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# Globalisation and Changing Patterns of Employment Relations: International and Comparative Frameworks\*

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This paper examines the impact of globalisation on national employment-relations (ER) systems. It reviews conceptual frameworks in international and comparative employment relations literature that can be used to examine the relationship between globalisation and national patterns of employment relations. It then identifies three approaches to globalisation and ER in the existing literature, which draw on these conceptual frameworks. First, a simple globalisation approach argues that economic changes associated with globalisation are likely to produce pressures for convergence of national employment relations. Second, an institutionalist approach predicts continued diversity and divergence in national employment relations systems because of

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the role that different national-level institutions play in mediating common economic pressures, which may result from globalisation. Third, an integrated approach focuses on both market and institutional variables and seeks to explain similarities and differences between countries. The paper suggests that interaction between economic factors, national and institutional-level arrangements, along with the strategic decisions made by employers, state officials and unions all help to shape ER outcomes. Drawing on a recent study of employment relations changes in ten developed market economies, the paper argues that an integrated approach provides the most promising framework for understanding and explaining changes in employment relations.

Key words : Globalisation, Employment Relations, Industrial Relations, Conceptual Frameworks, human resources, political economy

## I. Introduction

While there is widespread agreement that recent changes in the international economy, normally referred to as *globalisation*, have significant consequences for national employment relations (ER) practices, there is less agreement about the exact nature of these effects for different countries. The aim of this paper is to outline the main approaches to globalisation and ER in the international and comparative employment relations literature. The first section briefly defines globalisation. The second section outlines the conceptual frameworks in the international and comparative literature which have informed the analysis of globalisation and ER. Section three identifies three approaches to globalisation and employment relations in the existing literature, which draws on these conceptual frameworks. Drawing on evidence from recent studies of employment relations in 10 developed market economies, it argues that while there is little evidence to support the simple globalisation or institutionalist approaches, an integrated approach, which draws on a critical political economy perspective, appears to be more promising.

## II. Globalisation: A Brief Introduction

There are many definitions of “globalisation”. These range from narrow technical definitions associated with the structure of international trade to those that define globalisation as a fundamental change in the ideological principles underpinning the international, social, political and cultural order. However as Wade (1996) notes, globalisation usually refers to changes in the international economy which are associated with increases in international trade in goods and services, greater flows of foreign direct investment (FDI) and the growth of international financial transactions. These changes imply higher levels of “interconnectedness” in international economic activity.

The extent to which globalisation represents a new phenomenon is widely contested. Some have suggested that the changes in the international economy associated with globalisation have strong similarities to the structure of internal trade and investment that existed prior to World War One (see, for example, Thompson 1997). Indeed, as Isaac (2003) notes, the international economy was more integrated prior to World War One in some respects, most notably labour mobility. Several authors, including Hirst and Thompson (1996) as well as Wade (1996), suggest that national economies have become more “internationalised” rather than “globalised”, and that the pressures associated with globalisation are not as strong as globalisation theorists claim.

However, there are contemporary changes in the international economy, which can be usefully summarised by the term ‘globalisation’ and which suggest that the contemporary of the international economy differs in important respects from previous periods. These include changes in the extent and intensity of international trade, international financial flows and in the operations of multi-national enterprises (MNEs). On the basis of this evidence Perraton *et al* (1997:274) argue that while: ‘the world does fall short of perfect globalised markets.... this misses the significance of global processes. Global economic activity is significantly greater relative to

domestically based economic activity than in previous historical periods and impinges directly or indirectly on a greater proportion of national economic activity than ever before.’

### III. Conceptual Frameworks

How does globalisation affect national patterns of employment relations? It is possible to identify a number of conceptual frameworks in the international and comparative literature which could inform the analysis of globalisation and ER. This section focuses on debates about convergence and divergence from a liberal pluralist perspective and concepts associated with a critical political economy tradition.

