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face reduces it. This outcome is seemingly affirmed in *WDUD* for the US case because Freeman and Medoff find a large positive union effect on productivity, which they can set against the negative union wage effect. However, thirty years later the balance on the efficiency scale seems to tip toward a “guilty” verdict on the social utility of unions. One reason is that the union productivity effect has gone from positive to zero while the union wage effect, though smaller, remains negative (chapter 3); a second reason (chapter 6) is that the evidence presented by DFL on a positive union voice effect on productivity-related employee behaviours (turnover, job satisfaction, commitment) is weaker relative to *WDUD*.

Looking back, a significant part of *WDUD*'s appeal and claim to fame originated in reversing, or at least neutering, the economists' traditional negative indictment of unions on labour monopoly grounds by adding the positive collective voice face in the theoretical model and then presenting considerable new empirical evidence that seemed to confirm unions' counterbalancing positive effect on non-wage outcomes. The new meta-analytic empirical evidence presented by DFL is an order of magnitude more sophisticated and persuasive than that in *WDUD*, but also less supportive of the two-faces thesis that made it famous.

One thing a reader notices in DFL's summary chapter is they assiduously keep the discussion empirically focused and do not address the implications of the book's findings for the exist-voice model or union effect models more generally. Establishing causality and motivation is difficult but one cannot help but wonder if part of the explanation is that the authors realize silence is preferable to voice on this subject for the net effect of their meta-statistical evidence seems to be to reduce the two faces of unions model back toward the traditional one face model Freeman and Medoff wrote *WDUD* to challenge.

An irony of this book, therefore, is that it is positioned as a thirty-year commemoration and celebration of *WDUD*, but seems, on balance, to undercut its central theoretical/empirical foundation. Evaluated on its own merits, however, DFL's book represents a definite advance in both empirical analysis and knowledge.

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**Reducing Inequalities in Europe:
How Industrial Relations and
Labour Policies Can Close the Gap**

Edited by Daniel Vaughan-Whitehead
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Inequality is a fashionable term. Once largely confined to describing socio-economic differences and especially extreme economic deprivation, it is now applied to almost any injustice, real or imagined. Often overlooked in contemporary debates and policy making that purport to address inequality is the historically pivotal role that organized labour and the institutions its campaigns were critical in building played in redistributing income and creating more economic security for the wider community of richer countries. Wealthy societies are not built simply on technology or resources but on the social ingenuity that utilizes available resources, that nurtures the widest sources of innovation from the community and the broadest base of consumption of expensive goods and services by spreading income/economic security. Resources riches are commonly used to explain the high-living standards of countries like Canada and Australia, but this contention fails to explain why other resource-rich countries like Brazil, Argentina or South Africa did not secure comparable results.

As the subtitle indicates *Reducing Inequalities in Europe* is a collection of essays

examining the contribution of industrial relations mechanisms and associated labour policies mitigating inequality in over twelve European countries. The book was, in part, the outcome of a Geneva meeting of ministers organized by the ILO and European Commission in early 2017 and reflecting this, the book has a strong focus on policy and practical remedies rather than exploring the theoretical/evidentiary underpinnings of the problem.

Notwithstanding its policy focus, the evidence on rising inequality is there. Using statistics and well accepted measures, notably the Gini coefficient, a uniform and familiar pattern of rising inequality is presented for the countries examined, both wealthy ones like Germany and poorer countries like Slovenia.

The reasons for growing inequality are also discussed, notably the rise of neoliberalism and the policies it promotes resulting in a decline in full-employment policies, union density, collective bargaining, income security/welfare and a commensurate growth in precarious work, subcontracting and the informal sector. The 2007 Great Financial Crash and the havoc it wreaked on particular parts of Europe get more than a passing mention but, of course, this is but one symptom the instability neoliberalism actually delivers with the double-irony that its failings were used to justify austerity programs—more neoliberalism to fix problems created by umm... neoliberalism as well as ever-lower interest rates and the printing of money now euphemistically labelled quantitative easing (but unlike Keynesian economics in no way directed to help the poor work and consume).

