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A Comparison of National Regimes of Labor Regulation and the Problem of the Workplace

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From the emergence of the proletariat during the nineteenth century to the early twentieth century, employers and reformers worried about the "labor problem." The basis of the problem was the threat to the political system posed by a mass of workers. The response was defined in terms of a set of institutions, operating at the national political level as well as in the workplace, that could be used to bring labor within the fabric of society. The same issue faces any governing class: how are workers to be persuaded to continue to work hard under the authority of others?

Though the language of the labor problem has disappeared, the underlying problem of how workers are integrated into capitalism has continued to fascinate scholars. In the field of comparative inquiry, two main traditions have focused on the problem of containing conflict. This chapter reviews their contributions and indicates the space they leave for the workplace-oriented approach of the rest of this volume.

The first tradition, the political economy approach, sets out to explain variations between countries in the level and, more significantly, the role and meaning of conflict. It is highly pertinent to this volume in view of the general emphasis in the introduction on the importance of conflict and particularly the generation of conflict within the workplace. In practice, however, the political economy approach examines strikes at the level of a whole economy and, though assuming a workplace regime that generates patterns of strikes, it does not address the nature of this regime. It also tends to reduce countries to examples of certain types and thus to play down the dynamics and contradictions of labor regulation.

The second tradition, the historical legacies approach, by contrast, places great weight on these issues. Its exploration of state and employer policies toward the labor problem indicates a set of themes within which the present contributions can be located. The following chapters use state and employer policies to explain workplace labor regimes. In doing so, they do not pluck these explanations out of the air but draw on a well-established tradition of inquiry.

The idea of legacies is also important to the question, raised in the introduction, of whether there are identifiable national systems of labor regulation. It is possible that employers are driven by the conditions facing their industry and thus that any comparison between two countries does not really measure "country effects" at all. Jeffrey Haydu (1988), for example, has applied this point to historical analysis, demonstrating great differences in employers' policies in different American industries. This chapter, by contrast, argues that there are certain national characteristics that limit the degree of variation possible: there *are* national systems of regulation. In focusing on these systems, the historical legacies approach tends, however, to exaggerate the amount of diversity that exists. Each system is treated as an entity, with the system of regulation being explained as the result of historical accident. Such a contingency approach neglects the material basis of the problem of regulating labor. This chapter offers a view grounded in the approach to the labor relation outlined in the introduction. As Burawoy (1979a, 263) puts it, "In exploring changes in the labor process either over time or between places, we are simply trying to approach the limits of variation of the capitalist labor process, that is, its capitalist essence."

The Political Economy of Conflict

The political economy approach has risen to a position of prominence over the past decade or so. It presents itself as an advance on traditional comparative industrial relations, with the latter's familiar problems of its emphasis on collective bargaining, its interest in the regulation of conflict rather than the conditions that promote it, and its pluralist underpinnings (Hyman 1978; Cohen 1991). Political economy thus represents the most developed approach with which an alternative "labor regulation" approach may be contrasted. It also shares substantive interests, for it sees the pattern of conflict in a country as an index of a much wider relationship between labor and the social and political structures of advanced capitalism. In practice, as will be seen, proponents of a political economy approach use strike patterns as their main indicator of conflict, whereas followers of a labor regulation approach try to look at the actual processes of conflict. But the interest in conflict, and the view of it as a key element in a whole pattern of relationships, takes political economy a long way from conventional analyses of strike patterns.

One difficulty is that political economy has become a very widely used term. In some usages it is largely coterminous with what is called here labor regulation. As will be seen, Anthony Giles and Gregor Murray's

(1989) statement has much in common with this view, and Hyman (1989b), though he does not go into great detail about his use of the label, would appear to adopt a very similar style of analysis. For present purposes, political economy is that approach that tries to explain variations in the extent and nature of conflict in terms of the structure of the exchange between employers, unions, and the state; that sees the state as a largely neutral force; and that gives greatest explanatory weight to the powers of unions in the political arena.

Political Perspective on Strikes

Political economy emerged in reaction to two approaches: economics and industrial relations. The former explains strike rates in terms of such conditions as unemployment levels and price inflation. It was argued, however, that such explanations worked only in certain contexts, namely, those in which stable collective bargaining was established. Thus, they worked quite well in the United States in the post-1945 period but broke down in countries such as France and Italy, and indeed failed to function even for the United States in the period before bargaining was well established (Snyder 1975). Orthodox industrial relations as represented by Hugh Clegg (1976) offered an institutional rather than an economic explanation, focusing on the structure of collective bargaining. The low strike rate in Sweden, for example, reflected the level of bargaining (national-level bargaining reduced the number of separate strikes), the nature of contracts (comprehensive agreements reduced the scope for bargaining at the shopfloor level), and so on.

