Book Reviews

Silver, Beverly J. (2003):
Forces of Labour.
Workers’ Movements and Globalization since 1870
Cambridge University Press 2003, 238 pages, 25,90 €,
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Reviewed by Mario Candeias

„While labor has been weakened in the locations from which productive capital emigrated, new working classes have been created and strengthened in the favoured new sites of investment.” (p. 5) Against a fashionable farewell to the working class in a process of race-to-the-bottom-globalization Beverly Silver points out, that working classes (in plural) will continue to play an important part in shaping the social order of the 21st century. In the face of a never known global expansion of labor relations the so-called end of work turns out to be a narrow-minded euro-centerism. Therefore, due to her her world systems approach inspired by Wallerstein and Arrighi, Silver enhances the analytical perspective in time (going back to the 19th century) and in space (taking the different working classes in the global division of labor as interrelated) in order to grasp possible futures of labor movements. Here class is not just an object of economic processes, Silver’s emphasis is rather on working class activity than corporate or IMF misdeeds, on resistance rather than victimization. She looks at the rise and decline of labor unrest in different locations, industries and over time and her empirical data points out, that class struggle pushes and is pulled dialectically by capital’s outward trajectory. Moreover the making, unmaking and remaking of the working class shapes the form of capitalism as a world system.
The measuring rod for labor unrest is a database compiled by the World Labor Group at the Fernand Braudel Center in Binghamton/New York, with which Silver worked closely.

They identified every mention of labor unrest in the London Times and in the New York Times since the 1870s. For Silver, labor unrest is rooted in the contradictions of the capitalist mode of production itself: as capital subjects more and more population to discipline and exploitation, commodifying ever more areas of life, labor – the “fictitious commodity” – rebels at being treated like one. Silver distinguishes two forms of labor unrest: “Marxian” struggles, in which workers fight to claim a greater share of profits and control over the work process; and “Polanyian” struggles in which workers fight against the spread of self-regulating markets and their pure subjection to market forces (p. 16ff.). The result in the first case is a “dialectic between workers' resistance” and “the efforts of capital to overcome that resistance by constantly revolutionizing production and social relations”, as described in Marx' Capital I (p. 19). In the second case the outcome are oscillations between waves of social embedding and disembedding of market forces. Therefore social transformation is far from being a linear development and globalization or relocation strategies far from being new – this leads us to expect “a constant transformation of the working class and the form of labor-capital conflict” (e.g.).

For the concrete analysis of key industries in history, Silver differentiates (with E.O. Wright) two forms of workers' bargaining power: “Associational power” comes from the formation of collective organisations, unions and parties. In contrast, “structural power” is divided in two subtypes, “marketplace bargaining power”, the power that results directly from more or less tight labor markets or low unemployment rates, and “workplace bargaining power” that consists of the strategic position of a particular group of workers within the production process (p. 13). An important factor is, how these forms of power are shaped by what she calls “boundary drawing” and specific social compacts (p. 20). Workers' power may be used exclusive, only for specific groups of workers, or inclusive, even crossing class borders, linking to other social groups. Both forms could be weakening or strengthening bargaining power and point to the centrality of race, ethnicity, gender, and nationality to
class formation. The main interconnected forms of boundary drawing are segmented labor markets, bounding citizenship, and constructing excisionary class identities on nonclass bases.

In the automobile industry, the book argues, the major push factor driving capital for geographical relocation is increased workers’ bargaining power and militancy (measured by the level of strike activity) in the run of a maturing product cycle. But each “spatial fix“ (David Harvey) – the shift of capital investment to reestablish profitability – from the US and Western Europe, to Brasil, South Africa, South Korea and today China just relocates the social contradictions, including labor unrest, strong working classes, and finally does not lead to a simple race to the bottom in wages and working conditions. Yet, the early starters were in a position to finance a more generous and stable labor-capital accord, because of the monopoly windfall profits for the innovators in the automobile product life cycle, while late-developers in the periphery have experienced the increase in strong workplace bargaining power “without the benefits that might allow them to deal with those social contradictions successfully“ (p. 79). Without stable compromise, militancy lingers, which in turn creates further motivation for accelerated relocation of production – Silver labeled this as “contradictions of semiperipheral success“ (l.c.).

The different competitive conditions in the mature phase and later in the standardization phase of the cycle tended to reproduce the north-south division. In addition, production was not only moved from place to place; it was transformed by automation and just-in-time-methods – a „technological fix“ (p. 106) that helped to restore the competitive position of metropolitan production sites, and control vis-à-vis strong workers’ groups.

