"POST-FORDISM": UTOPIAN FANTASY OR HISTORICAL BREAK?

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ABSTRACT

It has been argued that the changes that have been occurring this decade in the industrial and workforce structures of the advanced Western countries, and the accompanying development of management strategies, represent an historical break with the corporate strategies and structures of the mass production era. In place of the epoch of standardisation and the Taylorist division of labour, the "post-Fordists" contend that the 1980s and 1990s are ushering in a new historical conjuncture characterised by variety, specialisation and skill enhancement.

This argument has concrete implications for Australian society in the coming period. A "post-Fordist" analysis has been used, for example, by some proponents of award restructuring. It is claimed that the present restructuring of industry and awards presents the union movement with an unparalleled opportunity to increase its power at plant, industry and national levels.

This paper questions these notions. It considers the nature and durability of the developments that have taken place and, while accepting that changes are indeed occurring, concludes that continuity is more apparent than any "historical break".

The paper also suggests reasons for the popularity of the notion of "post-Fordism", both amongst academics and more generally, in the late 1980s.
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INTRODUCTION

Since the publication of Piore and Sabel (1984), a substantial debate has emerged within the field of industrial sociology and industrial relations regarding the interpretation of the changes in the nature of production and work organisation that have been occurring since the late 1970s. The debate has been between those who argue that the changes denote the advent of a new historical period in the evolution of industrial production, known variously as "post-Fordism" or flexible specialisation, and those who are dubious both about the nature of the periodization and the interpretation of the changes that the "post-Fordists" suggest are taking place. The "post-Fordist" case has been summed up succinctly by Mathews (1989a: viii), who argues that:

In place of long production runs of identical products, industry was finding that it needed to be able to respond flexibly to fast changing market niches. Quality and productivity could be enhanced using computer integration - but only on the basis of the skilled, responsible and motivated input of committed workers. Events have moved swiftly. Calls for worker autonomy and codetermination, in short for industrial democracy, that would have appeared utopian a decade ago, are becoming commonplace in manufacturing industry. The drive to fragment jobs and incorporate knowledge and control in a centralised management hierarchy - a drive that could only make economic sense in a strict regime of mass production - suddenly made no more sense. These were most unexpected but exciting developments.

There now exists a considerable body of literature questioning the extent of these changes (Williams, Cutler et al 1987, Williams, Williams et al, 1987, Pollert, 1988, Bramble 1988a, Hyman 1988, Wood 1989). The starting point for the debate is a common recognition that production worldwide has undergone substantial changes since the early 1970s. However, differences arise about the scope, direction and implications of that change. There are four main areas of disagreement - concerning changes from mass to differentiated markets, from mass to batch production, from degraded and deskilled to skilled and responsible work, and from adversarial Taylorist management to consensus and codetermination. This paper assesses the literature in these four areas, considers the effect of the changes on the living standards and working conditions of the Australian working class, and concludes with a reflection on the reasons for the popularity of "post-Fordism" ideas in many Western countries at the turn of the decade.
PART ONE: THE DEBATE

1. THE UNDERLYING TRENDS

(a) The decline of mass markets?

Underlying many of the claims for the emergence of "post-Fordism" is the idea that product markets have become much more differentiated as existing mass markets have become saturated. We can look at this question in two ways. The first is by looking at those areas of production where greater market differentiation is clearly not taking place. Several authors have conducted studies which clearly bring the notion of product differentiation as the key managerial strategy of the 1980s into disrepute. Pollert (1988:60) gives the examples of food, drinks, toiletries, records and toys. Australian survey results released in November 1989 indicate a clear trend towards fast food - it now makes up 40 per cent of food bought outside the home.

The international car industry provides perhaps the clearest refutation of the dominance of differentiation. Wood for example (1989: 19) claims that in most car firms a greater variety of style variations, but a smaller number of models, are now being made. The Button Passenger Vehicle Industry Plan clearly envisages that the number of domestic manufacturers and the range of models will be reduced, something which even those authors sympathetic to "post-Fordism" recognise, even while they claim that the Australian car industry shows "a significant departure from Fordist principles of mass production" (Wilkinson, 1988: 128). As international trade has expanded, the number of models in any given market may expand, but this is clearly not the same as production for a more differentiated market. (Williams, Cutler et al, 1987:427).

The second way of approaching the question is by looking at whether or not existing mass markets have actually become saturated. Williams, Cutler et al (1987) make a number of other useful points in relation to this. In one of the critical mass markets of the last quarter century, that of television, we are witnessing the expansion of mass production principles, with the demand for smaller second televisions, satellite dishes, and high definition TV, often for those already in possession of a first set. In addition Williams, Cutler et al (426) point to the creation of new mass markets (VCRs, compact discs, microwave ovens), noting in passing the strange refusal of some of the leading proponents of the new production paradigms to recognise these new mass markets (Piore and Sabel, 1984: 204-05).

(b) The decline of mass production and economies of scale?

Much of the empirical argument in the literature has arisen in response to the work of Piore and Sabel (1984). Their polar counter-position of "mass production relying on special purpose product-specific equipment and semi-skilled workers to produce standardized goods versus flexible equipment and skilled workers to produce customized goods" (as defined in Williams, Cutler et al, 1987: 414) has been brought into severe doubt by several writers, notably Williams, Cutler et al (ibid: 407-417). Any assessment of the nature of changes to mass production has to begin with the realisation that there has never been a clear differentiation between mass and specialised production. As Gough's (1986: 64) work on Benetton
makes clear, there is a very fine line between the two. It is not necessary to switch from mass to batch production in order to increase product diversity and responsiveness to market shifts.