According to Walter Korpi and Michael Shalev (1979), this approach was limited because the institutions of bargaining merely passed on the effects of wider social structures. In countries such as Sweden, industrial relations was overlaid by political exchange (see also Korpi 1983b). The strike ceased to be a major aspect of class conflict. The key reason was that working-class interests were able to establish effective control of the political system. Instead of direct battles between employers and unions over wage levels, political exchange allowed workers' interests, in such matters as unemployment insurance and social welfare, to be pursued through their political party. The economic sphere in general, and the workplace in particular, ceased to be a major site of contestation.

A similar view was developed by Edward Shorter and Charles Tilly (1974) in relation to France. The problem here was not a decay of the strike but a change in its form, with long battles being replaced by short but massive protests. The explanation was again political: unions directed their demands at the state rather than at individual employers, and strikes thus became means to demonstrate symbolically workers' concerns over an issue, rather than weapons of economic attrition.

Both groups of writers used their analyses to consider advanced capitalist countries as a whole. North American strikes, for example, remained long because unions were unable to gain leverage in the political arena. Korpi and Shalev provided detailed descriptions of the extent of social democratic or labor party control of governments, the prediction being that greater control would reduce strike levels. This approach merged with the much wider debate about corporatism, in which numerous writers have measured the political power of labor and also the degree of centralization and unity of labor movements, with the expectation that high scores on these measures would strengthen the ability of unions to maintain political exchange (e.g., Stephens 1979; Schmitter 1979). A related development was the attempt to classify countries according to the extent of their corporatist arrangements. Instead of treating nation states as individual entities, efforts were made to reduce them to examples of certain types.

Problems of Theory and Method

In view of the popularity of the political economy approach, criticism has been surprisingly rare. Three broad difficulties can, however, be identified (Edwards 1983). First, though presented as a break with industrial relations, the approach in fact reproduced a pluralist methodology. The institutionalists saw collective bargaining as a means by which conflicts between capital and labor could be resolved. The political economy writers viewed the state in much the same way: organizations of workers pursued class interests in the industrial and political spheres, and, if they were strong enough, they could establish a system of exchange in the latter. Though Marxist language appears in some accounts, in others (notably Korpi 1983b) it is made plain that the state is seen as a passive, neutral body that merely reflects the balance of forces between capital and labor. As James Fulcher (1987) has argued, what he terms labor movement theorists (who would include Gosta Esping-Andersen [see Esping-Andersen and Korpi 1984] as well as Korpi and John D. Stephens) assume that labor parties can gain effective control of the state.

Why is this a problem? It could be argued that the assumption, though plainly demarcating political economy from any serious Marxist or indeed radical analysis of the capitalist state, is a reasonable approximation that does not damage the explanation: is it not true that working-class interests have been effective in Sweden and have accordingly moderated industrial struggle? One problem arises because the approach directs attention away from the state as an active agent in the management of labor. It sees the state merely as a reflection of other forces and gives no consideration to how state actors can shape the process of labor regulation.

One consequence is an inaccurate reading of key historical periods. The critical exemplar case is Sweden. The country merits some discussion because the political economy interpretation of the historical trajectory has rarely been scrutinized. Thus, much is made of the timing of the decline of strikes. There was allegedly a key turning point in 1934, that is after the electoral victory of the Social Democrats in 1932 but before the famous

Basic Agreement between unions and management of 1938; this is used to argue that politics was the key factor in the decline. Fulcher (1987) shows that 1934 was not in fact a dramatic turning point. The fall in strikes in that year was part of a longer trend, in particular, the decline in the number of large strikes against wage cuts imposed in the depth of the Depression. There is thus no evidence that 1934 was in any way distinctive in terms of the effects of political exchange on strikes.

The Basic Agreement, moreover, reflected not just labor movement power but also, and arguably more importantly, changing strategies by employers and the state concerning the regulation of the workplace. As Peter Jackson and Keith Sisson (1976) show, the state was increasingly concerned about the level of industrial conflict and in essence told the parties to sort out their own affairs or have them sorted out for them. Many other states have been active in shaping national systems of labor regulation, as the American New Deal clearly shows (Harris 1985). Seeing the state as neutral directed attention away from a major actor in the system.

The second problem relates to typologies. They all have anomalies. Britain appeared to be an exception in Shorter and Tilly's account since strikes did not become a political weapon despite the country's fairly high scores on measures of the influence of a labor party in government. Germany was a problem for Korpi and Shalev, since it enjoyed low strike rates without the benefit of corporatist institutions. In accounts that focus on a fairly small number of countries, even one anomaly is a weakness. But the presence of anomalies illustrates a deeper problem. The analysis is mechanical and largely ahistorical, with the assumption being that certain institutions lead to certain outcomes and with the causal mechanisms at work being at best left implicit.