#### 1. Convergence

One of the most cited concepts for examining the impact of globalisation on national patterns of ER is that associated with notions of convergence. Debates about convergence have a long history in comparative ER and precede more recent discussions about globalisation and ER. In the comparative ER literature, the original *convergence* thesis was developed in Kerr *et al.* (1960). The core proposition is that there is a global tendency for technological and market forces associated with industrialisation to push national industrial relations systems towards ‘uniformity’ or ‘convergence’. This proposition is based on the view that there is a *logic of industrialism*, that as more societies adopt industrial forms of production and organisation this logic would create ‘common characteristics and imperatives’ across these societies. To accommodate these imperatives, Kerr *et al.* (1960) argue that industrial societies develop a means of ensuring a consensus and industrial relations systems, which embodies the ‘principles of pluralistic industrialism’, play a central role in establishing this consensus.

## 2. Modified convergence

The convergence hypothesis based on the logic of industrialism has been widely contested, with many authors arguing that the theory had neither foundation in fact nor explanatory value and should therefore be discredited. Inspired by the influential book by Kerr *et al* (1960), a range of empirical studies have sought to test the extent of convergence in industrial relations systems. While some studies claimed to show evidence of convergence, most of the empirical data showed persistent differences in national industrial relations systems. As Katz and Darbishire (2000: 8) note:

The thrust of ... much of the comparative industrial relations literature ... was that there was wide and persistent variation in industrial relations across countries in part due to the influence of nationally specific institutional factors.

There are two main strands to the theoretical criticisms of the industrialism thesis. First, several authors argue that what Kerr *et al* refer to as industrialism is a normative concept. Thus many writers criticise the 'liberal-pluralist' approach of Kerr *et al*. For example, Chamberlain (1961) sees their book as:

... long on categories and classifications and impressionistic observations, but ... short on analysis. It is perhaps best described as a latter-day descendant of the 19th century German school of economic history, whose hallmark was a literary exposition of the transition from one idealised state of economic development to another.

According to Bendix (1970:273), 'seldom has social change been interpreted in so *magisterial* a fashion, while all contingencies of action are treated as mere historical variations which cannot alter the logic of industrialism'. Arguably, Kerr *et al*. were too concerned with maintaining the *status quo*, controlling conflict, defending the existing institutions and imposing an ethnocentric, American, perspective on the rest of the world. It is relevant to note that they were writing against the background of the cold war.

Other critics question the assumption that industrialism is likely to produce

convergence. Even though there may be strong pressures associated with industrialism, this does not necessarily imply that there would be convergence on a single set of societal institutions, much less on a single set of institutions that resembled those that had developed in the USA (see Berger 1996: 2-4). Cochrane, for example, rejects the ‘deterministic view of the future’ represented by industrialisation as an ‘invincible process’ (Cochrane 1976). Doeringer (1981) is less critical, but argues that convergence should be seen in a different form compared with that envisaged by Kerr *et al.* Doeringer argues that countries develop alternative solutions to common industrial relations problems; thus all industrialised countries show a tendency to institutionalise their arrangements for rule-making about employment, even though their particular approaches vary. Differences between countries, therefore, are by no means random, but are rooted in their responses to industrialisation. He analyses convergence using a three-part framework: first, as the result of responses to problems common to all industrial relations systems; second, as the process by which gaps in areas in the institutional industrial relations arrangements are filled; and third, as the realisation that, over time, the key decision makers in industrial relations systems selectively aim for multiple and often incompatible goals. Hence, what may appear as differences between systems may be due simply to differences in the goals which are being pursued at a particular point in time.

Piore (1981) also doubts that the convergence thesis is a general theory of comparative employment relations. He observes that certain aspects of industrial societies tend to converge while others diverge, depending upon time and circumstances. An alternative approach suggested by Piore is to focus on the role of regulatory institutions in the industrial relations of different societies. He argues that capitalist economies pass through a distinct series of regulatory systems in the course of their historical development. As technology and industry change, they outgrow the regulatory structures initially adopted and the system is decreasingly likely to remain in some kind of balance. The result is an economic and social crisis which is settled only by the development of a new set of institutions.

