

REVIEWS

Batstone, Eric Ferner, Anthony and Terry, Michael *Unions on the board* Oxford, Blackwell, 1983, xiii and 191p. Price: \$42.00 (paperback edition 1985, \$23.00).

This is another in the "Warwick Studies in Industrial Relations" series published under the auspices of the Social Science Research Council. The book is a very readable report on and analysis of the experiment in industrial democracy undertaken within the British Post Office between January 1978 and December 1979. The experiment arose out of the Trades Union Congress' enthusiasm for industrial democracy which resulted in a joint TUC/Labour Party statement in July 1972 which committed a Labour Government to "work on a programme to promote the widespread development of industrial democracy" (Elliot, 1978 p. 211) and led to the Labour Party publishing later that year a programme which placed particular emphasis upon new forms of worker participation in the public sector. These commitments were reinforced by the 1974 Social Contract between the TUC and the Labour Government. The best known manifestations of the commitments are the Bullock Report (Bullock, 1977) which investigated means of introducing worker participation at board level in private industry and the experiment with the British Steel Corporation.

The introduction to the book gives sufficient background information on the British Post Office as it then was and its union structure (even before Thatcher's recent privatisation of British Telecom the structure of the Post Office suffered drastic changes), to enable a reader with no prior knowledge of the organisation to develop a feel for its character and the way it works. The final chapter further adds to the general interest of the book by placing the experiment in the context of other developments and experiments in industrial democracy and by attempting to draw general conclusions about the benefits of and prospects for industrial democracy.

Negotiations to get the experiment underway took 3 years and 8 months, and even then many of the loose ends were not tied up and the national level experiment of putting union representatives on the Post Office board was started ahead of proposals to include union nominees on advisory postal and telecommunications regional boards and on area policy committees. These aspects of the project were started incompletely 3 months later. The negotiations revealed strong management opposition to the scheme with management arguing that the existing arrangements for joint consultation and negotiation already gave employees through their unions more chance to participate in decision making than in any other large industrial enterprise in the United Kingdom. The unions' response was that good should always be viewed against what could be better and anyway "working people within the Post Office have by no means achieved a level of control over the decisions made commensurate with the consequences for them of the outcome of those decisions". The unions considered that they were limited to a position of sanding off the rough edges of decisions which they had no hand in shaping and that a system of industrial democracy required that unions be involved in policy formation and implementation and not simply in mitigating the effects of policy decision.

The legislation governing the experiment provided for a Post Office board consisting of 7 full-time management members, 7 union nominees, and 5 independents of whom 2 were consumer representatives. All board members were formally appointed by the minister but the unions were free to make their own nominations conditional on their nominees not being directly involved in collective bargaining. In the event the union nominees were

all people of extensive experience and included 3 full-time officials and 4 executive committee members. They were appointed as representatives of their individual unions rather than of the Council of Post Office Unions itself.

The bulk of the book is based on a micro-analysis of over 3 000 contributions made at 11 board meetings in 1978-79, together with interviews with senior and middle level managers, full-time board members, union nominees, and union officials. The focus is therefore very much on the interpersonal dynamics of the boardroom activity and of the personal perceptions of the actors involved and those others who might reasonably be expected to have been affected by the experiment. The authors claim their approach

focuses upon the way in which social actors develop and maintain order within an organisation. It highlights the processes by which accommodation between conflicting priorities is achieved. At the same time, it can recognise ways in which structural factors limit the scope and outcomes of the processes of negotiation.

So it might, but it is very weak on the influence of structural factors. For example, we are told that the experiment was introduced at a time when the board was being extensively revamped anyway, and more importantly, the Post Office was facing strong pressure to develop a more commercial approach; that is, the Post Office was being bombarded with government-set financial targets, borrowing limits, and investment and pricing rules. These pressures obviously influenced, in particular, management's view of the industrial democracy experiment, but no attempt is made to ascertain the extent it contributed to management's hostility to the scheme. It is made clear that the pressures the new Conservative Government was putting on the unions in other areas was a major contributing factor to the industrial democracy experiment sliding down the unions' priority list, to the extent that they did not fight hard to retain the scheme when its future was being considered in late 1979.

From its inception the experiment was designed to terminate no later than 31 March 1980, unless the Secretary of State took specific action to have it continue. The extent to which this experimental and temporary nature of the scheme influenced union and management attitudes to it was not investigated. Arguably, management might have tried harder to make it work if it saw the scheme as permanent; likewise the unions may have been prepared to see the scheme as modifying the collective bargaining relationship (rather than as a means of reinforcing it) if they were not haunted by the concern that the experiment might end, leaving them in a weaker collective bargaining position than before.

