

REVIEWS

G. van Liemt (ed.). Industry on the Move: Causes and Consequences of International Relocation in the Manufacturing Industry. Geneva: International Labour Office, 1992.

This volume consists of a collection of studies undertaken as part of the International Labour Office's (ILO) research programme on the International Division of Labour. The studies examine two aspects of the international division of labour. The questions of how and why the distribution of manufacturing has changed and is likely to change in the future are the subjects of the initial chapters. National level processes that are both causes of and reactions to global level adjustments are the focus of subsequent chapters.

The first two chapters attempt to establish a theoretical framework for the subsequent sector and case studies. This framework draws primarily on location factors (for example, labour costs, quality of infrastructure) and the role of Schumpeterian technology races in driving investment decisions and structural change at the national and international levels. The core chapters of the volume consist of several sector and case studies. The former include the automotive, clothing, aircraft and steel sectors. The internationalisation of production in these sectors is examined in terms of its underlying causes and effects with reference to the theoretical framework mentioned above. The case studies involve the United States steel industry, the Italian clothing industry, the Indonesian and Singaporean aircraft industries, and the Mexican motor vehicle industry. The volume concludes with two chapters which address

the impact of structural changes on trade unions and summarise the findings on industrial relocation and structural adjustment respectively.

The volume incorporates several useful features. Firstly, the theoretical framework which backgrounds the sector and case studies is parsimonious and thus understandable to a wide audience. Secondly, the chapters are clearly written with a minimum of academic jargon. This is important as the volume is explicitly directed toward "governments, employers, trade unionists and researchers" (in that order). In a broader sense, the volume is logically organised, although the sector and case study chapters could perhaps be structured so as to be more consistent in form with each other. Finally, the statistical data incorporated in the empirical chapters is useful in that it is up to date and drawn from recognised sources.

Despite the strengths of the collection, there are several weaknesses which limit its usefulness. As noted above, the theoretical framework developed in the initial chapters is parsimonious. Yet I would argue that the parsimony is achieved at the cost of under-theorising the central research question: the causes and effects of changing international investment patterns. The respective authors focus on economic and/or technological factors as the primary forces behind industrial relocation. Political factors, although mentioned in most chapters, are treated as endogenous influences on economic and technological developments.

More ambitious attempts to theoretically grapple with changing patterns of international investment could have been undertaken. I would suggest that an approach which attempts to theorise the role of the state, finance capital, and the transnational corporation, and the interactions between these actors, would provide a much more adequately specified conceptualisation of the central research question (see Jones, 1993). The best example of such an effort so far is Dicken (1992), which examines structural changes in the textiles, automobile, electronics and service sectors in a way which integrates economic, technological and political factors and spans multiple levels of analysis.

The sector and case study chapters are dominated by descriptive accounts set against the rather anaemic theoretical edifice critiqued above. The sectors which are studied are certainly important ones in the world economy. However, they are all in the maturity or decline phases of their respective lifecycles. The incorporation of studies examining younger sectors (for example, computers, microelectronics) would have been useful for comparative purposes. In terms of the country studies, while the United States, Italy, Indonesia, Singapore and Mexico are all legitimate subjects of study, one wonders whether there is some pattern here or whether convenience is driving the country selection. Certainly, a significant amount of research has already been published on the US steel industry, the Italian clothing industry and the Mexican motor vehicle industry. What more is there to be said of developments in these areas? As for the study of the aircraft industry in Indonesia and Singapore, one frankly wonders at the logic behind this inclusion.

To summarise, then, this volume is useful as an up-to-date reference on changes in several important sectors of the world economy. No new theoretical ground is broken, however, and there is nothing novel or particularly interesting about the empirical studies. Furthermore, other than one of the concluding chapters which directly addresses the impact of structural change on trade unions, there is relatively little that would be of specific interest to industrial relations scholars. Even this chapter contains no revelations for any researchers familiar with comparative industrial relations. Industrial relations scholars interested in the structural changes the world economy is going through would be better advised to obtain a copy of Dicken (1992), as the present volume offers them relatively little in the way of theorising these changes or understanding their implications for national industrial relations systems.