Dore (1973), comparing Britain and Japan, argued that while there may be a tendency towards convergence in national patterns of ER, the tendency is toward

convergence on Japan and not the USA (the implicit model in Kerr *et al's* analysis). Dore places less emphasis on technology than Kerr and highlights the importance of other factors: the emergence of giant corporations and the spread of democratic ideals of egalitarianism. A 'late-comer' effect is identified by Dore. Since Japan began to industrialise relatively late (a century after Britain), it was able to learn from the experience of countries which had already been through that process. He argues that late-developers had been able to adopt organisational forms and institutions, which were more suited to industrialisation than those of countries which industrialised relatively early.

Later Kerr modified his views, to address some critics. Kerr (1983) argues that convergence is a *tendency* that is not likely to precipitate identical systems among industrialised countries. He also notes that while developed market economies (DMEs) at the macro-level might appear to be similar, differences at the micro-level could be quite profound. Further, industrialisation on a world scale is never likely to be total, because the barriers to it in many less-developed economies (LDEs) are insurmountable. Nevertheless, Kerr (1983) still holds the central assumptions of the original study; namely that the basic tensions inherent in the process of industrialisation had been overcome by modern industrial societies and that there would be a growing consensus around liberal-democratic institutions and the pluralist mixed economy.

### 3. Divergence

During the 1980s a series of authors refuelled the earlier convergence debates and predicted divergence and dualism in national patterns of employment relations. Goldthorpe (1984) argues that in confronting macro-economic problems, far from converging, DMEs since the late 1970s have followed divergent paths. On the one hand, there are countries like Norway, Austria, Germany and Sweden where inequalities between capital and labour were mitigated by corporatist state policies; these seek to balance, to an extent, the interests of employers, unions and the state. By contrast, in countries like Britain and the USA, traditional labour market institutions (e.g. collective bargaining) have been undermined by market forces that

have operated to overcome perceived rigidities. This has resulted in a tendency towards dualism in which the workforce is separated into core and peripheral employees. The former may remain unionised within the collective bargaining framework, albeit in a more decentralised mode, while the latter are employed under more individualistic work arrangements characterised by contractual forms of control.

Goldthorpe is pessimistic about the long-term likelihood that such corporatist and dualist structures could continue to coexist within the same society, if the logical and political implications of each approach were so dramatically opposed to the other. This would lead to increasing tension between them, resulting in the ultimate dominance by one of another. In other words, any compromise would be unstable and ineffective in resolving macro-economic problems. Either the corporatist system would triumph or the more market-based, dualistic industrial relations system would become the norm. However, different societies find their own solutions depending upon social, economic and political pressures.

Similarly, Streeck (1986) and Poole (1988) identify several factors which operate in most DMEs to induce structural change, but hold that these are leading to diverse outcomes or 'divergent evolutionary trajectories'. Streeck likens this situation to the growing variety in the use of technology and the structure of work organisation whose present trend has been described as an 'explosion'; with different strands of development moving away from each other in different directions; as opposed to 'implosive' convergence towards one central 'best practice'.

Freeman (1989) identifies evidence of divergent trends in union membership and density across DMEs. He argues that 'far from converging to some modal type, trade unionism, traditionally the principal worker institution under capitalism, developed remarkably differently among Western countries in the 1970s and 1980s' (Freeman 1989). Since the 1980s union density rose or at least was maintained at high levels in the Scandinavian countries but declined significantly in the UK, Australia and the USA. This divergence in density occurred despite such common factors as increasing trade, technological transfer and capital flows between countries, which might have been expected to exert pressures for similarities.