A third criticism is that the book only makes the briefest of passing mentions of the concomitant activities of the experiment at regional and local level, yet how these proceeded and inter-related with the union nominees on the board is surely central to the achievements of the whole project; particularly in an organisation the size of the Post Office which at the time employed 2 percent of the British workforce.

All these points may be adequately covered in a subsequently published book by the same authors (Batstone *et al*, 1984) which is intended to give a detailed analysis of the strategies and structures of both management and unions in the Post Office. If this is so it is a pity that the 2 were not either published as a single volume or at least released together.

The conclusions to be drawn from the book are not very encouraging for anybody with a fond hope that industrial democracy might be a way of giving workers a say in the policy and operation of their industry. The experiment took place in an industry with a history of joint consultation and with unions deeply committed to industrial democracy. The method adopted closely paralleled the Bullock proposals, the scheme was "strong" in that the union nominees were able to resist "incorporation", and the experiment was instigated with the backing of a government anxious for it to succeed. Yet despite all these advantages the unions were prevented from effectively challenging management proposals, found themselves unable to elaborate coherent alternative proposals, and frequently found that management was able to control the content and procedures of board debate to the extent that the union nominees were outflanked and out-argued on many

issues. The unions did gain small but significant negotiating advantages on 1 or 2 issues through the experiment and on 1 or 2 occasions board representation did lead the unions to a more sympathetic view of management's position or gave them an appreciation of factors which counselled moderation. Overall, however, it is hard to argue with the authors' concluding sentence: "Strong schemes of worker directors tend to reflect, rather than resolve, the underlying pattern of conflict and co-operation in industry".

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Edwards, P K and Scullion, Hugh *The social organisation of industrial conflict: control and resistance in the workplace*. Oxford, Blackwell, 1984, xiii and 314p. Price: \$22.50 (paperback edition).

This book comes as a useful addition to the "Warwick Studies in Industrial Relations" and is based on a comparative study of industrial conflict in 7 British factories. Its main purpose is to compare the forms of conflict in each of the 7 factories with the patterns of managerial control operating in them. The sample factories were selected to reflect a wide diversity in the nature and intensity of managerial control. At one extreme were 2 clothing factories in which managerial control over all aspects of work was almost complete and in which a paternalistic approach prevailed. At the other extreme were engineering plants in which shop steward organisations had obtained significant control over the work process and which were characterised by high levels of negotiation. Contrasting with those extremes was a process factory in which the managerial strategy was based around high levels of consultation and participation.

In examining conflict in these plants the authors have carefully gathered data over several years through observation, interviews, questionnaires, analysis of past records and a consideration of the market situation of each plant. They are able to develop from this data a convincing picture of the relationship between conflict behaviour in each factory, and the nature and intensity of managerial control. For example, in the clothing factories with their very high levels of managerial control, collective forms of resistance did not emerge. Individual turnover and absenteeism however, was very high. In some of the engineering plants, by contrast, strong shop floor organisation defended "front lines" of control through vigorous collective action, involving stoppages, effort restriction and allocation of labour, while individual absenteeism remained low.

The authors stress the point that industrial conflict cannot be understood outside factory-specific contexts of managerial control. The book therefore suggests a contingency approach to the understanding of conflict and, more importantly, provides a critique of explanatory models which rely, for example, solely on social or technological factors in their analysis of conflict causes.

The authors argue that the forms of social control that workers had achieved in some of their sample plants provided an escape from the worst effects of monotonous and repetitive working conditions. In one such plant workers were located in a "huge and impersonal factory" with many involved in mundane assembly-line jobs. These workers, however, did not report that they found their jobs boring, nor did they display the characteristics normally associated with alienated workers. The key to their behaviour apparently was the level of social control and not the work or plant characteristics.

In pursuing its central theme of control the book addresses a variety of additional issues relating to industrial conflict. Unlike many books of this genre, conflict is examined in both individual and collective forms. A complete chapter is provided on turnover, absenteeism, sabotage, effort bargaining, labour supply and allocation, and strikes and sanctions. The book provides a thorough description of each of these conflict forms, and is able to set the realities of the various forms of conflict in the 7 sample plants against previous research findings.

In general, the authors provide a thoroughly researched description of industrial conflict which in addition to effectively addressing the role of control, provides a wealth of interesting and useful information on a variety of issues.

