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## **Employment Relations and the State in Southeast Asia**

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### **Abstract**

This article engages critically with the comparative employment relations literature, assessing its capacity to explain and analyse the relationship between state objectives – accumulation, pacification, legitimation – and employment relations. Having engaged with approaches that have influenced the discipline in recent decades, it draws on insights from capitalist Southeast Asia to identify determining factors not accounted for in comparative employment relations models developed from and applied to the Global North. These include the relatively high degree of fluidity in forms of governance characteristic of contexts where there is a dynamic interplay between democratic and authoritarian rule, which challenges the assumption that employment relations are underpinned by a relatively strong, stable and autonomous state. Equally significant is the impact of interstate and international interests and influences, only some of which are economic, on the balance between different state objectives as they pertain to employment relations.

**Keywords:** Democratic transition, employment relations, Indonesia, post-authoritarian states, trade unions

### **Introduction**

While the discipline of industrial relations has been especially concerned with assessing employment-relevant state policy and regulatory instruments, it has been suggested that the conceptualisation of the state, and especially the objectives and political dynamics that motivate state action, has been relatively neglected (Giles, 1989; Hyman, 2008; Meardi, 2014). This has had the effect of ‘discouraging reflection on the interconnections between policy areas, the broader functions of the state or the processes by which policy is actually formulated’ (Giles, 1989: 125). In this article, and throughout the special issue it introduces, we explore the interrelationships between the structure and character of states and employment relations in Southeast Asia, a region that differs in very important ways from Europe and North America, the focus of most research in the discipline. In doing so, we examine fundamental questions about

how well institutional approaches initially developed in industrialised liberal democracies are equipped to explain employment relations in other contexts.

Southeast Asia offers a rich laboratory in which to examine questions of state influence on employment relations beyond the direct role played by government in law-making and policy-setting, and by its agencies in the everyday practice within workplaces and in the formal structures of industrial relations.<sup>1</sup> To a greater or lesser extent, all low- and middle-income countries in the region have hitched their wagon to the star of labour-intensive, export-oriented industrialisation (EOI) at some time or other in the last half-century. This applies even to the nominally socialist states of Vietnam and Laos, which have embraced this model of economic development while at the same time determinedly clinging to state socialist ideology and expectations of political control. Yet interactions between economic globalisation and the character of the state – and consequently their impact on the formal architecture of employment relations and its translation into everyday practice – have been uneven and unpredictable, particularly in countries that have experienced democratic reform in recent decades, namely Cambodia, Indonesia, Myanmar and Timor-Leste

It is important to recognise that even dramatic changes in opportunities for political participation and representation at best provide an opening for employment relations reform. Even where transitions in governance and politics are accompanied by structural change in the formal institutions of employment relations, comprehensive regulation and new forms of practice do not miraculously appear through some dispensation from the state. In fact, typically the opposite is true: a ‘reformed’ regulatory landscape emerges that is piecemeal, particularistic and limited in its scope and its impact on the world of work. In such contexts, the limits and possibilities of an industrial relations ‘system’, in the sense of an observable configuration of employment regulation, are effectively determined by the way in which unions, employers and civil society organisations make use of available political space, either by seeking to make existing institutions work to serve their agendas or by exercising mobilisational power in an attempt to reshape them.

As suggested here, one way forward may be to take the historic focus of the discipline on institutions and interrogate its underlying assumptions in different settings. In a critical assessment of the discipline, Edwards (2005: 265) has noted the need for the ‘development of research that offers genuinely explanatory accounts derived from context-sensitive analysis’. Alongside acknowledgement of how labour markets, patterns of economic development and social structures vary across a region like Southeast Asia, such analysis requires attention to neglected questions regarding the relationship between the state and the degree of political space that is available for social and economic actors to shape employment relations. But that alone is not enough. Although examination of the specificity of institutional arrangements at the national scale is extremely important when developing a contextualised analysis – and perhaps especially when considering the influence of the state on employment relations practice – it is necessary to

heed the criticism of methodological nationalism levelled at much international and comparative employment relations scholarship (Bechter et al., 2012). To counter this tendency, but also to be able to fully understand the dynamics of employment relations, consideration must be given to economic flows; the legacies of colonialism and Cold War geopolitics; and the historical and contemporary role of international labour movement and other regional and global actors (Ford, 2014). It is only in considering all of these legacies, influences and contemporary realities that we can begin to understand the logics of state action over time and the ways employment relations institutions and practices are ultimately fashioned in a particular national context.