#### 4. Convergence and divergence reconsidered: strategic choice and converging divergences

Questions of convergence and divergence in national patterns of employment relations were reconsidered in the 1990s by researchers associated with the strategic choice approach at MIT as well as by critical political economists. The MIT project aimed to test the international generalisability of arguments made about changes in US ER and production systems. Kochan, *et al.* (1984) was one of its main precursors, arguing that changes in US ER since the late 1970s amounted to a *transformation* and that at the heart of this transformation was a fundamental change in the strategic choices made by US managers about firm-level ER practices. They suggest that to conceptualise this change it was necessary to add a *strategic choice* dimension to Dunlop's (1958) classic notion of an industrial relations system. Accordingly, Kochan *et al.* proposed a framework that differentiated between three levels of decision-making (macro, industrial relations system and the workplace) and three parties (employers, unions and governments), and which identified the relatively independent effects of the levels on ER.

The findings of the MIT project suggest at least four emerging trends in ER. First, the enterprise emerges as an increasingly important locus for strategy and decision making on ER. Management is generally the driving force for change, albeit at times in collaboration with unions or works councils. Second, decentralisation of firm-level structures is accompanied by the search for greater flexibility in work organisation and the deployment of labour. Third, many firms and governments appear to increase their investment in training and skill development, which is often associated with a trend towards skill-related pay systems. Fourth, unions are experiencing major challenges in most countries as the pace of restructuring intensifies and workplaces become more diverse.

While the MIT project identifies some common sets of changes across countries and within industries, in line with the transformation hypothesis, it also reports evidence of continued diversity in employment relations practices across countries. As Locke and Kochan (1996: 365) put it:

It appears that a general process of change or transformation of employment relations is indeed taking place throughout the advanced industrial world. Yet common trends can sometimes be deceiving... The point is that employers' 'search for flexibility' may be a common phenomenon emanating from international pressures that are common to all advanced economies, different institutional arrangements filter those common pressures differently so that the valence of particular issues and changes in practices are quite varied across national contexts.

Building on the MIT project, Katz and Darbishire (2000) examine six countries and they conclude there is increased diversity of employment patterns within each of these countries. They call this 'converging on divergence' and argue that it was characterised by the spread of four employment patterns: low wage, HRM, Japanese-oriented, and joint team based. However, they also highlight differences in the distribution of these patterns at the national level as well as in the extent of variation within countries. Variations are attributed to differences in national institutions. In particular, they argue that differences in employment patterns reflected the variable impact of national-level institutions on the degree of centralisation of bargaining, the extent of commonality of processes at a decentralised level and the degree of effective coordination between decentralised bargaining structures.

There are criticisms of the converging divergences concept. Some authors suggest that the empirical evidence does not support the claim that four employment patterns are spreading across all six countries (Hancke 2001:306 1). It is further suggested that these employment patterns are not mutually exclusive (de la Graza 2001). For example, the convergence criteria that Katz and Darbishire establish are so broad that it would be possible to conclude that the USA and Sweden have experienced similar changes in ER during the 1980s and 1990s! The consequence is that important differences between such varied countries can be obscured.

It may be argued that in the international and comparative employment relations literature too little attention has been devoted to exactly what is convergence and how it can be measured. As Seerlinger (1996: 287) notes:

Considering the convergence hypothesis' increasing prominence in the literature, it is surprising that much more space and thought have been devoted to the presentation of 'results'

than to the rigorous conceptualisation of hypotheses, the design of appropriate research strategies, and the discussion of its potential to advance our general understanding of comparative public policy... Advancement of convergence research has been hampered by the vagueness of its underlying concepts, particularly the concept of similarity...’.

Whether comparative analysis produces evidence of convergence or divergence may be most dramatically affected by the choice of dependent variables. Studies that focus on measures like wage inequality may find evidence of convergence, while studies which consider participation rights between countries may support divergence. At the very least this suggests that there is a need to be explicit about what constitutes convergence or divergence. It may also suggest that the concepts of convergence and divergence are too limited to capture all the nuances of the relationship between globalisation and national patterns of ER.

