

BOOK REVIEWS

Theorizing the Employment Relationship: Materialists and Institutionalists

The Dynamics of Employee Relations, 3rd edn. by Paul Blyton and Peter Turnbull.
Palgrave Macmillan, Basingstoke, UK, 2004, xviii + 430 pp., ISBN 0 333 94836
X, £24.99, paper.

Theoretical Perspectives on Work and the Employment Relationship edited by Bruce E.
Kaufman. Cornell University Press, an IRRA 2004 Research Volume, ILR Press,
Ithaca, 2004, x + 370 pp., ISBN 0 913447 88 9, \$29.95, £17.50, paper.

A decade ago, British Industrial Relations (IR), as a field or discipline, seemed rudderless and struggling to navigate the storm of human resource management (HRM) and dramatic changes in employment. It had settled for short-term weather forecasts, courtesy of the Workplace Industrial Relations Surveys, rather than any more ambitious attempt to chart the waters ahead. The main textbooks lacked the authority of Hugh Clegg's famous work or the verve of Richard Hyman's response, and looked backwards to a fast-disappearing shore of trade unions and collective bargaining. Intellectual debate seemed to have been frozen into a dull pragmatic compromise, as if all hands were needed on deck to bale out the Thatcherite deluge (see Ackers and Wilkinson 2003). Yet, with hindsight, perhaps the tide had already begun to turn. Paul Blyton and Peter Turnbull in 1994 and Paul Edwards, a year later, produced authoritative, research-based texts from core IR departments at Cardiff and Warwick, respectively. Shortly thereafter, the Economic and Social Research Council's 'Future of Work' would take IR research to the forefront of this key debate. These two books maintain the forward momentum.

It has become a cliché to sigh: 'but IR lacks theory'. As Blyton and Turnbull point out, in this new edition of *The Dynamics of Employee Relations*, 'from being a subject formerly criticized for its apparent (or at least explicit) absence of theory, there is now an entire literature on different theoretical approaches to the subject' (p. 7). They devote 50 pages to developing 'an integrated theory of the employment relationship which provides the foundation for the entire text' (p. 11), and then another 40 to discuss the 'dynamic context' of contemporary IR. This is some distance from the few pages on theory Clegg put at the back of his 1979 text! The American scholar, Bruce Kaufman, in his edited international collection of *Theoretical Perspectives on Work and the Employment Relationship*, adds further to IR's intellectual resources. He, too, is after 'the holy grail of industrial relations: an

integrative theory that binds the field together and gives it intellectual coherence' (p. 41). And it is an encouraging feature of both these fine books, as well as the new Edwards (see Ackers 2004), that there is such a strong consensus on the core principles: that the *employment relationship* should be at the centre of this theory; that *institutions* too are central; that the IR system needs to be opened up to a broader *political economy*; that IR needs to be understood as embedded in the wider society and different *varieties of capitalism* and, finally, that a *normative critique* of free market capitalism and managerial ideology, in theory and practice, underpins the necessarily robust empirical analysis.

Why does IR need an integrative theory and what does this mean? A glance across the Atlantic answers the question. We see a dying discipline, its journals dominated by a miscellany of narrow specialist articles, often with no common intellectual thread. Kaufman is sharply aware that without a common theoretical language, shared by radical and pluralist, HRM researcher and labour historian, economist and sociologist, IR will cease to exist as we know it. If academic IR is not to be hollowed out into an entirely open field for a hotchpotch of theories devised elsewhere, it needs some sort of integrative principle. But, as Hyman's chapter answers back, while the open field is one danger, the closed discipline, equipped with a single, hard, unified theory is another. For nor do we want an insular management discipline, sealed off from the wider social sciences, like the more dogmatic parts of psychology or neoclassical economics. Much as people with weak religious or political beliefs stand in some awe of those with strong faith, and early social scientists admired the natural sciences, a certain 'economics envy' pervades the American contributions to Kaufman's collection. Yet hard, closed theoretical systems trade internal rigour for external influence in an interdisciplinary social science world. To know this, one only has to witness the difficulties orthodox economists experience operating on large European Union (EU) projects alongside academics from social policy, IR, politics, sociology and elsewhere. IR is enriched by an 'eclectic, interdisciplinary approach', where ideas and concepts can be freely exchanged and recombined; quite unlike the 'intellectual autarky of economics' (Jacoby 1990: 330–1, quoting Nelson and Winter). Moreover, IR needs a theoretical inner life — like the long-standing creative tension between Marxism and pluralism in the UK — with lively debate, to clarify differences and refine theory in relation to constantly changing external reality. Kaufman seeks an IR theory with 'greater reliability, explanatory insight and predictive power' (p. viii). The problem is that IR deals with a constantly shifting *historical* subject, notwithstanding Blyton and Turnbull's distinction between 'event' and 'structure' types of history. So when we observe the strike by Associated Society of Locomotive Engineers and Firemen train drivers, prior knowledge of the French postal strike will provide only limited insight. IR can no more wield the Jeda sword of hard theory than any other branch of sociological and historical analyses.

This excellent third edition of Blyton and Turnbull's established teaching text takes the bull by the horns and openly engages the student in a normative and theoretical debate on the way work and society are going and why it matters. The two authors are well balanced in their expertise on the economic, sociological and historical dimensions of IR and able to speak with the authority of leading researchers. They have one advantage over Edwards (2003), the other flagship IR text, in that authors can change the direction of the ship much more quickly and decisively than the editor of a collection of other authoritative and strong-willed writers. We already know that surveys exaggerate continuity while case studies overstate change; perhaps the same can be said of edited and authored texts, respectively. So if Edwards is low in the water

with the (invaluable) weight of collective evidence and analysis, Blyton and Turnbull are free to be more prescriptive, with a stronger authorial voice, illustrated through their own case studies. These paint an intriguing vision of British IR practice as engaged in a transitional phase of 'experimentation', into new types of work and regulation.

Chapter 2 provides 'a theory of employee relations' and makes the case for the *Marxian materialist* perspective associated with Kelly, Edwards and Hyman. This has come close to being the conventional wisdom of contemporary British IR theory, if not research. The first element is a strong critique of *institutional pluralism*. Dunlop is criticized for his functionalism, which locates IR as a 'largely separate (sub-)system' and places undue emphasis on 'order and stability' (p. 28). As for methods, they critique the tradition of empiricism and induction that runs from the Webbs to Clegg. It is worth noting here that, with Hyman, they regard IR as inductive in two respects: in terms of its genesis, as a *post hoc* disciplinary response to practical IR problems; and in terms of its research *modus operandi*, fact grubbing. Once a pluralist theory had evolved, however, the mindset of looking for systems/institutional solutions to problems blinded IR to underlying material causes of conflict and instability. 'Pluralism offers no comprehensive explanations for such conflicts' and 'serves more to mystify than to illuminate' (pp. 32–3).

So what of the materialist alternative? Here, the authors stress that they draw on 'Marxist *thought*' rather than Marxism as a political movement and distance themselves from Marx's catastrophic view of capitalist development and his close linkage between power relations in the organization and broader class struggles. At this point, the name Max Weber sprang to mind, but prematurely, since Blyton and Turnbull restate an orthodox historical materialism, whereby 'the material, productive base of society will shape political institutions, legislation, modes of thought, even the nature of the family' (p. 34). Unlike pluralists, Marxists emphasize the *asymmetry* of power between employer and employee and 'an unceasing power struggle between capital and labour' (p. 35). Accordingly:

To focus on the employment relationship has the advantage of homing-in on the (material) basis of the interaction between employer and employee, and the relationship from which all other aspects of the employee relations stem . . . It is these features of the employment relationship — *the creation of an economic surplus, the co-existence of conflict and co-operation, the indeterminate nature of the exchange relationship, and the asymmetry of power* — not the institutions of trade unions, employers' associations or government agencies, that makes the subject matter of employee relations distinctive. The activities of institutions, such as collective bargaining or other rule-making processes, in fact arise from the employment relationship and cannot be understood in isolation from it (p. 38).

It seems hard to cavil with a broad, flexible model that takes in 'social and ethical issues', the psychological contract, the 'wider society' and employee consent, all interacting in 'a dialectic rather than a deterministic process' (p. 43).