Silver compares the auto industry experience with the earlier of textiles, the key industry of the 19th century. Here a similar dynamic of workers’ militancy, high rates of labor unrest and spatial relocation is followed. The difference: textile production was not as centralized and vertically integrated, what makes it difficult for strikers to pressure on capital. Their workplace bargaining power was smaller (and their marketplace bargaining power too). So, textile workers’ depended more on alliances with other fractions of the working class, social groups and movements, to create bigger associational power (especially in alliances with national freedom movements in the colonies).
However, for the most part they were not able to achieve as good deals as autoworkers. Silver identifies a reverse relation of militancy and power. To confront this militancy at the end of the textile product cycle capital shifts investment to other new industries (such as automobile). This is referred to as the „product fix“ (p. 125).

But what industry might become the leading one in the 21st century? In times of intensified globalization transportation workers today are at least as central for capital accumulation as in the past, because of their networking function, giving them potentially strong workplace bargaining power. And in fact labor unrest in this sector was one of the highest rates ever since. The question is, how those with strong bargaining power – like pilots – „will deploy it“ in struggles that also benefit the weaker ones „or in more narrow struggles“ just in their own, individual interests? (p. 103). Silver suggests that industries with significant job growth are „critical arenas for emergent working-class formation and protest“ (p. 108). Although the semiconductor industry has had a deep impact in everyday life, employment growth in this highly automated production was not that high to influence deeply on class formation (except East Asia). In contrast employment in producer services has risen together with a rapid increase of labor unrest. Workers, even the weakest ones, derive some structural power from the place-bound nature of producer services depending on economies of agglomeration: „The buildings in which corporations are headquartered cannot be sent to low-wage countries each night to be cleaned.“ (p. 109) But their marketplace bargaining power is weak, jobs do not require scarce skills, most jobs are temporary, with high turnover, disproportionately often cheap and even illegalized immigrant labor etc. The victories of US-service unions organising these so-called Justice-for-Janitors- and Living-Wage-campaigns are rather based „on a significant strategic rethinking of how to leverage associational power“ (p. 110), involving a reassessment of the established workplace-focused organizing model to a community-based one, creating a city-wide movement to improve work and life conditions (reminding one of the old textile workers) and confronting issues of race, gender and citizenship, and class. Ken Loach in his film Bread and Roses (2000) shows, how cleaning women and other contingent labour-
The final substantial (and poorest) chapter identifies one more strategy of capital, the „financial fix“, in which capital withdraws money from production and invests in financial markets, a recurrent element in the history of capitalism, contested by „Polanyian“ struggles against the actual „desocialization of the state“ (p. 176) to re-regulate circulation of capital (and often accompanied by war). At the same time Asia, especially China, becomes the centre of mass production and new industrial working-class formation, leading us to „expect the emergence of vigorous workers' movements“ of „Marxian“ type (p. 105) – and in fact, there have been reports of mounting labor unrest in China: official reports estimated some 58,000 strikes and demonstrations in 2005 alone. But except for the Justice-for-Janitors-campaign there is no concrete discussion on an actual workers struggle. The quantitative compilation of labor unrest cannot give us the qualitative picture of the struggles, of class formation, political strategies, etc. Especially for the movements in China it will be of great importance what their content will be. Here the parforce run through the history of labor unrest from a world system perspective is too superficial and the cyclical form of labor unrest and capital's reaction with different strategic „fixes“ somehow mechanical. But Silvers emphasis on new opportunities for labor, without producing illusions, is extremely valuable. Globalisation „simultaneously produced elements of both convergence and divergence in the material conditions of geographically dispersed working classes – a contradictory process that has similarly contradictory implications for the past and the future of labor internationalism“ and opens up spaces for emancipative intervention (p. 11).

Not surprisingly Silver is the winner of the 2005 Distinguished Scholarly Publication Award of the American Sociological Association.

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Wissen, Macht und Organisation.
Internationalisierung industrieller Forschung und Entwicklung – ein Fallvergleich
[Knowledge, Power, and Organization. Internationalization of industrial research and development – a case comparison]

Reviewed by Sabine Pfeiffer

Rare but there: there are still industrial-sociological books available that combine an amazing richness of historical and empirical details with a convincing analytical approach. Books that unify a profound critical, albeit undogmatic, perspective with a comprehensible style of writing, spiced with polemical sideswipes at colleagues every now and then. Books in which thorough descriptions do not veil a determined point of view. Hack and Hack’s book “Wissen, Macht und Organisation” (Knowledge, Power, and Organization) delivers everything of the above.

Hack and Hack portray the historical transformations of the Research and Development (R+D) units of Daimler Chrysler and Bosch – not only two of the most important and highly innovative German industrial companies, but two of the main players in the global automotive industry as well. The transformations in both corporations were, and still are, mainly driven by the increasing role of electronic devices in the automotive sector (p. 107). In almost obsessive detail the authors describe more than four decades of strategic turns and organizational changes, influential management personalities and technical aspects and developments.