## 5. Political Economy Perspectives

These controversies surrounding convergence also suggest there may be limitations to examining the impact of globalisation on national patterns of ER in a ‘liberal-pluralist’ framework. Critics of liberal pluralism argue that it is parochial and generally ignores the world outside a narrow definition of industrial relations. They hold that, at most, the wider society is included in the pluralists’ models only through narrowly circumscribed channels of adjustment and feedback (Hyman 1980).

Giles (2000) suggests that, because of this liberal-pluralist perspective, most ER scholars have tended to treat globalisation as external to ER in two senses. First, he suggests that because liberal-pluralists tend to ‘draw a thick line around industrial relations’, globalisation is treated as an external shock on otherwise stable national patterns of ER. Second, he posits that globalisation is treated as external to ER, because comparative ER focuses overwhelmingly on the national sphere and largely ignores the impact of the international dimension. For this reason it can be argued that mainstream ER scholarship has been largely trapped in attempting to assess the relative convergence or divergence of aspects of ER patterns produced by globalisation.

There is another intellectual tradition, which can potentially overcome these limitations and provide the basis for greater insight into the factors that mediate the relationship between international economic change and national patterns of ER. Giles and Murray (1997:81) summarise the contributions of the critical political economy tradition to ER. These include the definition of the field as the study of the ‘social relations in production’. They adopt a view of the employment relationship as one of ‘structured antagonism’ and regard ‘mechanisms such as collective bargaining... as institutionalized compromises between workers and employers’ which may be affected by changes in the balance of power between them. They also argue that a key difference between the liberal-pluralist tradition and critical political economy is the way in which issues like globalisation are conceptualised:

where mainstream researchers see a series of exogenous changes, political economists see the patterns rooted in the dynamics of international and national social structures of production and accumulation; where the mainstream sees such changes as having an ‘impact on’ industrial relations, political economy sees changing workplace relations as a central part of these patterns (Giles and Murray 1997:85).

This suggests that changes in the international economy, associated with globalisation, need to be integrated into the analysis of national patterns of ER. The critical political economy tradition offers a range of concepts, which would potentially provide insight into the relationship between globalisation and national patterns of ER. By working with critical political economy concepts, it is possible to go beyond establishing whether the dominant trend in national patterns of ER is convergence or divergence. Rather, a critical political economy perspective makes it possible to specify a range of factors, including both international economic change and historical and institutional traditions, which are likely to shape national patterns of ER.

## IV. How Does Globalisation Influence National Patterns of Employment Relations?

These differing conceptual frameworks have informed much of the contemporary international and comparative literature on globalisation and national ER. We classify various perspectives on this issue in the literature into three categories: a *simple globalisation* approach, an *institutionalist* approach and an *integrated* approach.

### 1. Simple globalisation approach

This approach assumes that international economic activity has become so interconnected and that the pressures associated with globalisation are so overwhelming that they leave little scope for national differences in patterns of ER. This is essentially a convergence argument. In many ways, it is this perspective which has dominated popular debate about the effects of contemporary changes in the international economy on working conditions and the relations between workers and their employers. In an extreme form, this approach predicts a ‘race to the bottom’ in terms of wages and other labour standards across most economies and the erosion of nationally-specific labour market regimes, including those which may provide for union security or encourage the pursuit of equity as well as efficiency.

Tilly (1995) contends that globalisation threatens established labour rights because it undermines the capacity of the nation state to guarantee these rights. The whole range of workers’ rights which have developed over the past century have been heavily dependent on the state’s capacity and propensity to discipline capital. Tilly argues that the re-establishment of labour rights depends on unions’ ability to develop trans-national strategies to counter the effects of globalisation, but doubts the likelihood of such a development.

