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SPECIAL FEATURE I: NEW DIRECTIONS IN INDUSTRIAL RELATIONS?

- 309 **An emerging transnational industrial relations?
Exploring the prospects for cross-border labour bargaining**
Urs LUTERBACHER, Andrew PROSSER and Konstantinos PAPADAKIS

Global union federations (GUFs) and multinational enterprises (MNEs) have been concluding “international framework agreements” (IFAs) to protect their interests amidst the globalizing economic landscape. By modelling the underlying bargaining processes, the authors show that IFAs can be expected when both sides exhibit risk aversion, although the agreement will favour the less risk-averse side. Since globalization has created fewer vulnerabilities for MNEs than for GUFs, IFAs have so far typically delivered only minimal benefits for labour. But this should change in the future if strengthened transnational union capacities and abilities to threaten MNEs with reputational costs bring greater equalization of attitudes towards risk.

KEYWORDS: LABOUR RELATIONS, INTERNATIONAL AGREEMENT, GLOBALIZATION, MULTINATIONAL ENTERPRISE, TRADE UNION FEDERATION.

- 345 **Positive class compromise in globalized production? The Freedom of Association Protocol in the Indonesian sportswear industry**
Karin Astrid SIEGMANN, Jeroen MERK and Peter KNORRINGA

This article investigates the role of voluntary initiatives (VIs) as non-governmental systems of labour regulation in global value chains (GVCs). To identify the conditions conducive to a more active role for labour in VIs, the authors apply Wright’s (2000) theory of the factors enabling positive class compromise to a VI implemented in the Indonesian sportswear industry and extend it to the more complex

realities of GVCs. They conclude that if VIs are to create conditions under which decent work can be strengthened, the involvement of strong local labour organizations is required while producers' and/or buyers' dependence on workers' cooperation acts as a catalyst.

KEYWORDS: FREEDOM OF ASSOCIATION, GLOBALIZATION, REGULATION, VALUE CHAINS, SPORTING GOODS INDUSTRY, INDONESIA.

- 367 **Is social partnership the way forward for Indian trade unions? Evidence from public services** Vidu BADIGANNAVAR

Since the start of economic reforms in 1991, India's trade unions have found themselves increasingly excluded from the political process and marginalized in collective bargaining. Using survey and interview data from the Maharashtra affiliates of two national union federations, this article examines whether social partnership with employers is a viable option for Indian unions to regain influence and protect workers' interests, as some analysts have advocated. Its findings indicate that despite Maharashtra's supportive regulatory framework, which in theory should facilitate cooperative industrial relations, the realities of workplace employment relations – coupled with state indifference and adverse judicial interventions – weaken labour's prospects for meaningful social partnership.

KEYWORDS: COLLECTIVE BARGAINING, SOCIAL DIALOGUE, TRADE UNION ROLE, PUBLIC SERVICE, INDIA.

- 395 **Employment regulation, game theory and weak employee voice in liberal economies** Tony DOBBINS, Tony DUNDON, Niall CULLINANE, Eugene HICKLAND and Jimmy DONAGHEY

This article analyses the impact of information and consultation regulations – specifically the European Information and Consultation Directive – on worker participation or “employee voice” in liberal market economies (LMEs), providing both empirical and theoretical insights to complement existing research on the Directive. Using game theory and the prisoner's dilemma framework, and empirical data from 16 case studies, the authors explain why national legislation implementing the Directive is largely ineffective in diffusing mutual gains cooperation in the United Kingdom and Ireland. Three theoretical explanatory propositions advance understanding of the policy impact of information and consultation regulations in LMEs.

KEYWORDS: LABOUR RELATIONS, REGULATION, WORKERS PARTICIPATION, MARKET ECONOMY, CASE STUDY, IRELAND, UK.