In some areas it is clear that a shift is occurring towards rather than away from mass production. For example, the production runs of the so-called high quality niche cars such as Jaguar and BMW are in fact increasing (Wood, 1989: 19). The trend does not seem to be away from mass production or standardized design in the car industry (Wood, 1989: 31). Even Piore and Sabel (1984: chapter 4) recognise the trends away from customised and towards mass production of machinery (Pollert, 1988: 58). Furthermore, rather than product diversification, much of the motivation for the introduction of new technology has been an attempt to cut costs, improve quality and get the most out of existing expensive facilities (Wood, 1989: 19, 31).

This also raises the question of the advent of substantial "diseconomies of scale" in Western manufacturing (Badham and Mathews, 1989: 199). Sorge and Streeck point out that there is no necessary choice between scale and scope - the largest companies can still benefit most from any shift to so-called "economies of scope" (1988: 29). Nor does the new technology necessarily open up new opportunities for small firms. Systems such as computer assisted design are very expensive which makes their adoption by small companies fairly unlikely (Pollert, 1988: 61). Williams, Cutler et al make clear that the new technology is much less flexible than is popularly supposed: "Robots cannot be reprogrammed for new models by pressing a few buttons. That is a myth." (1987: 430). Scale economies are not affected fundamentally as there are still benefits in spreading the costs of development and reprogramming over longer runs (431). The fact that the majority of the successful entrepreneurial computer companies that have sprung up in the last decade have been absorbed by the dominant IBM or its other giant rivals should surely alert us to the notion of any embryonic "Third Italy" developing in the womb of the advanced industrial nations. A similar process is at work in advertising and publishing as the recent absorption by Penguin Australia of McPhee Gribble should confirm. Where mergers themselves are not taking place, we see the increase in joint production schemes, as evidenced most clearly in the Button Plan for the car industry.

Finally, a major doubt is thrown on the idea of the decline of mass production as soon as we shift our focus from the core Western economies to the world economy. At the very point where the "crisis of Fordism" is supposed to grip - the 1970s - we see mass production expanding its reach through the development of the Newly Industrialising Countries in East Asia and Latin America.

As these examples make clear, generalizations about a new dominant paradigm cannot be sustained. However, the more sophisticated proponents of the new production paradigms are not deterred by this. As Badham and Mathews put it, "unlike many of the writers on new production paradigms, we recognise explicitly that paradigms do not become dominant by driving out all competitors...paradigms co-exist, and indeed actively compete ... and the goods and services produced according to their canons of efficiency compete for market supremacy" (211). Nor does the existence of some trends in product standardisation mean that these trends are inevitable or dominant (217). What matters to these writers is the "status and influence of the apparent trend towards a decline in the market advantage obtained
by producing very long runs of standardised commodities for very large standardized markets" (Badham and Mathews, 1989: 222).

2. THE IMPLICATIONS OF THESE TRENDS

If the debate were confined to the areas we have touched on so far - mass versus specialised production and standardised versus diversified markets, - its importance would be limited. However, the implications that have been drawn out of the analysis of what is happening in production are much more important. These fall into three broad categories - skill levels, management strategy and union strategy.

Before we consider these, however, it is worth making some comments about technological determinism, which may best be described in Woodward's words; that there exists "a particular form of organisation most appropriate to each technical situation", (cited in Badham and Mathews, 1989: 200). Technological determinism constantly surfaces in the "post- Fordist" literature. Piore and Sabel represent probably the extreme case. Their optimistic views on the potential of the new technology leads them to neglect "job losses, unemployment, tightening of performance standards, labour intensification, changing employment contracts, and reduction of the power of trade union and workers' representatives which have characterised the decade" (Wood, 1989:25). Technological determinism is obviously a sore point with many of the "post-Fordist" writers, who are at pains to distance themselves from it. Mathews, for instance, argues (correctly in our view) that technological change is a social process, not predetermined but the outcome of "negotiations, struggles and concessions" (1988: 169).

Yet despite such disclaimers, the literature is full of determinist arguments (or more frequently, assertions). Mathews, in the article cited above, goes on to uncritically quote Reich (1983): "The industries that will sustain the next stage of America's economic evolution will necessarily be based on a skilled, adaptable and innovative labour force and on a more flexible, less hierarchical organisation of work" (Mathews, 1988: 154). A more guarded determinism can be found in Badham and Mathews's assertion that "product innovation and process variability...provide a techno-economic loading of the choice of labour control strategies towards greater attention to the enhancement of worker motivation and knowledge development and use" (1989: 213).

A determinist view of developments can also be found in arguments about union strategy. Mathews (1988b) argues that the labour movement is being forced to carry out changes such as award restructuring by unstoppable historical forces. Carmichael (1989: 24) argues that such changes will happen with the unions or without them - "the circumstances in industry determine that it shall happen". The dangers of this kind of optimistic determinism are clearly illustrated once we look at what is really happening in the world of skill levels, and management and union strategy.
(a) **Skill and new technology**

Claims about the skill implications of a particular organisation of production are by no means new (a point we will return to). When Braverman brought the question to prominence in the mid-1970s, he clashed directly with the view that prevailed both academically and popularly. "Post-industrial" theorists such as Daniel Bell (1973) were arguing that the move to a service economy would lead to greater job satisfaction and an upgrading of skills as machine production was superseded by face to face work. Piore and Sabel's argument (1984: 261) that new technology will "ease the tyranny of specialized machinery over semi and unskilled workers; the advent of the computer restores human control" is nothing more than Bell and Parsons updated for the 1980s.