It is disappointing only in that it does not pursue its findings to the point of thoroughly discussing their implications, either for existing theories of industrial conflict or for the handling and possible reduction of conflict in industrial settings. As such it provides an outstanding description of labour and management relations in industrial settings which will be valuable for researchers and teachers in this area but which fails to realise its potential as an aid to managers and labour and personnel practitioners.

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Purcell, John *Good industrial relations: theory and practice* (1984 paperback edition) London, Macmillan, 1984, xxvii and 260p. Price: \$33.50.

The Commission on Industrial Relations (CIR) was established in Britain in 1969 to assist in the reform of workplace industrial relations. The CIR would work in factories which had been identified by the Department of Employment as needing reform "usually by examination of the strike record" (p. xxi). The CIR does not have an impressive history. It worked in only 9 organisations during 1969-70 and the trade union movement withdrew support following the passage of the (UK) Industrial Relations Act. It was finally abolished in 1974. Even though the CIR was a failure as an experiment, it should be of general interest how well it managed to perform, when it *did* perform, and indeed how it compares with our Mediation Service.

John Purcell was employed by the CIR from 1969 to 1974 and worked on 2 of the 9 cases. He later did research into the effectiveness of the CIR involvement, completing the fieldwork in 1976-7. This was published in an article (1979(a)) and the hardback edition of this book in 1981. While Purcell considers that:

it is time to move away from the study of workplace industrial relations which has dominated the subject in the last two decades [1983, p. 13]

he presumably supports this 1984 paperback edition. Its contents, except for an 8 page preface, are as for the 1981 edition.

The book is in 2 parts — a theoretical discussion, and a description of industrial relations in 4 of the 9 companies. The 4 cases are chosen to illustrate the categories Purcell uses to describe industrial relations: uninhibited antagonism, antagonistic constitutiona-

lism, adaptive co-operation and co-operative constitutionalism. These terms comprise his jargon for the 4 extreme alternatives by differentiating on a low-high trust and low-high formalisation basis. The book is well worth reading for the case studies which are interesting and informative. However, they provide dismal reading for those hoping to get accounts of "good" industrial relations. In Purcell's terms, there was success in 2 of the 4 cases only. His concept of good industrial relations is such that he considers the "ultimate goal is the achievement of co-operative bargaining" (p. 245) and this was achieved, he felt, in 2 organisations. But then he points out that:—

in one firm rapidly deteriorating product market and profitability led senior group management to take unilateral action, which re-opened the confrontation with the unions. The other plant was closed down, despite the dramatic improvements, when rapid technical change and market decline combined to force a major rationalisation in the industry. [p. 245]

so *that's* what you get from achieving the ultimate goal? Workers could well feel from this account that getting into a high trust situation is ill considered and highly undesirable as it simply leaves them vulnerable.

The title of the book is thus more than somewhat inappropriate — even if one forgives Purcell for following a recent British practice of giving generalized titles to books of selective cases. Interestingly Purcell originally entitled the book *Good industrial relations : an unending search* (1979(a), footnote 13) — which would have been much more apt and honest.

The theoretical part of the book is disappointing. Particularly given the title of the book, one would expect a clear and convincing argument as to what is meant by good and bad industrial relations. Also, unless it is made clear that the discussion is from one perspective only — such as from that of the CIR (or government) or from a managerial perspective — then Purcell should also either acknowledge that what is "good" from one viewpoint may not be "good" from another — or put up a case for a single definition of good industrial relations, and argue that it is accepted by all parties. Purcell is not clear, let alone convincing, in his discussion as to what *is* good industrial relations. He claims that he takes 2 approaches. First, the CIR criteria as stated in the Donovan Report (1968, para. 203) which outlines the principles that guided the CIR, namely that collective bargaining is the best method, that union recognition is necessary and that agreements should be centralised and formalised. Secondly, he uses the subjective views of managers and shop stewards (but not the general workforce). However, it appears that these views were on *relationships* as opposed to industrial relations *per se*. "Nearly always there was unanimity between stewards and senior managers (in separate interviews) on the general quality of *relationships*" (p. xiii, — my emphasis). That is, they did not specify their objectives and the extent to which they achieved these objectives — which is surely a more rational measure of how good industrial relations happens to be, that whether there are strikes or not, formal procedures or not, good *personal* relationships, or not. A further problem is that basically Purcell suffers from a hangover from his CIR days and it continually emerges that his view is that *bad* industrial relations occur when establishments are "unduly conflict prone" (p. 10), or when management "rolled over and gave way on every issue" (p. 12).