The weakness of Dunlop's closed IR system within the architecture of Parson's consensus theory is generally recognized. However, it is harder to tar Clegg and Flanders with this brush. While they did search for a measure of order, they hardly assumed it and this was part of their problem with Human Relations theory. Disorder, moreover, was not just an abstract system concern for them: strikes and conflict damaged the lives of working people and the prospects for the social democratic society that they supported. The failure to manage conflict in the UK, compared to other European countries *with exactly the same underlying employment relationship*, led directly to Thatcherism and the neoliberal policies that IR so deprecates. Judged

from the perspective of 1970s leftism, it might make sense to see Clegg and Flanders as prophets of stability and order; it hardly does today. The inductive tradition is something of an IR family myth. Clegg and Flanders were not dry-as-dust empiricists, although the former liked to give that impression. As Kelly (1999) has shown, Flanders's orientation to IR was expressly deductive, drawing on a strong social democratic vision of society. For Clegg, as for the Webbs before, empiricism was not only a practical way of mining information about a then little known part of society; it was also a rhetorical device for distancing the disinterested researcher from the partisan individual underneath. The theory was always there and it was there for a defensible ideological reason. To follow Gospel's (2005) characterization, Clegg was a historical institutionalist who offered no 'comprehensive explanation' for conflict because he believed, rightly, that no such theory could be lifted free from time and place.

As for the materialist alternative, it suffers from two general flaws. First, it claims too much for itself. Neither asymmetry nor indeterminacy are uniquely Marxist insights. Pluralists know power is unequal, but they want it as equal as possible within a functioning capitalist society. And Blyton and Turnbull also neglect those broader sociological theories from Weber, Durkheim and Dahrendorf that could bolster and extend the general social democratic, pluralist case. Above all, materialism is flawed because it is a base-superstructure model. The effect is to overextend the explanatory power of the employment relationship and draw too much from what can only be tensions and tendencies. Once we start asking important questions, such as why are there more strikes in manufacturing than in retail, or more in France than in the UK, the employment relationship *per se* can tell us little, the labour process not so much more. Instead, we turn to institutions (in their broadest sense) for explanation. And were these institutions grown from the seed of an employment relationship? Well, yes, in a certain very generic sense, as with trade unions and employer associations, but they grew on very different soil, in traditional societies that existed before capitalism, and shaped its local development. The employment relationship is a useful *ideal type* to build IR around, but institutions are the historical forces that pour life into it (see Jacoby 1990: 319).

A critical, three-cornered debate between materialists, economic institutionalists and socio-historical institutionalists pervades Kaufman's collection, although the divisions could have been better signposted. British materialists, Paul Thompson and Kirsty Newsome's essay starts with the 'core' indeterminacy of the labour process and works outwards. 'LPT had moved from a control and resistance model to a control, resistance *and* consent model' (p. 141). Apparently, post-Marxist materialism can contemplate 'the idea of mutual gains' (p. 153) with equanimity, although one still suspects that its Marxist soul struggles with this. The materialist default position remains endemic conflict at work while consent and cooperation sit uneasily within this paradigm. Hyman's essay on the ethnocentricity of IR theory is particularly intriguing. He begins, too, by rehearsing the limitations of a 'one-sided exploration of the "web of rules"' and the need to begin with the capitalist labour process and employment relationship (p. 269). After summarizing Marx's position, however, he wryly notes: 'Evidently the institutions of industrial relations can usefully be understood as elements in this apparatus'. Clearly, he thinks not, as he points to the (independent?) 'role of ideas, beliefs, social norms and indeed language in shaping industrial relations' (p. 270). Because institutions are the conduits for the above, we move swiftly from the generic capitalist-employment relationship to national institutional path dependency; a position that stresses ideas and institutions much more than

class interests and conflict. By my reading, Hyman (2001) has now moved much closer to the socio-historical institutionalist position than in his early work. Thus, 'Not only are systems of production, and the rules of employment with which they are associated, socially embedded, so are the ways in which those involved think about industrial relations . . .' (p. 272).

Several (mainly US) authors, including Kaufman, are economic institutionalists who address neoclassical economics (often in its own terms). As Budd *et al.* (p. 196) argue in defence of IR pluralism: 'With the post-war rise to dominance of the neo-classical paradigm in economics, however, industrial relations has been frequently criticized for allegedly being limited to atheoretical fact-gathering and therefore not being a legitimate academic paradigm'. One response to this challenge is a *rational choice institutionalism* that reinvents the employment relationship from an original state of nature position, using transaction costs and other arguments. Thus, Watcher explains from economic contract first principles why a non-union employment relationship develops norms that make it a viable although one-sided arrangement. 'The theory of the firm teaches that the hierarchical, norm-based system that eschews contracts and legal enforcement is the low-cost contracting and enforcement mechanism to be used inside firms' (p. 189). And Marsden describes the employment relationship as 'a social institution that has to satisfy the joint requirement of those who adopt it, both firms and workers' and 'solves a very difficult coordination problem', by generating 'work rules' (pp. 77–9). These theories seem to me — for all their insights into certain dynamics of employment behaviour — to provide a very partial and abstract view of real employment relationships.

By contrast, Kaufman and Budd *et al.* (p. 196) appear to advocate an IR that centres on 'real world institutions and practices' but from a 'specific theoretical perspective' close to institutional labour economics (ILE). Kaufman's keynote chapter aims not to actually build an integrative IR theory, but first to map the field. So 'the fundamental construct that underlies the field is the *employment relationship*' (p. 45), and 'I start at the ground level and construct an alternative model (or picture) of the industrial relations system'. The result is an 'ERS superstructure' (p. 49) that depends on the production process below. This employment relations system (ERS) includes 'the social forces of culture, class, ethics, ideology and history' (p. 58) and it is path dependent. Unfortunately, Kaufman's all-inclusive taxonomy does nothing to resolve the three-way explanatory tension between materialists, rational interest and socio-historical institutionalists, who all agree that without the formal construct of an employment relationship, there would be no IR. Any theory has to prioritize either material forces or institutions, real institutions or hypothetical institutions. At first glance, Kaufman's diagram (p. 50) appears more materialist than Blyton and Turnbull's own construction (p. 43), but his heart is really in ILE. And, as he recognizes, ILE is an empty theoretical box, except in so far as it takes the rational choice route.

The main alternative to economic man is sociological man, and that leads to the *socio-historical institutionalists* who see institutions as something embedded in different national cultures or social systems. Muller-Jentsch's opening chapter reaches this position after the sort of wide-ranging, interdisciplinary, international survey that takes IR into exciting new social science territories. Here, interdisciplinarity is no longer a byword for dull borrowing, but a forum for lateral thinking and intellectual fusion. Godard's chapter on 'New Institutionalism' is a bold programmatic one, delineating a new IR paradigm, centred on the 'rules and norms that underpin action' (p. 237), capable of explaining the sheer diversity of contemporary IR practice.

'Institutional arrangements and the paradigms that underpin them tend to reflect economic, political and social traditions that have become embedded in established rules, norms and expectations' (p. 243). In short, the real historical shape of an employment relationship is as much a product of norms and values as of fundamental material factors. And the institutions concerned are not just trade unions and collective bargaining, but the state and the wider web of institutions in society, to be studied as part of a broad societal history. Hence, the central axis of IR should shift away from economics and psychology towards 'socioeconomics and comparative political economy' (p. 254). In similar spirit, Martin and Bamber call for a 'pluralist political economy that does not reduce employment relations to merely an aspect of class struggle', but regards it as a 'sociopolitical process' (p. 307).

This returns us to Clegg's famous empiricist riposte that, in any case, these theoretical differences do not make much difference to the facts of the case. Well, yes and no. In one respect, Clegg's observation is more apposite now than it was originally, because the theoretical overlap has grown. The common theoretical language of IR 'focuses on the interaction between interests and institutions in the context of changes in international political economy' (p. 308). But the theory we share is still theory and IR has greatly advanced by reflecting properly on what it means by core concepts like the employment relationship and social institutions. Reading the substantive chapters of Blyton and Turnbull, such as that on employee involvement and participation, I found excellent discussions that cover both materialist and institutionalist research in an even-handed way, without much drawing attention to the differences. The real villains are the Unitarists of managerial theory. Even so, theoretical differences do matter at certain critical junctures. Thus, the authors, as materialists, are closer to Ramsay's 'cycles of participation' (for which they provide an ingenious new rationale by linking labour control to labour cooperation) with its underlying structural dynamic, than to socio-historical institutional readings.

