

Joint book review: Minimum wages, collective bargaining and economic development in Asia and Europe: A labour perspective & Non-Standard Employment in Post-Industrial Labour Markets: An Occupational Perspective

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Author post-print (accepted) deposited by Coventry University's Repository

Original citation & hyperlink:

Ferreira, J 2017, 'Joint book review: Minimum wages, collective bargaining and economic development in Asia and Europe: A labour perspective & Non-Standard Employment in Post-Industrial Labour Markets: An Occupational Perspective' *Work, Employment and Society*, vol (in press), pp. (in press)

<http://dx.doi.org/10.1177/0950017016673503>

DOI 10.1177/0950017016673503

ISSN 0950-0170

ESSN 1469-8722

Publisher: SAGE

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Maarten Van Klaveren, Denis Gregory and Thorsten Schulten (eds)
Minimum wages, collective bargaining and economic development in Asia and Europe: A labour perspective
Basingstoke: Palgrave Macmillan, 2015, p£77, (ISBN:978-1-137-51240-6) 365pp.

Werner Eichorst and Paul Marx (eds)
Non-Standard Employment in Post-Industrial Labour Markets: An Occupational Perspective
Cheltenham: Edward Elgar, 2015, £105, (ISBN: 978-1-78100-171-4) 448pp.

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‘Few would disagree that European labour markets are in a process of deep transformation’, and as the books explored in this review highlight, labour markets across the globe are undergoing varied transformations (Eichorst and Marx, (2015:1). This review covers two edited volumes which examine some of these labour market transformations, from changing wage inequalities in Europe and Asia to rising labour market flexibility in Europe and the United States. *Minimum wages, collective bargaining and economic development in Asia and Europe* (MWCB) explores the effectiveness of minimum wages in different national contexts that are characterised by varied trends in income inequality and economic development. The book adopts a labour perspective, to examine problems of low pay, rising inequality and inadequate economic and social policy responses, in doing so it considers both the economic and social interests of labour. *Non-Standard Employment in Post-Industrial Labour Markets* (NSE) takes an occupational perspective to explore how different institutional contexts affect variations in non-standard employment patterns. It seeks to demonstrate that employment practices within these national contexts are not homogenous, varying across sector, occupation and groups of individuals.

The national case studies within MWCB are the product of a series of meetings of researchers across Asia and Europe as part of the Asian-European Labour Forum (AELF) from 2009 to 2013. The case studies examine the relationship between wage setting institutions, collective bargaining and economic development, in particular, how changing labour market structures have led to insecurity and vulnerability in the labour market, how labour market policies have developed in response, and what potential these policies have in the respective institutional contexts. For Asia the authors highlight in particular how the informal sector impacts on inequality, and how collective bargaining tends to be weakly developed. For Europe the authors consider the impact of the economic crisis in the region, the impact on economic imbalances and the relationship with patterns of inequality.

Each national case study sets out the socio-economic characteristics of the country and highlights key similarities and differences with other countries in the region. While chapters consider the specific national labour market transformations, the importance of wider labour market policies and debates is reiterated. In Asia, for example, the need to upgrade manufacturing, invest in innovation, the impact of export-led growth, and the role of wage-setting play an important role in policy deliberations, while debates in Europe focus on the adverse impact of diminishing employment protections and increased functional and temporal flexibility. The chapters also consider drivers of labour market transformation, pointing to the importance of institutions and policy. In Asia drivers identified include the lack of social protection, whereas in Europe these stem from the retrenchment of the welfare state, austerity, weakening of unions and collective bargaining coverage. It is argued that statutory minimum wages could be the main instrument to protect low-waged, and in many of the countries was already in place. A central argument throughout the book is that national institutions matter, and that policies concerning collective bargaining are crucial in explaining income inequality and the incidence of low pay.