Braverman outlines two bases for the "upgrading" thesis. The first is the shift of workers from some major occupational groups into others, the second is the prolongation of the average period of education (1974: 426). Today we might add a third - multi-skilling as a result of new technology. We argue that Braverman's dismissal of these ideas is relevant today when dealing with "post-Fordism". Changes in the structure of the workforce, from blue to white collar, or from manufacturing to services, have no necessary connection with a rise or fall in the level of skill - a fact which is borne out by both relative wage levels and the nature of the work itself (Braverman, 1974:435; Hyman and Price, 1983). There is a connection between education and the level of skill required in some jobs. However Braverman's point still holds in that an extension of the period of schooling does not necessarily have anything to do with the need for a more highly skilled workforce. The fact that the Federal Government is presently embarking on a course to upgrade access to advanced education as illustrated in the Education White Paper does not necessarily mean that the demand for the skills will be there at the end of the process.

A distinction also needs to be made between multi-skilling in any real sense, and the mere aggregation of a number of unskilled tasks under this name (Hyman, 1988: 54). Even where technology does reduce the relative importance of unskilled workers, this does not necessarily require increased use of polyvalent tradespersons (Williams, Cutler et al, 1987: 433).

The arguments that Braverman made in 1974 about the degradation of work still provide a useful framework for looking at the question today. First there is the notion of a rise in the "average" skill. Braverman's comparison with the statistician with one foot in the fire and the other in ice water who is, on average quite comfortable, shows the methodological dangers with the concept (1974: 425).

A higher average may conceal increased polarization. As Braverman puts it, "the mass of workers gain nothing from the fact that the decline in their command over the labour process is more than compensated for by the increased command on the part of managers and engineers" (1974: 425). Thompson (1983) echoes this point. There is no technological inevitability in deskilling, and technological change may lead to new skills or responsibility for some workers, while the general tendency remains towards deskilling (Willis, 1988:15).
Badham and Mathews (1989: 226) themselves outline potential deskillling uses of CAD - the ability:

to store libraries of past designs, employ standardized design programmes or procedures, centralize design and production decision-making with trusted employees in the design office, and introduce a form of monitoring and pacing of design draughting work that often appears required in order to justify the cost of the equipment.

In so doing, CAD can be used by managers to marginalize relatively highly unionized draughting personnel (227).

Case studies provide plenty of evidence of the degradation of work, despite the introduction of computerised technology. Wilkinson's work on the Australian car industry (1988: 141) has found that management "has started to use outside companies to service and repair [new pneumatic and hydraulic] machinery. In some cases this has led to a reduction in the number of tradesmen [sic] employed, leaving the existing tradesmen to the less sophisticated and more mundane aspects of preventative maintenance".

Government studies in Britain show that technical change appeared to have reduced the number and skill level of tasks required by process operatives in most manufacturing companies. Pollert (1988: 56) reports that "The tendency was to reduce the number of operatives and/or spread them more thinly across the plant, adding a number of deskillled tasks to their job".

As Wood has pointed out, new technology in the service sector has been absent from most of the literature (1989: 21). However Butler (1988) reports on a 1982 case study of secretarial workers in Brisbane: the majority of such jobs surveyed are being deskillled (1988: 30). Operators have little control over their labour process, and nor do they have the opportunity to gain knowledge of the wider production process. The use of electronic equipment in typing pools may involve the loss of shorthand skills, and a range of other skills (such as tabulation) are also rendered technologically obsolete. In this environment clerical jobs have also been routinized to simply selecting clauses or paragraphs to make up a letter. (Butler, 1988: 23-32). A similar case could also be made about retailing in the large department stores and supermarkets. The fast food industry maintains stringent control over the labour process, with exact task specifications that require virtually nothing in the way of initiative or training on the part of workers (Reeders, 1988: 145-148).

The overall point that we want to make about the question of skill is to break the connection that much of the "post-Fordist" literature makes between computer technology and greater degrees of job satisfaction and skill for the workforce. We agree with Hyman (1988: 54) that:

...the simplistic proposition that microelectronics lead universally to high-technology drudgery may be refuted...Where product quality and reliability are important selling points, the quality and reliability of the workforce acquire marketing salience...Certainly the argument that
microprocessor technology gives managements far greater potential for oppressive surveillance and control is in no way negated.

(b) New technology and management strategy

The question of management strategy is also one that concerns many of the "post-Fordist" writers. In the more extreme interpretations, there is the implication that the introduction of various forms of microelectronic technology will automatically involve the demise of Taylorism. Case study and anecdotal material which shows non-Taylorist management being used in conjunction with micro-electronic technology does exist. Kern and Schumann's work on the core sectors of cars, chemicals and machine tools is often cited. Like the French regulation school, and Piore and Sabel, they discovered that management was abandoning Taylorist principles of work design - even in industries that had previously used the technology for deskilling (Badham and Mathews, 1989: 198). But it is one thing to identify changes in management strategy and quite another to find any automatic link between this and particular technology. It is particularly important, given the optimistic bent of much of the literature, to break the connection between new technology and any specific management method - especially that which attempts to get more "commitment" or "involvement" from workers.1

Wood's interviews with managers showed that they could and did differentiate between the choice of production organisation and the type of technology introduced; the decisions were in many cases independent of each other (Wood, 1989: 31). The Australian Bureau of Statistics "Survey of Manufacturing Technology, June 30, 1988" (Cat. No. 8123.0) found that while few manufacturers had invested in anything but the most basic computerised technology, a considerably higher proportion had adopted new methods of work organisation. Fifteen per cent were using Total Quality Control, and the same number claimed to be using the Just-In-Time system (as reported in Australian Financial Review, 9.11.89).

