

## BOOK REVIEWS

Title	Author(s)/Editor(s)	Reviewer
<i>Competitive Advantage on the Shop Floor</i>	William Lazonick	Richard Hyman
<i>Dishing It Out</i>	Dorothy Sue Cobble	Mary H. Blewett
<i>An Age in Motion</i>	Takashi Shiraishi	Fritjof Tichelman
<i>The German Communists and the Rise of Nazism</i>	Conan Fischer	James Wickham

LAZONICK, WILLIAM. *Competitive Advantage on the Shop Floor*. Harvard University Press, Cambridge (Mass.) [etc.] 1990. vii, 419 pp. £ 44.95.

Lazonick is well known for his contributions to the socio-economic history of industrial relations, a project which seeks to integrate attention to market dynamics, technological change, and institutionalised patterns of management-worker relations. The centrepiece of *Competitive Advantage on the Shop Floor* – much of which is based on previously published articles – is Lazonick's detailed research on the British cotton industry. This analysis is developed into a more general argument concerning the bases of economic success and failure, with comparative reference to the US and Japan (the second half of the book); and also links to a theoretical argument on the strengths and limitations of Marx's model of capitalist production (two introductory chapters and an analytical appendix on value creation).

Historians will be familiar with the central theme of Lazonick's earlier work on cotton-spinning, reprinted here. Andrew Ure, in *The Philosophy of Manufactures*, hailed the invention of the "self-acting" mule as a means of displacing expensive and recalcitrant male spinners by a cheaper, unskilled and more docile labour force; and Marx uncritically accepted the key assumption that technological innovation, managerial control and the displacement of traditional skilled labour were central to the historical dynamic of capitalist production. In fact, mule-spinning did not undermine the position of the male spinner; rather, the system of work organisation based on the quasi-craft status of the spinner, who in turn employed two "piecers" as assistants, became consolidated in the nineteenth century.

Why did British cotton employers not behave in the way that Ure, and Marx, envisaged? Lazonick puts primary emphasis on the supervisory role of the spinner, exercising patriarchal authority over the piecers in the context of a sub-contractual

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relationship with the employer. The term “self-actor” is something of a misnomer: the work of piecing together the broken ends of yarn was a constant, and arduous element in the labour process. There were also numerous maintenance tasks which the spinner was expected to undertake. Lazonick challenges Mary Freifeld’s critique of his original article, in which she stresses “a breakdown in the intergenerational transmission of female craft skills”; the persistence of male control, he insists, had a more fundamental institutional basis. Employers could sustain an effective, and profitable operation of the new technology by retaining the traditional forms of work organisation and division of labour, while systematically increasing the number of spindles minded by each work team. In a competitive market – the British cotton industry was marked by a multiplicity of small employers – there was every reason to stick with “the tried and true methods of labour management” rather than to engage in risky experiments with new systems of work organisation and new categories of worker.

This connects with Lazonick’s main revision of Marx’s economics. Marx correctly identified market relations as relations of social power rather than simply of equal exchange. However – partly influenced by Engels’ experience of Manchester in the 1840s – his model of “modern” capitalist industry centred around the extraction of surplus value through deskilling, displacement of labour and the overtly coercive imposition of managerial control. Yet as the nineteenth century evolved, alternative models became increasingly important: organisational formulae for achieving workers’ cooperation (in the conventional, not the Marxian sense) in the process of value creation by allowing them some share in the gains. The position of the mule-spinner exemplified such a “positive-sum game”: the spinners cooperated in the application of technology to increase labour productivity, and removed the need for employers to develop elaborate systems of recruitment, discipline and control; in return their quasi-craft status was protected, and negotiated piece-rate lists ensured that their efforts were rewarded. By contrast, the piecers were poorly paid and subject to the coercive discipline of the spinner; at the turn of the century, as opportunities for advancement to a spinner’s position diminished, the whole system became subject to increasing strain.

Lazonick contrasts the Lancashire pattern with mule-spinning in New England. The stability of the British system rested on a balance between the collective solidarity of the spinners and their readiness to collaborate in the process of value creation. In America, a far more cohesive class of employers confronted a fragmented and individualistic labour force. A different form of division of labour developed, within a system of managerial control far tighter than in Lancashire. Though lacking collective control, however, the far greater mobility of American workers insured that wage-cutting was not a realistic option for employers. What emerged was a system of production based on high pay, high productivity and high-quality cotton – and making increasing use of the technologically more advanced ring-frame. In Britain, by contrast, employers from the late nineteenth century responded to competitive pressures by using inferior-grade cotton on the existing technology, relying on the readiness of spinners to co-operate in ensuring market survival.

Ultimately, such Lancashire methods were not viable. The cost-cutting use of inferior cotton (which, as Lazonick shows, bedevils any attempt to assess productivity trends) ultimately fell foul of the growth of the textile industry in lower-wage

countries: Lancashire could no longer compete either on quality or on price. Generalising from the experience of cotton-spinning, Lazonick sees inherited institutions of production relations as the root of industrial decline in twentieth-century Britain. Success was achieved in the previous century on the basis of organisational structures which imposed low fixed costs on employers, relying on craft skills and – even more important – the self-disciplined readiness of a skilled workforce to co-operate in the creation of value. Employers in twentieth-century America, by contrast, invested more readily in advanced technology, and established a more elaborate system of managerial coordination and control – often through a frontal challenge to trade unions. Managerial capitalism in turn facilitated “economics of speed” which gave American firms a decisive advantage in an era of mass production. More recent changes in markets, products and technologies have brought a third model to the fore: the Japanese system involving a comprehensive effort to harness workers’ initiative and self-discipline to corporate objectives (in effect, craft commitment without craft control).

Lazonick clearly establishes his key analytical argument: that capitalist production permits alternative models of social organisation, and that once historically consolidated such models acquire considerable inertia (hence “managerial failure” is an insufficient explanation of British industrial decline). (Whether Marx’s own view of the relationship between capital, labour and technology was *always* as one-sided as Lazonick argues is perhaps debatable.) Overall, the book is an impressive synthesis of historical, economic and sociological scholarship. Its form is a source of weakness: incorporating previously published work with less global pretensions is a source of structural awkwardness, and leads to some tiresome repetition.

The comparative analysis of Britain, America and Japan is wide-ranging, covering a multiplicity of themes which cannot be adequately explored in the space of this review. My main doubts adhere to Lazonick’s assessment of the most recent past. The coverage of “flexible manufacturing” and of the “Japanese challenge” is brief, episodic and somewhat uncritical. “Organisational commitment” is to my mind a vague and over-simple category which deserves the type of intensive critical analysis which Lazonick applies to the cotton-mule. How does the “Japanese challenge” fit within a *global* system of value creation? How many Japanese workers *actually* experience their role in production as “rewarding”? (A minority of skilled male “core” workers in large firms, who work exceptionally long hours under enormous pressure?) Is a high-skill, high-productivity, high-commitment recipe available to the generality of firms, workers and nations in an economic system which has always generated losers as well as winners? The sceptic will need far more evidence than Lazonick is able to provide.

Richard Hyman