### **Conceptualising employment relations and the comparative institutional tradition**

Notwithstanding decades of critique and debate, conceptualisations of employment relations continue to be influenced by Dunlop's (1958) industrial relations systems model. The systems model was premised on the interaction between actors with an immediate stake in industrial relations, the contextual conditions (technology, markets, distribution of social power) that shape those interactions and, significantly, a common integrating ideology of mutual legitimacy 'such that each accepted the rightful existence and entitlement to action within the system of the others' (Heery, 2008: 70).

Although this model recognised the state as a discrete actor, politics and government were relegated to the margins of the analysis (Hyman, 2008: 258). This attracted strong criticisms of what was held to be a general tendency in functionalist analysis towards assuming systemic stability, downplaying conflict and ignoring the diverging interests and antagonisms inherent in the employment relationship (Heery, 2008). Even in the industrialised core, the insistence on a shared integrating ideology as a precondition of engagement is hard to reconcile with the character of employment relations under neoliberal globalisation. In late-industrialising nations such as those of Southeast Asia, it is even harder to reconcile the description of ideal-type liberal-pluralist industrial relations with the historical record or contemporary practice, which have been characterised more by social exclusion and state and employer subordination of labour movements than by pluralist social exchange. As Brown notes in his contribution to this special issue, pluralist approaches fail to provide adequate explanation for the emergence of employment relations institutions or their character as 'sites of protracted conflict' between various social forces. Nonetheless, the terms 'system' and 'actors' are used widely in industrial/employment relations scholarship on Southeast Asia, where they provide a descriptive shorthand for labour and employment-related institutions and organisational protagonists.

The profound influence of the systems approach is evident in initial attempts to engage in comparative analysis of industrial relations. Early studies were influenced by modernisation theory – the dominant theoretical paradigm of the 1950s and early 1960s – which provided a functionalist account of why industrialisation was expected to foster and even require convergence in institutions as well as aspects of political and social life (Cronin, 2000).

*Industrialism and Industrial Man* (Kerr et al., 1960), the seminal early text in the study of international and comparative industrial relations, was very much a product of this intellectual tradition. Although Kerr et al. (1960) did acknowledge that there would be variations in practices and institutional arrangements, they set out an argument for a ‘logic of industrialism’ whereby technocratic and managerial elites would be compelled to resolve the tensions associated with modernisation through eventual convergence towards the pluralist model of industrial relations presumed to prevail in industrialised societies. As is now well known, the convergence argument was subject to successive waves of critique, most notably of its assumptions about the transportability of pluralist institutions characteristic of certain kinds of industrial societies; institutions that, in any case, subsequently began to unravel in the core with the turn to neoliberalism.

For all of its flaws, this early comparative work fed into what has proven to be a strong tradition of international and comparative institutionalist and neo-institutionalist scholarship (Kaufman, 2011). In response to its limitations, a body of work has emerged that is more broadly and even eclectically influenced by concepts drawn from political science and sociology, including radical/Marxist approaches and political economy. Notably, the ‘center of gravity’ of this approach is in Europe rather than the United States (Kaufman, 2011: 26). The Varieties of Capitalism literature has no doubt been the most prominent and influential recent example of this ‘turn’. In their initial description of Varieties of Capitalism, Hall and Soskice (2001) identified two ideal types – liberal market economies and coordinated market economies – in which mutually reinforcing ‘institutional complementarities’ shape firm strategy and decision making, and thus underpin an ongoing divergence between different categories of national political economies insofar as institutions and firms interact in such a way as to perpetuate the broad features of each ideal type. Given the conceptual neatness and model-based nature of this approach, it is not surprising that its influence has been evident on fields concerned with institutional forms and their variation in contemporary capitalism, such as international business, political science and sociology, but also industrial relations, where it has found traction with comparativists concerned with organised labour (e.g. Frege and Kelly, 2004) and employment relations in Western Europe (e.g. Baccaro and Howell, 2011; Royo, 2007).