IR in Britain seems in much better intellectual health than in the USA, where IR seems to be constantly looking over its shoulders at the spectre of neoclassical economics. One obvious reason is that UK trade unions and collective bargaining have proved far more resilient than in the USA. I think this is a weak and partial explanation, however, for UK academics seem much more able to manoeuvre themselves out of the intellectual *cul-de-sac* created by union decline. A more pertinent factor, in my view, is the widely different political and ideological contexts of the two countries. In part, this is, as Hyman suggests, a product of our growing integration into the EU with its strong social market traditions. This, however, does not fully account for the revitalization of IR since Labour's election in 1997. IR has always been part of a social democratic project, and when that project ceases to influence our polity, then IR will die, no matter how many employment relationships or working poor there are. But academic traditions matter too. US IR was always too rooted in ILE, which became increasingly the poor-country cousin of real, hard neoclassical economics. Any real conceptual challenge to economic man must come from sociology, which was largely excluded from US IR. Marxism is a critical resource, but so is the rest of the classical sociological tradition. Hopefully, most IR academics will read Kaufman's important book, reflect on their own theoretical position, frame their research with this in mind and engage their students with Blyton and Turnbull.

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The New Structure of Labor Relations — Tripartism and Decentralization edited by Harry C. Katz, Wonduck Lee and Joohye Lee. Cornell University Press, Ithaca and London, 2004, vi + 266 pp., ISBN 0 8014 4184 6, \$39.95, £22.95.

The structure of the book under review is not new. Like other edited volumes published in recent years, it is a collection of national case studies on the developments of labour relations system in a number of industrialized countries. But it adopts, as its main focus of analysis, both the trends towards tripartism and those towards decentralization, and especially how these two tendencies interacted in the countries under examination over the last two decades. In so doing, this volume offers new and useful materials for comparison, which allow us to go beyond the traditional convergence/divergence dichotomy that usually underlies this kind of study.

The volume consists of eight chapters written by national experts, with an Introduction by Katz and a Summary by the three editors. It is the fruit of a conference held at Cornell University in October 2001; most of the cases, however, have been updated to cover the year 2002. The national chapters are devoted to four European countries (Ireland, the Netherlands, Italy and Germany); two South-East Asian countries (Japan and Korea); Australia and the USA. The selection of the European cases is a little unusual, all Scandinavian cases being excluded as well as other large countries like France, Britain or Spain. But there is no doubt that the experiences included are quite interesting, for their different capacities to adapt to new circumstances, and also for their rather different economic performance (generally much better in the smaller ones). Two strong points of the book can be mentioned here.

The first one is related to the link with previous research in the field of comparative political economy, namely with the 'varieties of capitalism' literature and its antecedents, to which the Introduction makes express reference. Although the focus here is mainly restricted to the labour relations system, with less attention to other institutional features such as the financial and the educational systems, or labour market and welfare regimes, the national studies included in the volume enrich the traditional landscape

emerging from this literature. On the one hand, the results confirm the persistence of the two broad models of political economies and industrial relations (IR) systems, and disconfirm a (supposedly) general trend towards a US-style deregulated and uncoordinated decentralization under the universal pressures of the internationalization of markets. On the other hand, however, the national studies show trends in several countries that make the picture more mixed and dynamic than it used to be (or it was usually believed to be), with possible moves from one camp to the other.

Australia, as illustrated by Baird and Lansbury, is probably the clearest, almost a textbook example, of transition from the camp of coordinated systems, granted by the role of state tribunals and of the Australian Industrial Relations Commission, to one of 'fragmented flexibility', fostered by the 1996 Workplace Relations Act. Another case of a significant shift in the mid-1990s, under the pressure of changing labour market conditions, is Japan, as described by Suzuki: a shift from approximately two decades of tripartite dialogue over wage issues, to a (re-)decentralization of collective bargaining structure, focused again on production-related issues, within a wider effort to adapt the Japanese employment system to global standards based on numerical flexibility and the diffusion of non-regular workers (pp. 140–1). On the other hand, in all the European countries considered in the volume (with some qualifications for the German case, as illustrated by Bosch), the 1990s have seen a revival of social pacts, often promoted by the need to tackle national emergencies and to meet the requisites for participation in the European Monetary Union. But this has not prevented the development of several pressures towards decentralization, in search of a more flexible adaptation of labour relations to varying labour market conditions at the local level. A balance (although unstable) between tripartism and decentralization has also characterized the Korean experience (analyzed by Lee and Lee) during the period of national emergency following the Asian financial crisis at the end of 1997, despite the weak social base of tripartism itself and the persisting difficulty of developing industrial unionism and industry-wide bargaining. Even the US IR system, where bargaining structures have become even further decentralized, has seen in recent times, according to Katz's account, the development of a sort of regional tripartism, i.e. of various forms of coordination of local-level labour market activities similar to developments in other countries (pp. 192, 212).

In brief, while confirming the broad partition between coordinated and liberal market economies (with reference to labour relations systems), the country studies show that simple decentralization/deregulation trends *versus* centralization/coordination ones were very rare (with the possible exception of Australia), but that almost everywhere various forms of coordination and decentralization in the structure of labour-management interactions took place. Tripartism and decentralization (or even individualization) trends often coexist, and what is crucial is the type of interaction between them, as the editors and some national experts (Regalia and Regini) suitably suggest.

This is strictly related to the second point on which this volume enriches our knowledge, i.e. the new characteristics that tripartism and social pacts, or national level coordination mechanisms, take on in the 1990s and early 2000s, especially in Europe, with respect to the experiences of concertation of the 1960s and 1970s. The country studies confirm that wage moderation remains important in almost all social pacts of the 1990s — perhaps most clearly in Italy, where the 1993 Tripartite Agreement expressly links national-level wage bargaining to planned (not expected) inflation rates. But Ireland and the Netherlands are other cases in point, as stressed by Teague and Donhagey and by Slomp. These institutional arrangements, however,

progressively shift (or at least enlarge) their main focus from demand-side, macro-economic management issues towards supply-side, micro-level measures aimed at enhancing flexibility in the labour market and within firms, and also at reforming welfare regimes. This is a point that has already been underlined by Traxler on several occasions. But the country studies included in this volume help highlight it further, showing how, at least in Europe, this shift strongly accelerated once the single currency was introduced and competitiveness issues (in real terms, without the safety valve of devaluation) came even more urgently on the agenda, putting under severe stress the previous balance between central coordination and decentralization.

At the end of the book, the reader remains with several interpretative questions, which the country studies help raise. Questions, for instance, about the explanatory factors of the shifts of national labour relations systems from one camp to the other (interesting, among other things, is the discussion about the role of bargaining power in Katz's Introduction). Or about the capacities of national labour relations systems — strikingly different across European countries, for instance — in sustaining the competitiveness of national economies and their adaptation to the new circumstances. Or, again, about the reasons underlying the mix between coordination and decentralization that has been observed in many cases.

These questions, and others, are taken up and helpfully discussed and clarified in the Introduction and in the Summary, exploiting, however, only partially the potentialities of comparative analysis. But perhaps there is a limit to the depth of systematic enquiry that can be expected in this kind of book, based on a collection of national case studies written by different experts. The merit of such books is usually two-fold: to offer new, accurate evidence on labour relations developments in various countries, and to raise relevant questions for comparative analysis and future research. From both points of view, this book is worth reading.

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European Works Councils: Pessimism of the Intellect, Optimism of the Will? edited by Ian Fitzgerald and John Stirling. Routledge, London, 2004, 228 pp., ISBN 0 415 30986 7, £65.00.

The European Works Councils (EWCs), the focus of so much contention and hyperbole from the original Vredeling draft directive of 1980 onwards, achieved legal status with the directive adopted by the Council in September 1994. Thus, by now we have roughly a decade of experience on which to assess the practical significance of what is no longer a novel element in the industrial relations architecture.

There have been three main phases of discussion on the new institution. In the first, when the impact of EWCs was largely hypothetical, there was an often-polarized debate between those who anticipated the birth of a new counter-power to the cross-border strategic capacity of multinational capital, and those who predicted that the outcome would be trivial. In the second, the focus was on the formal implementation of the directive: its national transposition, and in particular, the actual establishment of EWCs: created in only about a third of eligible companies, but (because they were most common in the largest firms) covering roughly two-thirds of eligible employees. Much of this research sought to explain the differential 'strike rate' across sectors and countries, but also explored the variations (enabled by the flexibility built into the

directive) in the constitution of the new bodies, in terms of composition, terms of reference, frequency of meeting, and so on. The third stage of research addresses actual practice: the degree to which EWCs develop a collective identity and cohesion, exert real influence on management decision making and succeed in transcending the usually modest formal definition of their functions.

