employment relations – also referred to as transnational or global employment relations – involves exploring cross-national processes, such as labour migration and global supply chains. It also encompasses the various forces associated with globalisation (see Chapter 15) and the institutions and organisations whose activities transcend national boundaries, such as international organisations, multinational enterprises (MNEs) and global union federations (Kaufman 2011). This book emphasises an internationally comparative approach, combining comparative and international approaches to employment relations.

What and how to compare?

A key challenge of comparative studies, in this and other fields, is determining 'what' to compare and 'how' to compare it. Language differences across and within nations can make it problematic to compare the same concept. As Blanpain (2014: 17) points out, 'identical words in different languages may have different meanings, while the corresponding terms may embrace wholly different realities'. For example, depending on the language, the term 'arbitration' (in English) or *arbitrage* (in French) can mean either a binding decision by an impartial third party or a recommendation by a government conciliator to the conflicting parties. In India, the term arbitration refers only to a voluntary form of arbitration, while the term adjudication means a compulsory form of arbitration. In German, there are multiple words for arbitration: *Schlichtung*,

which can also mean conciliation, mediation, dispute, resolution; *das Schiedsverfahren beantragen*, which refers to a dispute to arbitration; and *Schiedsklausel*, which means arbitration clause.

International agencies such as the *International Labour Organization* (ILO) (see Box 1.1), the Organisation for Economic Cooperation and Development (OECD), and the EU publish comparative statistics relating to key employment relations issues such as union membership, collective bargaining coverage, unemployment rates, working hours, industrial disputes and the number of workers engaged on temporary employment contracts. Such statistical indicators can be helpful for analysing issues on a cross-national basis. However, we should be cautious in interpreting comparative statistical data because the validity, reliability, collection methods and definitions may vary between countries (Bamber et al. 2004). For instance, there are challenges in comparing union membership statistics because data collection methods vary across nations and may change over time. Government statistics offices undertake surveys of union membership in some nations, while unions self-report in others. These and other data collection methods are prone to errors of various kinds (Visser 2006).

A second problem is assigning meaning to statistics and using them to analyse measures such as union strength or influence without accounting for different sources of institutional power. Union membership density is around three times higher in the UK than in France, for example, yet French unions may have more capacity to influence workers' pay than their UK counterparts. This reflects the wide gulf in collective bargaining coverage and other sources of union power between the two nations. Statistical measures therefore do not always offer a full picture of union strength in a particular nation; we also need to understand relevant legal and institutional factors. Unlike in the UK, France has a government-mandated extension of collective bargaining to cover workers and employers in the same sector who are not signatories to collective agreements, and union support is measured by the proportion of votes in elections for workplace representatives (Chapters 2 & 7; also Bryson et al. 2011). In China, high union membership density in unionised workplaces does not necessarily mean that unions play a strong role in collective bargaining and improving employment terms and conditions, not least because official Chinese unions do not have the legal right to organise industrial action (Chapter 12; also Chang & Cooke 2015).

Collective bargaining coverage may be a more accurate proxy for union strength than union membership density. However, there are also challenges in measuring collective bargaining cross-nationally. For instance, while some international collective bargaining statistics include workers covered by Australia's system of awards, which set occupational and sector-specific minimum standards, others exclude them. To illustrate these points, Figure 1.1 shows union density and bargaining coverage statistics for the 13 nations covered in this book.

There are good examples of quantitative research in comparative employment relations that analyse cross-national statistical datasets (e.g. Visser 2019). There are also