Similarly, Campbell (1996) notes that increased economic interconnectedness may

erode the market power of organised labour because of the increased ability of firms to move production from one country to another. Campbell refers to this as a ‘shallow’ effect of globalisation, which is related to increases in trade openness. By contrast, ‘deep’ effects on ER are associated with the interplay between the increased potential mobility of productive capital and the hyper-mobility of short run speculative capital. The interaction of these factors may place limits on the ability of the nation state to pursue, or even maintain, nationally-specific ER policies because they reduce the power of nation states over capital and make the state more dependent on private economic activity for macro economic performance. This may have significant implications for the diversity of ER institutions and outcomes across national economies, irrespective of the relative market power of organised labour. Campbell’s broad conclusion is that, because of these pressures, there is likely to be a convergence of national labour standards due to the loss of national policy autonomy associated with such globalisation effects.

The view that globalisation has eroded national policy autonomy, and created the conditions for policy convergence, has been widely criticised. Garrett (1998), for example, argues that the fact that national governments are faced with similar economic pressures does not necessarily mean that they have no choice over how to respond to these pressures. He supports this argument by showing that there is considerable diversity in monetary and fiscal policy settings across countries. There is also diversity in national patterns of ER. In line with arguments put forward by Evans (1997) and Weiss (1998), Garrett notes that the pressures associated with globalisation may increase the role the nation state aims to play in some areas, including the labour market, to ensure the maintenance of international competitiveness.

## 2. Institutional approach

Criticisms of the simple globalisation approach and evidence of continued diversity in national patterns of ER have contributed to the development of an *institutionalist approach* to the impact of globalisation on ER. This approach draws on the concept of divergence. Thus the institutionalist approach suggests that, despite common

economic pressures associated with globalisation, differences in national institutions are likely to produce differences in national patterns of ER. As Locke and Thelen (1995) put it, 'international trends are not in fact translated into common pressures in all national economies but rather are mediated by national institutional arrangements and refracted into divergent struggles over particular national practices' (1995:338). Because differences in national level institutions are relatively enduring, this approach suggests that globalisation is unlikely to lead to a general convergence in national patterns of ER (Locke *et al.* 1995). Rather, it predicts continuity and even increased divergence between national patterns of ER. This approach draws on arguments from several disciplines about the independent role of institutions in shaping economic and political outcomes.

From an institutionalist approach it is argued that the 'dual system' of industrial relations in Germany has enabled German unions to withstand the pressures of globalisation better than their counterparts in the USA and Sweden. Turner (1991) compares the involvement of unions in industrial restructuring in Germany and the USA and emphasizes the role that differences in institutional arrangements have played in determining the reaction of employers and workers to international economic pressures. Similarly, according to Thelen (1993), the German system, with national and industry level bargaining, plus separate legally enriched rights for workers at the workplace level, has allowed pressures for decentralised bargaining to be accommodated within the existing institutional configuration. In Sweden, by contrast, the absence of institutionalised rights for workers at the workplace, and the divisions created between blue collar and white collar workers by the centralised bargaining system, has meant pressures for decentralised bargaining could not so easily be accommodated within the existing structure of bargaining.

The re-emergence of 'societal corporatism' in some European economies during the 1990s is evidence that 'states possess a key role in the reconfiguration of the relations between social regulation and markets (including labour markets)' (Ferner & Hyman 1998: xxi). These authors also develop the notion that some forms of labour market institutions can adapt to international economic changes better than others. Further support for the institutionalist perspective on globalisation and ER is provided by Traxler *et al.* (2001) who argue divergence is likely because 'market pressures affect

labour relations institutions indirectly, in that they are processed and filtered by institutions' (2001:289).

The institutionalist approach represents a useful corrective to the simple globalisation model. The focus on the mediating role of institutions helps to explain patterns of persistent national differences and demonstrates that the relationship between globalisation and national ER is neither simple nor deterministic. It also points to key variables that play a decisive role in determining distinctive national patterns of industrial relations. In particular, it suggests that to understand the impact of globalisation on ER in different countries, it is important to have a working knowledge of their specific context.

However, while the institutionalist approach provides a correction to the convergence logic of the simple globalisation thesis, it has difficulty explaining similarities between countries. As a result, assessments of the impact of globalisation on ER still get caught in establishing the extent to which there is *convergence* or *divergence* in national patterns of ER.