This book presents a variety of contributions that engage with all three phases of the research agenda: primarily, but by no means exclusively, from a trade union perspective. The subtitle indicates a recurrent theme: there are many obstacles to the emergence and persistence of an effective, proactive EWC, but it would be wrong to write off the whole process. With able leadership, appropriate training and advice, and the wind in the right direction, significant achievements can indeed be registered.

Rather than attempting to summarize all 14 chapters, I focus on a few significant themes. One is the relatively limited initiative of most employers in customizing EWCs to their own circumstances. This is surprising because the directive is far from prescriptive on the nature of the institution, yet typically EWC agreements carbon copy the main elements set out as the default option. For example, employers' organizations, at the same time as resisting the directive in principle, also insisted that a centralized EWC would mismatch the decentralized structures of most large companies; yet, companies rarely crafted a model to reflect these concerns. Hume-Rothery, presenting a UK business perspective, describes this as 'a serious lost opportunity' (p. 81). Here, one should note, however, the point stressed by Stoop (p. 49), and taken up by several other authors, that 'the actual diversity of EWCs is not to be found in their formal structures, but in their practices'.

A second theme widely emphasized is the emergent and contradictory dynamics of actually existing EWCs. In general terms, this is argued by Lucio and Weston (p. 37): 'EWCs are caught between distinct pressures in terms of push and pull factors between labour and capital inside and outside the firm'. Potentially, they insist (p. 41), 'EWCs form part of an alternative logic of economic regulation'. They may also transcend the constraints of their status as bodies of purely national representatives by pursuing positive-sum outcomes to cross-national conflicts of interest. These abstract propositions are given substantive content in two company case studies — McAlindin on Scottish & Newcastle, and Annand on the Compass Group — and in Tully's account of language and cultural awareness at Kværner. Compass is particularly interesting because of its high proportion of women members and the degree to which they see the knowledge and experience gained as enhancing their own representative capacity.

Third, are EWCs a foundation for more effective labour internationalism, or do they represent an employee version of 'Fortress Europe'? Three concluding chapters consider this issue. Stirling discusses the provision of training for EWC members on the broader global dimension of company structure and practice, and trade union action, and suggests a way in which this might be enhanced (although the directive as such gives no sanction for this). Miller explains trade union approaches to the 'highly complex buyer-driven supply-chain networks' (p. 199) in textiles and clothing, where abuses of labour and human rights in the main producer countries abound. He examines, in particular, the effort, often in alliance with various non-governmental organizations, to give some teeth to corporate codes of conduct and international framework agreements. Finally, Wills discusses the specific framework agreement in the Accor hotels group, and the ways in which the unions involved have attempted to link the national, European and global levels.

How, today, can we review the previous debates on EWCs? Has there been a shift in the balance of power within multinationals, creating a new form of cross-national

industrial citizenship? No. Have EWCs assisted in constructing worker and trade union solidarity across borders? Sometimes, although precariously and with difficulty. Has academic understanding progressed? Yes, and this collection makes a useful contribution to the process. One should add, however, that some of the contributions are already (in at least similar form) in the public domain; that the editors have failed to correct rather frequent errors of spelling, grammar and syntax; that publication seems to have been slow (virtually all chapters seem to have been written by the end of 2002) and that the price will surely keep it off personal bookshelves.

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Industrial Politics and the 1926 Mining Lockout: The Struggle for Dignity edited by John McIlroy, Alan Campbell and Keith Gildart. University of Wales Press, Cardiff, 2004, xiv + 334 pp., ISBN 0 7083 1820 7, £45.

North Wales Miners: A Fragile Unity, 1945–1996 by Keith Gildart. University of Wales Press, Cardiff, 2001, xv + 277 pp., ISBN 0 7083 1706 5, £25.

These two books on British miners' history might be thought of, in the light of the mining industry's current tiny size, as of limited interest to those concerned with contemporary industrial relations (IR). In this view, the miners' history could be considered as little more than 'background' to the present, as simply a matter of record or as irrelevant to current debates. The first book deals with a lock-out, a form of dispute more characteristic of the first part of the early twentieth century than of the twenty-first, while the second covers a small mining area. Such a judgement would, however, be quite inappropriate, as it would ignore the light they throw on contemporary discussions within IR and the rich comparative perspectives that they suggest. The themes they discuss include the role of the state; employers and unions in originating, conducting and regulating conflict; internal tensions between workplace, area and national union; the role of political activists in mobilization and the relationship between union and community.

The books, both published by the University of Wales Press, appear to be aimed at multiple audiences. Both seem likely to be read by mining specialists, particularly in Wales, but hopefully will find a wider readership. *Industrial Politics and the 1926 Mining Lockout* is more likely to achieve this because of the focused but also broad, creative and insightful way that it handles its 'industrial politics' subject. The nine-month lock-out, often treated as mere context for the General Strike, properly achieves centre stage and is dealt with here for the first time. In this case, a collective approach to authorship has succeeded in adding depth and diversity without the frequent loss of focus that other such volumes can suffer. The editors' intention is to provide a detailed analysis of this dispute of 'immense and enduring' consequences for its industry and the labour movement (p. 1). It is divided into three parts. The first sets the scene and deals with the origins of the 1926 lock-out and its main protagonists; a second group of chapters analyses events in particular coalfields, while a third deals with 'issues': women, police and revolutionaries. McIlroy rounds the book off with a 'Finale, a view from a new century'. The North Wales miners' book draws 'on various strands of labour historiography to emphasize the importance of both structure and agency in shaping the politics of the North Wales miners' (p. 3). Gildart pursues his themes of the relationship between the miners, their local union and labour

politics through a chronological structure. It contains five chapters: 'The Golden Age of Labourism, 1945–1963'; 'Miners, Labour and Pit Closures, 1964–1971'; 'The Politics of Coal, 1972–1982'; 'The Fragmentation of Unity, 1983–1988' and 'The End of an Era, 1989–1996' followed by a conclusion.

Although neither work is primarily comparative, comparisons are made in both works between the protracted disputes of 1926 and 1984, defeats with long-term consequences for British trade unionism. An important and specific contribution of the 1926 book is the way that it generates a history of IR rather than labour history *tout court*. Employers are too often ignored or crudely demonized, but this is not the case here. The 1926 lock-out required a considerable degree of employer solidarity, and its achievement was no mean feat, given intensified competition between employers in the mid-1920s. A major problem for historians investigating how the employers prepared for and maintained a united front in 1926 has been the difficulty of access to records. The lock-out is shown throughout the book to have been an attempt led by a majority faction among the coal owners, assisted by the Government, to end the national arrangements dictated by the First World War.

Chapter 4 by Quentin Outram, 'Class Warriors: The Coal Owners' specifically focuses on this matter. Outram makes adroit use of biography to finesse the archival problem and simultaneously analyses the fault lines between the employers. It was not the case, as Lord Birkenhead famously suggested, that the coal owners merely combined obduracy and stupidity. Their leader, Evan Williams, and the Mining Association (MA) more widely took a strategic approach to creating and maintaining employer solidarity. This was necessary, Outram explains, because there were two coal-owning factions, one around Williams and Sir Adam Nimmo, and the other around the progressive Alfred Mond and the paternalistic Lord Londonderry. The first was more closely affected by the industry's economic problems and consequently 'hard line', while the second represented both the industry's past and future and was more conciliatory (p. 123). The Mond group fitfully and unsuccessfully proposed a long-term industrial strategy based on industrial rationalization, but Williams achieved unity around hostility to government interference in favour of the Miners Federation of Great Britain (MFGB) and antagonism to the union itself, especially its 'Communist' leadership. The Government, although seeking to maintain apparent neutrality, assisted the MA leadership, as McIlroy and Campbell demonstrate in a wide-ranging, thick-textured, contextualizing chapter 3, 'Fighting the Legions of Hell': 'It enhanced their [the coal capitalists] bargaining power and undermined the MFGB's position' (p. 72). In particular, it supported the MA through its policing policy of allowing chief constables more power in relation to local authorities analysed in detail by Catterall in chapter 11. Overall, the work's analysis transcends previous conspiracy theories of the relations between employers and the Government, showing how the employers led the dispute supported by the Government, paradoxically assisted by anti-state 'interference' and anti-Communist rhetorics.