It is, of course, an ironic if not outright disingenuous twist that the European Commission should involve itself in the 2017 Geneva meeting given its pivotal role of promoting neoliberal policies in the European Union over the past two decades. This, and ministerial involvement, may help

explain why the book is not as scathing as it might have been about root causes of the problem or as fundamental in the remedies posited. It is not quite of the order of fine-tuning the engines on the *Titanic*, but the remedies are incremental and, at best, may mitigate, but not arrest, the trends underway and their monumental/human social consequences.

With this in mind, there is still a lot of value in the book and its collected essays, even if the reader has to work harder than they probably should have to draw key themes and findings out. The opening editorial introduction and overview chapter attempts this, but in a rather guarded and too generic fashion.

I am going largely confine my remaining observations to these points, as they are those most pertinent to a global readership. Of course, those interested in particular countries or in deepening their understanding of how the problems have manifested will gain a lot from the individual country chapters. Only one chapter deals with multiple countries (that on the Baltic States) and single-country chapters bedevil much edited comparative books. Given its strong centralizing theme the single country chapters are arguably less an issue than less focused comparative works, although the diversity of academic contributors in terms of disciplinary backgrounds remains a challenge.

The book, and especially the overview chapter, make a number of important points including the almost, if not universal, shift to greater inequality and linking this to the declining influence of institutions that mitigate it, including the extent of collective bargaining (and the degree of centralisation with regard to it—something long known with regard to the gender pay-gap), the significance of minimum wage regulation as a floor for collective bargaining and assisting the most vulnerable in this regard. Equally important is the redistribution of working time more equally—anathema to

zero-hour contract advocates or those who have failed to see the rise in standard/actual working hours for the danger that it is. The role of state is recognized too. However, no mention even in passing that labour reformers of more a century ago—when the now corroding infrastructure was initially built in Europe, Australia and North America—knew all this!

The importance of taking household income into account is also identified, although the implications of this for competing concepts of minimum living wages and universal income policies (which actually amount to the community subsidizing low paying employers) warranted more vigorous examination.

In terms of remedies, the book looks at an array of strategies at both state/regional and industry/sector level to extend the net of collective bargaining and the conditions it addresses as well state-level interventions like flexicurity. In their overview chapter, Vaughan-Whitehead and Vazquez-Alvarez point to the need for unions to find new strategies (p. 54). It is hard to disagree with this point; after all, it was pivotal to securing much of the protective industrial relations structure that civilized capitalism and marked the Post-War World (at least in rich countries). Of course, one problem today is that the reforming Social Democrat/Labour political parties of a century ago, most initiated/built by unions, have almost without exception embraced neoliberalism in their policy framework/discourse.

Notwithstanding its focus on Europe, it would have been useful had the authors considered union-sponsored developments in other countries (like initiatives dealing with supply chain regulation and the Gig economy). After all, minimum wage laws did not originate in Europe, so why should Europe be the font of initiatives to deal with the new age of neoliberalism. However, within its prescribed orbit, this is a useful book for those wishing

to examine recent shifts and interactions between industrial relations regimes and inequality.

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Private Government: How Employers Rule our Lives and Why We Don't Talk about It

By Elizabeth Anderson (2019) New Jersey: Princeton University Press, 224 pages. ISBN: 978-0-69117-651-2.

Members of the labour movement and the IR community have frequently noted (and railed against) the disconnect between the status of working people as citizens of a democracy and as employees of large private enterprises. In the political arena, working people have constitutionally protected rights. They have the right to participate in the governance of the state. They have the right to elect governors who are responsible to them. When entering the workplace, however, those democratic rights melt away and those persons become subordinates, “order takers” subject to the dictates of bosses to whom their labour is a resource, a commodity, much like capital and land.

The “theory of the firm”, developed by Richard Coase and widely accepted by the dominant *clique* of contemporary economists, insists that this situation is necessary in order to ensure the productive efficiency on which our high standard of living is based. Leading figures from that tribe admit to no inconsistency between the situation at work and political democracy. The terms of the employment contract, they argue, are the result of negotiations entered into freely between managers of the firm and individual workers who may, if they do not like what is on offer, go elsewhere.

In *Private Government*, Elizabeth Anderson, a distinguished professor of Philosophy at the University of Michigan, carefully