In the case of Britain, it would be reasonably straightforward to construct an account of the continuation of strikes at the workplace level in terms of the fragmentation and weakness of employers, the parallel focus of unions at the shopfloor level (Sisson 1987; Zeitlin 1990), and the limited powers of the state to force through the rationalization of industrial relations or indeed of anything else (Hall 1986). But this would involve a historical reconstruction of the "labor problem" and its regulation that would step beyond the concerns of the political economy approach.

In the case of Germany, David Cameron (1984) offers an account that is more in the spirit of the approach. In brief, unions gained the benefits of low unemployment and low inflation, in return for which they practiced moderate bargaining strategies and rarely struck; this in turn promoted high employment levels and low inflation, so that a virtuous spiral was set in motion. Cameron applies this logic to other countries and demonstrates the relevant correlations between strikes, inflation, unemployment, and economic growth. Since no process of political exchange is necessarily involved, this reasoning does in fact break with the core political economy assumptions. It suggests how an alternative approach might be constructed but does not in fact do this itself. It remains at the level of cross-sectional relationships and does not explore the historical processes permitting virtuous spirals to develop. In short, Cameron's study is a useful starting point but no more than that.

In addition to admitted anomalies, there are difficulties with other countries, even such exemplar cases as Sweden. As Fulcher (1987) argues, labor movement theory posits that workers can secure their goals through political action. It thus has difficulty in explaining the continuation of shopfloor protest, as exemplified by a wave of unofficial strikes at the end of the 1960s. Such protest did not reach the scale of that recorded in many other countries, but it shows that problems of shopfloor order continue even where political exchange is advanced. One illustration is labor turnover. A government inquiry into a shipyard (summarized by Fulcher 1973) found a high rate of turnover, which it explained as the result of shopfloor grievances that had no institutional avenue of expression, so that workers quit. In other words, it is impossible to "neutralize the workplace" entirely by taking capital-labor relations to a higher level.

This leads to the third problem for political economy. Like industrial relations pluralism, it focuses on what happens when organized bodies of unions and employers meet. It does not consider the conditions permitting such mobilization or, crucially, how far the demands that are made in organized bargaining relate to all the interests of workers. It has long been recognized that conflict can be expressed in many ways, including quitting, absenteeism, and sabotage (Kerr 1954). The labor movement view does not address the continuity of relations around the effort bargain. It assumes that unions can simply resolve workers' demands elsewhere, thereby neglecting the ways in which conflict continues to underlie the operation of the workplace. Quitting and absenteeism have long been concerns of Swedish companies. Labor movement theory provides no means to analyze their role on the shopfloor or, more generally, to explore how labor is regulated.

From Political Economy to Mode of Production

An approach that connects the shopfloor to the development of capitalism is suggested in two recent critiques. Giles and Murray (1989) lay out the core features of what they term a political economy view. They include Korpi among its exponents, though perhaps overgenerously, for they emphasize several points that he largely neglects. Burawoy (1990, 783), by contrast, includes Korpi in his list of those who have abandoned the "core tenets of Marxism." For the present purposes, what is or is not Marxism is not the issue. The key point is analytical: labor movement writers adopt an essentially pluralist view that lacks a perspective on the bases of conflict in a capitalist mode of production.

Giles and Murray, by contrast, make four key points. *Conflict* is not just concerned with the distribution of rewards, as it is seen in pluralism, but

also revolves around the organization of production. *Trade unions* should be seen not as interest groups but as class-based intermediary organizations. They cannot necessarily, therefore, simply aggregate workers' interests, and they may not be able to handle some shopfloor discontents. The Swedish shipyard would be an example, for the unions were confined to a legally defined bargaining relationship and were unable to address some major shopfloor issues. *The state* is "a set of institutions that reflect and reinforce relations of social power," which contrasts with pluralism's view of the state as passive. Further, patterns of industrial relations need to be related to "the dynamics of international and national social *structures of production and accumulation*," whereas pluralism says little about these dynamics.

These last two points are elaborated in the second critique, that of Roberto Franzosi (1989). Taking Italy as his example, Franzosi detects two problems with a political economy explanation. First, it would be predicted that a strike wave should be a response to political crises, whereas this order of events was often reversed. Second, if strike waves depend on events within individual countries, why do they tend to occur at the same time in most capitalist nations?

Franzosi argues for an integrated approach that would deal with the latter point by exploring forces operating within the mode of production as a whole. The most developed theories at this level of analysis are those identifying long waves of accumulation and relating trends in indexes of conflict to these waves (Screpanti 1987; Silver 1991). Such theories offer some intriguing suggestions (see Edwards 1992a) but need no further comment here. Franzosi also underlines the causative role of conflict: most theories take strikes to be a dependent variable, but the Italian case shows how strikes can significantly affect later developments. He also argues for the need for much more attention to the policies of employers and the state in managing conflict. In short, instead of seeing strikes in particular and conflict in general as the activity of workers and unions and as merely responses to structural conditions, the interrelations of workers, unions, management, and the state must be considered.