In order to indicate the compatibility of new technology and production methods with "old-fashioned" Taylorist management, we need look no further than Japan. The efficiency of Japanese industry is held up by many of the proponents of "post-Fordism" as proof that "flexibility" is the economically rational direction for Western industry to follow. However, the sympathetic attitude which many Western liberals have towards the "Japanese experience" is misplaced. According to the studies surveyed by Dohse, Juergens and Malsch, the assumption that Japanese management have transcended Taylorism is incorrect. For example, Nakase (1979), Greenwood and Ross (1982), and Schonberger (1982) both claim that work in these plants is no less repetitive or standardised than in US or European plants. Dohse et al (1985: 127) note the comments by a Japanese academic citing Toyota sources, Shimizu: "It is a requirement of human dignity to eliminate 'unnecessary work' by means of specialization and standardization of work". Furthermore, even the apparently new features of Japanese management, such as quality circles, are often explicitly Taylorist in intent. Abernathy, Harbour and Henn have pointed out that one of the principal thrusts of quality circles in Japan is "to achieve a full sixty minutes work each hour by each worker" (Dohseet al, 1985: 128). In other instances, workers return from their QC discussions to their largely-Taylorised jobs (Wood, 1989: 26).
Australian case studies confirm these points. Butler's work on typing pools is particularly apt. Typing pools were established at the turn of the century during Taylorist drives for scientific management, largely because of their greater potential for work monitoring. Word processing technology has led to increased use of pools. In such centralized offices the traditional secretarial function is fragmented and different secretarial workers specialize in different fractions of the job. It is possible for recorded dictation to be automatically fed to the typist as soon as the "work station" becomes free. The operator remains continuously plugged into the system without any idea of how much work lies ahead - a vast gulf between conception and execution (Butler, 1988: 22-23). Reeders' examination of the fast food industry also establishes the continued health of Taylorism (Reeders, 1988: 150-151).

Many of the apparent changes in management strategy which so recommend themselves to those with an optimistic or even determinist view of the new production paradigms differ from Taylorism in form only. Writers such as Dohse et al (1985: 131-132) have pointed out that it is not just stock inventories that are reduced with just-in-time procedures - staffing levels are also reduced. Although it is true that the variety of tasks is increased, Wilkinson's study of JIT in the car industry (1988: 132) points out that workers felt a greater burden of responsibility (which is not the same as control) for inspecting the quality of their own and other workers' work.

While it is possible that some of the new production concepts being put into place may eliminate piecework, the rivalry that is inherent in such a system and the undermining of solidarity (which is stressed by Mathews, 1989a: 20) may simply re-emerge under the team concept. It is of little consequence that "in a group or team, these disciplines [of market, Government, etc] are felt directly and socially, rather than being mediated via an authoritarian chain of command" (Mathews, 1989a: 111-112). It seems to us that such changes are in essence little more than "self-managed Taylorism".

(c) The class basis of management strategy

While we might question the exaggerated claims made for the development of "post-Fordist" production (for example, Mathews, 1989a: 151), ultimately a warfare of example and counter-example is inadequate. We need to deal instead with more basic theoretical problems of the debate. We will start with the analysis of the varying production systems adopted and abandoned at different times, and then consider the management strategies that have been taken up.

Our starting point is to question the value of "production paradigms" such as "Fordism" and "post-Fordism". We disagree with Badham and Mathews when they insist that "it is analytically defensible to look at production processes, strategies and paradigms at the level of production systems - provided it is understood that in the real world these strategies are never pursued in isolation, but always within multiple (and conflicting) economic and political contexts" (Badham and Mathews: 196).
We argue instead for starting from the basic framework of competitive capital accumulation, the underlying dynamic of capitalist production. It is this which explains why any production process, strategy or paradigm will be undertaken, i.e. its ability (or its perceived ability) to improve the profitability and competitive position of the capitalist who undertakes it. With this in mind, we can understand both the dominance of mass production in particular industries, as well as the fact that whole areas of production, even in the heyday of "Fordism", remained confined to smaller production runs.

While capitalism is indeed characterised by what Marx called the "constant revolutionising of the means of production", in the context of this debate it is more important to identify the underlying continuity than to over-emphasise any supposed historical break. Failure to do this leads to a number of problems. One is an attempt to seek a single path towards which firms and sectors are developing, rather than seeing a variety of options from which they can choose according to the dictates of profitability (Wood, 1989: 14-15).

A further problem is that once competitive accumulation is removed as the underlying dynamic, some other factor is required to explain the rise and fall of particular strategies. Piore and Sabel are reduced to "a chain of accidents compounded by mistakes" (1984: 193) as their explanation for the rise of mass production. Other explanations which have been offered are of the technological determinist variety. Freeman and Perez seek to sheet the cause of new "techno-economic paradigms" to the cheap and abundant availability of key factors of production - steel and electricity, then oil under Fordism, and today, microelectronic technologies of information and control (cited in Badham and Matthews: op cit: 211). The problem with this explanation, though, is the begged question of why these factors become or cease to be cheap, and why it is that a variety of kinds of production co-exist during these eras.

Similarly, there is the question of the reasons for the supposed decline of mass production. For Piore and Sabel, a particular kind of technology and mass markets determined its dynamism. New technology and fragmentation of market demand reverse this (Pollert, 1988: 49). The economic crisis of the 1970s is therefore seen as a crisis of mass production. Following Aglietta, Piore and Sabel argue that the 1960s saw the beginning of the breakdown of the Fordist "regime of accumulation", i.e. consumption and production began to get out of synch. As domestic consumption began to reach its limits, as no new products emerged to stimulate demand for mass produced goods, mass markets began to break up (Piore and Sabel, 1984: 183-189). Generally associated with this explanation is the idea of the relative weakening of capital relative to labour in the 1960s (Foster, 1988: 28-29).