Purcell is, however, explicit as to how one gets to a state of good industrial relations. There are:

three key processes that need to occur before change and reform can be achieved . . . power centralisation, normative acquiescence and trust. [p. xiv]

This runs counter to the Donovan Report and the CIR which both emphasised formalisations and Purcell makes it clear that *trust* is pre-eminent. As mentioned earlier, he defines as a success a company with low formalisation but high trust — the situation of adaptive co-operation. According to Purcell one needs to have a Joint Negotiating

Committee (JNC) to keep a tight rein on sectional interest groups, normative consensus amongst negotiators – but which “may be neither achievable nor necessary for rank-and-file workers” (p. 49), and high trust. Somewhere along the line the distinction becomes blurred between the means to an end and the end itself and “co-operative bargaining” becomes “the ultimate goal” – along with, of course, no strikes. In the case studies, Purcell does acknowledge that managers and union officials have objectives:

What was viewed by outsiders and new managers as an appalling situation was to the shop stewards perfectly normal if not good. As stewards they had maintained employment in the plants, earnings were well above the local average, there was general satisfaction with the way the plant operated, and in commonsense terms there was obviously no difficulty with industrial relations in that there were no strikes. [p. 105]

and also, that management were scornful of the CIR work in that:

it did not show a relationship between the industrial relations situation at the company and the company's business objectives and performance over the past three years. [p. 105]

Unfortunately this evidence did not influence the theoretical discussion.

As a reader, I would much prefer authors with a particular sympathy to be open about it. Bain and Woolven (1971) are probably correct in stating that most research workers in this field have basic trade union sympathies, and so those with managerial sympathies are valuable as a balance. Purcell gives the impression of being a covert managerialist (with CIR flavouring) who makes strong efforts to appear virtuously neutral. It may have been an unfortunate typographical error, but Purcell even misquoted himself in his bibliography and his “A Strategy for Management Control in Industrial Relations” (1976(b)) is referenced as “A Strategy for Control in Industrial Relations”.

The covert managerialism is widely evident. Two examples include a quotation Purcell cites without comment:

A senior manager . . . was appalled . . . “the bonus system was totally ineffective, and was always paid at the maximum” [p. 162]

– which may of course have *not* been appalling to the workers on the bonus scheme. In one of the 2 Purcell “failures” – the case of uninhibited antagonism:

it proved impossible to gain agreement on the necessary reforms that management decided were needed [p. 123]

Purcell does not discuss the possibility that *not* getting the reforms was perceived (maybe misguidedly) as being to the advantage of the workers and possibly their union – and thus, by their perception, industrial relations were good.

Although critical of the theoretical discussion, I must reiterate that as a limited account of the CIR's brief foray into industrial relations in Britain, and the 4 case studies it provides, this book certainly deserves to be read.

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Clutterbuck, Richard *Industrial conflict and democracy : the last chance* London, Macmillan, 1984, xxiii and 232 p. Price: \$30.95

This book, by a former Major-General, is more sensible and less dogmatic than the prejudiced might suppose. In searching for ways of checking Britain's economic decline, Clutterbuck looks at some familiar exemplars (Japan, Germany and Sweden) but also looks in some less expected places (including Australia!). He also writes about a number of British institutions which give him hope. What he says is moderate, balanced and public-spirited, and we could all learn from it. In fact, it must be said, much of the rest of the world seems in a better position to benefit from it than Britain.

Clutterbuck's basic propositions are simple and credible, and some are also quite fresh. He argues that the capitalist world (though he may well think this applies to socialist countries too) is currently going through a period of adjustment to a new range of technologies. This has happened every 50 years or so for the past 2 centuries, and we may expect that, as in the past, it will be followed by a new production boom, due around the mid-1990s. In that sense, he is an optimist. His fear is that this boom will not only bypass Britain but will leave it in a worse position than ever as a minor, improverished appendage of a more successful world. This, in turn, will put its political system under great strain, possibly leading to some totalitarian outcome, from left to right.

Politics are not really his bent, and the book has much less political content than might be supposed from the title. Nevertheless, political ideas of a fairly simple kind have much influenced him. He sees class antagonism, as exemplified in industrial relations, as Britain's great bugbear. Few would disagree with him there, though some would see it less conventionally than he does. For Clutterbuck, the association between British trade unions and party politics is an obvious evil. This is a perfectly arguable view, but it needs to be argued much more carefully than we find here. For example, he says that most major unions are affiliated to the Labour Party. This is not false; but it would be worth noting also that the proportion of Labour-affiliated unionists has declined; that unions in growing industries and occupations tend not to be affiliated; and that the party has secured hardly any new affiliations in 40 years.

