

## Relations industrielles / Industrial Relations



*When Things Don't Fall Apart: Global Financial Governance and Developmental Finance in an Age of Productive Incoherence*, By Ilene Grabel (2017) Cambridge, MA: MIT Press, 400 pages. ISBN: 978-0-26253-852-7

*Laid Low: Inside the Crisis that Overwhelmed Europe and the IMF*, By Paul Blustein (2016) Waterloo, Ontario, Centre for International Governance Innovation, 504 pages. ISBN: 978-1-92809-633-7

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opment and operation of the *Fair Food Program*. Key features of the scheme are a *Code of Conduct*, a *Guideline Manual* running to 43 pages, continuing and extensive education of farmworkers to their rights, continual auditing with an inspectorate with power to investigate and make recommendations for rectification, including, if necessary, an ability to suspend a grower from the *Fair Food Program*. The *Fair Food Program* is self-regulating and does not rely on state/governmental regulation. CIW spent some time in the pilot stages of this scheme using leading consultants to operate the *Fair Food Program*. It quickly learnt that their off-the-shelf schemes, which employed staff with no knowledge of tomato and agricultural production, and who, moreover, were not prepared to work the same hours, as tomato workers were unable to operate such a program. It decided to mount the *Fair Food Program* itself, train persons from its own ranks who understood the demands of tomato picking and the needs of both farmers and workers. One of the dominant themes that Marquis emphasizes is that CIW and *Fair Food Program* operatives are looking for solutions to improve the efficiency of tomato production, while one and the same time, enhancing the income and human rights of workers.

*I Am Not a Tractor: How Florida Farmworkers Took on Fast Food Giants and Won* provides an interesting and clearly written account of how a group of migrant tomato workers developed an innovative and unique approach, focusing on the supply chain of tomato production which has delivered benefits to workers, growers, fast food and supermarket chains and consumers. It documents a new model—that contradicts the normal doom and gloom associated with unions—, which potentially could be replicated elsewhere.

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Students of national industrial relations systems are wise to take note of the global economic and financial order, and the way it constrains and conditions collective bargaining, labour-market regulation, and income redistribution. Just as the Bretton Woods era of fixed exchange rates and regulated capital flows was conducive to institutionalized collective bargaining, financial globalization has been an important factor in undermining unions and wage setting institutions, decoupling productivity increases and wage gains, and driving down the labour share of income.

More than a decade on from the global financial crisis and recession, political turbulence is forcing international financial institutions and multilateral organizations to confront the political and economic by-products of globalization. In many parts of the world, the long stagnation of working-class incomes, rising inequality, and resentment of austerity policies are fueling authoritarian right-wing challenges to liberal nostrums.

As part of a growing concern with poor job quality and precarious employment, the OECD now promotes “inclusive growth.” Recent publications have relaxed the OECD’s singular emphasis on labour-market flexibility, and given limited support to collective bargaining and social dialogue as a mechanism for sharing productivity gains. Similarly, IMF economists studying inequality and wage stagnation have found that structural reforms to collective bargaining regimes increase inequality, but with little benefit in terms of economic growth.

Does this occasionally-grudging acknowledgment of the virtues of wage setting institutions add up to a new dispensation for collective bargaining? Does it signal an opening for new approaches to regulating labour markets and labour relations in the context of globalization?

The prospects for change and economic development afforded by the global system is the focus of Ilene Grabel's study, which pays especially close attention to the emerging market and developing economies. Currently Distinguished Professor of International Finance at the University of Denver, Grabel argues the 1997 Asian financial crisis, 2007-08 global financial crisis and subsequent Eurozone crisis have ushered in an age of 'productive incoherence' for development innovation and experimentation. Drawing on the work of heterodox economist Albert Hirschman, she identifies the emergence of a diversity of institutional and policy practices exploiting the contradictions and lacunae of the post-crisis world order. Grabel assigns particular significance to the IMF's partial rehabilitation of capital controls as a tool for coping with sudden financial crises, the Fund's arguments in favour of debt restructuring during the 2010-12 Eurocrisis, and the spread of regional and multilateral development banks offering developing countries greater options for development and financial stabilization. In Grabel's view, the nascent experimentation occurring in the interstices of the US-centred world order is gradually fostering South-South networks and a set of fledgling institutions of financial governance that widen the scope for development.

