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Industrialization and Labor Relations: Contemporary Research in Seven Countries

edited by Stephen FRENKEL and Jeffrey HARROD, Ithaca, New York, ILR Press, 1995, 321 p., ISBN 0-87546-339-8.

This book is about the impact of industrialization on labour relations. Its main subject is the newly industrializing countries in East Asia (Hong Kong, Korea, Malaysia, Taiwan, and Thailand), but there are also two chapters on South Africa.

Part I contains four country chapters, discussing labour relations at the national level. Main theme in this part is the influence of foreign multinationals upon national systems of labour relations. This influence is exercised both directly, by means of management systems, including HRM, and indirectly, by pressure upon the national governments to prevent changes in labour conditions or to prevent or to reduce trade union autonomy. The various chapters in this part show the efforts by foreign capital to retain the low-wage character of these economies, for instance by threatening to leave the country for even lower wage economies in the same region, like Indonesia. In addition to the three chapters focusing on this problem in Thailand (by Deyo), Malaysia (Kuruvilla) and Singapore (Begin), there is a chapter on South Africa (by Joffe, Maller and Webster), which mainly focuses on the new role of the unions in that country.

Although the inclusion of South Africa in a book which mainly covers East Asia is a good idea, the contributions on that country stand a bit apart, due to their focus on national developments, rather than on the national position in the world economy. This also applies to the second contribution on South Africa, in Part II on labour relations at the industry level. Both chapters in that part discuss industry bargaining in the textile industry. Maree and Godfrey discuss a development towards 'mesocorporatism' in South Africa, Chiu and Levin not only focus on labour relations but also on industry bargaining on industrial restructuring

in Hong Kong. Even the titles of these chapters ('Toward Mesocorporatism' versus 'The World Economy, State and Sectors in Industrial Change') reflect the difference in focus between the parts on South Africa and the majority of the contributions, devoted to East Asia. It is an obvious difference, of course, due to the political changes in South Africa, but it also sets the two chapters on South Africa a bit apart.

Part II consists of three chapters on labour relations at the workplace level. Two of these contributions are comparative, one on subsidiaries in Malaysia and Taiwan (by Frenkel) and one on overseas Japanese plants in Asia (Hiramoto). The third chapter in this part (by Kim) is on HRM in large Korean firms.

This is an important book, just like its earlier (1993) companion volume: *Organized Labor in the Asia-Pacific Region* edited by Stephen Frenkel. Its importance is due to a number of factors. First, a number of chapters actually combine the three levels (national, industry, and workplace) by showing the influence of HRM on national policies, in particular in Part I. Not only do we see the interplay between company policies and economic development, but also the relation between company strategies and national politics, that is, the indirect impact of the multinationals' search of low wage economies in politically stable polities, mediated by national politics.

Second, a number of authors address the convergence thesis. Do national systems of labour relations show any trend towards more similarity? The question is also discussed in the introductory chapter, under the heading "Independent Nation Perspective", and rejected on various grounds, like the fact that technology permits a variety of forms of work organisation and labour relations, the great

variation in national culture and resources, and the variety in stages of industrialization. A second theoretical perspective discussed in the introduction and referred to in some of the nation-studies is the 'Dependency' perspective, in which industrialization is regarded as a consequence of foreign investment. The editors also reject this perspective because it attaches too much importance to multinationals as direct investors and underestimates the great variety in sources and composition of foreign direct investments.

Indeed, most of the chapters are illustrative of the great variation in national policies, industry development and company restructuring, and they show the mediation of foreign influence by the local context. However, in their rejection of the dependency perspective the editors seem to be at variance with some authors who stress this dependency, in the form of political or market compliance with demands put forward by foreign companies. That does not preclude national or industry variations in response to these demands, due to differences in the local or national context. A number of authors stress both the multinationals' influence and the specific industry of national response to it, rejecting the idea that this influence and dependence leads to international uniformity in labour rela-

tions, but not denying the high degree of dependence.

One interesting contrast in this volume, in addition to the one between East Asia and South Africa, is between low wage countries doing everything they can to maintain this advantage, for instance by curbing the unions, and other countries, where the national government and enterprise management almost cooperate in their shift to a high wage economy, in which the labour movement plays a more active role. The difference is exemplified by the chapters on HRM in Korean manufacturing and on South African mesocorporatism, as opposed to some of the chapters in Part I.

Actually the only major point of criticism I can think of, is the lack of a concluding comparative survey. The introduction is a fine piece on 'the state of the art', summarizing the contributions, but a concluding discussion would do more justice to the theoretical notions discussed in the introduction and probably offer a better framework in which there is a place for both foreign dependence and for the great variety in responses, as well as for the many ways in which foreign influence is exercised.

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