SPECIAL FEATURE II: YOUNG WORKERS, OLDER WORKERS AND (UN)EMPLOYMENT

- 425 **The relationship between youth employment and older persons' employment in 20 OECD countries** Eun Jeong JI

Inspired by the “lump of labour” theory, a large number of OECD countries have encouraged the expansion of early retirement policies in response to rising unemployment since the 1970s. In reality, however, youth employment is found to be positively correlated with older persons' employment, although this is simply the overall finding for all OECD countries because most studies estimate average effects. Less is known about diversity in the relationship between youth employment and the employment of older workers. In order to help fill the research gap in this area, this study explores the heterogeneity of that relationship across 20 OECD countries.

KEYWORDS: YOUTH EMPLOYMENT, OLDER WORKER, RETIREMENT, UNEMPLOYMENT, OECD COUNTRIES.

- 443 **Can welfare and labour market regimes explain cross-country differences in the unemployment of young people?** Dennis TAMESBERGER

No single institution can reduce (long-term) youth unemployment. Welfare and labour market institutions function as “bundles” through multiple inter-institutional

synergies. Based on a focused literature review for theory and on cluster analysis for empirics, the author identifies five such regimes across the EU-27 and estimates their effects on the youth unemployment ratio and on long-term youth unemployment. The most helpful institutional arrangement for young people in the labour market would be a combination of strong dual apprenticeship embedded in a corporatist labour market regime with high levels of social security, active labour market policy, and spending on education and childcare.

KEYWORDS: YOUTH UNEMPLOYMENT, LABOUR MARKET ANALYSIS, WELFARE ECONOMICS, CORPORATE SOCIAL RESPONSIBILITY, APPRENTICESHIP, EU COUNTRIES.

465 **The scars of youth: Effects of early-career unemployment on future unemployment experience**

Achim SCHMILLEN and Matthias UMKEHRER

Does early-career unemployment cause future unemployment? The authors approach this question using German administrative matched employer–employee data that track almost 700,000 individuals over 24 years. Instrumenting early-career unemployment with firm-specific labour demand shocks, they find significant and long-lasting “scarring effects”. In the mean, each additional day of unemployment during the first eight years on the labour market increases unemployment in the following 16 years by half a day. However, quantile regressions show that the scarring effects are much stronger for individuals who already suffer from lengthy and repeated spells of unemployment.

KEYWORDS: YOUTH UNEMPLOYMENT, FRICTIONAL UNEMPLOYMENT, LABOUR DEMAND, JOB INSECURITY, GERMANY.

495 **The relationship between employer-provided training and the retention of older workers: Evidence from Germany**

Peter B. BERG, Mary K. HAMMAN, Matthew M. PISZCZEK and Christopher J. RUHM

A substantial portion of Germany’s workforce will soon retire, making it difficult for businesses to meet their human capital needs; training older workers may help to manage this demographic transition. The authors therefore examine the relationships between employer-provided training programmes, wages and retirement among older workers. They find that when establishments offer special training programmes targeted at these workers, women – especially low-paid women – are less likely to retire, possibly because of consequent wage growth. Their results suggest that such targeted training can indeed play an important role in retaining low-wage older women and advancing their careers.

KEYWORDS: OLDER WORKER, TRAINING EMPLOYMENT RELATIONSHIP, WAGES, RETIREMENT, GERMANY.

525 **The effects of under-skilling on need for recovery, losing employment and retirement intentions among older office workers: A prospective cohort study**

Fleur G. GOMMANS, Nicole W.H. JANSEN, Dave STYNEN, IJmert KANT and Andries de GRIP

Based on a sample of older workers from the Maastricht Cohort Study, the authors investigate the prevalence and dynamics of self-reported under-skilling and its effects on workers’ need for recovery, their risk of losing employment and their retirement intentions over a two-year period. They find that being under-skilled is associated both with higher levels of need for recovery over time and with the risk of losing employment, but not with early retirement intentions. To achieve sustainable employment, they argue, the course of under-skilling should be monitored throughout workers’ careers, enabling timely interventions to avoid its negative consequences.

KEYWORDS: OLDER WORKER, SKILL ANALYSIS, OCCUPATIONAL QUALIFICATION, JOB INSECURITY, RETIREMENT, NETHERLANDS.

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