Grabel occasionally overstates her case by suggesting that emerging market and developing economies, once constrained by the global financial architecture, are now enjoying development and financial policy autonomy. However, she is usually careful to concede the continued centrality of the US-led world order, and appropri-

tely warns that the incoherence she identifies may further break down into economic nationalism, trade tensions, and beggar-thy-neighbour policies, with negative consequences for workers' organizations and freedom of association.

Grabel is right to acknowledge that the global financial system continues to significantly constrain developing countries. Open capital accounts, floating exchange rates, and increased indebtedness over the past decade continue to restrict income and employment growth, increasing financial fragility in the process. In addition to macroeconomic discipline, IMF loan agreements themselves continue to expect flexible hiring and firing, greater latitude for employers on hours of work and atypical employment, and restrictions on collective bargaining and the right to strike. Perhaps the most striking recent example concerns Greece. Following loan agreements with the Troika (the European Commission, European Central Bank, and the IMF), the Greek government committed to decentralized collective bargaining and a weakening of trade union rights, causing collective agreement coverage to collapse.

Financial journalist and scholar Paul Blustein offers an insider account of the inner workings of the IMF during the 2010-12 Eurocrisis. With extensive access to IMF staff and confidential documents, he provides a front-row seat on IMF thinking and decision-making at its highest echelons. His book is a readable account that opens with the drama of IMF Managing Director Dominique Strauss-Kahn's May 2011 arrest in Manhattan, and closes with the Troika's high-wire negotiations with the Syriza government in Greece.

For Blustein, the global financial crisis rescued the IMF from growing irrelevance and presented an opportunity to reassert its role as the chief guardian of global stability. However, the ultimate tragedy was that the IMF failed to follow through on its commitment not to issue new lending on

top of unsustainable debt, and insist on a restructuring of Greek debt that imposed losses on private creditors. Despite the fact that, “Troika bailout packages were based on unrealistic projections and unwarranted stringency,” the IMF went along with it, damaging its credibility in the process. Blustein believes that in dealing with Greece, the IMF should have participated as a super-senior partner to the other Troika members, imposing its terms on the other creditors.

Like Grabel, Blustein is encouraged by internal reforms at the IMF, arguing that, “a strong and effective Fund is more critical than ever before.” However, the optimistic view of an accommodating IMF is difficult to square with several of the Fund’s current country programs, where regulated labour markets and collective bargaining institutions continue to be seen as impediments to economic growth and financial stabilization.

The strictures of global capitalism are uncompromising as ever for the conduct of fiscal policy and the evolution of social protection systems and collective bargaining regimes. Mobile capital still disciplines national economies, and union density and collective bargaining coverage are under pressure across the advanced industrialized world. Despite limited rhetorical shifts, international financial institutions continue to prioritize flexible labour markets. Most recently, the World Bank’s *2019 World Development Report* on the changing nature of work offered an unreconstructed defense of deregulated labour markets and minimal social protections.

While both books look for signs of cracks in the system, and are generally optimistic about the prospects for incremental change, the epochal global financial crisis highlighted the remarkable resilience of neoliberal precepts. New possibilities for trade unions and collective bargaining are unlikely to come from the international financial institutions. Rather, they are likely to arise from new movements and upheav-

als themselves that challenge austerity, IMF conditionality, and the rules of the global system.

**Chris Roberts**

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**A Worker’s Economist: John R. Commons and his Legacy from Progressivism to the War on Poverty**

By John Dennis Chasse (2017) London and New York: Routledge, 317 pages.

ISBN: 978-1-4128-6539-5.

This is an important book, actually a very important book. It deals with the thought and actions of John R. Commons—a significant figure in United States and, indeed, global labour history and labour regulation/policy debates. If asked to nominate pivotal intellectual figures in writing and theorizing on the labour movement at the end of the 19th and early 20th century three figures stand out—at least as far as those from English-speaking countries are concerned—Sidney and Beatrice Webb, and John R. Commons. All three were activists epitomising public intellectuals. The Webb’s made the first systematic attempt, not just to record the growth of trade unionism but also analyse their objectives and methods, developing concepts like the common-rule, collective-bargaining and legal enactment that are still used. Together with colleagues, many drawn from his circle of students, Commons produced the multi-volume history of organized labour in the United States. This alone would have been a significant achievement. However, Commons was so much more than this, including being a pivotal figure in building the academic/policy field of industrial relations and key-activist in labour/social welfare debates during the crucial struggle to civilize capitalism between 1880 and 1945.

The title of the book, *A Worker’s Economist*, provides an indication of the