In both 1926 and 1984, the problem of national solidarity was also sharply posed for the miners' national union, as certain areas undermined the national action. The underlying problem was the perennial organizational one in British unions of 'local autonomy', or the determination of areas not to cede power to the national union. Neither the MFGB nor the National Union of Miners (NUM) was a genuinely national union: each area was constituted as a separate legal entity and sporadic efforts to make the NUM a national union failed. It is therefore commendable that the 1926 volume demonstrates that areas other than Nottinghamshire, notably the productive Warwickshire area, were problematic for the union. Indeed, McIlroy

(chapter 9) provides a detailed reassessment of Nottinghamshire's role in the 1926 dispute and demonstrates that local miners supported the action for four months with little potential gain.

North Wales was another area that was problematic for the union in both disputes. Gildart's book shows the tensions between the area and the national union. He uncontentiously suggests that the North Wales miners' role in the MFGB/NUM was as much shaped by local experiences as national organization. The area showed little propensity to collective action compared with South Wales. Gildart argues that local lodge-area relations were patterned by a deference that undermined militancy. Markets were local and national, in contrast to South Wales' export markets; the North Walsians thus stood to lose less in 1926. The 'Spencerist' union at Point of Ayr colliery survived until 1944. Communist Party members were largely absent, and, as Gildart points out, the area did not have the miners' day release courses of Yorkshire and Derbyshire that helped form a network of activists from the early 1950s onwards. Pit closures were only disputed through procedural and political challenge. An influx of miners in the 1980s brought criticism of this 'moderate' stance, and the South Walsians lobbied North Wales to take a stronger line against pit closures in 1983 (p. 159). South Wales picketed North Wales in 1984, but the area was far from solid although officially on strike (p. 163). The few left-wing militants played an important role, but the area's national representative backed a national ballot and supported working miners (p. 181). By the late 1980s, the area consisted of just one colliery, Point of Ayr. Nevertheless, the area that had earlier rejected Arthur Scargill's suggestion that it merge, maintained its existence until the summer of 1997. Thus, in both disputes Gildart shows how local factors operated to make solidarity both within the area and in the national union highly problematic. In short, the NUM's problem was not simply that of Nottinghamshire, but rather the broader issue that the 'national' union contained long-term tensions that made sustained, unified, national action impossible to achieve.

Both books deal with the important and contemporary issue of the union-community relationship, and in particular with gender relations previously examined in Gilbert's comparative study of Nottinghamshire and South Wales [Gilbert, D. M. (1992). *Class, Community and Collective Action: Social Change in Two British Coalfields 1850-1926*. Oxford: Clarendon Press]. McIlroy persuasively challenges previous interpretations of Nottinghamshire's 'negative' role in 1926 based on their smallholdings, patterns of community or the butty system. He shows how men were shamed out of scabbing by Nottinghamshire women, encouraged by A. J. Cook (p. 219). But factors other than community mobilization were also at work. In a sensitive and nuanced analysis, he also demonstrates *inter alia* the importance of Spencer's difficult personal relations with the national leadership in the local miners' eventual collapse. Similarly, Campbell, as one might expect from the author of magisterial works on the Scottish miners (see *inter alia*: *The Scottish Miners, 1874-1939* vol. 1: *Industry, Work and Community*; vol. 2: *Trade Unions and Politics*, Aldershot: Ashgate, 2000) shows how the Scottish coalfields ranged from militancy to weakness, differentially affected by religious division, generational conflict and related political disagreements. A common factor in all areas in 1926 was women encouraging men out while ensuring domestic and material support for them, as Bruley shows in chapter 10. Cook proposed honorary union membership for women, anticipating women's equally unsuccessful demand for associate membership in the 1980s. Ultimately, women's role was vital in extending both disputes but the miners' union consistently rejected women's requests for participation. The role of Communists was also significant and McIlroy provides an innovative analysis in chapter 12.

The two works both inform contemporary discussions of state–employer–union relations, and the role of politics and community in mobilization. Of the two, *Industrial Politics and the 1926 Mining Lockout* is the more methodologically innovative and convincingly written. The editors successfully orchestrate an impressive group of specialists to provide in-depth analysis that never neglects the importance of individuals. Gildart's single-authored book is useful for helping allow a wider view of miners' history than hitherto. But it is unfortunately prone to overblown claims for its own importance and has a tendency to inaccurate formulation. The title of the book itself is somewhat inaccurate: it is primarily about the North Wales miners' union, even if the introduction claims that the book 'adds to the recent literature that has aimed to resurrect the study of labour in its broadest form' (p. 5). Yet, the book tells us virtually nothing about such important subjects as health and safety in local pits, and in comparison with Campbell's work, relatively little about the area's social history. *Industrial Politics* represents the more convincing version of labour history: broadly conceived, argumentative and clear. Indeed, both in this and in its recognition of the importance of individuals, it provides an alternative to the desiccated approach taken by much writing on contemporary industrial relations.

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The Great Divestiture — Evaluating the Impact of the British Privatisations 1979–1997
by Massimo Florio. The MIT Press, Cambridge, MA; London, 2004, xvi + 424
pp., ISBN 0 262 06240 2, £29.95.

Sometimes, it takes an outsider to see clearly how a topic of national importance might be tackled in a comprehensive way. This is the key strength of Massimo Florio's impressive text on UK privatization. Most British-based researchers who witnessed the Conservative privatization programme have only seen fit to analyse parts of the programme: either looking at it thematically (e.g. its impact on share prices) or from the perspective of a single industry (e.g. telecoms). Florio, on the other hand, looks at the public enterprise divestiture programme as a whole and attempts to analyse its effect on firms, shareholders, employees, consumers and tax payers.

As Florio points out at the beginning, his analysis leads him to 'suggest that the great British privatization was not the unconditional success it is commonly thought to have been' (p. xiv).

The 1979–1997 privatization programme of successive Conservative administrations transferred around 7 per cent of gross domestic product and 5 per cent of the workforce from the public to the private sectors. The main divestitures examined are telecoms, electricity, gas, water, railways and buses. These constituted a substantial majority of total privatization proceeds. In the first two chapters, Florio usefully reviews the history of privatization and outlines his view that the analysis of the effect of privatization should be viewed as an applied welfare economics problem. Specifically, he outlines plans to apply the general method of social cost-benefit analysis to assess the overall impact of privatization. This technique seeks to calculate the net present value of the total welfare impact of privatization (measured in financial terms) by summing up the impact on broad classes of actors within society. Thus, if the effect of privatization is to reduce prices, this will be a welfare gain for consumers, if it is to raise profits this is a welfare gain for shareholders, and so on.

Chapter 3 attempts to see whether privatization had any discernable impact on aggregate variables in the economy. Simple regressions of annual privatization proceeds on various macroeconomic variables suggest that the overall impact on the macroeconomy, if there was any, is difficult to detect.

The next several chapters address the problem by looking at the constituent groups within society in turn. There is a good blend of review of existing literature (fitted into the overall framework) and original material. Chapter 4 examines the impact on firms. There is no evidence of a structural break in productivity or profitability at the time of privatization as improvements had started prior to privatization. This leads Florio to suggest that UK corporate governance prevented private firms from fully capitalizing on the opportunity for efficiency improvements afforded by privatization. This is one of the points in the book where an insider might raise an eyebrow, given the UK's good record on corporate governance and the difficulty of separating the preparation for privatization (which clearly motivated improvements in the public sector) from the act of privatization itself.

Shareholders are examined in the next chapter by looking at abnormal share price returns. They were clear and immediate gainers from privatization with average first-day share price rises of 18.5 per cent. Transaction costs paid to City institutions constituted 4–5 per cent of the gross proceeds from privatization. In total, this amounted to a transfer to shareholders of £14bn and to the City of £3bn. Following privatization, there was more good news for shareholders with abnormally positive returns at least until 1997 when a windfall tax and tougher regulation reduced their returns.

Chapter 7 reviews the impact on employees. There was a fall in employment although this was not necessarily associated with the timing of privatization. Wages rose faster in the privatized sectors than the rest of the economy after privatization. The only marked effect was a large rise in executive pay. As Florio points out, there remains little clear evidence of a negative impact on total employment of privatization.

Consumers are analysed next in an original chapter that scrutinizes the trend of prices through privatization for the six key sectors examined. There is no clear evidence of a structural break in prices in electricity and gas, but there is a big fall in telecoms prices following privatization. However, the examination of trends does suggest a clear impact of around £4bn lower charges per year. This is largely made up of gains of £3bn in telecoms, £1.4bn in electricity and £2bn in gas, offset by a loss of £1.9bn in water. However, the overall welfare impact is somewhat offset by the fact that this gain is unevenly distributed. Florio estimates that the poorest 40 per cent of consumers paid no lower prices and the poorest one million households were worse off following the privatizations. Florio's scope is impressive although something of the detail is clearly lost. His results for water and railways wrongly assume that price rises would not have happened if privatization had not occurred (because of environmental legislation in the water sector and rising congestion in railways).