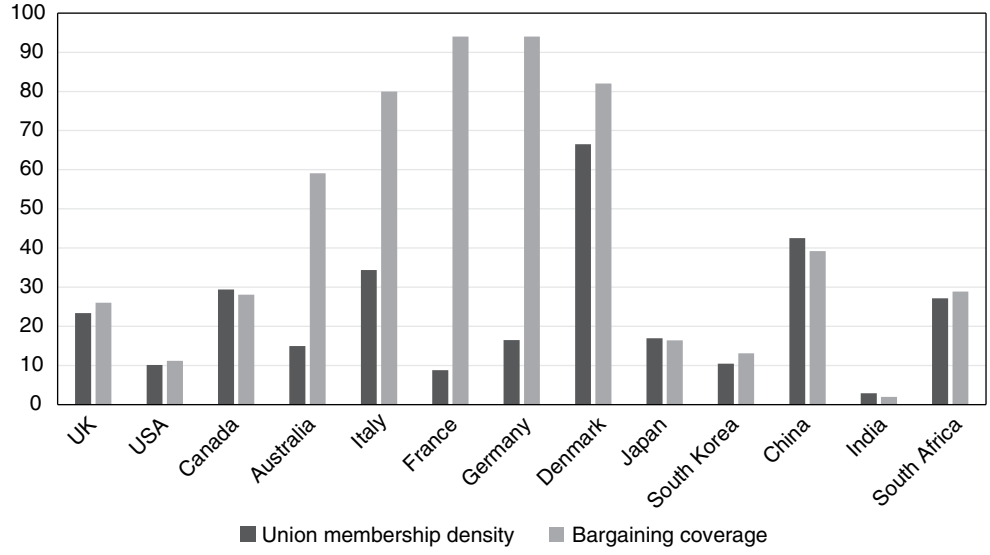

Figure 1.1 Union membership density and bargaining coverage (%) in 13 countries

Note: Data are from 2018 or the most recent available year. Union density statistics are based on approximate union membership as a proportion of wage earners in employment. Bargaining coverage statistics are based on the proportion of all employees with the right to bargain. Bargaining coverage statistics for Australia include awards. Bargaining coverage statistics for China are based on unadjusted figures (as a proportion of all employees). Union density and bargaining coverage statistics for India are adjusted to include the number of workers in informal labour markets.

Source: compiled from Visser (2019)

good examples of qualitative research that offer valuable insights into comparative employment relations (e.g. Wood 2020). Many problems associated with comparative research relate to the difficulties of establishing 'conceptual equivalence': different national-level definitions mean that large comparative quantitative datasets may not be measuring the same thing. Linden (1998) argues that comparative analysis can proceed effectively only by using different measures for the same concept to reflect contextual differences. According to Locke and Thelen (1995: 340), comparative analyses often involve the study of 'apples and oranges' where the unique features of national contexts make it impractical to compare like with like accurately. Rather than assuming 'the same practice has the same meaning or valence across the various countries', they argue instead for the use of 'contextualised comparisons' to take account of different national contexts, which requires a more nuanced understanding of these contexts. Almond and Connolly (2019: 2–3) suggest that studies of employment relations in multiple nations should be 'autonomous enough to make sense in local contexts, while being governed by the need to achieve a sufficient degree of … comparability'.

These arguments lend support to the importance of qualitative research, which can allow for greater sensitivity to national and local social, cultural and political contexts and concepts, to complement quantitative research that relies, for example, on cross-national surveys with standardised questions (Amable 2016).

There have been several large-scale (mainly US and European) cross-national comparative employment relations studies using quantitative and qualitative research methods (e.g. Arnholtz & Lillie 2019; Batt et al. 2009; Doellgast et al. 2016; Gautié & Schmitt 2010; Holtgrewe et al. 2015; Keune & Pedaci 2020). According to Meardi (2018: 649), 'combining quantitative and qualitative information allows [researchers] to address both "how" (directions of change) and "why" (historical causes) questions'. While often practically challenging, mixed methods approaches can be the most effective way of fully understanding employment relations on an internationally comparative basis.

Theories of convergence and divergence in national employment relations systems

Most comparisons of international and comparative employment relations have focused primarily on the national-level institutions governing relations between employers and workers. Many researchers have asked whether national-level institutions are converging (becoming more similar) or diverging (becoming less similar) over time. A related question is why they change in a certain direction. Research findings have shown that general pressures on employers and governments can encourage convergence, such as new technologies, trade or other aspects of economic globalisation, or common ideological views about how employment relations should be governed. By contrast, divergence results from the distinctive and, to some extent, path-dependent dynamics of politics, collective bargaining and organisational strategies. The direction of change in employment relations and labour market institutions has been strongly influenced by the power and policy demands of governments, employers and labour and social movements.