One of the strongest critiques of Varieties of Capitalism has been that its characterisation of institutions and firms and their mutually reinforcing interactions is not only overly deterministic, but also static, in that it does not explain how or under what circumstances institutions and broader configurations of capitalism have or could be transformed. For some critics, a key problem is its positioning of the capitalist firm at the centre of the analysis to the neglect of the influence of a country’s broader political economy (Coates, 2005). Proponents of the approach have responded to this criticism by attempting to develop more dynamic conceptualisations of institutions and their capacity for change, arguing that the approach had always allowed for the possibility of change and that stability in fact ‘rests on a highly political process of mobilisation marked by conflict and experimentation through which informational issues are resolved and

distributional issues contested' (Hall and Thelen, 2009: 27). Yet while acknowledging the significance of shifts in state policy, electoral politics and political coalitions in shaping or even transforming institutions, this response assumes – perhaps reflecting a continued focus on European political economies – that institutional change is gradual and incremental rather than fundamental and abrupt. Another line of critique, made by the proponents of 'variegated capitalism' (Peck and Theodore, 2007), focuses on the failure of Varieties of Capitalism to acknowledge and explore the inter-linkages between the supposedly distinct forms of capitalism found in liberal and coordinated market economies or even the diversity among firms and institutions.

Even where it does deal more systematically with labour, the utility of Varieties of Capitalism remains limited when explaining the evolution of industrial relations institutions and mechanisms, not least in the developing economies of Asia (e.g. Dibben and Williams, 2012; Ford, 2014). A related criticism is found in business systems theory. While still narrow in scope, the business systems theory literature recognises the failure of the initial typology of Varieties of Capitalism to account sufficiently for institutional variation (Witt and Redding, 2013: 3). Authors within this tradition have sought to address this deficit by proposing and describing, by means of comparative data analysis, an alternate series of 'clusters' of Asian business systems based on institutional characteristics such as education and skills formation; employment relations; financial systems; inter-firm networks; internal structure of firms; ownership and corporate governance; social capital; and the role of the state.

Perhaps even more so than Varieties of Capitalism, the significance of political structure, contestation and social mobilisation is absent from the business systems approach, with the consequence of limiting its analysis of the state largely to the economic sphere of governance. It nevertheless remains helpful in identifying different approaches to employment relations in Asia. Dimensions of industrial relations considered in this approach include its key 'organisation principle' (i.e. company or industry based); union density; incidences of industrial conflict (as measured by days of work lost to strikes); and the degree of coordination and state intervention in bargaining. Although the analysis of these variables lacks depth (Witt and Redding, 2013: 13–14), the importance of employment relations outcomes is at least recognised. Another useful aspect is its acknowledgement of the significance of 'informality' across the greater Asian region, defined as 'reliance on informal (uncodified) institutions such as unwritten norms, conventions or codes of behaviour' which can 'complement' or 'supersede formal institutions' (Witt and Redding, 2013: 28). This observation clearly has resonance for the analysis of the gap between the formal composition of institutions and the actual practice of employment relations in much of Southeast Asia.

A very different strand of literature is the burgeoning body of work that utilises Global Production Network analysis. As its proponents note, the Global Production Network approach aims to move beyond the more narrowly defined concerns of global commodity or value chain

analysis to encompass a recognition and understanding of how Global Production Networks are embedded in institutions and social structures that vary across space. Several authors have pointed out the absence of close consideration of labour and employment relations in much of the existing analysis, a critique that has emerged most strongly from scholars associated with the sub-field of labour geography, which is especially concerned with the question of labour agency and geographic scale. In an attempt to redress this weakness, Coe and Hess (2013: 7) have sought to determine how the Global Production Network literature does and could intersect with issues such as labour and economic development – noting that the complexity of Global Production Networks and ‘contingent governance structures’ provide potential for ‘workers to articulate and mobilise resistance’. In reviewing the relevant literature on developing societies, they refer to various studies of forms of labour agency – individual, local collective, transnational collective and so on – in the context of particular Global Production Networks, but also to the links between forms of labour, including migrant labour, and development. However, despite its broad ambitions and in many respects impressive contribution to understanding labour agency and collective action in specific production contexts and firms, our ‘understanding of the relations between state action and the changing geographies of production networks remains in its infancy’ (Smith, 2015: 290).

