

Industrial Change and Labour Adjustment in Sweden and Canada

Edited by Gregg M. Olsen, Toronto: Garamond Press, 1988, pp.248.

Reviewed by Robert Mullaly
Department of Social Work
St. Thomas University

This book is a collection of papers which were first presented at an international conference held at York University in 1986. The goal of the conference according to its organizers was "to explore the relevance of Sweden's labour market policies for Canada with particular reference to the automotive industry" (p.10). Presumably the book has the same goal although none is stated. Hopefully, the conference was more successful than the book in achieving its goal.

The book suffers from an inherent problem associated with publishing conference proceedings. Because the papers were written independently for individual presentation to an audience there is much repetition, incoherence, inconsistency, fragmentation, gaps and omissions among them. Rather than an organized systematic treatment of a major theme the book is only a collection of individual papers written from different perspectives (government, labour and business) by people from two different countries on labour market policy in their respective countries. In spite of the implied goal of the book, to explore the relevance of Swedish labour market policies for Canada, not one paper addresses itself to this issue in a serious way.

The first section of the book, "Introduction," consists of two chapters which are supposed to set the stage for the remainder of the book. The first chapter, written by the book's editor, presents an overview of different variables related to low rates of unemployment; economic, demographic, political, structural-institutional and (the subject of the book) "the strategic" choices a country makes regarding the priority it places on full employment and the means it chooses to achieve it (p.27). He contends that Sweden's record of maintaining full employment through labour market strategic choices is impressive. The second chapter, "Recent Labour Market Trends in Selected OECD Countries" by Peter Auer, supports this contention by showing that although all OECD countries have increased labour market policy expenditures since the global recession of the early

eighties that "only in Sweden can it be claimed that current policies have successfully maintained full employment" (p.57). Thus, the stage is set for exploration, assessment and critical analysis of Sweden's policies to see what they are, how they work and how relevant they may be to Canada. Unfortunately, only a cursory descriptive overview of Swedish labour market policy is presented to the reader in the remaining chapters of the book.

The second section of the book, "The Swedish Model," consists of three Swedish papers describing the Swedish Model from three different perspectives—government, labour and business. Although each perspective emphasizes different features of the Model there is much repetition among them. Also, the major features of the Model—a well-organized and influential trade union movement, a sophisticated welfare state, an interventionist social democratic government and a labour market policy aimed at full employment—are described superficially with no analysis of the relationships among them or their historical antecedents, and there is no critical assessment of the Model itself. Some recent cracks in the Swedish Model are mentioned, but an analysis of them is not presented.

The third section of the book, "Labour Market Policy in Sweden," consists of seven Swedish papers which describe various features of Sweden's labour market policy. One cannot help but be impressed by Sweden's commitment to its full-employment goal which is evident in the amount of money it allocates to its labour market policies (3 percent of Gross National Product (GNP); in the extent of planning that occurs (a "social partnership" exists among all levels of government, labour and management); and in the emphasis placed on active labour market measures (job creation, training, labour mobility programs, rehabilitation and programs to control "supply of" and "demand for" labour). The Swedes find passive compensatory labour measures such as unemployment insurance and welfare benefits unacceptable and are constantly attempting to minimize expenditures in these areas. Unfortunately, the book does not explain Sweden's labour market policies or their operations in any detail or in a critical way.

The fourth section of the book, "The Canadian Approach," is the weakest section of the book. With one of the highest rates of unemployment among OECD countries, with fragmentation existing among federal and provincial governments, with an adversarial relationship between labour and business, and with federal cuts in unemployment insurance and in transfer payments to the provinces, Canada has little to teach other countries about labour market policy. Three of the four papers in this section focus only on

training as a labour market strategy and on Ontario experiences to represent the "Canadian Approach." (Western and Atlantic Canadians have come to accept this ethnocentric and egocentric tendency of many central Canadians in the same way they have come to accept harsh winters as part of Canadian life.) The one redeeming feature of the "Canadian Approach" section is a paper entitled "Think Globally, Act Locally: Workplace Strategies for Full Employment" by Laurell Ritchie, which contends that unemployment is a political matter more so than a technical problem. It argues that Canada's major obstacle to full employment is an ideology that dominates all levels of government—a belief that the individual worker and not the economy is responsible for his/her own unemployment. The boundaries that this ideology would place on the strategic choices to combat unemployment are not discussed anywhere else in the book.

The fifth and final section of the book, "The Automotive Industry," focuses on the automotive industries in Canada and Sweden and how they are coping with the structural changes which have occurred as a result of the economic crisis of the early 1980s. The reader will learn a little about the automotive industry, but little else in this section.

All in all, the book is disappointing. It does not address the issue of the relevance of Swedish labour market policy for Canada. In fact, many of the papers do not address any of the issues related to labour market policy which the editor set out in Chapter One. Given the political and structural—institutional differences between Canada and Sweden (i.e., Sweden has a well-organized and influential labour movement, a durable social democratic government, a sophisticated welfare state and a corporatist mode of conflict resolution), how relevant is the Swedish Model for Canada? If labour market policy is a reflection of a country's ideological context then what can we learn from Sweden's labour market policy when it is based on a goal of full employment, a solidaristic wage policy and a preference for active labour market measures?

Even if it were possible for Canada to adopt all Sweden's labour market policies, what assurances do we have that they would work? And, if they do, which measures would work best in Canada? Obviously, with an unemployment rate consistently less than 3 percent for the country as a whole, Sweden's labour market policies must be having some effect. But how much of Sweden's success in keeping its unemployment rate so low is due to its labour market policies and how much is due to other factors such as economic variables (rate of productivity, levels of economic growth, etc.), demographic variables (ex-

pansion of the labour force, etc.), geographic variables (regional disparities, size of country, etc.) and so on. No paper in the book addresses these questions. Only one paper, "Evaluation of Labour Market Policy Measures: Some Short Reflections," by Bjorn Jonzon, mentions evaluation but only in an interrogative form. Is the input (3 percent of GNP) into labour market policy justifiable? and Is the Swedish Model applicable today in a situation totally different than when it was developed? are two interesting questions the paper asks but does not pursue.

Also missing from the book is a critical analysis of the Swedish Model. No paper addresses itself to the on-going issue between ideological purists and pragmatists. Is the Swedish Model simply a compromised form of capitalism in a disguised and more humane form than liberal capitalism? Or, does it represent a half-way house towards socialism? North American leftist critics (most of whom have never been to Sweden for any length of time) will continue to respond affirmatively to the first question while the Swedish labour movement (wherein I spent a sabbatical year, 1987-1988) will continue to respond affirmatively to the second question. I would have liked to have seen a paper in the book from the Swedish labour movement stating that the Swedish Model, like any capitalist arrangement, is a contradiction. On the one hand, it is a concession to capitalism that in exchange for a high standard of living the capitalists may continue to use their private property for purposes of private profit. On the other hand, the Swedish Model was not given to the working class; it came about because of the efforts of workers. Nor does it represent the final goal of labour either as the Swedish working class continues to struggle for further advances in the areas of economic and industrial democracy. The ill-fated "wage-earner funds" is evidence that the Swedish working class still has the transformation of capitalism on its agenda—not by revolution but by evolution.

In conclusion, this book may be of passing interest for persons who just want to know more about Sweden's approach to labour market issues. It is not recommended, however, for those who are interested in reading a comprehensive, consistent, critical and comparative treatment of the nature and operations of labour market policy in Canada and Sweden.