### 3. Integrated approach

A third perspective, less developed than the other two approaches, draws on the insights provided by both the globalisation and institutionalist views and offers the possibility of explaining similarities and differences in national patterns of ER within the same analytical framework. This approach is drawn from the critical political economy tradition and stresses the importance of the interaction between interests and institutions in the context of international economic change.

Wailes *et al* (2003) compare the impact of changes in the international economy on ER policy in Australia and New Zealand. They argue that comparisons of policy developments in the two countries, which focus entirely on the importance of institutional differences between the cases, tend to ignore small but important historical differences between them; exaggerate the differences in policy outcomes in the two countries and are largely unable to explain recent developments in the two countries. While acknowledging that institutional factors are important, it is necessary to take into account the similarities and differences between the countries and to



examine the coalition of interests (consisting of elements of capital and labour) that underpin the institutional arrangements in the labour markets of countries.

These coalitions of interest are shaped, but not determined, by a number of factors including changes in the international economy associated with globalisation. To understand how interests are impacted by changes in the international economy, it is necessary to understand how countries are integrated into the international economy and what differential impact common changes in the international economy may present different groups of workers and employers (see Wailes 2000). In addition an explanation of the links between globalisation and national patterns of ER needs to take into account, not just the independent role that institutional factors may play in shaping political and economic decisions, but also the role that the nation states play in shaping relationship between employers, unions and employees in seeking to ensure economic growth and development.

#### 4. Discussion

On the basis of evidence reported in a recent study of employment relations in ten developed market economies, we contend that there appears to be limited evidence to support the more extreme version of the simple globalisation approach.<sup>1)</sup> We can identify common developments in ER across the countries analysed - including a decline of unionism and a tendency for bargaining to become more decentralised. Nevertheless, important and enduring differences between the countries remain. While there have been reductions in union power in Australia and Canada, the scale of the decline of unionisation has been more acute in Australia than in Canada. Similarly, while there has been pressure for a decentralisation of bargaining both in Sweden and Germany, the extent of this decentralisation has been more pronounced in Sweden than in Germany. Such developments suggest that changes in ER in the DMEs have by no means been uniform.

In spite of widespread change, there is considerable evidence of continuity in

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1) The ten countries are the UK, US, Canada, Australia, Sweden, Italy, France, Germany, Japan and Korea. This section draws on Bamber *et al* 2004.

national patterns of ER in ways not predicted by the simple globalisation approach. This is illustrated by the Australian case. Despite dramatic changes in Australian ER since the early 1980s, there are aspects of the Australian institutional heritage that remain in place - including industrial tribunals and award regulation - and these continue to have significant consequences for the determination of ER outcomes. For example, the particular character of non-standard employment in Australia, with high levels of casualisation, can be attributed largely to the continued impact of award regulation on employment status. Rather than Australia converging towards a US-style deregulated labour market, the current Australian ER system has become a hybrid with multiple streams of bargaining - centralised and decentralised, regulated and deregulated. To this extent, Australian evidence supports the view that the simple globalisation approach pays inadequate attention to the role of institutions and the range of policy choices governments and other parties have in their responses to globalisation (Weiss, 1998).

However, while there is little evidence to support the simple globalisation approach, we suggest that the evidence also raises doubts about the ability of the institutionalist approach to account for the contemporary patterns of change in national ER. While we argue that 'institutions matter', we also suggest that institutions are not the only factors that influence the relationship between international economic change and national patterns of ER. There are similar developments in some aspects of national patterns of ER, despite differences in key institutional arrangements. There has been a significant growth of non-standard employment across countries despite differences in bargaining systems. There is also evidence of considerable change in institutional arrangements themselves across DMEs, ranging from fundamental reform of bargaining structures (as in Australia and Sweden) to dramatic reorganisation of unions (Italy) and employer groups (France). It is not easy to explain these developments fully using the institutionalist approach