To return to the literature on comparative employment relations, in his review of the field Kaufman (2011: 51) posits a convergence in theory around the significance of ‘cross-national variation’ in the institutional architectures of industrial relations and employment regulation. In exploring this architecture, Kaufman observes that different intellectual traditions have been especially concerned (and of course for very good reason) with variations in the structures of markets and production systems and socio-cultural traditions, and in the strategies of employment relations actors and the industrial outcomes they produce. An unstated implication of this observation is that the links between these variables and the configuration of politics and the state have been less closely analysed. Indeed, Hamann and Kelly (2008: 144), in another review of international and comparative institutional analysis, have noted the neglect of ‘linkages between economic and political actors and institutional change (or stability)’.

The approach within industrial relations scholarship that is potentially most relevant here is that of mobilisation theory, as advanced by Kelly (1998), which is especially concerned with the significance of labour mobilisation and demobilisation in shaping industrial relations at various levels and the mechanisms by which identity and justice frames, along with leadership, can inspire workers to act collectively. Drawing on social movement theory, Kelly (1998: 1) focuses closely on the genesis of worker collectivism, which he argues ‘is an effective and situationally specific response to injustice’, and on its translation into cycles of labour movement retreat and resurgence over time. To date, however, there has been little attempt to use mobilisation theory to interpret comparative employment relations. Instead, as Frege and Kelly (2013: 19) suggest, the field is dominated by two approaches: one that centres on ‘markets and firms, highlighting an economic functionalism as the main driving force in employment regimes’, and another that

emphasises ‘the historical and institutional embeddedness of employment regimes in the wider political economy highlighting processes and change rather than a stable social order’.

It is striking, but perhaps not surprising – given the prevailing focus of much of the literature with nations in the Global North, where the institutionalised form of the state and of formal political representation and participation are largely settled – that the question of fundamental transitions in these spheres is not the central concern of the discipline. This, of course, is not to say that important change cannot occur with regard to the relevance or the effect of modalities of governance in these settings. Some authors, for example, identify the election of the Thatcher government in the United Kingdom as a rupture in governance that ushered in a radical break with the past, and as an inflection point for the rise of neoliberal governance (Hamann and Kelly, 2008). But ‘the wholesale replacement of traditional rules and institutions with new ones is rare in the politics of reform in contemporary advanced capitalist economies’ (Thelen, 2009: 488). Of greater concern is the fact that analyses of employment relations and labour regulation in Southeast Asia and some other regions in the Global South have tended also to limit their attention to the ‘core’ concerns of the discipline without sufficiently taking into account the objectives of state action and the dynamism of the political context in which employment relations actors and institutions are embedded. This is a tendency that this special issue seeks to redress.

### **The state and employment relations in Southeast Asia**

Southeast Asia is a region of great economic dynamism, but also of great inequality. Singapore and Brunei are wealthy but Cambodia, Laos, Indonesia, Malaysia, Myanmar, the Philippines, Thailand, Timor-Leste and Vietnam are accorded ‘developing country’ status under the World Bank’s Country and Lending Groups system of classification (World Bank, 2015). A number of these low- and middle-income countries have attempted to emulate the export-oriented production-led development strategy favoured in East Asia, in the process becoming increasingly integrated into global production networks and most notably labour-intensive manufacturing. Yet, deepening levels of global integration notwithstanding, their labour market contexts remain very different from those of even the Asian Tigers. These are economies characterised by multi-layered labour markets, the majority of which are dominated by an informal sector that encompasses not only large parts of the service sector, but also a significant proportion of agricultural and industrial work (Hewison and Kalleberg, 2013).

If a differentiation of labour markets and forms of employment relationship is evident across the region, the character of politics and governance is perhaps even more diverse. Some Southeast Asian states are defined by continuity – achieved through various modes of social and political control – while others have experienced dramatic shifts in political participation and representation. Malaysia struggles with pressure from within for a more democratic society, while Thailand oscillates between democracy and authoritarianism with astounding regularity.