The book, *Industrialism and Industrial Man* (Kerr et al. 1960), provided an influential argument for convergence of national employment relations institutions. Kerr and colleagues argued that as nations industrialised, they adopted common technologies and production systems and integrated into global markets, which led their employment relations systems to become more similar. Furthermore, these systems tended to adopt pluralistic principles in order to foster consensus for industrialisation. Other influential scholars from this period (e.g. Bell 1962; Rostow 1960) reached similar conclusions.

Such convergence theorists were criticised for being deterministic. Research indicated that nations entering similar stages of economic development and adopting similar technologies and production systems were not converging on a single set of

employment relations institutions. On the contrary, the unique features of localised systems were shaping the impact of these pressures and thereby producing distinct and, in some cases, divergent outcomes (Berger 1996; Goldthorpe 1984; Piore 1981). For example, Freeman (1989) pointed to uneven patterns of union membership across industrialised nations as evidence of the divergence effects produced by national employment relations institutions.

The debate over whether national institutions were converging or diverging was revisited in the 1990s and 2000s through a series of studies examining the impact of globalisation on employment relations in specific industries, including automotive manufacturing, banking and airlines (e.g. Bamber et al. 2009; Kochan et al. 1997; Regini et al. 1999). These studies found evidence of changing employment relations within industries and across countries, for instance, around job security, training and pay determination, but also the resilient effects of national institutions. Building upon this research, Katz and Darbishire's (2000) analysis of employment relations in automotive manufacturing and telecommunications in seven countries – Australia, Germany, Italy, Japan, Sweden, the UK and the USA – found evidence of 'converging divergences', with employment relations practices clustered around distinct patterns. However, these patterns were distributed differently across and within countries, which Katz and Darbishire attributed to the differential impact of national institutions on bargaining structures.

Varieties of capitalism and national-level institutional approaches

More recent international and comparative employment relations research has been influenced by wider debates from comparative political economy about national diversity in market governance. In particular, Hall and Soskice's (2001) *Varieties of Capitalism* has been a dominant theory in the international and comparative employment relations field since the early 2000s. This theory has been used to help explain cross-national similarities and differences in, amongst other things, gendered labour market segmentation, job quality, vocational training, collective bargaining coverage, union membership density, labour immigration policies, temporary employment agencies, and informal employment relations institutions (Allen et al. 2017; Dibben & Williams 2012; Estevez-Abe 2006; Frege & Godard 2014; Frege & Kelly 2004; Goergen et al. 2012; Harcourt & Wood 2007; Wright 2012).

A key proposition of Varieties of Capitalism is that globalisation produces or reinforces clusters of distinct institutional arrangements, rather than encouraging convergence to a single universal model or divergence towards nationally distinct employment relations systems. Nations are clustered into two ideal types: *liberal market economies*

(LMEs), such as the USA, the UK, Canada and Australia; and *coordinated market economies* (CMEs), such as Germany and Denmark, and, according to some, also France, Italy, South Korea and Japan (e.g. Hall and Soskice 2001). The theory suggests that employers will respond differently to global economic pressures depending on national-level institutional arrangements. These institutions will influence the strategies that employers develop to be competitive, which are defined by how enterprises work with other actors to coordinate their market activities. Employers coordinate with employees and unions, governments, investors and other stakeholders to secure access to finance, infrastructure and appropriately skilled workers. Relations between employers and these other actors tend to be competitive or transactional in LMEs, and more cooperative or collaborative in CMEs (Hall & Gingerich 2009).

These arrangements have potentially important implications for employment relations. The transactional nature of market relations in LMEs results in employers developing short-term or contractual relationships with workers and relatively hostile or indifferent stances towards unions. Consequently, employment relations in LMEs are often characterised by a decentralised and individualised determination of pay and working conditions, limited employer investment in worker skills or training, and substantial management control over employer decisions. By contrast, in CMEs, collaborative employer contexts mean that employment relations are generally longer term and employers are more cooperative with unions. Pay and working conditions are often determined through industry-wide bargaining, employers are more inclined to invest in training, and there is greater allowance for worker and union input into employers' decisions (Hall & Soskice 2001).