The first part of the book covers the transformation from technological experience-based knowledge to scientific technological development, a proc-
ess mostly triggered by an increasing centralisation of R+D units and evoking conflicts with the formerly decentralised departments (pp. 35-109). The second part (pp. 111-221) focuses on the changes of the R+D organizations in both companies, as results of acquisitions of technological driven companies with elaborate electronic competencies, first and foremost the “cannibalisation” (p. 26) of AEG Telefunken. The following counter strategy of a renewed concentration on core competencies is combined with an enhanced internationalization of the R+D structures; these transformations are characterized by an increase of application-oriented development, and – as a consequence – they are increasingly subject to market orientation.(pp. 223-294).

The fourth part (pp. 295-375) is concerned with current developments: systemic structures and network concepts undermine former company boundaries and, therefore cause new power conflicts between suppliers and original equipment manufacturers (OEMs) over strategic positions along the value chain.

Although the authors give names and facts parallel for both companies in a rough historical outline with meticulous precision, the reader will not lose touch with the authors’ general and more analytical perspective. Interpreting the empirical details from what they call a “structured-genetical” point of view (pp. 30-31), the reader is kept on track due to three intermediate and one concluding résumés (pp. 105 ff.; 216 ff.; 291 ff. and 367 ff.). The authors’ view on the R+D units provides us with an insight into the varieties and structural changes that keep capitalistic forms of organization operating smoothly in between the contradictions of creative innovation on one side and economic- and power-driven forms of knowledge and organizations on the other (p. 8). The overwhelming richness of details is not at all a sign of nit-picking, but one of the authors’ intentions to give a deep insight to R+D structures – a sphere the automotive industry sees as “internal affairs” and handles as a matter of privacy with almost intimate character (pp. 26). The authors try to open and shed light on this „black box“ by distinguishing three levels: 1. On the micro level the day-to-day work actions of engineers and technicians including their co-operation and interaction processes; 2. On the macro level the strategic activities of global players referring to technology and knowledge transfer; and, 3. The – often neglected – meso level, which is
important for a reconstruction of industrial R+D structures, and for identifying the innovative potential of single companies and economies as a whole. It is this level where the current transformations become visible (pp. 21-27). Through all chapters, the ongoing subtext is the analysis of the mutual influences of knowledge, power, and organization (p. 34.).

It is exactly this involvement in empirical details that allows the authors to show that both, these strongly technical-scientific driven innovation processes, as well as those being almost entirely reduced to plain economical logic, equally jeopardize innovation on a societal level (p. 8). In addition, it is this combination of micro-, meso- and macrolevel, which shows us that R+D organizations are “places of reality building” (p. 29), that have become constitutive for the systems’ mechanisms and conditions of reproduction (pp. 371-372). Although Hack and Hack perceive knowledge, power and organization as relatively self-contained, albeit intertwined categories, they stress the coherence of all three with the present form of a capitalistic society (p. 34).

With their unique approach of a critical and empirical, analytical and concrete perspective, the authors give us vital insights into the dynamics of globalization, which are normally (i.e. in mainstreaming analyses) subject to anaemic and abstract studies only (p. 372): The battle of technological competence has become the relevant form of business competition, the availability of knowledge today is the crucial resource for value accumulation, for building power positions in international concerns, and for rating and benchmarking processes; if one third of global trading is processed between transnational corporations and one third is processed within these corporations, then their internal organizational structures are not only a constituent of globalization, but a diffuser for a reality-forming knowledge system, which is increasingly dominated by economic values only. Internationalization is not only about global supply chains but also about the international organization of production and R+D systems. The cases of Daimler Chrysler and Bosch rebut what the authors call a dreary proposition: that transnational corporations tend to leave central strategic functions in their home country (p. 372) and that suppliers – just following their OEMs – are less internationalized (p. 374).
Often misunderstood and wrongfully neglected, the authors claim an increasing role of scientific knowledge in industrial work, and its transformation to mere pragmatically reduced forms since the Eighties (p. 28). Although they prove this tendency in an empirically profound way for the electronic industry, the mainstream of German industrial sociology insists, that in their “bread-and-butter branch” – the automotive sector – the adequate perspective to reconstruct forms of labour division and organization is bottom-up, beginning from the shop-floor-level. Hack and Hack’s vivid empirical insight also argues against the “shallow misunderstanding”, that economic interests overall explain what will happen and, therefore questions about the how and the who are irrelevant (p. 29). Hack and Hack exemplify: the more abstractly capitalism works, the more critical analysis has to be also (not only!) concrete, and they do this in a readable, sometimes funny, sometimes polemic but always profound style of writing. This book shows how industrial sociology could provide profound insights into the reasons why capitalism operates smoothly, and why and where it is producing its immanent boundaries; it is therefore of interest not only for those who are engaged in transnational R+D organizations in the automotive sector, but also for an informed debate about the dynamics of modern capitalism in general.

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