Much of this program is not novel. After all, Clegg (1976) had reached a similar view about the importance of employers from a purely conventional analysis. As discussed below, studies of the problem of workplace order have also begun to appear. Franzosi's work remains important, however, in focusing sharply on the weaknesses of political economy. Perhaps the most important implication of his critique is that the approach has ceased to be a progressive research program: once the basic point about political exchange was made, any further development has involved abandoning the core of the approach by exploring the historical dynamics of the labor relation within specific national contexts. A perspective informed by the workplace offers a new route forward.

Conclusion

Political economy claims to address the question of how class conflict has developed throughout the capitalist nations. Yet its model of conflict is one-sided, in that it focuses on the demands of labor and neglects the strategies of employers and the state. It is also one-dimensional, in that it pays so little attention to the workplace. In accounts of large-scale phenomena such as class conflict, the workplace tended to be seen as unimportant, with events here perhaps filling in some details but otherwise being of little interest. In fact, in any capitalist economy, political exchange is irrelevant without the production of surplus value within the workplace. Such exchange can certainly help to "neutralize the workplace," but the historical dynamics of this process cannot be reduced to the ideal-typical and static models of political economy.

The State and Legacies of History

This section turns to two of the issues at the heart of an alternative view, namely, the roles of the state and employers in the development of historical traditions within nation states. This is not, of course, to argue that unions and workers have been unimportant. It is to make two points. First, the overwhelming emphasis until relatively recently was on unions: traditional labor history was the history of unions, not of the regulation of work. At the very least, attention needs to shift toward other key actors and, even more important, toward how work has been organized and controlled. Second, it can be argued that employers and the state are the key influences in explaining variations between countries. As Sanford Jacoby (1991) argues in the case of the United States, the demands of unions were not substantially different from those of labor in other countries. What was critical was the reaction of employers in the context of the wider social and economic environment. Sweden would be another example, for early unionism was of the craft character familiar in the United States or Britain. But the nature of Swedish industry, the organization of employers, and the response of the state led labor relations away from craft traditions. It is thus important to consider how the state and employers have been viewed.

Though debate on the state and employers has been wide-ranging, the center of the analysis has been simple: how can the problem of the workplace be managed? There is thus a very clear connection between the "micro politics" of the workplace and the "macro politics" of the state. Debates on both topics also sharply contrast two different approaches, namely, a form of contingency theory and a more materially grounded analysis.

Contingency Theories of the State

In relation to the state, the clearest expositions of contingency theory are those of Theda Skocpol (1980) and Jonathan Zeitlin (1985). Both

authors were reacting against the determinism and functionalism of certain Marxist theories of the state. These theories tended to assume that the state responded to the "needs" of the capitalist economy and that its interventions were successful in promoting the integration of labor in particular and the continued functioning of capitalism as a whole. It was not difficult to indicate the problems with such a view. But it was not clear what the critics put in its place. Having demonstrated, for example, that key actors within the state do not merely follow some presumed "needs" and instead make important choices, the critics merely suggest that everything is contingent on the balance of political forces at a given time and indeed on accident. They accept that, within any one nation state, traditions of state intervention grow up and that these reflect the institutional structure of the state. Thus, the reluctance of the British state, as compared with Sweden and even the United States, to adopt Keynesianism in the 1930s is explained in terms of the powers of conventional economic theories within the government and civil service (Weir and Skocpol 1985). But any deeper argument about the nature of the state and its dependence on a capitalist economy is ruled out.

As argued elsewhere (Edwards 1986, 144–54), this approach jumps from one extreme to another. The evident failings of certain Marxist theories do not mean that one must reject all efforts to establish the nature of the capitalist state. Capitalist economies may not have "needs" that are automatically recognized by the state, but they do generate pressures and impose constraints on states. The pressures reflect the conditions that are necessary for the economic system to continue to operate. As capitalism develops, these conditions change. Thus, early capitalism could happily operate without much state intervention in the economic infrastructure, but by the late nineteenth century the benefits of a trained workforce and of state-provided education as the means to this end were increasingly voiced. The constraints indicate the limits on the choices open to state actors. Even where capitalism has lost legitimacy, as in the United States in the early 1930s, feasible means of state intervention are defined by what is compatible with a capitalist economy; state planning was not on the agenda.