Since he does not like partisan trade unions, he assumes that more successful countries do not have them, and says that this is true of Sweden, Germany and the USA. This is a victory of deduction over evidence; it is not true of Sweden, and is misleading as regards Germany and the USA.

It may seem unfair to devote so much space to political questions which occupy only a small proportion of the book. However, it serves to illustrate that, good-hearted and (often) well-informed as he is, Clutterbuck is far from being a subtle or penetrating thinker. With that warning, let us pass on to the questions to which he gives more space.

After a brief historical review of British industrial relations, we have even briefer surveys of current circumstances in Germany, France, Sweden and the United States. This is followed by a chapter denouncing the role of the British communications media in feeding on and building up industrial relations antagonisms. There is a series of accounts

of recent British industrial relations disasters, in both public and private sectors. (The most recent coal strike came too late for inclusion in this book, but would have confirmed the author's belief that the nationalised industries are particularly prone to destructive conflicts of this type).

Then comes a series of chapters of an increasingly hopeful kind – on the mixed record of co-operatives, in Britain and elsewhere; on successful but necessarily rare products of business philanthropy, like the John Lewis Partnership; on otherwise conventional private businesses which provide scope for employee participation and profit, such as Marks and Spencer and the General Electric Company; and on the record of Japanese companies which have successfully transferred some of their attributes to the British environment.

The concluding chapters return us to the theme of technological advancement and how it will be necessary to come to terms with a vast increase in productivity, and consequently reduced hours, in at least the conventional forms of employment. This is not closely related to the greater part of the book except that, as the author would no doubt point out, this productivity increase will not be achieved without better industrial relations. While reduced hours of conventional employment may involve problems, they will be as nothing to those which would follow a total failure to keep up with the rest of the world.

All of these sections of the book are interesting in their own right. But, exhortation and cheer-leading apart, do they really add up to a solution to British industrial relations problems? Here the moderate and reasonable tone of the book involves limitations as well as benefits. Militant or quasi-revolutionary union leadership, at all levels, is condemned, but there is nothing new in that. Otherwise, everyone is treated charitably; too charitably. Should the British, at all levels, be trying to bring about institutional changes in British unionism and, if so, in what directions? Would the country be better off if the Trades Union Congress were stronger or weaker? It is not clear from the book just what Clutterbuck thinks of the industrial relations policies of the Thatcher Government, though he seems to have a sneaking (no offence meant) regard for them. Attempts to persuasion and avoiding stirring up antagonism are all very well, but someone who thinks his country is facing "the last chance" needs to speak out more firmly than this.

There is, however, an attempt to set out a scheme for avoiding strikes in essential services, by banning strikes in return for the establishment of independent wage-fixing bodies. This, says Clutterbuck (encouraged by German experience) might spread to the public sector generally and from there to the private sector. And so it might, or might not. He proposes that there should be a structure of appeals from such bodies, appeals which might go as high as the House of Lords! Now if there is anything anyone can learn from Australian and New Zealand experience, it is the limitations of highly legalistic interventions in industrial relations. In systems where there is already a high level of mutual distrust between employers and employees, bringing in the ordinary courts of law will often be counter-productive. Current British experience seems, if anything, to be confirming this.

To sum up, we have here a lot of useful information and some good advice to both sides of industry, about this and that. If all the advice could be and was successfully adopted, the country would be better off. But it is just as well that British democracy's "last chance" does not depend on this alone.

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Thompson, P *The nature of work: an introduction to debates on the labour process* London, Macmillan, 1983, 305p. Price: not stated.

Work has always been a necessary component of human existence. Whether it is regarded as dreary or delightful does not alter the fact that some people have to do it for humankind to survive. Work must be done; how it is done is open to variation.

Marx first described the labour process as "... purposeful activity aimed at the production of use values" and "... an appropriation of what exists in nature for the requirements of man" (1976, p. 290). Further on, Marx notes 2 characteristics of the labour process under capitalism. "First, the worker works under the control of the capitalist to whom his labour belongs" (p. 291) and secondly, "... the product is the property of the capitalist and not that of the worker, its immediate producer" (p. 292). The capitalist labour process demands that "... all methods of raising the social productivity of labour are put into effect at the cost of the individual worker..." (p. 799) and that "... in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse" (*ibid*). The worker is degraded "... to the level of an appendage of a machine" (*ibid*).

