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## Fading Corporatism: Israel's Labor Law and Industrial Relations in Transition

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Friedman's conclusions, any serious discussion of labor's fate must engage with his arguments.

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### Labor and Employment Law

*Fading Corporatism: Israel's Labor Law and Industrial Relations in Transition.* By Guy Mundlak. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2007. 344 pp. ISBN 978-0-8014-4600-9, \$49.95 (cloth).

Industrial relations systems in many developed and developing countries are undergoing dramatic transformations. Responding to a variety of international- and national-level pressures and constraints, formerly stable institutions are shifting and, in many cases, giving way to altogether new ones. What is the nature of these pressures, and how have they brought about systemic change, sometimes very rapidly? These questions go to the heart of industrial relations scholarship. There is still much we do not know about how and why national industrial relations systems evolve and transform.

Guy Mundlak's *Fading Corporatism*, a case study of the history of Israel's industrial relations system that compellingly documents, in particular, two decades of change beginning in the mid-1980s, sheds considerable light on these complex and extremely elusive dynamics. Reaching as far back as Israel's pre-statehood years, Mundlak artfully uncovers the central forces and developments that account for a fundamental departure from a longstanding and deep-rooted corporatist tradition in favor of an emerging pluralist one.

In contrast to other volumes on industrial relations transformation, Mundlak's places the legal perspective front and center in the proposed analytical framework. He exposes the consistently overlooked importance of labor law, or "social law" more broadly defined, and of the institutions associated with this body of law, as both explanatory and outcome variables linked to this dramatic transition. Mundlak argues that at the heart of the shift from corporatism to pluralism is a fundamental shift in the roles and objectives of labor law itself. His contention that accurately portraying industrial relations change requires accounting for both the active and passive roles of labor law represents a clear challenge to the existing literature. Moreover, deepening the subtlety

of the framework he develops is a further argument that the nature of the relationship between labor law and industrial relations is itself subject to change. Mundlak's theoretical framework and evidence regarding the multifaceted and dynamic role of labor law is, in my view, one of the book's strongest contributions.

The book's nine chapters are organized into four main sections. The first section provides a general theoretical and definitional background of corporatism as an industrial relations system. Mundlak poses two questions that subsequently guide his analysis. First, under what legal conditions can corporatist and pluralist systems survive? Second, how did the legal infrastructure in Israel contribute to the shift from corporatism to pluralism? Mundlak's pursuit of this second question deeply involves him in research into the origins of the country's labor law. Following a brief review of the diverse conceptual approaches other researchers have brought to the study of Israel's labor relations system, the author situates the Israeli model of corporatism in a much broader comparative discussion. Then, in Chapter 2, he introduces the key actors and developments influencing Israeli labor law and industrial relations, as well as the unique and, in many ways, idiosyncratic characteristics of Israel's industrial relations system.

The second section addresses the question regarding the necessary underlying legal basis for corporatism by outlining the legal framework under which corporatism in Israel existed and, for the most part, thrived from the pre-statehood years until the late 1980s. Mundlak describes and analyzes the role of both labor legislation and adjudication, which together constituted corporatism's legal environment. On the legislative front (Chapter 3), corporatism appears to have benefited not only from substantive norms that created protective labor standards and ensured a role for each of the social partners, but also from the very process by which labor legislation was enacted. It is this process, according to Mundlak, that facilitated and encouraged dialogue among the three core corporatist social partners: the State, employers, and labor. But he also shows that legislation did not, by itself, constitute a sufficient legal infrastructure for the survival of Israeli corporatism. An essential complementary legal foundation for corporatism, he argues, was adjudication (Chapter 4). Mundlak sees the Israeli labor courts, established in 1969, as playing a key role in supporting corporatism by providing the necessary norms and rules of engagement for tripartite interactions on the one hand, and the autonomy to operate at the social partners

level on the other. Central to Mundlak's thesis is his argument that during the corporatist phase, labor law served as the buffer for this social partners-oriented system, providing protection from the intervention of external actors.

Having shown how Israel's legal system supported and empowered its corporatist industrial relations system, the author turns in the book's third section to an examination of how that dynamic changed, with resultant changes to the industrial relations system itself. The theoretical grounds for regarding the legal transformation as crucial to the shift toward pluralistic industrial relations are presented in Chapter 5, then reinforced and elaborated with substantive examples in Chapters 6–7. Mundlak views the Israeli transition to pluralism as having been accompanied by substantially increased numbers of active players in the system and by a drastic decline in the centrality of collectively bargained norms. Starting in the mid- and late 1980s, labor law developments played an important role in reinforcing these systemic changes. Thus, the decline or "fading" of this dominant industrial relations pattern in Israel starting in the late 1980s and the rise to prominence of an alternative system were, among other things, facilitated by a fundamental change in the role and objectives of the law.

To be clear, Mundlak does not argue for a causal relationship in which the transition from corporatism to pluralism was initiated by labor law changes. He does, however, maintain that in the transition from one system to the other, labor law underwent a metamorphosis that both changed its relationship with industrial relations and facilitated the continued transformation of industrial relations. Under the corporatist regime, labor law can be viewed as replicating the core characteristics of the system and thereby supporting its dominance. The transition to a pluralist system, according to Mundlak, severed the strong bond between labor law and industrial relations, thus giving the former more room to influence the latter. Furthermore, as the collective norms that were central under corporatism diminished in influence, the law was entrusted with the responsibility of filling this void by providing legislated and adjudicated norms. Put differently, Mundlak maintains that whereas under the corporatist system the law was primarily responsible for governing the *process* by which industrial relations norms were created, under post-corporatism it has moved to front stage and has become a central actor in the substantive *creation* of the normative framework governing industrial relations actors.