Chapter 8 examines the position of tax payers, the conclusion being that the benefits of higher corporate taxes from privatization are more than offset by the effect of underpricing of public sector assets at the time of privatization. This leaves tax payers slightly worse off as a result of privatization.

British Telecom (BT), the largest single privatization, is considered in chapter 9. Florio questions whether technology would have delivered lower prices in the absence of privatization and considers the impact of the re-balancing of BT's prices that

resulted in higher line-rental charges on poorer customers. He suggests that these two effects make an earlier — substantially positive — assessment of the BT privatization negative.

The final chapter pulls the assessments of earlier chapters together. Florio argues that the overall welfare gain from the six major privatizations was between £42bn and £57bn in net present value (the lower figure adjusts for the negative distributional impact of privatization). Most of this accrued to consumers as lower prices (£35–£44bn). Tax payers were slightly worse off (–£5bn to –£4bn). Shareholders got higher profits, net of asset purchases (£12–£17bn). This implies that every person in the UK was around £50 per year better off as a result of the major privatizations. Florio writes, ‘The most surprising aspect of my calculations is that the measurable welfare impact of British privatisation is so low’ (p. 359).

Florio’s verdict on the privatization programme is a conservative one (small ‘c’). This is justified as a less conservative assessment would be wide open to charges of biased assumptions. However, it should be pointed out that the criterion for any social investment (such as the policy of privatization was) is that the net present value of privatization is greater than zero. Florio’s overall number is small, but a direct gain of £50 per head is definitely worth having, especially as it makes no allowance for the indirect gains caused by the release of workers to other sectors and the effects of cheaper services on the sectors that consume them. This gain is all the more impressive as this was a policy that the Government happened on by accident, following the unexpected success of the Amersham privatization of 1982. Florio’s wide-ranging review provides an excellent motivation for continued analysis of the detail of individual privatizations.

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Privatizing Poland — Baby Food, Big Business, and the Remaking of Labor by Elizabeth C. Dunn. Cornell University Press, Ithaca and London, 2004, vii + 204 pp., ISBN 0 8014 4225 7, US\$45.00, £25.95; ISBN 0 9014 8929 6, US\$18.95, £10.95, paper.

The change of macroeconomic structures after 1989 in the former socialist states required not only the introduction of private property and a free market but, and this is the central thesis of this book, the creation of new forms of personhood and power as well. To explore this connection between the macro and micro levels, Dunn conducted ethnographic fieldwork in Alima, formerly the largest Polish baby food factory, which was bought by the American corporation, Gerber, in 1992. Gerber itself was bought only two years later by the Swiss firm Sandoz. The book is based on participant observation and conversations on the shop floor with employees at different levels as well as some structured interviews with experts.

Although her research data concern the present-day situation, Dunn nevertheless seeks to grasp the process of post-socialist change. Her approach starts with the notion of socialism in the work of Kornai [Kornai, J. (2000). *The socialist system: the political economy of communism*. Oxford: Clarendon Press] and its adaptation for an anthropological audience by Verdery [Verdery, K. (1996). *What was socialism, and what comes next?* Princeton, NJ: Princeton University Press]. Largely drawing on these authors, Dunn presents socialist labour relations as fundamentally distinct

from capitalist ones. She argues that although the socialist vision of modernity was heavily influenced by Fordist ideas about production, the actual economy of socialism led to 'radically different experiences of labour and the construction of workers as different types of persons' (p. 18). The specific nature of socialist experience results from the centralization of power and from shortages of raw materials and consumer goods. Shortages, in combination with the socialist ideal of a worker's state fulfilling all the needs of its citizens, were the reasons for the comparatively high bargaining power, or in the author's terminology, political power of workers. At the same time, in comparison to capitalist countries, strategies for overcoming shortages caused an incomplete division of mental and physical tasks on the shop floor, a looser separation of leisure and work time and the extensive use of personal networks. Together, these elements led to the construction of an 'embedded personhood' as the author calls it, as opposed to the supposedly autonomous, choice-making individual that is created through capitalist relations.

Shortly after the changes of 1989, Dunn argues, observers and reformers alike became aware of these differences in personhood as an obstacle to successful transformation. Managers in companies like Alima-Gerber, with the aim of successfully extracting surplus value, reacted by attempting to transform workers and consumers in line with the capitalist ideal. As means to achieve this goal, they introduced post-Fordist management and marketing strategies.

Within this framework, the author describes the concrete introduction of new accounting standards, niche marketing, quality control techniques and employee evaluation programmes at Alima-Gerber. All the new techniques make promises of empowerment and put forward the idea of a self-regulating individual who is free to make choices. In consequence, the visible nature of power and overt force in socialism is to be displaced onto new technologies and discipline to be internalized through self-auditing. The process leaves employees 'with little choice as to the kind of *persons* they will become' (p. 167). Starting from the notion of the distinctiveness of socialist labour relations, Dunn explores how employees react to the new disciplinary techniques and how they draw on their past experiences. In her view Catholicism, especially its moral understanding of gender roles, and the Solidarity movement added to the socialist experiences and account for the fact that Polish workers 'have a unique vantage point from which to criticise new forms of management and person-making' (p. 22). While Polish workers do not express a kind of revolutionary perspective, they nevertheless develop ideas that could help people in other countries 'to find a form of subordination that suits them better' (p. 164, similar pp. 153, 161). This does not seem to be a very exciting prospect, but, according to the author, opens up the possibility for cultural critique.

The central thesis is clear and followed through in each chapter in a way which makes the book a coherent and fascinating account of concrete changes in a post-socialist setting. In addition, the personal and engaging style of the author contributes much to the pleasure of reading it. However, her engagement as well as the use of strong oppositions (between Poles and Americans, between socialism and capitalism), may also account for some of the book's weaknesses. The emphasis on the US origin of the new management theories and practices may be partly because of the literature used, i.e. American centred. However, in some instances the descriptions seemed to be overstated and the process of change itself gets lost. One possible means of stressing the procedural character of change and to challenge the American-Polish opposition would have been to say more about the takeover by Sandoz, which is dealt with as if being of minor importance. Likewise, making it more obvious that

the manager seminar described (supposedly creating self-auditing personalities) was not actually visited by Alima-Gerber managers could have helped to differentiate more. Regarding gender, the idea that mothers take up wage labour to feed their family is not convincingly shown to be a specific outcome of the Polish construction of personality. Similarly, the interpretation of the celebration of International Women's Day as an acknowledgement of women's family status is not very plausible. An example of the overstatement of socialist–capitalist differences is the description of gift exchange at the workplace, especially on the occasion of name-day celebrations. These are described as part of the socialist legacy of building extended networks, but in fact seem very much to resemble similar events in capitalist countries without socialist pasts. In this respect, the recurrent problem is that neoliberal theory of control is compared with a socialist reality of social networks.

Nevertheless, the book provides the reader with a vivid and very readable analysis. Given the general neglect of workers in post-socialist research, there is a definitive need for ethnographic accounts in this area, and this book is a step towards filling that gap. Despite some limitations, the book makes an important contribution to our understanding of changing labour relations during post-socialist transformation and the link between macro- and micro-changes that occur with the introduction of a new regime.

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Going Public: The Role of Labor-Management Relations in Delivering Quality Government Services edited by Jonathan Brock and David B. Lipsky. Cornell University Press, Ithaca, NY, 2003, vi + 320 pp., ISBN 0 913447 86 2, £17.95, paper.

Combining primary research with secondary reviews of the evidence, this volume from the Industrial Relations Research Association provides a useful snapshot of the current state of federal, state and municipal labour relations in the USA. While the stated focus of the book is the relationship between employment relations and service quality, an equally prominent issue is the role of labour-management cooperation.

The book is divided into three parts, the first synthesizing general 'critical issues' and the latter two primarily presenting case-based research. The cases cover a broad cross section of the public sector in the USA, at the federal, state and municipal levels, across a wide range of services and occupations. The chapter by Goldsmith, former Mayor of Indianapolis, presents a useful (if somewhat rosy) practitioner's perspective from a city that has been the subject of numerous academic studies.