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References:

Dicken, Peter (1992), *Global Shift*, London, Paul Chapman.

Jones, M.T. (1993), Mainstream and Radical Theories of the Multinational Enterprise: Complementary Approaches?, *International Executive*: 35(4).

Bruce E. Kaufman. The Origins and Evolution of the Field of Industrial Relations in the United States. New York: ILR Press. 1993.

The Australasian soul searching amongst industrial relations academics about the demarcation lines between industrial relations/human resource management has yet to get into full swing. In the United States, Bruce Kaufman's new book has provoked much controversy and discussion with his well documented account of the origins, beliefs, and intellectual development of the two wings of industrial relations. As the title suggests, the book is very much focused on the USA and does not take into account what occurred in other like countries, or the important academic literature which has emanated from other countries.

He traces the development of industrial relations firstly through the Personnel Management School (PM), and secondly through the Institutional Labour Economic School (ILE).

From the start the PM school maintained that labour problems were mainly caused by defective management in the form of poor business organisation, workplace practises, leadership styles and communication.

However, the ILE school maintained that labour problems were caused by imperfections in the labour market which slanted the playing field against employees, and the autocratic nature of the master-servant relationship in which employees were denied both the democratic rights and the protection of due process.

While there were obvious tensions between the two schools - PM was more practitioner orientated and believed conflict was preventable through good management practise whereas the ILE school was more academic and believed conflict was inevitable - both groups co-existed as industrial relations until the early 1960s when they were "divorced".

The causes of the divorce are put down to incompatible theoretical frameworks, value systems, policy perspectives and the research methods adopted by the two schools.

Kaufman draws the conclusion that today's human resource management represents the core of the modern day version of the PM school. It was the ILE school which claimed the field of industrial relations after the late 1950s, and thus was born the competing fields of human resource management and industrial relations.

Kaufman traces what occurred between 1960-79 and states that what occurred was a "hollowing out of the field as it metamorphised from a broad coalition of behavioural and non-behavioural disciplines . . . to a much narrower field devoted to the study of unions and collective bargaining . . . with a core group of committed participants . . ." (p104). The ILE school excluded academics from allied fields such as organisational behaviour, industrial sociology and industrial psychology, and these academics found a home in human resource management.

The "crisis" in industrial relations began to be felt with the decline in union membership and collective bargaining which brought with it a decline in the student demand for such courses. Industrial relations programmes were merged into business schools or given a more human resource management like title. The alternative and much larger non-union sector of the workforce was being studied by students of human resource management via "win win", the "commitment model", consensual leadership, group production, pay for performance and participative management.

However not all is doom and gloom for industrial relations. Kaufman points a way for the future in his last chapter. He urges industrial relations to develop and implement a strategy for change that will ensure it survives and prospers. One method already chosen by pragmatic industrial relations academics wanting to keep their jobs is to change the name of a course which was previously called Industrial Relations to Employment Relations.

To broaden and reposition the subject so that it covers a wider set of subjects and appeals to a wide audience is another strategy. Kaufman suggests changing industrial relations to a study of all the practises, behaviours and institutions relevant to the employment relationship. Employment Relations could address topics such as competitiveness, productivity and product quality as well as workplace governance, and institutional means that provide effective voice and justice in the workplace.

Kaufman recommends more problem-solving research which involves primary data such as interviews with companies and union officials.

In the United States the debate has been fuelled by Kaufman's criticisms of the Industrial Relations Research Association's (IRRA) part in keeping industrial relations "pure". He criticises the IRRA's Comprehensive Review Committee's Report (1980) for "hiding the true facts", and "in groping for good news" (p153). He charged that, in allying themselves with a segment of the employment relations community that has a dim prospect for future growth, the membership of and participation in the IRRA stagnated.

The *Industrial and Labour Relations Review* published by Cornell University, which comes in for criticism by Kaufman for its narrow focus on industrial relations, in its January 1993 issue has a Review Symposium on the book. Katz, Strauss, Jocoby and Olson review his book and reply to some of the criticisms made by Kaufman.