Varieties of Capitalism is *not* a theory of employment relations. Rather, it is essentially a theory from political economy concerning how national institutions condition employers' strategies and policy preferences for coordinating their market activities, with implications for employment relations. It suggests that economic institutions are interdependent or complementary, which means the relations employers develop with workers and unions – either transactional or cooperative – will be similar to the relations they develop with investors, other organisations (e.g. buyers, suppliers and competitors) and service providers (e.g. education providers tasked with developing workforce skills).

This notion of 'institutional complementarity' is central to how institutions function in different types of market economy. It suggests that 'institutional practices of various types should not be distributed randomly across nations. Instead, we should see some clustering along the dimensions that divide LMEs from CMEs, as nations converge on complementary practices' (Hall & Soskice 2001: 17–19). For instance, if employers coordinate their pay-determination decisions through industry-wide collective bargaining with unions, they should be more likely to develop industry-wide collaborative mechanisms for training apprentices. By contrast, if enterprises rely on sources of finance focused on maximising short-term returns, such as stock markets,

they should be more likely to seek complementary employment arrangements, such as flexible or temporary contracts (Amable et al. 2005; Busemeyer & Trampusch 2012; Deeg 2007).

There are several advantages to using Varieties of Capitalism as a theory for studying international and comparative employment relations. Many of its concerns relate to issues central to employment relations research, such as employee–employer relations, industrial relations and skill development. It also provides a framework for studying employment relations issues in their wider context. This is consistent with a long legacy of research emphasising the inherently interdisciplinary nature of employment relations (Adams 1983; Dunlop 1958; Kochan 1980).

Criticisms of national-level institutional approaches

Despite the advantages of using Varieties of Capitalism as a theory for analysing international and comparative employment relations, there are also weaknesses. First, there are considerable differences among the nations commonly grouped within each category. Among the CMEs, Germany, the Nordic countries, France, Italy, Japan and South Korea, for example, differ significantly in the role of government, the coverage and structure of collective bargaining, and social policy traditions (Crouch 2005). The LMEs have become more similar in all of these areas over time due to a common (and earlier) trajectory of neoliberalisation and union decline (Colvin & Darbishire 2013). But, even within this group, employment relations have been shaped by significant institutional differences, such as the political influence of unions and traditions of government intervention in collective bargaining and pay determination (McLaughlin & Wright 2018).

A second criticism of Varieties of Capitalism is that by specifying only two types of capitalism, it does not include enough 'variety', since many national systems, including several included in this book such as China, India and South Africa, cannot be easily categorised as either LMEs or CMEs (Hancké et al. 2007). Thus, it is essentially a theory of the 'Global North', that is, developed market economies in North America and Western Europe, plus a select few in East Asia (e.g. Japan and South Korea) and the Antipodes (e.g. Australia and New Zealand). These nations have (broadly speaking) stable institutions, relatively democratic systems of governance, and formal market structures. By contrast, many nations in Africa, Eastern Europe, Latin America, the Middle East, Oceania and Asia do not share these characteristics. Some have experienced recent or continuing periods of authoritarian governance or are characterised by institutional instability and informal market structures (Fraile 2016). These features challenge many of the basic tenets of Varieties of Capitalism. For instance, in South-East Asian nations where 'there is a dynamic interplay between democratic and authoritarian rule', there is a continuous risk of repression of organisations that may defy government authority, such as (autonomous) unions and other labour non-governmental organisations

(Ford & Gillan 2016: 167). This undermines the assumption that pluralist understandings of mutual recognition between capital and labour will serve as a dominant or even legitimate frame of reference. Such a criticism applies not only to Varieties of Capitalism, but also to other European and US-centric employment relations theories, which tend to influence this field.

A third criticism of Varieties of Capitalism relates to its determinism. The theory assumes that employers and other actors will act rationally in accordance with the logic of stable national institutions. This allows little scope for local actors to behave inconsistently with this logic: for instance, an employer in a CME avoiding unions or workers in an LME successfully struggling for stronger employment protections. Politics, ideology and agency are either absent or theorised as secondary to the strategies of enterprises to gain comparative advantage in global markets (Howell 2003; McLaughlin & Wright 2018). This diminishes Varieties of Capitalism's potential to explain abrupt or even gradual and cumulative changes in national employment relations institutions (Streeck & Thelen 2005).