Different states can adopt different policies as a result of the specific circumstances in which they operate. They are, moreover, not always successful. Contingency theorists often criticize more structuralist accounts for being untestable. Yet a retreat into empirical complexity is hardly an answer. Cases of state failure can be used to establish the conditions for the continued functioning of a capitalist economy. The state in tsarist Russia in 1917 was plainly failing to reproduce the conditions necessary for a capitalist economy, and consideration of the case could well identify which conditions were absent. In short, to speak of conditions and pressures is not to sink into functionalism but to identify forces that constrain but do not determine the behavior of state actors.

A further illustration of the constraints on state intervention comes from the timing of efforts to manage the capital-labor relation. If the state were an autonomous actor, such efforts would occur whenever people within it wished to intervene. That intervention comes only when there is a perceived crisis in the management of labor indicates that it is the relationship between the state and the capitalist economy that is crucial. As Burawoy (1985, 139) puts it, "State politics does not hang from the clouds; it rises from the ground, and when the ground trembles, so does it."

States as Managers of the Labor Relation

As noted in the introduction, Burawoy himself made an important contribution to the discussion of the constraints on state intervention. His starting point was that labor process analysis of the workplace had been underpoliticized, in that few connections had been forged between the shopfloor and power relations in the rest of society. By contrast, discussion of the state was overpoliticized in concentrating on politics in the sense of relations between political parties, the behavior of organized interest groups, and so on, to the neglect of the management of labor.

On the overpoliticization of the state, much debate has turned on the political process at the national level, as though it is cut off from developments in the economic base. For lengthy periods, the regulation of labor may not in fact be an open issue for national politics. But in every major state it has surfaced at least once—during the New Deal in the United States and during World War II in Canada, in the 1930s and 1960s in France, in the early 1900s in Sweden, in the 1890s in Australia—and it is always implicit in the forms of class accommodation reached even when it is not explicitly a topic.

Burawoy argues that the differences in workplace regime that he identified in Britain and the United States—a reliance on informal bargaining at the point of production in the former, compared with detailed, legally enforceable contracts in the latter—stemmed from differences in state regulation. He categorized these differences on two dimensions, as shown in table 1.1. State support for the reproduction of labor power refers to such things as unemployment benefit and welfare systems. State regulation of factory regimes entails direct involvement in the relation between capital and labor, for example, whether any laws require employers to bargain

Table 1.1. Burawoy's Classification of the State Regulation of Labor

	Support for reproduction of labor power	
Regulation of factory regimes	*High*	*Low*
High	Sweden	United States
Low	Britain	Japan

Source: Burawoy (1985: 138).

with unions and whether collective agreements are legally enforceable. Britain scores high on the first dimension and low on the second, whereas the reverse is the case for the United States. Burawoy fills in the other two boxes in his diagram with figures for Sweden and Japan.

Burawoy's depiction of the two factory regimes is illuminating, and the general differences in state approach to the workplace between Britain and the United States are incontrovertible. It is difficult, however, to use the model to analyze other countries. For example, Australia's egalitarian society and strongly state-supported bargaining system would place it in the same box as Sweden, and yet such things as its strike pattern and its trade union structure are very different. Burawoy might argue that workplace regimes nonetheless have important similarities. It is true that, in both cases, the use of industrial action is shaped by the legal systems, but the response to the constraints is different. In Australia, strikes reflect two rationales: the use of a brief stoppage to indicate workers' feelings and thus to put pressure on the state's arbitration system; and less organized protests by workers who find that they have no means of bargaining directly over workplace issues such as discipline and health and safety (Waters 1982). Sweden lacks such aggressive tactics (Korpi 1978; Sisson 1987, 28).

In defense of Burawoy, it might be argued that these empirical problems show that he has identified necessary but not sufficient conditions to explain differences in behavior. That is, his dimensions capture certain features of national regimes but not all the key ones. As the political economy school would emphasize, political exchange in Sweden has taken the heat out of workplace grievances, and the form of such exchange is a further dimension that needs to be included. If, however, Burawoy's classification is viewed in this way, then it is not clear why weight is placed on these particular dimensions. They may serve to differentiate Britain and the United States, but their general applicability has not been established.

A further difficulty relates to the explanation of why countries are in specific boxes. Staying with the example of Sweden, Burawoy (1985, 147) explains why national-level bargaining emerged between the LO (the confederation of manual workers unions) and the employers' national federation, the SAF, in terms of late and rapid industrialization, which occurred when labor movements were already influenced by socialism. There are some important elements in the causal story sketched here. As Fulcher (1988 and 1991) has argued, accounts emphasizing industrialization alone are inadequate: what was crucial was the combination of industrial change and political development. By the time Sweden industrialized, a strong socialist ideology had already emerged. The franchise was also very limited, and most of the working class had no vote. Working-class people were thus open to the arguments of socialist organizers, so that party loyalties generated unions and helped to direct aspirations at the political center. Most analysts also emphasize the small number of firms and their export orientation.

