

REVIEWS

Hyman, Richard *The political economy of industrial relations: theory and practice in a cold climate* London, Macmillan \$45.95

In this volume, Richard Hyman, Professor at Warwick and author (*inter alia*) of *Strikes* (1972) and *Industrial relations; a Marxist introduction* (1975), has brought together a number of his more famous essays.

The book is divided into two parts. Part One, entitled 'Making sense of industrial relations' includes 5 pieces on the nature of industrial relations and industrial conflict. Here are Hyman's well-known critiques of Dunlop's "systems" approach and of the British pluralists. Besides the already accessible articles, this section includes Hyman's introductory lecture on industrial relations ("Why industrial relations?") delivered to students on 3 February 1987. The speech traverses Hyman's lucid argument for a "reforging" of the links between the "problem of social order" and the "problem of welfare" in the study of industrial relations. In other words, a rededication to the *political economy* of industrial relations - albeit in a "cold" (hostile) political and academic climate.

Part Two, entitled 'Problems of contemporary trade unionism' includes a series of articles most of which were published in the period from 1984 to 1987. One, 'The sickness of British trade unionism: is there a cure?' is now available in English having been originally published in German and Italian. It is a powerful critique of the British Labour movement ('today a tired epithet rather than a lived reality' (p. 184)). Criticising British trade unionism's obsession with free collective bargaining (involving both accommodation with capital and problems with internal union democracy) and its political commitment to 'bureaucratic state socialism' (regarded as alienating by most of the working class), Hyman proposes a cure involving much better understanding by trade union activists of contemporary workers' needs, a strategy built from the 'grassroots upwards' and much stronger connections between trade union struggle and 'wider social movements and social struggles'. In sum, Hyman argues (p. 184):

The (political) right has shown, cynically and manipulatively, a frightening ability to communicate with the working class. Neither the trade unions nor the political left have displayed any parallel capacity - often assuming that they *are* the working class, or at least possess exclusive authority to speak on its behalf. The notions of humanity, of solidarity, of conscious collective determination of social existence, have become empty slogans which can be reinvigorated only when inspired by a social vision which connects with (even as it seeks to enlarge) people's own understanding of their current predicament.

One must make the point, however, that Hyman does not dwell on the counter-critique to his own arguments. None of the articles in the book *refute* the view that late nineteenth century and twentieth century reforms have so transformed capitalism as to render Marxist perspectives less capable of appealing to the 'real' needs (material and *non-material*) of waged workers in Western economies in the late twentieth century. Is the

climate 'cold' because the 'reformist vision has become increasingly repressive' (Preface X), or because radical "social visions", far from undermining the existing social "order", have failed to win the hearts and minds of the majority of workers in OECD nations? Do the majority, in fact, have more faith in the possibilities of humanity and dignity within the framework of their current political contexts than in the possibilities of such in a radical redesign of social institutions? While acknowledging the gains made *within* capitalism by social movements other than trade unionism (e.g. feminism), Hyman refrains from re-examining or reworking his earlier critique of pluralism and reformism. Interestingly, in the New Zealand context, Chris Trotter (NBR, March 17, 1989) has made similar criticisms to Hyman's but in so doing has acknowledged the existence of reformist gains within capitalism and calls for a new trade union strategy informed by that reality.

My other major criticism of this thought-provoking book lies in the author's treatment of managerial behaviour. For example, in the context of discussing the 'political economy of workplace representation' in British industry, Hyman asserts that 'managements have acquired far more sophisticated centralised controls and strategic intelligence' (p. 211). One would very much like to ask "Which managements?", "What sort of controls and intelligence?", "For what reasons?", "With what effects?". None of these questions are answered by the book because the literature from which Hyman chooses to launch his analysis lacks a substantive body of fieldwork in the area of management strategy and behaviour.

The main value of the book lies in the contributions it makes to the problems of theoretical development in industrial relations and to contemporary debates on the role of trade unions in economies where monetarism has gained and maintains some form of ideological ascendancy. This, as one would expect, is an important, challenging and mind-stretching 'read'.

