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Introduction: A Wide-Angle Lens for a Global Marketplace

Abstract

[Excerpt] We hope in this volume to accomplish three things. First, we hope to meet the wide and growing demand in the IR community for a better understanding of industrial relations developments abroad. That is, we would like to help lift comparative IR out of its secondary status to a more prominent position within the field as well as reaffirm its centrality to other fields, such as comparative political economy and political sociology. Secondly, we aim to shed light on the specific comparison between other advanced industrial economies and industrializing countries, on the one hand, and the U.S., on the other. Since employee representation in the U.S. is experiencing a crisis more profound than in many, if not most, other countries, we believe that the effort to draw as many lessons as possible from other cases is well timed. Finally, we hope to move the field forward in its effort to specify a theory of industrial relations that can update the "New Deal Model." Recently industrial relations scholars have been reaching toward higher levels of analysis to balance the field's traditional shopfloor focus and explain events that the country-centered framework cannot capture (see, for example, Kochan and Osterman 1995). Likewise, after decades of focusing on macro-level variables, comparative political economists (such as ourselves) are increasingly interested in trying to understand shopfloor industrial relations (Thelen 1991; Turner 1991; Wever 1995). We hope this work will aid in these endeavors.

Keywords

industrial relations, comparative political economics, globalization, labor movement

Disciplines

International and Comparative Labor Relations | Labor Relations | Unions

Comments

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A Wide-Angle Lens for a Global Marketplace

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In the United States, comparative industrial relations has generally been treated as a subfield of industrial relations proper. Moreover, American IR has traditionally been viewed in isolation from industrial relations in the rest of the world. Comparison has not appeared to be of central concern, and the notion of American “exceptionalism” has remained essentially unchallenged. Moreover, most comparative works are organized around country cases, leaving scholars and practitioners wondering what, if anything, different countries have in common or what they suggest about an overarching theory of industrial relations that could be relevant throughout the advanced industrial world and possibly in the industrializing world.¹

We undertook to pull together this volume in the belief that our field can no longer afford to see comparative industrial relations as a secondary pursuit. The U.S. experience alone makes this clear, with its high degree of diversity in terms of pressures on different industrial and employment relationships, varieties of regional and local influences on those relationships, alternative strategic responses (or nonresponses) on the part of management, labor and other socioeconomic and political actors, and a broad range of very different kinds of outcomes. Everywhere we see similar kinds of economic and technological pressures working themselves out in very different ways. The differences and similarities that emerge force us to reevaluate traditional categories. They illuminate distinctions not just across national systems but also across regions within countries and even across localities and workplaces. They also draw our attention to interesting parallels in the most unlikely

places. For instance, as will become apparent in this volume, on some dimensions the Polish and Australian labor movements have much in common with each other (see the chapters by Marc Weinstein and Margaret Gardner). Auto plants worldwide appear increasingly similar in some ways, while they become more and more different in others (see John Paul MacDuffie's chapter). National economic patterns in Southeast Asia constrain organized labor in ways that recall some of the problems of the U.S. labor movement in the 1980s and 1990s (see the chapter by Sarosh Kuruvilla).

This volume reveals an odd and counterintuitive conjunction of distinctions and parallels. Indeed, comparative IR seems at first glance to interweave too many kinds of factors to allow for the kind of elegant theorizing we associate with social science models of the first several post-World War II decades. Nevertheless, the eclectic view through a wide-angle lens that we offer in this volume reveals new and important insights.

In *Industrial Relations Theory*, Dunlop (1958) characterized the IR "system" as a "subsystem" of the "economic system," which in turn he viewed as being analytically separable from the "political system." Kerr et al. (1960), in *Industrialism and Industrial Man*, argued for the inevitability of significant convergence across IR systems in the direction of the pattern Dunlop maps out. If nothing else, this approach no longer matches empirical reality. All of the chapters in this volume are instructive as to the many linkages between the "economic" and the "political," and between actors, events, and dynamics at the micro (company or local), meso (industry or regional), and macro (national or economy-wide) levels of analysis and activity. Each chapter shows in different ways how the very diverse array of contexts within which labor-management relations at the point of production takes place is importantly linked to the bargains, deals, and relationships that are adopted, adapted, or even considered. Likewise, each explores ways in which events at the lowest level of analysis—the point of production—call on governments, business communities, and employee representative organizations to redefine basic roles and functions. As such, this volume explores and challenges, both empirically and theoretically, the conventionally separated fields of industrial relations (subfield, comparative industrial relations) and political science (subfield, comparative political economy, which itself overlaps with sociology, industrial relations, and economics), drawing on the strengths of each in the interest of building on both.