Marx's detailed analysis of work remained largely undeveloped until the publication of Harry Braverman's *Labor and monopoly capital* in 1974. Braverman's work sparked new interest in the capitalist labour process and a substantial body of literature devoted to the study of deskilling and the degradation of work began to emerge.

Thompson's book attempts to provide a comprehensive introduction to labour process literature. Following a useful glossary of labour process terminology and an introduction which provides a superb summary of the book's contents, Thompson's work is divided into 3 sections. Part one deals with the establishment traditions, while part 2 looks at contemporary debates. In part 3, Thompson examines the theoretical and practical consequences of the labour process debates. The book concludes with an extremely useful bibliography of labour process literature and a comprehensive index. In general, it is a masterpiece in organisation with every chapter clearly introduced, signposted throughout with relevant sub-headings and the main ideas concisely summarised at the end.

In part one the reader is introduced first to the sociological study of work and secondly, to Marx's idea of the labour process. Chapter one examines the major themes of industrial sociology and Thompson concludes that most sociological studies of workplace behaviour provide an inadequate treatment of work as a system and a process (p. 19). Instead of examining the nature of work, industrial sociologists have concentrated on the behaviour of workers. However, all is not lost. Although "... the various strands of industrial sociology normally stand on the opposite side to Marxist labour process analysis" (p. 34), industrial sociology does provide some insight into the nature of work.

The chapter devoted to Marx's idea of the labour process is reasonably predictable. It draws heavily upon Volume I of *Capital* in providing a concise outline of his views and then illustrates some of the shortcomings in Marx's work. Thompson concludes that Marx's analysis of the capitalist labour process must be continually renewed and revised in light of new conditions.

Part 2 of Thompson's book comprises 5 chapters covering contemporary labour process issues. In chapter 3 Braverman's thesis is outlined briefly and Thompson draws upon the work of other writers to examine some of Braverman's themes more closely. Major criticisms of Braverman's work such as his neglect of the class struggle receive scant attention and are relegated to the concluding paragraphs of the chapter.

Chapters 4, 5 and 6 deal with 3 popular strands of labour process theory:

- (1) deskilling and the degradation of labour;
- (2) forms of control and resistance in the workplace;
- (3) legitimation and consent in work.

Although Thompson agrees with Braverman that "deskilling remains the major tendential presence within the capitalist labour process" (p. 118), his agreement is

qualified. Following a critical review of available literature, he suggests first, that labour is not becoming as "homogenized" as many writers would have us believe, and secondly, the argument that work is becoming increasingly degraded lacks sufficient evidence.

The chapter on control and resistance in the workplace is an attempt to examine the key issues connected with forms of management and control, and the responses of workers. After an examination of the origins of capitalist control and the development of systematic management, Thompson concentrates on the work of Edwards (1979), Burawoy (1979) and Friedman (1977a; 1977b; and 1978). Evaluation of the literature leads Thompson to believe:

The fact that the dictates of accumulation *require* control of the labour process by capital does not tell us what *form* of control will be applicable in different circumstances . . . No one has convincingly demonstrated that a particular form of control is necessary or inevitable for capitalism to function successfully (p. 151).

Why workers "control" themselves and largely accept the capitalist labour process is addressed in chapter 6. Thompson pays close attention to Burawoy's *Manufacturing consent: changes in the labour process under monopoly capitalism* in examining the subject. As with previous topics, Thompson uses a variety of other literature and his own ideas to evaluate Burawoy's work. While the author provides a fairly comprehensive examination of the issue of consent, some vital issues, such as the difference between consent and compliance are relegated to his concluding paragraphs.

The final chapter in section 2 is devoted to the sexual division of labour. Following an exceedingly brief examination of both current labour market theories, and Marx and Engels' work in this area, Thompson decides the explanations they provide are inadequate. Instead, examination of the relationship between patriarchy and capital is necessary. This involves brief consideration of a wide body of literature with Thompson concluding that "capital is *not* impervious to divisions of sex or race" (p. 207), but "rather, the logic of capitalist development is connecting to existing and recognisable forms of stratification" (p. 208).

Part 3 of Thompson's book contains one chapter entitled "The theory and politics of production". In several ways, it is the weakest chapter. The first section which provides a summary of important arguments in labour process theory is clear, concise and extremely useful. It is a pity Thompson then decides to tackle 2 unanswered questions which, while important, really ought to be the subject of another book, i.e. (1) the labour process in Eastern Europe and (2) the implications of work trends for class, politics and social change. Thompson tries to cram a large number of new complex ideas into a very small space. Many of these ideas are inadequately explained and leave the reader confused.