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Oliver, Nick and Wilkinson, Barry *The Japanisation of British industry* Oxford, Basil Blackwell, 1988

This book is the latest of a number of studies which have examined the impact of Japanese investment on British industry. The coverage, while wide-ranging, emphasises production and labour relations management within the manufacturing sector.

The material is drawn from the proceedings of a 1987 conference (with a number of the papers appearing in a special issue of the *Industrial relations journal* 19(1) 1988), authors surveys and interviews and a fairly cursory review of the secondary literature.

After outlining typical Japanese practices, subsequent chapters discuss the operations of British and Japanese manufacturing firms in Britain and attempt to examine differences between them in the extent to which they have successfully introduced Japanese type practices. While the sample of respondents is in many cases very small the authors report that the Japanese firms appear to have been more successful than their British counterparts in introducing initiatives in the area of flexible working practices. This finding, which has been noted by several researchers, is probably due in large part to the fact that almost all Japanese investments occur on greenfield sites, are highly selective in their recruitment of labour and tend to avoid areas or groups of workers with significant previous industrial or union experience. In contrast, most of the British companies are long established and are forced to push for reforms under existing structures of multi-union representation and strong job demarcation.

The authors outline their 'theory of Japanisation' in Chapter 2. I found this the most disappointing aspect of the book. The model starts from the premise that Japanese 'low waste' production methods such as JIT create high degrees of dependency and vulnerability.

In an attempt to manage such dependency relationships Japanese firms seek to influence and control their environments, both internally and externally. This dependency has been noted before (Enderwick, 1985), and is not peculiar to Japanese firms. Indeed, this criticism serves to highlight a major failing of the authors in ignoring the literature on multinational enterprises and labour. By definition, any Japanese company investing in the British economy is a multinational enterprise. Such enterprises, irrespective of their nationality, typically manage highly complex international and inter-dependent trading and exchange relationships which create within them vulnerability and dependency. All such firms (Buckley and Enderwick, 1985) have been found to invest heavily in minimising production disruption and their vulnerability.

Internally, innovative labour practices such as single union representation, single status, flexible working practices and no-strike (or binding arbitration) agreements are used to regulate the work environment. Externally, Japanese companies seek to influence their suppliers, buyers and political masters. The authors seriously underestimate their impact in this area. While discussing the effects on suppliers they pay insufficient attention to the detailed data provided by others in the UK (Dunning, 1986) or the wider reality. In the US, for example, there are now some 232 Japanese automobile component suppliers operating independently or in joint ventures. The number of Japanese suppliers in Britain (and Europe) is also increasing dramatically. Where Japanese assemblers are dissatisfied with the quality or performance of indigenous suppliers they have encouraged source nation firms to move overseas with them. This is a logical response to uncertainty and the problem of managing highly dependent relationships. The ultimate aim is to replicate the production networks which exist in Japan, like Toyota City. It is no surprise that Nissan (UK) have established a 733 acre site. The Japanese car firms in the US have done exactly the same. This sort of development has important implications for the diffusion of Japanese practices, for indigenous suppliers and for a new form of dualism which the authors do not explore.

Also absent is any discussion of the strategic use of political influence. It is not coincidental that the 6 major Japanese car plants in the USA are in 6 different states. This immediately gives the Japanese car lobby a significant voice in the US political process. In Britain, concentration in a region such as Wales or Scotland provides an opportunity to influence powerful regional political and financial agencies.

In conclusion, this book falls between two stools. As an introduction to Japanese investment in Britain it is inferior to the work of others like Dunning. As a theoretical and empirical study of the labour market impact of Japanese companies it is unlikely to satisfy the specialist.

References

- Buckley, P J and Enderwick, P (1985) *The industrial relations practices of foreign-owned firms in Britain* Macmillan, London.
- Dunning, J H (1986) *Japanese participation in British industry* Croom Helm, London.
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