The Chapters

The chapters in this volume show how common underlying trends and pressures—all stemming directly or indirectly from the much-discussed globalization of markets—do evoke a pattern of responses, shedding light on historical influences, political vagaries, economic and technical particulars, strategic inclinations, and institutional constraints. In one way or another, each shows the continuing importance of the institutions of employment and industrial relations in shaping outcomes—both positively and negatively—and in influencing the strategies adopted by actors as they grapple with common and particular pressures. These difficult and changing relationships across levels and between structures and strategies is the necessarily messy organizing theme for our volume.

The first chapter by Richard Locke begins with an overview of industrial relations and human resource management (HRM) policies that are changing across industrial relations systems and settings. Locke discusses developments in eleven advanced industrial economies (Australia, Great Britain, Canada, France, Germany, Italy, Japan, Norway, Sweden, Spain, and the United States), illustrating the importance of different local configurations of interest and power that influence how labor, business, and government navigate the increasingly complex terrain of “leaner” and “meaner” workplace relations. His argument questions the notion of industrial relations convergence, pointing instead to the very different ways in which pressures common to all the advanced industrial countries are interpreted and played out and the high degree of variation in the “valence” of those pressures and their manifestations in workplace practice.

The chapter by Margaret Gardner (Chapter 2) compares labor movement responses to common international pressures in Australia, New Zealand, and the United States. Gardner draws attention to the importance of a unified and politically powerful national labor movement in the development and implementation of effective strategies for meeting employer pressures for decentralization and flexibilization. Thus the Australian Confederation of Trade Unions (ACTU—labor’s umbrella organization) fared better in the 1980s and 1990s than its counterparts in New Zealand and the U.S. The critical role of institutions in structuring IR is illustrated by the case of New Zealand, where sweeping deregulation of labor markets in the early 1990s profoundly weakened organized labor’s influence at all levels of the economy. Gardner also notes the paradoxical outcome in the Australian case,

where the ACTU's success in pushing through its economic restructuring agenda may ultimately weaken the very bases of the movement's political power. This chapter highlights the continuing importance of centralizing institutions that allow for a measure of economy-wide standardization of conditions and practices. However, Gardner's caveat concerning the emerging problems of the Australian unions also evokes Locke's argument about the increasing salience of local dynamics.

The third chapter in this volume, by John Paul MacDuffie, broadens the focus back to a wider range of countries, taking as the point of departure recent developments in the international auto industry. MacDuffie's chapter analyzes data on work and production organization in the auto plants of a variety of companies operating in a range of countries (Japan, Australia, the United States, Canada, as well as several western European and newly industrializing countries). This chapter concludes that trends toward convergence—in particular, the diffusion of lean production models—are visible across countries. Nonetheless, within countries—across and even within companies and plants—widespread divergence can also be seen: for instance, with regard to company strategies for meeting market challenges and organizing the labor-management relationship. Among other things, MacDuffie thus argues for the importance of “best practice” (i.e., lean production) and—unlike Locke—sees important aspects of international convergence. At the same time, his empirical analysis emphasizes the continuing importance of company strategy in determining workplace policies and thus in shaping workplace-level labor-management relations.

In his chapter on Malaysia and the Philippines (the fourth in this volume), Sarosh Kuruvilla calls attention to the close links between industrialization strategies (e.g., import-substitution versus export-led), on the one hand, and the structures and processes of industrial relations systems, on the other. This chapter elaborates the close interconnections between economic structures and the political processes of industrial relations. Kuruvilla also argues that the confluence of the prevailing industrializing strategy and industrial relations system in a given country at a given point in time has specific implications for local workplace and IR practices. He offers an intriguing comparison of how two economies that are quite similar in comparative perspective, facing first similar but later diverging industrialization challenges, find these challenges translated into very different local labor-management outcomes.