The difficulty, warns Fulcher (1988, 271), is that "it is all too easy to take shortcuts and telescope complex historical processes." Care is particularly important in identifying what is being explained and which combination of factors is used to account for it. Is the question the extent of state intervention, the early formation of the SAF, or the specific policy adopted by the SAF? Burawoy's list helps to explain the second issue, although even here specific contingencies have to be addressed. As Sisson (1987, 160) notes, the early formation of the SAF was due less to the concentration of industry than to the difficulties Swedish firms faced in establishing "single-industry organizations at this stage of industrial development." For the other questions, Burawoy's list is even less satisfactory.

Particularly important in the Swedish case is the role of the state. In many ways, the Swedish state did not take a leading role in regulating factory regimes, because of substantial splits within the legislature. As Sisson notes (1987, 157), "Employers were frustrated in their hope that the state would intervene with legislation to deal with the challenge of trade unions." Employers were thus forced to deal with the challenge themselves.

State regulation of workplace regimes was not established in Sweden until confirmation, in 1928, of the legal enforceability of collective agreements. Intervention has in some ways remained limited; for example, the state imposes far fewer rules on the conduct of unions and employers than in the United States or, since 1980, in Britain. Swedish employers cherished their independence from the state, albeit at the price of an accommodation with labor. As for the state, its leaders were conscious of the costs of continuing industrial disruption and felt that there was a need to contain it within acceptable bounds. Thus, though Sweden and the United States both score high on state regulation of the workplace, the origins and nature of this regulation are significantly different. As discussed below, this explanation fits within Burawoy's overall approach, although it also indicates the need for the detailed reconstruction of key historical episodes.

Classificatory boxes can interfere with this approach. Differences between countries, remarks Sisson (1987, 137), "represent variations on a common pattern of development." That is, employers faced the general problem of managing labor, in particular the emergence of organized challenges by unions, and their responses reflected the circumstances in which they found themselves. To place the results in boxes may provide some initial categorizations, but the exercise is at best a starting point.

In directing attention to the state's approach to the labor problem, Burawoy has indicated how these processes might be analyzed. In particular, structural forces exert pressures, but these have to be interpreted at the key turning points when the management of labor enters the political arena. A workplace orientation thus directs attention to the management of labor in ways that tend to be neglected in conventional politically

oriented accounts of the state's interventions in the economy. Forms of accommodation carry implications for the future, and decisions at one juncture are shaped by previous choices. National systems of labor regulation have their own dynamics and are not to be reduced to static typologies.

Among the most important illustrations of this point is Alan Fox's (1985) analysis of the role of the British state. Fox characterizes the state's approach to the labor problem as an attempt to manage it through a rule of law. At various key junctures authoritarian solutions were rejected and a form of compromise was engineered. The compromise involved a degree of acceptance of the lower orders within the political system, but there was no clear-cut strategy. Though the state would try to contain certain aspects of trade union behavior, there was no firm commitment to back employers in labor disputes. In contrast to German employers, who could be confident of state support in their key encounters with labor, British employers could never be sure that the state would back them. There was no systematic policy, only the development of understandings as to what was reasonable.

Fox explains this development in terms of the slow evolution of the British political system and the reliance of the ruling class on certain long-established and trusted recipes for responding to the challenge from below. But this is no contingency theory. Fox takes it for granted that there were problems that had to be tackled and that these had a material basis in the capital-labor relation. He does not labor this point but instead focuses on how the problems were interpreted at certain key junctures. These decisions—for example, to adopt a reformist rather than a repressive route during the Reform crisis of 1832 and to avoid authoritarian legislation in the face of the labor challenge of the late nineteenth century—helped to determine the course taken subsequently. The pace and timing of industrialization may have been a background factor, but to explain developments properly calls for a reconstruction of choices and historical dynamics, not a search for static and monocausal explanations.

Legacy of History and Role of Employers

Comparative work on employers' policies has developed in a similar direction (e.g., Jacoby 1985; Sisson 1987; Zeitlin 1990; Gospel 1992). The central question is simple: given that employers make important choices in responding to labor's challenge, how much are these choices freely made, and how much are they dependent on structural conditions?