This book provides a good overview of the different labour market transformations taking place, in terms of the incidence and development of minimum wage setting, and the prevalence of collective bargaining. This includes examples like China, which has experienced substantial wage increases coupled with growing inequality, and in response the government is making efforts to explore processes of collective bargaining to combat rising tensions in labour relations. To contrast Italy faces different pressures stemming from globalisation, the financial crisis, and the impact of austerity on national policies which has led to multiple reforms of collective bargaining coupled with significant problems in Italian trade unionism. Perhaps unsurprisingly the authors make the case that strong trade unions remain a key actor to facilitate more equal income distribution and overall development in Europe. For some readers this may seem to overlook other institutions, and scales, for example the role of cross-national or regional organisations that do not correspond to national borders. But what remains constant throughout the book is the importance of taking into account the national context when approaching issues of wage setting or collective bargaining, from considering the large informal economy in India, to the strong manufacturing sector in Germany. In doing so these chapters move beyond simple assessments of wage setting institutions on the prevalence of low paid work at the national level, to recognise how wider institutional arrangements and influences stemming from wider socio-economic characteristics can influence labour market characteristics.

NSE, by contrast, goes beyond the national level and explores employment regimes and practices in sub-national labour markets. A framework is presented which draws together discussions of labour market regulations, industrial relations and skills supply. The book utilises individual case studies as well as comparative pieces which draw on a range of cases from Western Europe and the US to examine the concepts which are seen as key facets of non-standard employment, including: employment insecurity, occupational differences in flexibilisation, atypical employment in service occupations, trade unions and precarious work, among others. In doing so these chapters focus on the institutional features that influence how the different forms of non-standard employment develop. Collectively these chapters illustrate why variegated occupational patterns are formed, why non-standard employment has grown in many developed economies, but heterogeneously. Although, some of the differences between national contexts have been considered, less has been said within particular national labour markets.

The authors point to a twin process of deindustrialization and growth of non-standard work which have led to greater labour market inequality. They argue that the implications of those processes are under researched and under-theorized, in particular with regard to crucial differences in labour market patterns across sectors and occupations. The argument emphasises that national averages (like those presented in MWCB) have only limited relevance as they mask different employment logics in particular occupations, as well as variations in the prevalence and experience of non-standard work within different occupations.

NSE examines the replaceability of workers and the flexibility of hiring practices within different labour markets, arguing that combinations of these are not homogenous within national institutional settings. Rather, they differ between sectors, occupations and individuals as a result of labour supply and demand conditions, skills required, power of unions within collective bargaining, and the extent labour market institutions constrain management decisions. In the UK, where the labour market was seen to have high flexibility and high replaceability for workers, the use of temporary contracts was relatively low. This compared to France where regulations were stronger, and temporary contracts remained widely used. Although in both cases it was highlighted that there were particular sectoral concentrations, typically in low skill and service sector occupations.

The book highlights both differences and commonalities with regard to occupational distribution and the development of non-standard forms of employment across post-industrial countries. NSE concludes that an occupational perspective on patterns of non-standard and low pay employment adds to our understanding of these phenomena, as in many national contexts particular patterns concentrate in particular sectors or with segments of the population. The authors acknowledge this is a first step towards understanding how occupational characteristics interact with the wider institutional environment and skill formation regimes which is intended to inspire more comparative research on employment practices in subnational labour markets.

Together, both volumes provide insights into different facets of labour market change and the implications for the experiences of citizens across the globe. While MWCB seeks to provide a series of vignettes across two regions of the globe, NSE moves below the national scale to consider differences between occupational sectors within countries and sectors. The former offers a critical perspective on wage-setting institutions, collective bargaining and economic development, illuminating the role and effectiveness of (statutory) minimum wages against national trends in income inequality, economic development and social security systems. The latter highlights the importance of examining a wider variety of institutions and actors below the national level to acknowledge the incidence, role, and implications of non-standard work in labour market change in Europe and the US necessary for effective policy responses. Throughout these books the authors highlight the importance of investigating the individual institutional context of each national employment system and its features, be it the introduction of minimum wages, or the use of temporary contracts in the service sector. In most cases questions remain about how to translate the messages in these volumes into effective policy responses, and the extent to which these could be transferable between countries, given the noted heterogeneity across economies and labour markets, but they provide a base from which further studies could do so.