Substantive democracy in the Philippines, meanwhile, is inhibited by an underperforming economy and deeply entrenched class structures. And while the commitment to formal state socialism is under pressure as a consequence of economic liberalisation in Laos and Vietnam, these remain unapologetically authoritarian one-party states. By contrast, the formal political systems of Cambodia, Indonesia, Timor-Leste and – most recently – Myanmar have undergone fundamental transformation, involving both an opening up of political space and deep institutional reform, which together have enabled, and even made necessary, a re-working of employment relations actors, mechanisms and processes.

As a consequence of the historical dominance of authoritarianism, for several decades scholars of the politics, political economy and political sociology of Southeast Asia have focused on questions of regime types and the structure of political representation, and the relative opportunities for, or impediments to, democratic transition (Jayasuriya and Rodan, 2007). ‘Labour’ has sometimes figured as a component of such analysis, particularly in showing how different regimes have explicitly sought to discipline and manage workers (e.g. Neureiter, 2013). Typically, this has occurred through corporatist forms of incorporation of labour representation within state institutions and/or authoritarian repression of autonomous labour voice and representation (Rodan, 2012). To some extent, too, the literature on civil society and social movements in various nations in the region has acknowledged labour and labour representation as a possible source of agency (e.g. Aspinall, 2014). In general, however, detailed and grounded consideration of employment relations and institutions have been absent from studies of the region.

There are very few academic studies that focus specifically on employment relations in Southeast Asia. Indeed, it is difficult to find comprehensive up-to-date descriptions, let alone analyses, of relevant employment relations institutions and processes in even its most-studied countries. In others, such as Timor-Leste and Myanmar, little or no academic work has been done. Where accounts exist, they have tended to focus narrowly on institutions, assessing the extent to which they (fail to) live up to the benchmark set by liberal democracies, with little regard for the dynamism of the political context in which they operate or the limited nature of their reach (e.g. Frenkel, 1993; Sharma, 1996). This exclusive focus on the design and effect of state institutions in setting employment standards and the ‘rules of the game’ in employment relations risks losing sight of the motivations for state action, the political and social dynamics that give rise to stasis or change in these arrangements, and the relative absence or presence of state agencies in enforcing their own regulations.

One of the few attempts to grapple with the interaction among configurations of the state, modes of governance, and employment relations institutions and practices in Asia is Frenkel and Peetz’s (1998) study of Malaysia, China and South Korea. Frenkel and Peetz propose in this research that four systems of national ‘labour market governance’ (in other words, labour laws and public policy) can be found in Asia. These are state unilateralism, state–employer bipartism, state–

union bipartism and national tripartism, which are interpreted through a range of workplace-level governance systems (Frenkel and Peetz, 1998: 285). This model tends towards a static conception of institutions and relations between different parties, whereby the potential for change and reconfiguration is hard to discern. It also focuses on economics (global integration and competition) rather than politics in its attempt to understand why certain systems of labour market governance prevail in some countries and not others. Nonetheless, these categories provide a useful way of describing, at a given moment of time, the prevailing modes by which the state interacts with competing social forces to manage conflict and determine the policies and rules of employment relations.

If we are to revisit the question of the state and employment relations in any deeper way, however, it is necessary to again look beyond the existing employment/ industrial relations scholarship on Asia. Writing from a critical political economy perspective, Hyman (1975: 31) has long argued against confining the scope of industrial relations to analysis of the institutions of ‘job regulation’, suggesting that such a circumscribed set of terms of engagement ‘conceals the centrality of power, conflict and instability in the processes of industrial relations’ by diverting ‘attention from the structures of power and interests, and the economic, technological and political dynamics, of the broader society – factors which inevitably shape the character of relations between employers, workers and their organisations’. The conceptualisation of the state presented in Hyman’s now-classic introduction to the discipline of industrial relations suggests its alignment with the interests of the capitalist class even in circumstances where the state was represented as relatively absent from industrial relations, as in the case of the presumed ‘voluntarism’ of British industrial relations (Howell, 2005). Even in such circumstances, he argues, the state necessarily plays an ‘active and continuous role’ in mediating the tensions and contradictions of capitalist development. This includes ‘the need to control and stabilise labour relations’ – and the need to legitimate such action ‘if the charge of systematic bias in favour of capital is to be avoided’ (Hyman 1975: 148).

