

## Book Review

# Industrial Relations in Emerging Economies

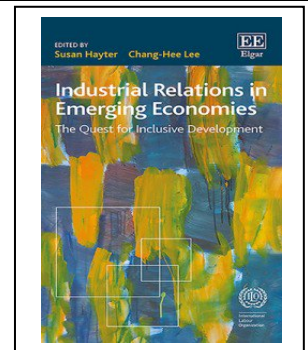
## The Quest for Inclusive Development

– by Susan Hayter and Chang-Hee Lee, E-Elgar 2018

Dr Mohamed Buheji

Email: [buhejim@gmail.com](mailto:buhejim@gmail.com)

Founder of the International Inspiration Economy Project - Bahrain



**Abstract** Industrial relations are socially constructed to create a balance between the class powers. These relations can be resilient and stay balanced for long periods where the economic interests of workers and employers would be balanced in relevance to economic growth patterns. When economic pattern changes, interests and power resources change and industrial relations systems experience some instability, unless these relations are balanced by inclusive development that compensates for this gap. In this paper, the work of Hayter and Lee (2018) on industrial relations in emerging economies is investigated and reviewed. The purpose of this review to ensure the clarity of such socio-economic contribution to these important economies. More detailed discussion on the importance and gap of knowledge yet to be addressed in this area is laid down in conclusion.

**Keywords** Industrial Relations, Inclusive Development, Resilience Economy, Socio-Economics, Emerging Economies, Change Management, Labour Market

### Introduction

The book Hayter and Lee (2018) 'Industrial Relations in Emerging Economies, The Quest for Inclusive Development' is a deep work that studies the industrial relations in emerging economies of Brazil, China, India, South Africa and Turkey, and assesses the contribution of industrial relations institutions to inclusive development. Hayter and Lee (2018) uses real-world examples to examine the evolution of industrial relations and then cover detail of the theoretical perspectives of these relations and specially in developing and emerging economies. The book claims to have applied interdisciplinary review of industrial relations which employ methods of economics, sociology, political science and law.

The Hayter and Lee (2018) have brought different contributors to the final structure of the book. The book is divided into five main parts. The first part, chapter one, covers the industrial relations in emerging economies in general. The rest of the four chapters are about labour relations and inclusive growth in: India, South Africa, Brazil, China and Turkey; each tackled from different perspective.

This work is very important for the whole world and not only to these five fast emerging economies, as in total Brazil, China, India, South Africa and Turkey together comprise 41% of the world's population and 42% of the world's labour force and where three of these countries – Brazil, China and India; are also among the world's largest economies.

Each country liberalized its product markets in the hope of accelerating the country's growth and development. In some, this was accompanied by democratic transition, with organized labour playing a key role in the process of political change. High degrees of informality and late or limited industrial development produced patterns of industrial relations that differ from those in advanced economies.

### Focus of the Book

#### Part One- Industrial Relations Issues

This book examines the evolution of industrial relations institutions in the emerging economies of Brazil, China, India, South Africa and Turkey and how these institutions contribute to inclusive development. 'Industrial Relations in Emerging Economies' focus on the evolution of industrial relations institutions and the role that these have played in periods of economic and political transition. The demonstrate that rather than acting as a constraint on development, trade unions can contribute to stability, security and equity.

The contribution of the industrial relations in relevance to the continuing demand for the informal economy in rapidly industrializing districts are also well-investigated in this book.

#### Part Two- Inclusive Development

The book touch base on the inclusive development needed in relevance to industrial development. This work, however, is far from being comprehensive or give original contribution in relevance to World Economic Forum's (WEF) Inclusive

Development Index (IDI) criteria; and specially in the mentioned emerging countries. The IDI annual assessment of emerging countries' economic performance shows that almost all of the book's focused countries, Brazil, China, India, South Africa and Turkey, are underperforming in relevance to growth and development. Also, these countries are found to have a clear development inclusion besides slow intergenerational equity in relevance to sustainable stewardship of natural and financial resources.

Since the IDI is part of WEF's measure for future economic progress, similar work of Hayter and Lee (2018) could enable more sustained and inclusive economic progress while accelerating the industrial social impact through resilience-based corporate and government actions. Buheji (2018) emphasised this is highly needed in resilience-based economies which should give equal values to incorporating transparency and accountability while enhancing industrial development outcomes in collaboration with civil society, governments and private sector actors.

### **Industrial Relations and Learning from the Past to the Future**

Emerging economies have great chance to learn from the past and build more competitive future. The different studies carried in 'Industrial Relations in Emerging Economies' show that industrial relations may result in stability and the containment of conflict, but also in rising inequality, that in turn threaten the long-run viability of capitalist development. The focus of future industrial relations architects should be drawn around the need to develop institutionalization of employment relations. Patterns of continuity and discontinuity of institutional development in relevance to industrial relations need to be further studied. Evolutionary description of change in industrial relations is expected more to make a distinction between discontinuous change and more incremental and adaptive change. Buheji (2018).

Learning from the developed countries' inclusive development shows that governments would ensure that peoples are not neglected. Sponsored demands of the private sector shouldn't be at the cost of citizen or workers' involvement. Emerging and developing countries need to learn from the past and understand the development policies and programs of industrial relations, in order to build effective and avoid destructive developmental programs in the future.

### **Discussion on 'Industrial Relations in Emerging Economies'**

In general, this is a good reference book for industrial relations in emerging economies. However, this great work of Hayter and Lee (2018) can't claim to be holistic or interdisciplinary. Even though the authors were keen to show some different types of industrial relations, the economics, sociology, political agenda and the legal aspects of industrial relations in emerging economies, these disciplines are not properly integrated.

Variety of capitalisms based industrial relations frameworks are discussed. Comparisons are made for the coordinated market economy (CME) and a liberal market economy (LME). The strategic choices made by economic actors in these economies are investigated.

Hayter and Lee (2018) brought analytical frameworks to be used to explain why globalization had different effects on industrial relations systems and specifically in the identified big leading emerging economies. The authors in this book explain, for example, why trade unions were weakened by business initiatives and labour market deregulation in LMEs, but remained strong in CMEs where different coalitions ensured their survival and their continued role in wage coordination. The effects of labour market institutions on efficiency and equity are also briefly studied in this book.

### **Conclusion**

This comprehensive emerging economy focused industrial relations book would be very stimulating for industrial relations students, academics and researchers. The work of Hayter and Lee (2018) and all the co-authors in the different chapters covered to a minimal extent other fields as: industrial policy making, human resources, industrial relations, sociology, psychology, management, legal aspects and labour economics. However, this work could have carried also some of the direct influences of collaborative economy.

Despite much of the literature emphasizes the role the economic restructuring plays in fundamentally transforming industrial relations; this work triggers the need for further research to be done in the area of emerging economies' inclusive developments. More research also needed in relevance to socio-economic effect of industrial development or on the crisis that might happen as a result of this in different economies. Despite we have touched base about how this related to resilience-based economy, deeper empirical research is highly recommended in this area.

### **REFERENCES**

Buheji, M (2018) Understanding the Power of Resilience Economy: An Inter-Disciplinary Perspective to Change the World Attitude to Socio-Economic Crisis, AuthorHouse, UK.

Hayter, S and Lee, C (2018) Industrial Relations in Emerging Economies, The Quest for Inclusive Development. E-Elgar.

WEF\_Forum\_IncGrwth\_2018.pdf

<https://www.weforum.org/reports/the-inclusive-development-index-2018>

Accessed: 12/11/2018