I enjoyed this book although frequently I found Thompson's arguments difficult to grasp through insufficient explanation. Despite this, Thompson's work is to be admired for his sharp criticism, penetrating analysis and the vast mass of literature his book covers. It is a pity he chose to squeeze it into 305 pages instead of several volumes. Although Thompson subtitles his book as *an introduction to debates on the labour process*, I feel the book is more useful as a directory of labour process literature for those having a moderate acquaintance with the subject. A beginner could end up feeling lost and confused amid the plethora of concise arguments Thompson presents.

In conclusion, this book will be of interest to labour economics and industrial sociology students alike and to those seeking to examine the nature of work. Despite its shortcomings, it provides an excellent critical summary and review of recent labour process literature. For this reason it is a valuable contribution to our understanding of the nature of work.

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Franklin, Harvey *Cul de sac* : The question of New Zealand's future, Wellington, Unwin Paperbacks with Port Nicholson Press, 1985, 184p., Price: \$14.95.

In his recent book, Kerry Schott (1984, p. 4) made a strong plea to economists to begin seriously the task of integrating social and political arrangements and practice into the body of economic theory. There was an imperative reason for this. As Schott argues (p. 9), "the effectiveness of economic policy depends on the responsiveness of the economy in which this policy is applied, and if the economy, for some elusive reason, remains unresponsive to policy action then the policy fails." Harvey Franklin's book is an attempt to look for this elusive reason. There is, however, one qualification — the economic policy of New Zealand has not changed significantly since the export boom of post-1945.

Franklin's commentary on the New Zealand economy is refreshing for the attention it pays to the non-economic context of growth. A parallel may be drawn when Max Weber in the *Protestant ethic and the spirit of capitalism*, attempted to explain the take-off to a distinctive and dynamic economic activity (rational capitalism) in Western Europe as due, in part, to the emergence of a Calvinist belief-system. What Franklin does is to attribute great significance to another kind of belief system in New Zealand society but the result is not economic dynamism but stagnation. This economic malaise, Franklin argues, may be understood in terms of the "egalitarian ethos" that pervades all levels of New Zealand society. Egalitarianism together with the geopolitical isolation of New Zealand has a crippling effect on the ability of the people and its sociopolitical structure to face the challenges of an increasingly competitive international market. This ethos not only expresses itself once every 3 years but is so deeply embedded in its political institutions (of which the welfare state is an important one) that the author sees New Zealand in a structural and ideological cul-de-sac.

Franklin based his summation of the New Zealand economy on 3 points (chapter 1). Increase in government expenditure, crime, education and population is compared with growth in factory production and exports. Economic growth is measured against non-economic indices. Presumably, the intention was to compare the rate of economic growth with the rate expended on the welfare state. If so the comparison is somewhat misleading because the rates of growth are in general terms, production or numbers, too imprecise to be accurate measures.

Secondly, the author develops the concept of an inter-industry matrix based on the one hand on whether specific industries supply inputs forward to other industries or exert a backward demand and, on the other, whether they are export/import oriented and urban/local resource based. In this way tertiary services are given the recognition they deserve in the operation of an efficient economy. More importantly, the inter-industry matrix has ramifications for New Zealand's social structure, a point we shall return to in a moment. Finally, the matrix may be viewed in terms of an open sector which is exposed to international trade and a sheltered sector which is a substantial employer but is protected from external competition.

The conclusion he draws is clear. The long term prospects for primary produce are limited. The only way out is the manufacturing sector, yet much of this sector is sheltered.

Keeping the inter-industry matrix in mind, the labour force may be viewed under 3 categories – manager, worker and expert (chapter 2). In the first category is the highly influential self-employed small business person who is committed to free enterprise and competition, fears unions, monopolies and bureaucracies and insists on tax reduction. The small business person represents a national aspiration. This image of the national ideal, the author perceptively argues, finds legitimacy and draws its strength from the critical role farmers play in the export trade. Farmers, after all, are self-dependent and self-employed managers. The continuity between urban and rural is drawn in the author's conception of the self-employed syndrome. Politically, they have much in common and together they present a formidable obstacle to any radical restructuring.

In neo-Weberian fashion, Franklin examines stratification according to differential discretionary income (beyond what is spent on food, clothing, shelter and heating) which makes political action in New Zealand more comprehensible. For example, those who have low discretionary income are retired people, solo parents and single "working class" people.