While rightly rejecting conceptualisations that reduce the state to ‘a set of empirical descriptors’, Hyman (2008: 259–260) thus acknowledges that ‘even if the state is not in any simple sense an “actor”, state power certainly shapes and conditions industrial relations’. Drawing on the work of the political sociologist Claus Offe, he later focused on three state objectives of great significance for the design and practice of employment relations – accumulation, pacification and legitimation – in his consideration of the state’s role in orchestrating capitalist development while maintaining legitimacy and managing social (including industrial) conflict (Hyman, 2008: 261–262). In broad terms, *accumulation* refers to the need for the capitalist state to promote and facilitate capital investment and economic growth through some form of ‘developmental’ state support or, alternatively, by introducing policy and forms of regulation that privilege market actors. *Pacification* refers to the management (or repression) of conflict, which fluctuates in intensity and frequency over time; while *legitimation* refers to the need for the state to perpetuate its own legitimacy, possibly through the active pursuit of ‘social equity’ interventions and

‘fostering citizenship and voice at work’ to maintain ‘popular consent’ (Hyman, 2008: 262). As Hyman also recognises, the state is itself multifaceted, a site of contestation shaped by political contingency. As a consequence of the complex nature of the state and of tensions between intersecting imperatives, it is unlikely that it can ‘pursue all three objectives consistently or will do so effectively’ (Hyman, 2008: 262).

This conceptualisation of the capitalist state provides a useful framing device for understanding the motives and objectives of states across different national contexts, with their varying configurations of political and economic power. Arguably also – while it has only infrequently been used to do so – it can be harnessed to establish explanatory links between the political and economic motivations of state action and the actual design, implementation and effectiveness of industrial relations institutions and regulatory instruments. At the same time, however, it remains a theoretical construct that has both emerged from, and largely been applied to, the historical institutional context of politics and employment relations in Western Europe. Hyman (2008: 273–274) does make reference to the developmental state, a model to which capitalist Southeast Asia aspired during the Cold War and beyond. Scholarly emphasis on the impact of EOI and its coincidence with authoritarian state corporatism has been important in analyses of Indonesia in particular (Ford, 1999; Hadiz, 1997) but has resonances elsewhere in capitalist Southeast Asia, most notably in Singapore, but also in socialist Vietnam (Ford, 2014). Deyo (1997, 2012) in comparative analyses of selected East and Southeast Asian nations has also emphasised the centrality of authoritarian states in linking EOI to the subordination of labour. Importantly, also, as noted by Frenkel and Yu (2014: 387), there has been a recognition in more recent work that some Asian states have become ‘less authoritarian and repressive, acknowledging the growth of interest groups and the need to facilitate negotiated compromise’.

### **The contributions**

The articles in this special issue focus on the capitalist countries of developing Southeast Asia. As demonstrated in the contributions, the interaction of the logics of legitimation, pacification and accumulation, as they pertain to employment relations, is neither stable nor static. For this reason, many of them incorporate a historical perspective, tracking over time how different combinations of these imperatives emerge and condition the exercise and influence of state power on employment relations. They also note the significance of political contingency and change, including the expansion or contraction of opportunities for political participation and representation. In some of the countries examined (Cambodia, Myanmar, Indonesia and, to some extent, Timor-Leste) it is argued that democratic transition has both had a significant effect on the formal framework of employment regulation and institutions and created greater space for labour movements and civil society organisations to mobilise, thus heightening or recasting the legitimation objective for the state. At the same time, it is also evident that there has been continuity in the underlying structures of economic and political power in these nations, which

explains the ongoing prioritisation of the accumulation objective and the ways in which power is expressed through the state.