While it is beyond the scope of this article to provide a complete refutation of this explanation for the long-term crisis which began in the 1970s, we do wish to briefly outline an alternative. Ultimately, the problem with the explanations provided by the "post-Fordists" or the French Regulation School is that they abstract their production regimes from what really drives the capitalist system, the rate of profit. A key factor in explaining the ending of the post-war boom in the early 1970s was the fact that the rate of profit had fallen to such a point that the major capitalists no longer had sufficient confidence in the future to maintain a buoyant system through their investment and employment plans (Harman, 1984: 102). This was reinforced by the rise of the predominantly non-military West Germany
and Japan to challenge US economic hegemony. The "crisis of Fordism" was ultimately a crisis of capitalism, which seven years of sustained growth in the 1980s have been unable to overcome, as Kuhn and O'Lincoln (1989) have recently pointed out in their survey of profitability in Australia.

Our analysis above of the literature on management strategies has illustrated that there is no necessary connection between the introduction of particular forms of productive equipment and management philosophy. How then can we understand under what conditions management will be tempted to accentuate or ameliorate the basic tenets of Taylorism? To answer this involves going back to first principles. Our starting point is the nature of class relations in society. While capital remains dominant, strategic choices will be made which reflect its interests. The ultimate aim of any capitalist method of production is capital accumulation through the extraction of surplus value. The virtue of Braverman's work, whatever its faults, was that it tore away the veil of neutrality that had hitherto clothed "scientific" management. It revealed the class interests that were behind the propagation of Taylorism (Willis, 1988: 8).

Management face choices. As a variety of writers have pointed out, the task of management always involves a compromise between control over the workforce and the need to obtain their motivation and initiative (Badham and Mathews, 1989: 213; Pollert, 1988: 45). As Burawoy puts it, "managements are after "specific combinations of force and consent that elicit co-operation in the pursuit of profit" (1979: 30). It is this which leads to shifting fashions in labour management. New management strategies differ not in their goals, but in the way they are to be achieved. "Even Taylor would have had no objection to rationalization suggestions from the employees... 'Toyotism' is, therefore, not an alternative to Taylorism but a solution to its classic problem" (Dohse et al, 1985: 128). We would disagree that the problem is solved (or that it is capable of being solved while class divisions continue to exist), but the general point holds - that the variety of strategies open to management offer different approaches to the same problems, in this case attempts by management to use the knowledge of workers.

Whether "labour control" or "flexibility" are stressed by management is quite independent of the type of technology utilised. Noble has confirmed this point by showing how numerical control machine tools were used in Norway to develop the initiative of workers, but in the US to enforce greater control of the workforce (Mathews, 1988a: 177; Willis, 1988: 16). Nor is it correct to see a "neo-Fordist", deskilling, authoritarian strategy and a "post-Fordist" strategy of skill upgrading and worker responsibility as two mutually exclusive alternatives, as Badham and Mathews appear to (1989: 230). The idea of a fork in the road down which management can proceed is far too simplistic. We argue instead that it is possible for management to combine elements of both strategies, as in the Japanese combination of quality circles and Taylorist job design cited above (Wood, 1989). More importantly, even if a single strategy is decisively adopted, there is no reason why management cannot backtrack if the external competitive environment becomes more difficult, or the union movement is weakened (Hyman, 1988: 55). The history of capitalism provides plenty of examples of such turnarounds. For our purposes the case of Henry Ford himself is instructive. The recession of 1920-21 hit Ford hard. The drastic reorganisation to cope with decreased sales included massive layoffs and a great speed up. The strategy of the Ford Motor Company turned from one of "welfare capitalism" to more
ruthless forms of exploitation (Foster, 1988: 20). Nonetheless for most of the twenties there persisted a folk myth of Ford as an enlightened employer who sought to promote general prosperity by high wages and high consumption. It is a myth that many "post-Fordists" seem happy to let stand. But it is worth challenging as it makes clear the basis on which management decisions are taken. Ford's famous five dollar wage was introduced not because he was "the worker's best friend" but in order to deal with difficulties in obtaining labour supplies. His 1926 introduction of the five day week was, in his own terms, a "cold business proposition" - paid for by more lay-offs, a further speed-up, and by reducing the weekly earnings of the workers (Foster, 1988: 20).

In looking at management strategy therefore, it is necessary to separate the apparent from the real; to see the underlying class interests of management, rather than the public relations veneer. Braverman sums up this dichotomy with an article from the Wall Street Journal in 1972 entitled "The Quality of Work" which consists almost entirely of a discussion of cost-cutting, productivity drives, and staff reductions in banks, insurance companies, and brokerage houses (1974: 37).

These competitive considerations are central for management. Ford's innovations had an overwhelming economic advantage over the "craft methods" of production which had been used hitherto to make cars which were toys for the rich (Williams, Cutler et al, 1987: 420). Consequently, Fordism sounded the death knell for craft production. Failure to look at these economic questions is an important deficiency in the work of Piore and Sabel. As Williams, Cutler et al point out, Piore and Sabel never present any evidence of the cost of producing cars by alternative methods. Yet cost-cutting is centrally important to management. The success of the model T suggests there never was a choice. Craft production was not an alternative - it could only survive by moving upmarket to meet small-scale demand for luxury alternatives to mass production (1987: 420).