For a gripping debate those interested scholars should read both Kaufman and the Review Symposium. There are important parallels which Australasian industrial relations and human resource management academics will find informative, and will assist us to come to terms with the issues Kaufman raises. The Australians have come further than New Zealanders in taking some first steps to recognise the problems. Australian initiatives to integrate industrial relations and human resource management in the form of the Gardner and Palmer *Employment Relations* text, the new *International Journal of Employment Studies*, and the July 1993 Employment Relations Conference held at the University of Western Sydney, very much seem to follow Kaufman's prescription for changing the boundaries of industrial relations.

Would an analysis of the articles in the *New Zealand Journal of Industrial Relations* and papers presented at the AIRAANZ conferences come up with similar conclusions to Kaufman's analysis of the IRRA and the *Industrial and Labor Relations Review*? At the January 1993 AIRAANZ Conference in Auckland the topic of the ideological pluralist purity of AIRAANZ was discussed in one session. However until the Australasian research is completed, we still await the New Zealand/Australian version of the debate.

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Brian Roper and Chris Rudd (eds). State and Economy in New Zealand: Oxford Readings in New Zealand Politics. Auckland: Oxford University Press. 1993. \$39.95

State and Economy in New Zealand consists of contributions from leading academic social scientists. The volume responds to the need to go beyond the largely descriptive policy analysis which has characterised much recent scholarly research in New Zealand. The intent here is to keep the broader social, economic and political context of policy formation from receding from view.

The contributors are thus linked by the concern to analyse specific features of New Zealand's political economy while placing these firmly in the context of related changes in economy, civil society and polity during the twentieth century. The historically evolving nature of these relationships is central to the book's purpose and the primary historical focus is the period from the mid-1930s to the 1990s. An often wide diversity of opinion is evident within the volume and is welcomed by the editors (and the reviewer) as enhancing its value; it is stimulating to encounter a range of different views, intellectual debate being an essential means of clarifying complex issues.

It is appropriate that Brian Roper's chapter on New Zealand's economic crisis introduces this volume. Explanations and implications of the slide into stagnation, declining incomes and rising unemployment need to be examined if we are to approach any understanding of the reasons behind, and potential of, State policy formation. He considers both Keynesian and the presently dominant monetarist explanations of the collapse of the long boom and finally develops a Marxist interpretation of the basic causes of economic crisis which rests on the hypothesis that a declining general level of profitability and thus insufficient levels of investment is most likely to be the *primary* underlying cause of the economic crisis in New Zealand. The chapter is clear and the comparative presentation of the three paradigms is welcomed as both challenging and necessary.

It is clear that the State has actively intervened in order to manage economic crisis and the conflict between employers and workers. The pursuit of restored profitable capital

accumulation has, for example, centrally involved reinforcing managerial prerogative by undermining workers' collective power so as to (amongst other things) drive down real wages relative to productivity growth. Roper concludes, however, that any success the State may have had through the application of monetarist prescriptions is likely to be partial and contradictory stemming from the difficulties in managing both the demand and the supply sides of the economy simultaneously. Further, if in fact the Marxist analysis does have great explanatory power, then the repetition of crisis is assured until, and if, we come to our senses and organise ourselves out of capitalist social relations.

In chapter two, Geoff Bertram supplements and extends Roper's economic discussion by examining the evolution of macroeconomic thought during the 20th century. He also provides an interesting account of the demise of Keynesianism during the 1970s and the rise of monetarist and new classical schools in New Zealand. This is an informative and accessible presentation which definitely helps to increase one's understanding of the theoretical and policy issues pursued of late in this country.

The chapter on Treasury considers its role in State policy formation, examines its espousal of neo-classicism and effectively highlights the duplicity of Treasury's claims to be rigorously neutral, non-political and independent.