Contingency theory has again emerged as a significant force, essentially criticizing structural accounts and offering a more voluntaristic model. There are two expressions of it that are relevant here. First, there is the well-known "societal approach" of Marc Maurice, François Sellier, and Jean-Jacques Silvestre (1986). Comparing matched firms in France and Germany, and thus controlling for influences such as technology, these authors found that there were substantial differences in such matters as the structure of the managerial hierarchy, the role of the supervisor, and pay differentials. Other authors (e.g., d'Iribarne 1989) develop a similar approach that goes back at least as far as Michel Crozier's (1963) celebrated identification of the base of a certain approach to organization deep in French culture and society, that organizational structure varies between nations for reasons due to distinct national managerial and cultural traditions. Much of this argument—notably that there are indeed national characteristics—is consistent with the present discussion. It is, however, directed at the overall nature of management and not at the issue of labor regulation as defined here. Nor does it explore the contradictions in the ways in which managements and the state have tried to handle the labor problem. Each nation is presented as a bundle of deeply rooted but essentially unchanging characteristics, and the dynamics of attempts to solve the labor problem do not feature strongly. As Lane (1989, 34–37) explains, the constraints of capitalism are not addressed, and managerial policy is thus ungrounded. Moreover, references to 'actors' notwithstanding, the ways in which managers and workers interact, a key theme in the present volume, are given very little attention. We take up the links between global capitalism and national systems in the conclusion.

A more dynamic approach is provided by Steven Tolliday and Jonathan Zeitlin (1991a and 1991b). They argue that many accounts, the conventional ones associated with Alfred D. Chandler (1977) as well as more radical analyses, tended to assume that "the logic of capitalism itself obliges firms to adopt the form of organization that most efficiently serves their economic interests" (Tolliday and Zeitlin 1991a, 8). Yet analysts have increasingly been forced to recognize that there has been no universal trend toward deskilling and no one best route to competitive success. Nonetheless, this recognition has not changed underlying assumptions, so that even the "most sophisticated" writers are "unwilling to concede a genuine scope for managerial choice" (12). Tolliday and Zeitlin go on to cite substantial evidence that the constraints of the market and technology do not determine managerial behavior. They conclude that outcomes "depend not simply on markets and technology but also on the interaction between the strategic choices of employers, trade unions and the state" (1991b, 324).

Though many of these points are well taken, two problems remain. The first is empirical. Tolliday and Zeitlin offer a magisterial synthesis of the development of employer labor policy in the leading industrial countries. But there remains a nagging question as to why matters developed in the way they did: why were these choices made, and how far, given economic and political traditions and previous patterns of decision, were they genuinely free choices? The relative importance of different factors might be pursued more rigorously through comparisons between two or three countries. Covering an array has the benefit of considering a range of cases, but it tends to weaken an assessment of key causal factors.

Second, there is the same analytical problem as that faced by contingency theories of the state. Many of the specific points made are valid. For example, employers do make mistakes, and there are different ways of managing the labor problem. But what level of critique is this? Does it mean that employers face no common problems and that the demands of product markets and competitive pressure place no constraints on choice? If we consider the policies of unionized American employers since the 1970s, it is clear that the threat of competition from other countries and from nonunion firms within the United States was a major factor leading to change. Firms certainly responded in different ways, but choice needs to be seen not as a factor on a par with other structural conditions but as a means of managing within the limits that these conditions set. The twin needs of producing surplus value in the production process and realizing this value in exchange are the fundamental issues facing any capitalist firm.

Tolliday and Zeitlin (1991a, 13) respond to this argument by questioning how far the market acts as a means of natural selection, allowing only firms that practice efficient policies to survive. Yet the criterion is too strict. There plainly is some room for choice, and markets do not send inefficient firms to the wall immediately. They do exert constraints, however. Tolliday and Zeitlin's own examples make the point. They note that enterprises such as British Leyland (BL), British Steel, and the National Coal Board were able to pursue highly questionable policies that were driven more by internal political logics than by the hand of the market. Yet these firms have experienced massive job losses and, in the case of BL, disappearance as an independent entity. Such losses are the price of making choices that lie for too long outside the bounds of the constraints of the market.

This is not to suggest that there is "one best way" to which all firms must approximate or die. There are different ways of responding to market constraints, for example, a policy of high wages and high skills or one of short-termism and hire and fire. Either may work. But each policy needs to be able to respond to market pressures and to integrate business plans with labor management. The failures of the firms mentioned above stemmed from an inability to develop any particular model of their own and a tendency to try to ape what they saw as "best practice" (Williams, Williams, and Thomas 1983).

Contingency theory thus offers valuable correctives to determinism. But choice (even when sanctified with the adjective "strategic") has to be seen in the light of the material forces shaping firms' environments. We may now consider what specific features of choice have been seen as critical. Most scholarly attention has focused on Britain, for the behavior of employers here is at first sight most difficult to explain. British employers were the first to enter the capitalist era and yet, by the late nineteenth century, they were felt to be acquiescing in shopfloor challenges to their own authority, which their counterparts in Germany or America were able to root out. How could this happen?