PART TWO: IMPLICATIONS FOR THE LABOUR MOVEMENT

The final area we wish to examine in this debate is the implications for the labour movement suggested by the "post-Fordists". According to Badham and Mathews, the new regime offers unions an opportunity to "argue for good conditions on the grounds that a healthy workplace is a productive workplace". It is counterposed to what they call a "neo-Fordist" strategy where "concessions are wrung only through collective pressure and the threat of total non-cooperation rather than as part of an attempt to enhance productive efficiency" (Badham and Mathews, 1989: 232). Elsewhere, Mathews argues that the challenge for unions is "to move from a defensive and antagonistic approach to industrial relations, to an interventionist and protagonist attitude" (Mathews, 1988b: 21).

Underlying this strategy is one central idea - that there is a common interest between unions and employers in developing a "flexible and efficient industrial system" (Mathews, 1989a: 38). This echoes Piore and Sabel's oft-quoted assertion that "flexible specialization is predicated on collaboration" (1984: 278). But in practice this collaboration does not take place between equals. As Hyman has pointed out, there is a vast difference between an apparent short-term mutual dependence of
employer and worker, and the fundamentally asymmetrical relationship that exists between those who control the means of production and those who work for them (Hyman, 1988: 54). Even Mathews (1988: 183-84) recognises the "colossal problems posed by the imbalance in technical and economic resources between the parties involved", although the conclusions he draws appear to ignore these considerations.

More importantly, the common interest that is supposed to exist is a fantasy. The fact that managements introduce work restructuring for their own economic objectives may not necessarily rule out some improvements for the workforce (Wood, 1989: 23). But this has to be seen as an entirely contingent effect. An Australian example that illustrates this point is the setting up of occupational health and safety committees as an outcome of the 1987 two tier wage system. They were seen as "a method of further lowering accident rates and improving safety, thus considerably lowering lost time and related expenses through improved efficiency" (Frenkel and Shaw, 1989: 101). But what happens if improved safety procedures require capital outlay, or are time-consuming and diminish productivity? Which comes first - workers' safety or profitability? We would argue that the supposedly common interests dissolve in the face of this conflict. The case studies that Mathews himself quotes approvingly illustrate how one-sided is this "mutual interest". For example, the reorganisation of the work system at Shenandoah Life Insurance that resulted in the workload increasing by 50 per cent while the workforce decreased by 10 per cent, appears to be an outright victory for management (Mathews, 1989a: 100-101).

Looking at "post-Fordist" strategies from the point of view of class conflict rather than collaboration provides a much better basis for understanding their outcomes and their limitations. If profitability is threatened, consultation becomes merely window dressing on the continued exercise of managerial prerogative. Arrangements for consultation and advance warning of restructuring at Ericsson's in Sweden did not stop 4,500 lay-offs. It did, however, stop the unions from fighting their management "partner" (Mathews, 1989a: 151). Similarly, the much vaunted union intervention in the reorganisation of the Victorian railway workshops (Mathews, 1989a: 164-166) has not stopped the State's Labor Government from planning to shed 3,600 jobs over the next three years.

These cases seem to illustrate the dangers of the "interventionist" approach very clearly. One of the second tier outcomes that Frenkel and Shaw quote favourably is the establishment of "a joint management/employee consultative committee with an ultimate objective of improving productivity and efficiency, and communication and employee/management relations. It is believed that this will create an environment of mutual trust and co-operation" (1989: 101). We argue that such trust on the part of the unions will inevitably be betrayed, and can only lull them into a false sense of security about what are ultimately their antagonists. This is undoubtedly a contentious point. However, it must be central in understanding the attitude that the labour movement should adopt to collaboration with management. This is not just because of the outcomes of such deals, but also because of its effect on the underlying strength of the union movement.

The advocates of a "post-Fordist" strategy argue that it will underwrite and reinforce the strength and integrity of the trade union movement itself (Badham and Mathews, 1989: 232). Given that these
ideas form much of the theoretical underpinning of award restructuring, it is
worth looking at the strategy in operation and compare it with the claims
put forward on its behalf.

The work of Rimmer and Zappala (1988) and Frenkel and Shaw
(1989) on the two-tier wage system provide useful evidence of the one-
sided nature of gains and concessions made by the major parties.
Although we have no work so far on the implications of award
restructuring, the findings of this research may give us pointers as the
future direction of labour-management relations.

According to Frenkel and Shaw (1989: 112), their their case studies
indicate "a slow process of encroaching management control over
employee behaviour". There were widespread "attempts by management
to ensure that paid time is fully utilised worktime" - hence changes in
teatime, washing up time and so on (Frenkel and Shaw, 1989: 112).
Changes in work organisation were effected "in order to make more
efficient use of machinery and equipment. Often such changes require
employees to undertake more work" (Frenkel and Shaw, 1989: 100)

Assessing the twelve major second tier agreements outlined by
Rimmer and Zappala, Bramble (1989: 23) argues that:

The common features are the expansion of multi-skilling,
greater managerial discretion over the use of labour, the
removal of some element of worker control over taking
breaks, be they lunch breaks, rostered days off or annual
holidays, the reduction of penalty rates for unsocial hours,
the rise in the proportion of casual and part-time to full-time
permanent workers, the change from payment in cash to
electronic funds transfer and the introduction of grievance
procedures and disputes procedures that make it harder for
workplace union organisation to retaliate quickly in response
to unilateral managerial actions.

Changes which Rimmer and Zappala cite approvingly, such as second tier
agreements producing "genuine attitudinal change in the form of union and
employee commitment to enterprise efficiency and competitiveness" (ibid: 588),
underlie a fundamental weakening of the unions' ability to perform
their most basic role - defence of their members' living standards. The
ideological justification for this retreat is given explicitly in Australia
Reconstructed, "...the main criterion for wage movements is to be
international competitiveness and productivity rather than the maintenance
of living standards" (Bramble 1988b: 13). Even the strongest unions such
as the coalminers have succumbed to this logic and accepted significant
reductions to their working conditions in 1988 (Bramble, 1989: 24).