The book's fourth section integrates insights achieved through the earlier sections' methodi-

cal review of eighty years of Israeli labor law and industrial relations by placing the discussion in a broader theoretical context. In Chapter 8, Mundlak highlights the differences between corporatist and pluralist labor law by examining three core dimensions—the law's function, objectives, and institutions. Of these dimensions, Mundlak maintains, the law's objectives hold the most power for explaining core variations between corporatist and pluralist industrial relations systems.

In the course of his temporal journey from the origins of Israeli corporatism to today's prevailing post-corporatist system, Mundlak makes a number of important contributions to the study of industrial relations and law. First, his account of the Israeli case is valuable in its own right. His ambitious project of organizing eight decades of historical developments into a coherent and structured narrative is doubly successful: not only is the result effective as pure chronicle, but the author also provides tools with which to decipher and interpret the story. Second, the legal dimension this book adds to the theoretical discussion of industrial relations transformation has been badly needed. Although the "web of rules" that governs the industrial relations actors and institutions has long been viewed as a core feature and has been used as a construct by which to understand variation across systems, the relationship between labor law and the governing rules of the game has rarely been explored. Mundlak has erected a bridge between these two interrelated disciplines, one that can now serve scholars from both fields. Finally, in addition to supporting a general link between labor law and industrial relations, Mundlak exposes the complex and reciprocal relationship between the two. As discussed, law is shown to be both an outcome of and antecedent to industrial relations change. This theoretical contribution reaches well beyond the specific Israeli case and can be applied to the study of industrial relations transformations in general. Similarly, this framework could be used as a lens through which to assess cross-country system variation.

No work examining a subject as complex as Israeli industrial relations can be expected to cover everything, and there are two areas in particular where additional research could extend the contribution of *Fading Corporatism*. First, as noted above, the Israeli case study has many clear implications for the comparative study of industrial relations in general and for the shift from corporatist to post-corporatist systems in particular. The potential Mundlak's framework holds for interpreting cross-country variation is largely unexploited in this book, which makes few

direct and explicit comparative linkages. Second, the book focuses on two levels of industrial relations activity, the strategic and the functional. An interesting and important extension of these two levels of analysis would be the study of the implications of widespread and comprehensive change for actors and institutions at the workplace level. In other words, how have these changes influenced the organization and structuring of work and the outcomes experienced by employees and managers on the frontlines of a transformed industrial relations system?

*Fading Corporatism* is laudable both for substance and for style. Mundlak's substantive contributions—to the study of industrial relations and law in general, and their joint transformation in particular—are large, and his seamless weaving together of scholarship from two disciplines is exemplary. The book is a must read for industrial relations and labor law scholars alike.

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### Human Resources, Management, and Personnel

*Selling Technology: The Changing Shape of Sales in an Information Economy.* By Asaf Darr. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2006. 143 pp. ISBN 0-8014-4431-4, \$45.00 (cloth).

This slim but important book deals with the neglected topic of selling and the changing nature of sales work. At its center is a comparative ethnographic study of sales in two areas of technology: mass market electronic components, such as resistors and capacitors, and emerging technologies, particularly what are known as real-time computing applications. Darr spent time hanging out with sales personnel in these two industries—joining them on the road as they visited customers, lunching with them (he usually picked up the tab), attending trade shows, and the like. The book is full of thick description, primarily of sales encounters—some of which went well, others not so well—and of the sorts of strategies and tactics that sellers and buyers employ. The book makes fascinating reading.

It is scandalous how little attention selling has received from the academy. Sales staff are everywhere and, as Darr shows, sectors of what used to

be a low-prestige service industry have undergone transformations in the last few decades as highly skilled knowledge workers, in his study engineers, have moved sideways in their careers into sales. I am reminded of how this profession is changing every time I go watch my kids play soccer. The soccer moms these days are accompanied occasionally by soccer dads, most of whom seem to be in sales. They trade stories of esoteric products, of what is coming down the pipeline, and of which Fortune 500 companies they have dealt with most recently; they exchange travel tips based on their many flights around the United States and the world on sales adventures. Selling may even be about to become glamorous.

For many decades, a stigma has attached to sales jobs, and sales people have been subject to simple-minded stereotyping. The worst stereotypes portray them as inauthentic, deceitful, rapacious, and ready to prey on the vulnerable. But these negative popular perceptions cannot alone explain labor relations scholars' systematic neglect of sales occupations. Also influential, I suspect, has been a kind of invisibility these occupations have acquired because they represent "people skills," which not only the general public but scholars as well have tended to regard as low-status, partly because of the long-standing association of this work with low-paid female labor.

Indeed the fraught subject of gendered work roles is one I would like to have seen more thoroughly examined in this book. The dynamics are not straightforward. Sometimes the devaluation of work that is performed predominantly by women affects the pay and status of that work even when it is performed by men (as I believe is the case in sales work), sometimes not. Nor does the use of finely developed people skills in a job automatically deal a blow to the job's status. For example, Sharon Traweek, in *Beantimes and Lifetimes*, documented the case of a group of mainly male high energy physicists who developed highly attuned social skills and learned the right way to joke and tell stories—skills often associated with women. Why is it that workers in some occupations can use people skills with no damage to their status, while workers in other occupations apparently cannot?

Perhaps the answer lies in the centrality, or lack thereof, of people skills to a job's identity. High energy physics is anything but a people-skills job at its core. In contrast, dealing one-on-one with people is much closer to the core of sales work. Sales people must perfect other skills as well, of course; one of the salesmen Darr studied, for example, excelled at benign espionage, touring industrial parks in his car to see what new compa-