Paul Dalziel illustrates how changing economic experiences and theories have been reflected in changes to the objectives of monetary policy implemented by the Reserve Bank. The 1989 Reserve Bank Act which directs the Bank to achieve and maintain general price stability, represents a monetary policy which is divorced from any role in maintaining short-term economic activity. This represents a return to the thinking behind Sir Otto Niemeyer's 1931 first draft legislation which focussed on the need for an *independent* Reserve Bank and denied that monetary policy should help maintain economic activity. We are again reminded that this monetarist approach is only one paradigm in economic thought and that other competing theories continue to regard monetary policy as having a medium-term impact on output and employment. "New Keynesians" and "post-Keynesians", for example, attack assumptions behind monetary disinflation and demonstrate the likely ongoing adverse consequences if this recessionary approach to price stability is continued.

The discussion of Pluralist State theory by Richard Mulgan, Roper's presentation of new classical Marxism and Walsh's State-centred approach are *for me* three of the more interesting contributions, I will thus devote the remainder of this discussion to a consideration of these perspectives.

Mulgan's neo-Pluralism is a sophisticated development of earlier approaches derived from mainstream US democratic analysis. Although not incoherently eclectic or in complete opposition to theory, modern Pluralists he argues, recognise that the complexity of social and political life outstrips the capacity of any single self-consistent theory to encapsulate it and that many critical perspectives are able to shed light on the complexity of social conflict and political inequality. Contemporary Pluralists thus try to take an *essentially* open-ended approach to theoretical perspectives of the State, being prepared to incorporate insights from alternative perspectives (for example, Marxists, Feminists and Weberians) which may help to reveal and explain aspects of political power in society.

In general terms Pluralists seek to identify the variety of politically significant groups and interests in society and empirically study the methods they adopt to influence State policymaking. While assuming various institutions of the State respond to these inputs, Mulgan (giving the lie to charges of society-centredness) is careful to emphasise that the State itself must be examined as a collection of agencies that can act independently from the rest of society and often each other. The new Pluralism recognises that the democratic ideal of equality for different interests is not achievable in a society based on a market economy - the political playing field is permanently tilted in favour of business. However, Pluralists reject theories of hegemonic ideology and emphasise the presence of countervailing forces within liberal-democratic societies which limit business influence. Mulgan admits though that the collapse of the Keynesian consensus and recent government unresponsiveness to (hitherto legitimate) organised interests has widened the gap between the Pluralist ideal and political actuality.

This chapter has met many of the criticisms of the left whilst defending the necessity of liberal democracy. It is an extremely challenging contribution for critics of capitalist democracy, but there are weak points; one has, though, to work quite hard in order to penetrate its sometimes post-modern defenses. Does, for example, theoretical eclecticism and methodological pluralism aid the verisimilitude of Pluralism; how might we disconfirm? Further, Pluralism's assumptions which *aren't* entirely open-ended and which *do* commit one to a particular substantive view of society and the status of interests - whilst aiding coherence - threaten to direct attention from important structural determinants of interests, power and the construction (manipulation?) of the "public interest".

Pat Walsh provides a concise but detailed account of the cycles of Arbitration from 1894 to the deregulation under the ECA. His analysis develops within an institutional view of the State (a sophisticated State-centred approach) which locates the State within a complex web of institutional relations involving; economic circumstances, class forces and fractions, political parties and electoral coalitions and State structures. State capacities and autonomy are constrained by the historically evolving relationship between these forces and power centres. Again the State is not regarded as a neutral umpire - it has a share in the efficient management of the capitalist economy. Capital therefore has a significant structural advantage over labour in pursuit of favourable State policies. Labour does of course have some countervailing power in its relationship with the State, hence policies adopted by various governments over the years have not all been unfavourable to workers.

State strategies and structures normally change incrementally because resources vested in them and the interests they represent mean that those who control them are well placed to shape the direction of change. This does not, however, rule out efforts to amend the structure radically. In explaining industrial relations change Walsh discusses, in particular, the evolving relationship between workers and employers and key State structures namely the Arbitration Court and its successors (which acquired a measure of autonomy and became a constraint on government action); the Department of Labour (which has been generally inclined towards the maintenance of the system); various governments (which attempt to reconcile electoral viability, macroeconomic outcomes and social and political stability). The autonomy of the institutions of the Arbitration system is shown to have ultimately depended on the degree to which they served government interests and they were largely successful in this until the 1950s and 1960s. Thereafter the expansion of direct

bargaining outside the system and developing economic crisis undermined the system.