The author then turns to what is the most polemical part of his argument (chapters 3, 4 and 5). A society that runs on the egalitarian principle in the long run threatens its own stability on 3 counts. New Zealanders are great levellers not radicals. For them the capitalist system should not be changed but be amended to suit egalitarian ends. To improve and thereby maintain its standard of living New Zealand must restructure. But restructuring in the course of a competitive international market can only occur on the basis of established priorities and necessitates nurturing a hierarchy of skills and abilities that will be fittingly rewarded. After all, the law of the market place dictates that only the most efficient should survive. But the development of a hierarchical model must counteract the egalitarian ethos.

Secondly, the egalitarian principle is by nature antagonistic to authority and privilege. As such power and authority are endlessly questioned. Concomitantly all individuals and groups have rights which should be respected. In a small-scale society such expectations exert a powerful influence on the way political parties and political processes operate. The result is an increasingly pluralistic society making competing demands on the state. Because the egalitarian principle dictates that the state should meet or appear to respond to these demands, it places itself in danger of being paralysed. Hence, Franklin concludes, egalitarian societies cannot restructure effectively without a strong state.

Thirdly, egalitarian principles provide no real guide for collective action. Collective action is a prerequisite for economic performance. Recent history appears to support Franklin. The British Empire in the 19th century reflected a sense of nationhood unparalleled before or after. Germany and Japan have been able to maintain their sense of collective enterprise for long periods. Singapore, Taiwan and South Korea are more recent examples of regimes able to forge nations with common purposes.

In short, for the author some kind of hierarchical reordering as dictated by the international market and a sense of the collective enterprise garnered by an effective state are the bare minimum for economic growth.

Perhaps the least satisfactory part of Franklin's argument appears when he raises the

relevance of the individualistic principle for growth. He says, "the individualistic principle combines wonderfully with capitalism's ideology to produce wealth and affluence, whereas the hierarchical society tends towards anti-materialism and poverty". His reference to hierarchical society here is to Hindu society, hence the apparent contradiction that hierarchical society does not facilitate growth.

Nevertheless, he has raised a fundamental difference between western and non-western societies which has implications for economic performance. In western societies the individual is important; in non-western societies the group takes precedence. Countries like Japan, Taiwan, South Korea and Singapore seem to have confounded the individualistic principle. Their ability to produce wealth and affluence is related to the establishment of a hierarchical system and a sense of the collective in opposition to the individualistic principle. Hence if hierarchical reordering is required then the best chance of this occurring appears to be in group-oriented societies. However, the US has combined the individualistic principle and a hierarchical system effectively.

In any case if we accept that a hierarchical system is necessary for growth, then we would argue that it should be premised on merit rather than on prescription as in the Hindu system which according to the classical Weberian view, inhibits social mobility. A system based on merit and open competition facilitates rapid social mobility. But there is a further assumption inherent in this system – the egalitarian principle. This is the doctrine of equal opportunity in which "winners can have riches and losers rags so long as they raced from the same starting point" as opposed to intrinsic equality which "stresses the essential sameness of winners and losers" and "must oppose unequal rewards" (Pearson, 1979, p. 179). Intrinsic equality is what Franklin means by egalitarianism in New Zealand. Singapore's recent attempt to give preferential treatment to the children of graduate mothers may in the long run undermine the meritocracy on which its economic success is based because this reverts to prescription rather than open competition.

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References

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 Schott, K (1984) *Policy, power and order*, New Haven, Yale University Press.
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Fisher, C *Innovation and Australian industrial relations* Canberra, Croom Helm, 1983, 226p. Price: not stated.

The central focus of this work is the impact of arbitration, especially the federal arbitration system, on the relationship of innovation, the productive process and social production. The key conclusion is that the state through the arbitral system, has defended the existing mode of production and acted in the interests of private property, accumulation and profit. Illustrations, examples and institutions are Australian, and the analysis is that of innovation in Australian industry and the role and responses of Australian industrial tribunals as agents of social control. New Zealand readers may therefore find the volume of less than direct interest, although those who suspect a similar *prima facie* case exists within the operation of similar New Zealand institutions may find the work useful

as a spur (and model) for a comparative study.

The work is explicitly academic and explicitly theoretical. But this is a major strength for readers with such an interest. The volume should be compulsory reading for graduate students for it is an excellent example of research conducted on the basis of a sound methodology, detailed evidence and rigorous analysis.

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