The weakening of workplace union organisation in the aftermath of
"cooperative industrial restructuring" at the Williamstown Dockyards
undermines some of the other claims made for union "intervention" as a
way of strengthening the union movement. The decline in union density
from 49 per cent to 42 per cent over the life of the Accord must also raise
doubts about the merits of this strategy (ABS Cat. No. 6325.0)
The final problem we wish to point out arises from our earlier discussion of management strategy. The Accord is at present the predominant overall strategy of the employers (regardless of its origins as a product of the left union officials). Consensus is preferred to confrontation. Considerable evidence exists of the unpopularity of those maverick sections of the employers who have adopted a more confrontationist approach (Bramble, 1989: 13)\(^4\). The draconian measures carried through by the Federal Government in the domestic airlines dispute of late 1989 is simply an example of the extremes to which the Government will go to save the present strategy. However, as indicated above, there is no reason for management to stick to any one strategy. The onset of a severe recession, the election of a coalition government, or a more precipitate decline in union membership, could well see a shift to a more confrontationist strategy. Mathews' claim that "social contract arrangements are becoming a permanent feature of advanced industrial societies" (1989b: 39) is without substance.

Even where they do exist, such arrangements are unable to deliver what they promise. The problem here is the nationalist framework within which they are situated. One of the central tenets of class collaboration, nationalism ignores the international dimension of competition which no amount of restructuring can eliminate. The work of Williams et al (1987) on Austin Rover, and Holloway's study of British Leyland (1987) illustrate the point. Closer to home, we need look no further than Hexham Engineering, one of the pioneers of award restructuring. Despite having its own enterprise agreement based on award restructuring ratified by the Commission in March 1988, Hexham closed its doors in October 1989, sacking what remained of its workers. No amount of restructuring could compensate for the depressed state of the world coal industry, which saw a 40 per cent drop in business for the heavy engineering equipment producer (Marden, 1989: 9; Australian Financial Review 13 October 1989).

The problem with "post-Fordism" is that in addition to being technological determinist, it is essentially an idealist conception of social change. "Post-Fordists" attempt to popularise it on the basis of its inherent "rationality", without situating it in the context of the actual power of the capital and the state, which will be quite immune to appeals to "common interest" when their interests are threatened.

The dangers for the union movement in adopting a "post-Fordist" strategy are therefore more than just immediate ones. The ideological and organisational disarmament that are its consequences can help lay the basis for employer confidence to go on the offensive. The Greiner Government's attacks on public sector workers in NSW may provide something of a foretaste (Bramble, 1988: 16). We can agree with Badham and Mathews when they say that workers' conditions may be reduced "by a decrease in the individual or collective bargaining power of workers" (1989: 201). Where we part company with them is in arguing that systems based on union/management collaboration such as the Accord are one of the causes of this decline.

It is not our purpose to draw up a blueprint for an alternative strategy.\(^5\) However, we do wish to sketch its outlines. The starting point is to look at the interests of the working class independently of the interests of capital. In other words, it means denying from the outset that collaboration should be the aim of the labour movement. In Australia today, this would mean arguing for the maintenance of real wages, regardless of productivity increases. That this is not beyond the realms of possibility is illustrated by the suspicion with which award restructuring is
currently being treated by the members of some unions (Bramble, 1989: 22). This suspicion may provide the fuel for a wages breakout, which helps explain the attempts by the ACTU leadership to isolate and defeat the pilots' wage claim.

There is another factor which needs to be considered when looking at strategies for the labour movement. Not only do we argue for the unions to pursue their interests independently, without trying to fit them in to the needs of capital, but we are also concerned with the means by which that effort takes place. If common interests between workers and management exist (as the "post-Fordists" argue), then negotiation and discussion should be able to distil them out. From this flows an emphasis on the possibility of a section of the union movement (in practice largely the full-time officials) being able to make advances on behalf of the movement as a whole. This seems to us not only to be untrue but also seriously misleading. Especially when associated with the "no extra claims" provisions that have been required of the unions with every version of the Accord, such a view runs counter to the collectivism on which the unions' real strength is ultimately based. Keeping the rank and file in a state of passivity is the likely outcome.

Building on and encouraging that collective activity which does still exist - strikes and work bans, whether about wages or conditions - rather than trying to suppress them in the interests of consensus and top-level negotiations, has much more to offer workers, both in defending living and working standards today, and in getting the union movement in the best shape to withstand future management attacks. Without such a mobilisation, we are left with the combination of falling living standards and the reinforcement of membership inactivity which has been the outcome of what is basically a proto "post-Fordist" strategy by the ACTU in the 1980s.

PART THREE: THE POLITICAL CONTEXT OF THE DEBATE

"Post-Fordist" ideas are presented by their advocates as a new development. We question this. One of the central aspects of Braverman's work was a polemic against the views of the "post-industrial" theorists, who argued that new technology would open up new opportunities for job satisfaction and industrial peace. Such ideas have been resurrected in today's debate under the guise of "post-Fordism" (Willis, 1988: 6). Braverman by contrast, stressed the centrality of class struggle as one of the key factors explaining social developments (ibid: 6-7). Hyman (1988: 48) draws out the contrast with the "post-Fordist" argument today:

A decade ago, against the background of the collapse of post-war capitalism's long expansionary phase, technological innovation and the reorganisation of production were widely identified as a mechanism for the mass destruction of jobs and the degradation of many of those that remained. Yet today...the prevailing mood of sociologists appears increasingly optimistic: microelectronic technology, it is
commonly argued, provides the means not to reinforce but to reverse the methods established by Taylor and Ford, beneficially transforming social relations within production.