The first section of the book focuses on trends in the reform of public service employment relations. Bordogna's chapter provides a strong overview of patterns across the industrialized democracies, as well as a useful synthesis of academic analyses thereof. Thomason and Burton provide a more detailed overview of trends in employment and unionization of the American public sector. The authors discuss the possible 'context' for labour-management cooperation with data on public sector union density and public service privatization, although they do not explicitly state

whether or how this context might promote cooperation. This therefore lays the groundwork for the remaining chapters. The two overview chapters provide excellent summaries of public service employment reform and unionization in advanced industrial societies, and are weaker when they attempt to posit a link to cooperative labour relations. Readers should find this section very useful as a synthesis of current trends in public sector industrial relations. It will also be useful to students in gaining a comparative perspective on these key issues.

Several chapters focus on the process of moving from adversarial to partnership-based employment relations. There are a number of key factors at play here. Masters and Albright discuss the imposed partnership arrangements of federal employment relations during the Clinton area, something that has become a historical artefact since Clinton left office, and particularly since 11 September 2001. Mandating partnership is a particular problem for a literature that often tries to focus on partnership as a route to win-win bargaining. Within a relatively unchanging legal framework, neither mandated nor voluntary partnership is likely to lead to significantly different bargaining outcomes. The real changes are likely to occur in the forms of union voice and consultation within the public agency, as Masters and Albright find in their survey data.

Most of the examples of cooperative relations throughout the volume are drawn from moments of union weakness rather than strength. They do not, however, probe the broader issues surrounding cooperation, outcomes such as the impact on wages and terms and conditions of employment, or the effect on recruitment and retention of staff or union density. The authors seem to accept that cooperative, rather than adversarial, relations are beneficial to both employers and employees, without examining whether this is, in fact, the case. The contributors do not interrogate any possible drawbacks to labour-management cooperation, for employers, employees or unions. The outcomes discussed are service outcomes, rather than employment or employee outcomes.

The volume also presents the business case for labour-management cooperation. Several chapters demonstrate instances of cooperation to improve service quality and delivery (Goldsmith, Tobias). Kerchner's chapter takes this argument further, in suggesting that cooperation over issues of service quality may give unions a key issue around which to organize and recruit new members. He likens this context to a 'modern guild'. This analogy is intended to emphasize the importance of professional concerns. However, the power imbalances in a guild or in a school are also an important issue for unions in education, particularly in the context of partnership with management. The detailed cases in these chapters provide an in-depth analysis of both the legal and bargaining contexts for partnership.

The major strengths of this volume are the two introductory chapters and the detailed case-based evidence. Its only real weakness is its assumption of partnership as a positive objective in labour-management relations, focusing on the process rather than the outcomes of these arrangements. However, within its own terms, this volume combines overviews of current research and theory with new, detailed cases to present a complete picture of the partnership process and the relationship of partnership to service outcomes.

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Downsizing in America — Reality, Causes, and Consequences by William J. Baumol, Alan S. Blinder and Edward N. Wolff. Russel Sage Foundation, New York, 2003, 321 pp., ISBN 0 87154 094 0, £29.95.

Over the last two decades, American English has seen an explosion of words that refer to employment insecurity and involuntary job loss. Instead of working in regular full-time positions, a substantial portion of the workforce is now in 'contingent' or 'precarious' employment. Workers are no longer simply laid off, but may also be 'downsized', 'rightsized', 'resized', 'experience a reduction in force' or, less formally, 'be riffed'. In the USA's loosely regulated labour markets, this proliferation of terms is reminiscent of the (apocryphal) claim that the language of the Inuits of the Arctic has scores of words for snow, reflecting all its subtle varieties.

William Baumol, Alan Blinder and Edward Wolff have chosen perhaps the most popular and evocative of these new terms for the title of their superb new book: *Downsizing in America — Reality, Causes, and Consequences*. In what is certainly the most comprehensive analysis of the topic to date, the three respected economists have cast a thorough and dispassionate eye on an issue that has been at the centre of the national economic debate in the USA since the early 1990s.

The book sets three substantial tasks for itself. The first is to find a workable definition of 'downsizing'. After some consideration, the authors chose to define *downsizing* as a decline, within an industry, in the size of the typical firm — operationalized as either a decline in the average firm size or, more strictly, as a left-ward shift (toward smaller firms) in the full distribution of firms (the concept of stochastic dominance). The definition lends itself to extensive empirical testing using several large data sets. The main advantage of the definition, however, is that it allows for a clear differentiation between 'industrial change (restructuring)' and 'reductions in force (downsizing)' (p. 1). As the authors argue, restructuring can take place in an environment where 'upsizing' or 'downsizing' is the norm. In the nineteenth century, for example, as railroads came to dominate transportation in the USA, the average firm size in the industry increased dramatically. Small firms using horses and wagons gave way to much larger railroad companies. In the twentieth century, however, the rise of the trucking industry triggered both a radical restructuring and a sharp decline in the average firm size in transportation.

The book's second major task is to measure the extent of downsizing. Here, the authors make several significant contributions. Most importantly, they expand the discussion of downsizing beyond the manufacturing sector — the subject of most earlier studies — to include retail trade, wholesale trade, services, construction and transportation, communications and utilities. This extension turns out to be crucial because the data show clear signs of downsizing in manufacturing, but little change in the other sectors. Some of the non-manufacturing sectors show, if anything, a tendency towards 'upsizing', with average firm size increasing in recent years. The authors also introduce a new data set — the Bureau of the Census's Enterprise Statistics (ES). Much of the earlier research on industrial change used establishment size data from the Census's Economic Census Data as a proxy for firm size. The ES data, however, report firm size directly, reducing noise and potential bias.

The final task, and the subject of most of the book, is to test six hypotheses about downsizing. The data for manufacturing, at least, reject the authors' hypothesis (6) that 'downsizing amounts to the "blue-collarization" of white-collar labour' (p. 23) — the share of managers in total employment appears to rise as average firm size in

an industry falls. The authors find 'essentially no evidence' in favour of their hypothesis (4) that 'downsizing occurs when capital is substituted for labour'; and only 'very limited support' for their hypotheses (1) that 'downsizing occurs because technological change favours smaller enterprises' and (2) that 'faster innovation leads to more labour-market churning' (pp. 25–6). The available data are consistent with their hypothesis (5) that 'downsizing is a consequence of the breakdown of the social contract between labour and capital' (p. 19), but beyond the observation that more unionized industries downsize more, this explanation proves difficult to test.

The authors, however, conclude that there is 'substantial statistical support' (p. 26) for their hypothesis (3) that 'foreign competition compels domestic industry to downsize by trimming "fat"' (p. 16). Interestingly, the main impact of foreign trade is not through import competition, which is only weakly correlated with downsizing. Foreign trade prompts downsizing primarily through competition for access to export markets. Several related and sometimes provocative findings, which hold primarily in manufacturing, include: a lack of correlation between downsizing and productivity; a strong negative correlation between downsizing and workers' total compensation and a strong positive correlation between downsizing and higher profits — which, given the lack of impact on productivity, appears to stem primarily from putting the squeeze on labour, something that the authors describe as 'the dirty little secret of downsizing' (p. 262).

One unusual and interesting feature of the book is an early chapter analysing press coverage of downsizing. The authors reviewed every story that mentioned downsizing in the *New York Times* and the *Wall Street Journal* between 1993 and 1997. Together, these stories identified a total of 292 companies, mostly in manufacturing, that had announced their intentions to reduce their workforce. The researchers then used firm-level data from Standard & Poor's Compustat database and from their own analysis to assess the accuracy of the reporting. Despite the three economists' low initial expectations for the quality of the reporting on downsizing, they conclude that the reporters at these elite papers '... performed very well and provided little ground for criticism by economists' (p. 30). Baumol, Blinder and Wolff even credit the reporters with being the first to discover that some ostensibly downsizing firms were really upsizing after accounting for the full extent of actual (rather than announced) layoffs and separate hiring activity. This chapter, which can almost stand on its own, may be of particular interest in public-policy or (serious) journalism classes.

The book's fairly strict definition of downsizing allows the researchers to bring an impressive array of data and empirical tests to a politically charged topic. Ultimately, however, the definition, which makes so much of the first-class analysis possible, stands as the book's biggest limitation. Downsizing is an emotional issue for workers, not because they have any intrinsic interest in firm size — the econometrically tractable subject of this book — but because they care about the disruption caused by industrial restructuring — an issue that the authors' definition intentionally sets to one side. Employees losing their jobs in horse-and-wagon firms would probably have taken little comfort from data demonstrating that the average firm size in transportation was actually increasing, thanks to the railroad. What would have mattered to them and, presumably, what matters to workers today are the pace of restructuring and the costs (unemployment, training, physical relocation and others) of redeploying themselves in expanding industries, two topics that receive relatively little attention in *Downsizing in America*. Only one of the nine chapters, for example, examines the individual-level data that is best suited to assessing the costs to workers of downsizing.

