



Book review: On the global factory floor

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Labour in a Global World: Case studies from the White Goods Industry in Africa, South America, East Asia and Europe

By Theo Nichols and Surhan Cam

Palgrave MacMillan, £55, July 2005

Anyone looking for a quirky case study in globalisation might care to consider its impact on sociologists. No longer convinced of the merits of "research in one country" in an interconnected world, they collaborate on vast multinational investigations. With the decline of mass production in the industrialised world, the old habits of hanging around in factories and asking penetrating questions of workers and managers about job satisfaction and the labour process are of more questionable relevance. So it's off to developing nations to put such skills to good use, before returning home to compare notes and concoct theoretical explanations.

The authors of this book have a lofty ambition: to find out what globalisation means for production workers around the world. To make the attempt, they travelled between six countries on four continents, investigating a single industry – the white goods market – whose products, production methods and management techniques are similar everywhere. They then tried to analyse points of convergence and differentiation.

One difference is obvious: not a single British factory would give them access. Owners in Brazil, South Africa, Taiwan, China, South Korea and Turkey were more hospitable.

The authors, social science academics at UK universities, are evidently impatient with the hackneyed sayings of globalisation. It is sometimes said, for example, that globalisation is leading to "the industrial revolution all over again", as developing nations follow the trajectory of the developed. If that is so, they observe dryly, it is a revolution carried out with the latest technology and the most up-to-date management techniques.

Equally, some hold the effect of globalisation is to "universalise" experience, in that what happens in one place will sooner or later happen elsewhere. The authors caution against generalisation.

They give an illuminating comparison between employment strategies in Britain and three countries in south-east Asia. The performance of the British white goods industry has been much poorer than that of British manufacturing as a whole. Yet it has never tried to introduce greater flexibility by using cheaper, more disposable labour: UK white goods workers are permanent, pensionable, nine-to-fivers.

Not so in China, Taiwan or South Korea. For more than a decade, companies there have been gaining greater control by introducing more contingent labour, such as agency staff, reducing benefits offered, such as pay for seniority, and raising pay for performance while lowering fixed pay.

The authors also confirm a trend towards locating production in low-cost nations, whether in countries on the periphery of the European Union, such as Turkey, or in Mexico and China for US companies. However, it is likely to provoke, rather than provide support for, leftist anti-globalisers. The authors have amassed impressive evidence from factory case studies that workers in the developing world (Brazil being an exception) regard the jobs provided by foreign multinationals as very good ones "for people like them".

In the developing world, jobs are rarely advertised externally, meaning people need connections with someone inside to get them. But whenever they are, the queues stretch round the block as people clamour for a route out of the informal economy. As ever, this attitude is qualified. There is near unanimity among workers that they would not like their sons or daughters to do their job.

At a European-owned refrigerator factory in Anhui province in eastern China, researchers found the wages on offer were half as high again as comparable jobs in the local area, but only three-quarters of those available in more prosperous Shanghai. While the higher wages led most workers to think more highly of the European managers than Chinese ones, there was a price to pay in extra stress and increased work.

Intriguingly, it appears to be managers, not trade unionists, who are winning the battle for hearts and minds in most of the factories studied. Asked who was better at dealing with workers' problems and treating people fairly, only in Brazil did respondents think unions were better.

The authors also found some evidence of greater efforts to involve staff in decision-making around the world.

Workers appear to appreciate the nod of greeting, the quiet word, the sense that managers "at least went through the motions of being open to their influence". In some countries with authoritarian management traditions, the importance of this change "should not be discounted", the authors note.

More striking still is the reach of management theory. Production techniques such as total quality management (TQM), lean production and Six Sigma have been diffused around the world, usually under either US or Japanese influence.

In the Chinese factory, for example, no fewer than 88 per cent of workers knew of TQM. This is one instance where the world has most definitely shrunk.