The inability of the institutional approach to explain change as well as continuity in national patterns of ER suggests the need for further theoretical development. In its current form, the debate about the relationship between international economic change and national ER patterns revolves around establishing the relative importance of international economic and domestic institutional factors. Evidence of convergence

between countries is taken as support for the explanatory significance of international economic change and the relative unimportance of domestic institutional factors. By contrast, continued diversity between countries is taken as evidence of the explanatory significance of institutions and the relative lack of importance of economic factors. However, this clash of arguments can be regarded as a consequence of the way in which globalisation has been conceptualised in the current debate. Globalisation theorists and institutionalists generally accept that globalisation creates similar economic pressures across all countries. There is, however, disagreement about the extent to which such similar pressures are determinant.

A third, integrated, approach represents an attempt to advance beyond the crude dichotomy of convergence and divergence. One of the key features of this approach is that it questions the extent to which globalisation creates similar economic imperatives across all countries. By highlighting the roles of and differences in interests across countries, an integrated approach suggests that pressures associated with globalisation are likely to be felt differently across countries and sectors. Thus, for example, it suggests that a relatively small country heavily dependent on exports (such as Sweden) is likely to experience globalisation differently from a large economy with a huge domestic market (like the USA).

## V. Conclusion

While there is widespread agreement that recent changes in the international economy have implications for national patterns of employment relations, there is less agreement about the precise nature of these changes. This paper has reviewed conceptual frameworks in the international and comparative employment relations literature which has informed debates about globalisation and ER. These are a simple globalisation approach, which predicts convergence; an institutionalist approach, which draws on concepts of divergence; and an integrated approach which draws on concepts from critical political economy.

Recent studies reveal that national patterns of ER are characterised by a complex

pattern of continuity and change. An integrated approach, which focuses on the interaction between interests and institutions in the context of changes in the international political economy, provides a promising framework for understanding and explaining these patterns. Nonetheless, this approach still needs further development. A challenge for students of international and comparative ER is to develop a more sophisticated set of arguments about the various interactions between factors that shape national patterns of ER and to include into the analysis more aspects of the international dimension. While there are difficulties associated with undertaking internationally comparative ER research, an integrated approach provides a suitable framework within which to analyse the linkages between globalisation and national patterns of ER.

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## 세계화와 변화하는 고용관계: 국제비교의 틀

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본 논문은 세계화가 각국의 고용관계 시스템에 미치는 영향에 관해 논하고 있다. 우선 국제비교 고용관계에 관한 개념적인 틀(conceptual frameworks)을 검토하고, 기존의 문헌에서 살펴볼 수 있는 세 가지 접근방법을 살펴보도록 한다. 첫째, 단순세계화접근방법(simple globalisation approach)은 세계화로 인한 경제적 변화가 각국 고용관계간의 수렴(convergence)으로의 압력을 행사하게 될 것이라고 주장한다. 둘째, 제도적 접근방법(institutionalist approach)은 각 국가 차원의 제도가 세계화로 인한 경제적 압력을 중재하는 데 있어 서로 다르게 작용하기 때문에 각국의 고용관계 시스템은 여전히 다양한 형태로 남을 것으로 예견한다. 셋째, 통합 접근방법(integrated approach)은 시장 및 제도적 요인 양측 모두에 무게를 두고 각국간의 유사점과 차이를 설명하고자 한다. 즉 경제적 요인들과 각국의 제도적 차원의 대응 간의 상호작용은 사용자와 정부 관료, 그리고 노조가 만드는 전략적인 결정들과 더불어 새로운 고용관계를 형성하는 데 도움을 준다고 주장한다. 우리는 선진 시장경제 열 개 나라를 대상으로 한 고용관계 변화에 관한 최근 연구에 근거하여, 세 번째의 통합 접근방법이 고용관계의 변화를 이해하고 설명하는 데 가장 유용한 분석의 틀을 제공한다고 믿는다.

핵심 용어: 세계화, 고용관계, 노사관계, 개념적 틀(conceptual frameworks), 인적자원, 정치경제