Finally, Marc Weinstein's chapter on the dramatic decline of Solidarity in Poland (Chapter 5) emphasizes the powerful influence of an

Anglo-American version of “free market ideology” on the thinking, strategy, and ultimately the strength (that is, relative weakness) of Polish labor. Weinstein shows how Solidarity’s emphasis on the rapid free marketization of the Polish economy paradoxically undermined the union’s power at the level of the workplace and at the same time weakened its influence in national politics. In this regard, the Polish case recalls the Australian: in both cases labor’s bold and proactive strategic calculations, emphasizing fundamental changes as against tried and true structural positions and sources of power, appear to have produced negative effects for the unions and to have strengthened employers. Weinstein’s chapter raises the important question of why Polish labor made the choices it made, especially in view of Solidarity’s apparently unassailable social and economic standing in the 1980s and in light of the very different strategies pursued by labor in other eastern European countries. This chapter concludes the empirical body of our volume with a reminder of the importance of actor strategies as well as the undeniably powerful influence of the *international* institutions of free-market capitalism.

The last, concluding chapter explores the theoretical implications of this catholic collection of data and arguments. Surprisingly, there appears to be a great deal of theoretical coherence in this apparently disparate collection of essays. Combined, they point to six related themes. First, industrial relations developments must be analyzed in the context of a changing global economy and in particular of the broader “competitiveness” pressures and debates that have taken center stage on national political and economic agendas. Second, apparent everywhere are simultaneous pressures for decentralization and for a realignment of the division of labor between local and central decision making and activities. Third, existing institutions continue to be very important in shaping industrial relations outcomes. Fourth, actor strategies, too, are increasingly important in shaping outcomes and influencing how institutions are used. Fifth, if the benefits of economic growth and competitiveness are to be widely diffused throughout an economy, labor must be included as a key partner in political economic negotiations. Sixth, a model of industrial competitiveness that excludes labor, whose benefits accrue primarily to isolated segments of the economy, remains entirely viable.

In addition, the following three main implications emerge from this collective effort at comparative analysis. First, key actors in advanced and developing economies alike are linking industrial relations structures and strategies into broader economic and social policies, as well as establishing linkages across the different levels at which production and

industrial relations take place. Second, labor's strength and adept strategizing are not sufficient to ensure these kinds of linkages. Finally, labor—as a unified actor—is not necessarily involved at all at the intersection between industrial and employment relations, on the one hand, and industrial growth and adjustment, on the other.

Conclusion

We hope in this volume to accomplish three things. First, we hope to meet the wide and growing demand in the IR community for a better understanding of industrial relations developments abroad. That is, we would like to help lift comparative IR out of its secondary status to a more prominent position within the field as well as reaffirm its centrality to other fields, such as comparative political economy and political sociology. Secondly, we aim to shed light on the specific comparison between other advanced industrial economies and industrializing countries, on the one hand, and the U.S., on the other. Since employee representation in the U.S. is experiencing a crisis more profound than in many, if not most, other countries, we believe that the effort to draw as many lessons as possible from other cases is well timed. Finally, we hope to move the field forward in its effort to specify a theory of industrial relations that can update the "New Deal Model." Recently industrial relations scholars have been reaching toward higher levels of analysis to balance the field's traditional shopfloor focus and explain events that the country-centered framework cannot capture (see, for example, Kochan and Osterman 1995). Likewise, after decades of focusing on macro-level variables, comparative political economists (such as ourselves) are increasingly interested in trying to understand shopfloor industrial relations (Thelen 1991; Turner 1991; Wever 1995). We hope this work will aid in these endeavors.

Endnote

¹ For some of the best of these country-based collections, see, for example, Bamber and Lansbury 1993; Windmuller, et al. 1987; Ferner and Hyman 1992; Gourevich, et al. 1984; Rogers and Streeck 1994. Exceptions organized around comparative analysis include Bean 1994; and Adams 1995.

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