This is a characteristically erudite and persuasive contribution which sensitively negotiates the complexity of industrial relations change. However, whilst agreeing with Walsh that governments do not embark on radical reform unless there is a perception their interests will be served, he might more forcefully have clarified recent structural linkages between the mobilisation of business in response to economic crisis, government (State?) interests and the radical shift in the relationship between State and civil society. For example; neoclassical reforms have had a strong pedagogical component. Business and key State policymakers have recognised the urgent need for the public to *develop* attitudes and values consonant with a liberalised society. The broad thrust of reform since 1984 - which has impacted so forcefully on industrial relations - can hardly be said to have been sensitive to the views of the New Zealand public. We must not lose sight of the forces behind the generation and dissemination of ideology.

Brian Roper dispenses with *classical* pluralism in an efficient manner (a more powerful attempt at criticising neopluralism would have been welcome), criticises neo-Weberian State-centred theories and presents a class analysis of business politics and activism. The State, far from being a neutral arbiter or largely autonomous entity, is shown to be a *capitalist* State. The State has not acted in a visibly autonomous manner nor has policymaking proven itself to be markedly pluralistic or democratic. In response to prolonged economic crisis and intensified industrial conflict the State has largely implemented the neoclassical economic and social policies widely shared and promoted by business associations.

There are many shared understandings between sophisticated Pluralists, Institutionalists and Marxists. Roper notes in fact that it is far from clear that neo-Weberian (and one might add neo-Pluralist) explanations of recent political change in New Zealand are actually inconsistent with more sophisticated Marxist accounts. In addition to the recognition that business interests are structurally advantaged within liberal-democratic regimes, they each present the State as having an autonomous organisational capacity and active discretion (although Marxists are required to circumscribe this more precisely than the others), and that it shapes the capacities and demands of groups. One gets the feeling the contributors will have succeeded in educating each other on the nuances of their respective views.

Despite recognising considerable strengths in State-centred theories - especially the emphasis on an important element of contingency in what the State does, Roper considers however, that they share a major problem identified with neo-Pluralism above; namely the implication that the precise relationship between economy, civil society and polity can never be determined theoretically and is thus historically contingent. For Roper this removes the possibility of subjecting the theory to empirical challenge. His sketched development of a new-classical Marxist methodology is presented as avoiding problems of Pluralist and State-centred approaches while also avoiding the pitfalls of instrumentalist and functionalist Marxist accounts of the capitalist State. Here the State must first and foremost be clearly situated within the specific socio-economic context of advanced capitalism whilst recognising that the structural parameters which define this place are both dynamic and malleable.

It would not seem wise to disagree with his assertion that to focus too much attention on the State will "misdirect research away from those external structural constraints, social forces and ideological influences which have played a decisive role in the shift from social-democratic Keynesianism to New Right neoclassicism".

It is a convincing argument which demonstrates that far from being dead, a sophisticated and flexible Marxist analysis can offer perhaps the best available critique of the highly restrictive form of democracy which exists in advanced capitalist societies. Some might however question whether the theory successfully escapes the methodological criticism levelled at the other paradigms; it does after all appear to involve similar levels of contingency.

Overall these chapters are complimentary rather than antagonistic and this may come as a surprise to some - they do leave one wondering at times what the feud is all about. To approach any ultimate arbitration between the perspectives would entail going beyond the confines of these contributions; they do, however, represent an essential mapping of the territory and this indeed was their function.

Other contributions are successfully provided by Paul Wooding (New Zealand in the International Economy), Robert Bremmer (Federated Farmers and the State), Chris Wilkes (A Periodisation of State Formation in New Zealand), Rosemary Du Plessis (The Gendered Nature of State Policy), and Chris Rudd (The Welfare State: Origins, Development and Crisis).

In conclusion then, this is an informative and stimulating text which engages many important contemporary issues and debates. It deserves to be widely read.

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