Specialists in industrial relations may be frustrated by the book's decision to define away some of the most interesting aspects of the real debate on downsizing. Changes in average firm size, I suspect, are not the ultimate source of the heated political debate that surfaced with the introduction of the term 'downsizing' into almost everyday speech in the early 1990s. Nevertheless, *Downsizing in America* is much more than a study of firm size and remains essential reading for anyone interested in understanding the forces driving the upheaval of the US wage and income distributions in the 1980s and 1990s.

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The Sage Handbook of Organizational Discourse edited by D. Grant, C. Hardy, C. Oswick and L. Putnam. Sage Publications, London, 2004, xviii + 429 pp., ISBN 0 7619 7225 0, £85.

The purpose of a handbook is to cover a topic in sufficient detail for the reader to have an overview of its various facets, while still maintaining a coherence of structure and organization of material. The problem for a handbook on organizational discourse is that it potentially covers such a wide and disparate area. Bounded by an introductory chapter from the editors and a 'reflective' conclusion with commentaries by Czarniawska, Weick and Reed, this handbook introduces 17 chapters outlining the various dimensions of organizational discourse. Part 1 details forms of organizational discourse, part 2 outlines methods and epistemological views and part 3 is about the mediating role of discursive approaches. All are designed to illustrate the differences and contrasts that characterize the field.

Part 1 introduces the reader to the discursive unit of organizational discourse — texts — with chapters on discursive coordination and how this may be facilitated or pre-empted by dialogue (Gergen, Gergen and Barrett); narratives and stories and their role in sense-making activities (Gabriel); rhetoric and its role in persuasion (Cheney, Christensen, Conrad and Lair) and the tropes of metaphor, metonymy, synecdoche and irony, and their role in producing resonant and dissonant effects (Oswick, Putnam and Keenoy). The study of organizational discourse is covered in methodology and epistemology, with discussions of conversational analysis, speech acts schematics and interaction analysis (Fairhurst and Cooren); and critical discourse analysis, inter-textual analysis and the coordinated management of meaning (Broadfoot, Deetz and Anderson). Kilduff and Keleman offer an interesting deconstruction of Barnard's *The Function of the Executive*, illustrating how homage to organizational rationality is built on inherent cooperation, although whether this is building on Derrida or a close textual reading is a moot point. Heracleous gives an overview of interpretivist approaches to organizational discourse, while Mumby outlines a critical approach through analyses of power and resistance. The application of discourse analysis to organizational phenomena considers its role in elucidating gender (Ashcraft), power (Hardy and Phillips), culture (Alvesson), technology (Heath, Luff, Knoblauch), new media (Orlikowski and Boczkowski) and globalization (Fairclough and Thomas). Surprisingly, however, for a text that is cognizant of discourse, there is little inter-textuality between chapters. Thus, Ainsworth and Hardy's use of narrative in an analysis of identity has no acknowledgement of Gabriel's chapter, and critical

discourse analysis is considered independently by Prichard *et al.*, Broadfoot *et al.* and Heracleous.

The handbook covers some things very well. Chapters on narratives (Gabriel), tropes (Oswick *et al.*) and gender (Ashcraft) provide helpful overviews of current literature and contribute to furthering debate and learning. Fairclough and Thomas provide a useful piece on how levels of discourse interrelate and what a discourse perspective can offer in an analysis of globalization. The introductory overview chapter provides an extensive reference list of the literature on organization discourse, as well as outlining some of the debates and approaches. Prichard *et al.* is useful for students, explicitly positioning itself in relation to those new to the field with a guide on how to get started. There are, occasionally, quite exquisite chapters — erudite, incisive and educational — to be savoured for the finesse with which they present an argument, encompass a breadth of material and deliver telling points informatively and entertainingly. Czarniawska is one, considering the contributions of discourse to communication studies, ethnomethodology and narrative; the distanciations that texts achieve and how the different linguistic traditions of Anglo-Saxon and Romance languages bring different understandings of discourse — all in under 2000 words.

Not all chapters are unreserved in their support for organizational discourse. Gabriel gives a strong critique of the 'linguistic turn's inadmission of the recalcitrance of facts' and the championing of personal experience as 'uncontested and authentic' understanding and equally valid (p. 73). Reed makes a passionate attack on the collapse of social structure and discursive agency, and an appeal for stronger structural and historical analyses. Occasionally, boundaries between organizational discourse and more established positions, for example, interpretivism, critical research and gender scholarship are a little hard to discern. For this reason, the strong theoretical guidance and frameworks provided in the chapters by Alvesson and Reed are helpful. Alvesson offers a distinction between 'language-sensitive' and 'language-focused' approaches, and stable and unstable forms of meaning, as a way of differentiating cultural and discursive approaches to organization studies. Reed outlines the distinction between 'discourse reductionism/determinism' and 'discursive constructionism', to illustrate the different positions of discourse analysis in relation to critical realism.

In terms of balance, however, while there is a lot of writing *about* organizational discourse, its theoretical underpinnings, ontological and epistemological assumptions and some of the influences that have seen its emergence *à la mode*, there is, surprisingly, very little of it. While arguing that 'language is the chief means by which . . . organizations come into being' (p. 45), and discourses 'form the object of which they speak' (*ibid.*), there are very few pictures of the birth, and even fewer detailed presentations of developments and progress that illustrate how practices are formed and sustained. But the strength and beauty of the approach, and not least its accessibility, lies in the depth and richness of its analysis. (As, equally, poor analyses leave themselves and the subject open to the 'so what?' criticism, or the more dismissive Homer critique: 'duh!'). For this reason, Fairhurst and Cooren's application of conversational analysis, speech acts schematics and interaction analysis to the transcript of an emergency call; and Heath *et al.*'s analysis of language use and its interplay with technology in a doctor's surgery and a news agency, are useful illustrative chapters of discourse analysis in practice.

But, at the end, will the reader have a clear understanding of 'organizational discourse'? Will he or she have a clear idea of what is encompassed by it, or more usefully, what is not? Is everything discourse? Those who are new to the subject and

look to be convinced of the approach on a particular topic, and those who are familiar with the area and in search of succinct summaries or illustrative applications, will no doubt choose their chapters accordingly. However, for those who read the handbook, more speculatively, hoping for an overall perspective, several contradictory understandings are presented. Discourse is language and other symbolic media: text, practices of talking and writing, discursive practices and dialogue. Broader interpretations see discourse as forms of knowledge, social practices, subjectivities and power relations. But what are the relationships between discursive and social practice? Organizations and organizational phenomena either have discursive features, are 'brought about' through discourse, or are anchored through social practices and discourses. Contrast: 'discourse brings oppression and domination into existence' (p. 16), 'organizations exist only in so far as their members create them through discourse' (p. 3), with: 'organisations are real structures that have real consequences for real people' (p. 252), 'to treat discourse as organisation does not mean that organisation is organisation' (p. 409). Are the former statements merely a little infelicitous, designed to engage the materialists' or critical realists' wrath, or do they hide deep divisions that need to be made explicit? What is the relationship between discourse and the material? Can one talk in terms of micro and macro levels of discourse, Alvesson and Kärreman's 'discourse' versus 'Discourse', and if so, on what grounds? [Alvesson, M. and Kärreman, D. (2000). 'Varieties of discourse: on the study of organisations through discourse'. *Human Relations*, 53: 1125–49]. Do these statements reflect temporal and historical perspectives, phenomena in the act of 'becoming' versus those patterns that have become more stable over time?

To argue that our understanding of the organizational world should pay attention to what may be said, who may speak, what claims are made and social practices engaged in, should not be in doubt. Nor should the argument that discourse is not merely a medium. Discourse produces effects. 'The need for change' in certain contexts legitimizes a range of actors and activities. However, to argue that phenomena are structured through discourse, or that they are determined by discourse, requires slightly more work. Should the editors rely on the chapters themselves to clarify these issues or should they try and address them, charting perilous theoretical waters lest extant prejudices are reinforced and the benefits of such an approach are missed? An overview chapter outlining some of these broader theoretical divisions would have been useful, if only to guard against Czarniawska's concerns of an over-idealization of organization theory, and necessary inspection being 'covered by a veil of words' (p. 402).

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