A fourth criticism is the lack of attention that Varieties of Capitalism gives to transnational factors and economic linkages between nations (Hancké et al. 2007). Consequently, it has little to say about the potential impact of the rules established by international organisations or inter-government agencies (e.g. the ILO, OECD or EU) and of the economic activities generated by MNEs and global supply chains. Research using the Varieties of Capitalism theory often assumes the effects of national institutions on different economic sectors will be homogeneous, which limits its ability to account for the dynamics of particular sectoral or sub-national institutions (Deeg 2007; Martin 2002). For instance, pay coordination is generally stronger in the public sector than in the hospitality sector in LMEs and CMEs (Gautié & Schmitt 2010). The framework is particularly difficult to apply to service sector jobs structured as independent work and to technology-mediated work that does not fit within traditional industry boundaries and can be easily outsourced to non-union or weakly unionised employers (Doellgast 2012).

Varieties of capitalism is not the only influential theory explaining how and why national institutions affect employment relations and organisational strategies. Theories of national business systems (Whitley 1999), comparative welfare capitalism (Esping-Andersen 1990), comparative work and family policy (e.g. Ollier Malaterre et al. 2013), comparative legal origins (e.g. Deakin et al. 2007) and cross-cultural management (e.g. Hofstede 2001) all provide frameworks for categorising national-level institutions and explaining their impact on relations between workers and employers. Such theories share a common set of assumptions, viewing national institutions as 'containers' of economic activity and 'socio-cultural settings' (Almond & Connolly 2019: 3; Hancké et al. 2007). The scale of contemporary globalisation challenges such assumptions, even if the national level is still primarily where government regulation of employment relations occurs and where most unions and employer associations are structured (Martin & Bamber 2004).

Convergence towards neoliberalisation?

In spite of these criticisms, Varieties of Capitalism is still widely used as a theoretical starting point for the internationally comparative study of employment relations, particularly for helping researchers and students to account for similarities and differences in cross-national employment relations patterns. However, its core proposition – that distinct clusters or varieties of nations respond to the pressures associated with globalisation in fundamentally contrasting ways – has come under serious scrutiny. Whereas Varieties of Capitalism theorists assume that national employment relations institutions are resilient and exhibit path dependency, recent trends suggest that such institutions are undergoing dramatic change in the face of financialisation, global health and economic crises, technological change, organisational restructuring, and union decline. Hence, we summarise two alternative frameworks that seek to theorise institutional change. First, we look at Thelen's (2014) framework which outlines three national 'varieties of liberalisation' based on alternative patterns of labour market dualisation and inclusion. Second, we summarise Baccaro and Howell's (2017) theorisation of a common neoliberal trajectory based on the decline of wage-led growth models.

Thelen's (2014) *Varieties of Liberalisation* is a study of Denmark, Germany and the USA. These nations' employment relations systems have not converged to a single model under the pressures of globalisation but have all moved in a neoliberalised direction. Thelen identifies three distinct models. First is a 'liberal' model of 'deregulated' capitalism exemplified by the USA, which has weakened its collective institutions. Second is a model of 'embedded flexibilisation' underpinned by strong coordination. This is associated with Denmark, where national actors have responded to economic change by gradually adapting employment relations institutions from a centralised system to an all-encompassing set of local, industry and national bargaining structures. And third is 'dualist' models with distinct sectoral systems of employment relations, namely coordinated systems in some industries and liberal systems in others. The German system is said to exemplify this model, with collective bargaining and union density remaining strong in established sectors such as manufacturing but diminished in other sectors such as private services. Thelen's findings indicate that, although the distinct operating logic of national institutions has channelled globalisation pressures in different ways, these institutions have nevertheless changed under the weight of such pressures to a greater extent than Varieties of Capitalism implies.

Baccaro and Howell (2017) offer a more comprehensive critique of Varieties of Capitalism, and theories of international and comparative relations more generally. In contrast to Thelen's work emphasising the resilience of national institutions, Baccaro and Howell identify a 'common liberalising tendency' in the national employment relations systems of developed nations. This can be seen not only in LMEs, but also in the CMEs of Western Europe, where 'employer discretion has expanded and the balance of class power has shifted against labor' (Baccaro & Howell 2017: 4). There is evidence of increased employer discretion in CMEs in the processes of pay determination, work