The departure from Braverman is not confined to the relationship between technological innovation and skill. The focus has narrowed as well. Pollert argues that "post-Fordism" places "the major responsibility for economic recovery on changes in labour...The focus on labour is itself ideological, foreclosing perspectives on international movements of capital, capital concentration, money markets, or the social distribution of wealth" (1988: 71).

What is presented as ideologically neutral is in fact a disproportionate emphasis on the workforce as the problem. Piore and Sabel's belief that "wages are the major component of costs" (1984: 84) is mistaken. The tendency of competitive accumulation is to replace labour with capital (Williams, Cutler et al, 1987: 423). However, in terms of laying blame for economic problems, a focus on work practices won by unions is much more useful to both governments and employers.8

Why is this the case? Williams, Cutler et al (1987: 438) offer this partial answer:

Everywhere it strikes comforting and responsive chords. Thus in Britain Piore and Sabel's work provides a rationale for the local initiatives and plans for socialism in one municipality which have been increasingly popular over the past decade.

More generally we would attribute these changes to the growth of ideas on the left that the "old notions" of class struggle were becoming obsolescent (Bramble, 1989: 5). This is not something confined to the industrial relations sphere. Guille et al (1989: 38) provide an analysis of

...the decline which has occurred in the significance attached to class in sociological and political analysis. This is occurring in a number of distinct areas: for example, references to the politics of 'social movements' rather than 'class politics' and the reappearance of Weberian analysis in sociology...More generally, there has been a shift to the subjective and the individual.9

It is this view, rather than one focused on social classes, that underlies appeals to "remove irrational constraints on people's creativity...such as despotic and hierarchical management systems" (Mathews, 1989b: 50). Unfortunately, what may be irrational from the point of view of those who are managed may make perfect sense to their managers.
The shift away from class analysis is not just a swing in the pendulum of academic fashion. Its roots lie in real changes that have taken place in the balance of class forces since Braverman was more in vogue. In the early 1970s, strikes toppled the Heath government in Britain and metalworkers' strikes won massive wage increases in Australia. Even those who were hostile to the labour movement could hardly avoid coming to grips with the idea of class confrontation. The confidence of the working class in Australia to engage in that confrontation has been substantially attenuated by a range of factors since then - levels of unemployment not seen since before the war, and an increase in the ratio of defeats to victories when strikes did take place (Bramble, 1989: 4). These are the circumstances in which ideas of class collaboration can grow. The ideas in turn can then have an effect on continuing the downturn in struggle.

Hyman (1988: 55) makes an important point in relation to this downturn: if the level of strikes declines, this should not be taken as evidence of a new era of cooperation. It can also be a sign of labour's weakness and demoralization. We can also apply this analysis to the acceptance by Japanese workers of the management systems that have characterised post-war production in that country. It seems to us that the best explanation has nothing to do with racist "national characteristics" or a spirit of cooperation, and everything to do with the forcible destruction of the militant post-war unions - Toyota in 1950 and Nissan in 1953 (Dohse et al, 1985: 133-134).

Ultimately, what is so profoundly dispiriting about the ideas of "post-Fordism" is the fatalistic defeatism that characterises them (Pollert, 1988: 72). Several times Mathews exhibits his despair about bringing about fundamental change; in The Age of Democracy, he throws his hands up in frustration at the "intractable political situations" of the Middle East, Northern Ireland and elsewhere (1989b: 3). At other times (1989b: 151) he expresses his pessimism about tackling the power of the multinationals who might jeopardise any programme of reform. His ideas end up "celebrating that which is made to seem inevitable" (Pollert, 1988:72), the secular decline of the labour movement and the elimination of any programme of transformative political change. "Post-Fordism" is truly the politics of social democracy in crisis. It forgets Marx's "mole" burrowing away beneath the surface, the class struggle, which at particular times emerges to throw the contours of society into sharp relief. "Post-Fordism" is of little help in explaining society as it is presently constituted: as a strategy of political change, it is positively debilitating.
FOOTNOTES

1. For a current example of this idea, see Stoner et al (1985: 534): "From a human resources perspective, managers should not induce workers to comply with managerial objectives with financial incentives...nor manipulate them with considerate treatment, as in the human relations model. Instead managers should share responsibility for achieving organisational and individual objectives with each person contributing on the basis of his or her interests and abilities" (cited in Guille et al, 1989: 35).


3. Important "post-Fordist" writers such as Mathews dodge the question of whether the outcomes of collaboration, such as "work humanization" are real or fraudulent. His comment (1989a: 204 footnote 3) that "this is a rather futile debate which we shall not enter" seems to dismiss an important area of argument.

4. In 1986, Powell, of the Australian Chamber of Manufacturers referred to the "New Right" at one point as fascists (Plowman, 1987).

5. For more details, see Bramble (1989: 22).

6. The recurrent stress on "rationality" in Mathews' work in particular is an indication of this connection. If common interests exist, the role of the union movement, and particularly its leaders is simply to uncover them. We find Thompson's description of the process somewhat more apt: "The rejection of socialist principles as well as Marxist analysis leaves social democrats with no choice but to attempt to reproduce and improve capitalism even if, ironically, they must struggle against the resistance of the capitalists themselves" (1988: 93)

7. Here we particularly disagree with the points made by Mathews in The Age of Democracy. His claims that the "abstentionists" believe in keeping the rank and file in a "passive state" (199), and that wages militancy sees union members playing the role of cheer squads for their leaders (footnote 33, 258), seem to us to be much more fitting descriptions of what necessarily happens under the "interventionist" strategy which he proposes.


9. A sustained attack on the general shift away from class analysis is to be found in E.M. Wood (1986).
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