In other cases, especially Malaysia, tight government control over society, including over trade unions, reflects a continuing focus on pacification and accumulation objectives, along with strategies of legitimation that rely on factors other than democratic practice. This constellation of state objectives is reflected in quite different industrial relations structures that nevertheless share a concern with the elimination of industrial conflict by limiting workers' capacity to organise in ways that allow them to pursue their collective interests. The Philippines and Thailand, where political space waxes and wanes, have more volatile politics than other countries in the region. Distinguishing between state (as an expression of social relations) and regime (as the organisation of the state apparatus), Andrew Brown shows that in Thailand, despite competition between a variety of regime frames, state power has perpetuated the relative subordination and weakness of organised labour. In the case of the Philippines, Hutchinson demonstrates that while the legitimation imperative has shaped the formal architecture of industrial relations, the objectives of pacification and accumulation are evident in legal restrictions on labour's mobilisational capacity, employer impunity and blatant non-enforcement.

A key theme that emerges in this special issue is the importance of understanding how the state shapes employment relations not just through regulation and the formal constitution of institutions, or even direct government intervention, but also through (an absence of) enforcement. All of the articles note a very evident gap between the formal architecture of industrial relations and actual practice, a gap that is so wide that employment relations cannot be understood without describing the realities of the latter, especially at workplace level. These gaps cannot be adequately explained in reference to limited 'capacity' (i.e. insufficient labour inspectors and the functioning of labour tribunals); rather, they reflect broader structures of political and economic power and a particular constellation of state objectives. As several of the articles show, this also explains the importance of worker and employer mobilisation in an attempt to influence not only policy, but also employment relations practice.

The articles also reveal the extent to which international influences – which have been extremely influential in democratising Cambodia, Indonesia, Myanmar and Timor-Leste, but much less so in the counter-cases of Malaysia, the Philippines and Thailand – have shaped the legal framework and institutions of employment relations. As the cases presented here unequivocally demonstrate, state action in employment relations in Southeast Asia must be understood with reference to the dynamics of *inter-state relations* – a point that, while absent from most analysis, is of crucial and apparent significance.

One particularly important piece of this puzzle is the extent to which states' objectives and actions in relation to labour regulation over time have reflected their positions not only within an international economic order, but also within its geo-political equivalent. The problem of

legitimacy is not just an internal one: it has been equally, if not more so, an external concern. In the context of the Cold War, a priority of many Southeast Asian governments – with the support of their Western counterparts – was the active repression or marginalisation of leftists and the containment of labour conflict. In one fell swoop, these authoritarian states fulfilled the objective of pacifying labour and secured (external) legitimacy as a consequence of doing so. As demonstrated in this special issue, the external legitimacy of employment relations institutions and practices then became significant for different reasons, as trade preferences and market access became increasingly linked to core labour standards in the post-Cold War world. It is this – more than any other factor – that explains the active role taken by international organisations in shaping the architecture and institutions of employment relations in Southeast Asia. In the 1960s and 1970s, the United States and Western European countries worked to eliminate communism in the region. Now they promote a centrist pluralism predicated on recognition of workers' right to individually or collectively pursue their interests, but only within boundaries determined by the capitalist state.

In short, the contributions to this special issue demonstrate that the interactions and tensions among the broad objectives of Southeast Asian states are indeed 'embedded, nationally and internationally, within the economic dynamics of capitalism' (Hyman, 2008: 279). At the same time, an evaluation of the relationship between the state and employment relations requires careful consideration of the historical, economic and political specificity of the region and the countries that comprise it. Factors that must be considered include historical patterns of economic and political development; the positioning of states in the region over time within regional and global geo-politics, international trade relations and global production networks; and the legacies or contemporary realities of authoritarianism, which constrain the capacity of citizens, including workers, to mobilise. The challenge lies in more effective incorporation of the rich empirical data presented in these contributions into theorisations of comparative employment relations in Southeast Asia.

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## **Notes**

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<sup>1</sup> We have chosen to use employment relations in this special issue in acknowledgement of the fact that in Southeast Asia a great number of waged workers are employed on an informal basis that limits their access to industrial relations actors or other institutions, or even general protections under any kind of regulatory practice. Where authors use the term 'industrial relations', they use it to refer specifically to organisational actors and institutions within the formal sector.