

## Relations industrielles Industrial Relations



Joseph SMUCKER, Axel VAN DEN BERG : *Capitalism vs Socialism? Canadian and Swedish Labour Market Policies Compared*. Working Papers in Social Behaviour, no 88-8, Montréal, McGill University, 1988, 75 pp.

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are certainly not the **only** factor effecting a decision to close. Gerhart supports Anil Verma's (**Industrial Relations**, Fall, 1985) conclusion that unions have no choice but to negotiate for more new investment.

The author's second and third conclusions relate directly to collective bargaining. Thus he finds that collective bargaining can address plant closings where high unit labor costs are an issue. He cites the joint problem solving approach as the most effective collective bargaining mechanism for dealing with closings. Gerhart also concludes that there may be factors deeply embedded in the collective bargaining relationship, such as interpersonal conflict and/or general lack of trust, that may affect the probability of success in reversing the drift to plant closure.

Gerhart addresses additional practical questions that should be of interest to scholars, practitioners, and students of personnel/industrial relations. These questions include: how to know if the employer's threat to close is bona fide; why does an employer initiate plant closing discussions with a union; what factors influence the union's response; and what are the distinguishing characteristics of successful plant closing negotiations.

Gerhart's proposals for public policy changes to deal with plant closings are important. They should be read carefully by those in Canada currently trying to revise existing or create new legislation dealing with the issue; taking into account, of course, contemporary differences in U.S. and Canadian labor legislation.

The author proposes that demands for contractual rules relating to plant closings and demands for contract clauses concerning company investments be made mandatory subjects of bargaining under the **National Labor Relations Act**. He argues that the current legal standard that requires an employer to negotiate a closure only if that decision turns on labor costs is difficult to interpret and enforce. It requires a determination of motive. Gerhart convincingly argues that since it is futile to try to separate a plant's profitability from its labor costs why not give unions the legal right to demand to negotiate on closings. He points out that the employer certainly has the right to disagree with the proposed clause.

This book makes an important contribution on a key topic. It would certainly be useful reading for undergraduate classes in collective bargaining and graduate classes in industrial relations.

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**Capitalism vs Socialism? Canadian and Swedish Labour Market Policies Compared**, by Joseph Smucker and Axel van den Berg, Working Papers in Social Behaviour, No. 88-8, Montréal: McGill University, 1988, pp. 75.

The commitment of Sweden to active labour market policies allows to save on unemployment insurance, maintain full employment, limit wage disparities, promote technological advance and increase international competitiveness. In Canada the prevailing expediency approach makes it impossible to promote the long run perspective. The weak and fragmented trade union movement is not able to follow a consistent line. On the other hand, in Sweden the government itself is a major employer and this leads to some negative effects: a growing gap in the job security between the public sector and the private sector, bureaucratization, heavy tax burden, limitation of entrepreneurship, etc.

There are several obvious advantages in the promotion of active labour market policies instead of alleviating the consequences of market malfunctioning. In Sweden in comparison with Canada there is much more emphasis on matching (information, counselling, and placement), supply measures (training and translocation) and the reinforcement of labour demand (job creation, relief works).

Most of Swedish governmental funding goes to these active policies when in Canada most is consumed by unemployment benefits. The Swedish employment service officers have a hand in helping to fill a half of all vacancies (in Canada 15-20%). Canada spends on labour market policy actually the same per cent of GNP as Sweden (3%) but the Canadian services seem to be much less effective. There is much to be learned in Canada from the Swedish experience, especially because the relatively high unemployment level in several parts of the country is a major nuisance and cost. Would it be better to make the labour market policies more entrepreneurial instead of the continuation of a bureaucratic muddle through?

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**Employers' Associations and Industrial Relations: A Comparative Study**, by John P. Windmuller and Alan Gladstone (eds.), Oxford, Clarendon Press, 1986, xii-370 p., ISBN 0-19-827260-X

Windmuller and Gladstone's **Employers' Associations and Industrial Relations**, although first published in 1984 and reprinted in 1986, has not yet been reviewed by this journal. The present commentary proposes to fill the information gap and reflect on the merits of this study.

The book is a collective work involving several authors and is coordinated by J.P. Windmuller and A. Gladstone. It starts with a statement and an enquiry:

"In almost every Western industrialized country and Japan, employers' associations hold a key position in the industrial relations system... Yet curiously enough the industrial relations literature offers little of substance about them..." (v).

On the first point, there are exceptions, according to the authors, "in the United States and perhaps Canada". (I shall return to the "perhaps Canada" reference later in this text.) On the second, the reasons for this paucity of information are laid at the door of employers' associations themselves: "being less than generous in responding to serious non-hostile inquiries about their activities and their internal affairs..." and their "general distrust of researchers in the social sciences" who generally undertake this sort of enquiry. They admit, however, that there has been a tendency on the part of IR students and researchers to be oriented toward union subject-matter, where information was more readily available and themes possibly more enticing.

There may, indeed, be another reason, unforeseen by Windmuller and Gladstone. Given the supra-enterprise level of activities, and the interaction between organization and government, necessary for reasons of efficient operations, it is quite possible that IR students and researchers tended to dismiss such organizations and areas of enquiry as the proper of political science. Concerned with such phenomena as lobbying, and other pressure group tactics, employers' associations may have been considered "beyond the pale". Curiously, a similar limit seems to have been imposed on the study of labour political action within IR circles, in spite of its obvious link with such areas as labour legislation (formulation and adoption) and