There is no doubt that workplace relations in Britain have evolved in distinctive ways. Custom and informal understandings have been crucial. Efforts by the state to regulate the workplace were few and limited, and employers did not develop the sophisticated systems of personnel management that characterized their counterparts in the United States. The result was a reliance on unwritten agreements, creating an environment in which open bargaining could flourish. This bargaining, moreover, covered the organization of work as well as pay systems.

As noted in the introduction, a well-established view explains these developments in terms of a craft legacy that was itself the result of employers' market circumstances. The difficulty is that the account applies only to the minority of industries where craft unions played a role, whereas the weakness of the economy was more deep-seated. The problem was one of employer approaches to labor management, not of craft constraints. It is, for example, well established that until very recently British firms were far less professionalized in handling personnel issues than their American counterparts (Jacoby 1985; Sisson 1989; Thomson 1981). This has been a generic feature of many, if not most, British firms.

Consider the food firm Cadbury's (Smith, Child, and Rowlinson 1990). This company had nothing that could be called, in any exact sense of the term, a craft legacy. Yet by the late 1970s it was facing similar problems to those in the more well-known industries such as autos: loss of market share, technological backwardness, and a sense that control of the shopfloor had slipped away from management (as indexed by problems of productivity and a chaotic wage payment system).

Some elements of the explanation are consistent with William H. Lazonick's (1990) account. Notably, the firm eschewed the Fordist principle of producing a few standard products and instead had a large number of different lines. Yet this factor did not lead to craft controls on the shopfloor. Cadbury's had chosen a form of paternalism to run the shopfloor. By the 1970s this had produced a cozy atmosphere that in itself created few problems but that was increasingly incompatible with the need to rationalize: the shopfloor was not generating problems in the form of strikes or extensive craft controls of production, but reforming it was part of the solution. Two points follow. First, competitive weakness did not necessarily stem from craft traditions. Second, a firm like Cadbury's made choices and was not locked into one style of development. Its production system was consistent with autocracy as well as with paternalism, and its choice of paternalism reflected specific aspects of the management of the firm, and not the inevitable logic of product market forces. Third, paternalism survived only as long as it was consistent with the pursuit of competitive advantage. The firm had no compunction about dismantling its famed traditions of labor management, and in the 1970s it began to impose a more rigid discipline on the shopfloor.

A further revealing illustration is provided by the railroad industries in

Britain and the United States (see Edwards 1991 for more details). Unions became established more slowly in Britain than in America: anything approaching normal collective bargaining was not established until after World War I (Bagwell 1963), whereas written collective agreements and formal grievance procedures developed in America during the last quarter of the nineteenth century (Richardson 1963; Licht 1983). In this case, one would expect craft legacies to restrain the American, not the British, companies. Yet American firms rationalized their networks while British firms failed to do so (Chandler 1977, 133–44; Bagwell 1968, 119, 243). In the 1890s, the average freight train load on Britain's lines with the heaviest loads was 68 tons, versus an average of 484 tons on America's leading line (Aldcroft 1974, 9–14, 38–40).

Failure to rationalize in Britain cannot be explained in terms of craft restraints. What of the size of firms and the fragmentation of markets? The British railroad industry was more oligopolistic than many: in 1914, four companies owned 53 percent of the rail network (Simmons 1978, 240) and they dominated many smaller companies, so that their effective control was greater than this figure suggests. Fragmentation was perhaps more important: unrestrained competition led to a proliferation of lines and made rationalization difficult. But this failure to rationalize was a generic feature of British employers. As Lazonick (1981) himself argues, the British approach was to maximize within constraints, whereas in the United States and other countries these constraints were treated as challenges to be overcome.

Why this should be so in Britain is beyond the scope of the present discussion. The key point is that a failure to rationalize reflects an approach to the management of the enterprise that goes deeper than the limits of a craft legacy. For example, the training of managers was rudimentary, and the companies failed to look outside for new methods: "At the level of management, they came to constitute a closed service" (Simmons 1978, 251). As Howard Gospel (1992, 7) argues of British firms in general, family control of the business and low levels of managerial education and training led to "insufficient organisational capacity . . . to develop and administer strong internal systems of labour management." Some firms partially escaped this national situation, but even they did not do so completely.

Conclusion

Historical accounts of employer and state policies have either identified constraints such as the craft legacy or emphasized the complexities of historical development without placing the numerous factors that they cite into a wider framework. Legacies are certainly important. But perhaps central are the assumptions that emerge among employer and state managers about how to manage the labor problem, and not any external constraint. These assumptions develop a logic of their own, such that the management of labor in, say, Sweden and the United States moved along different paths. But these paths were not built on wholly different principles. They were routes to the common problem of regulating labor.

Conclusion: States, Employers, and the Workplace

This chapter has tried to indicate a set of themes that either locate and justify the approach taken in the rest of the book or that introduce concrete issues pursued in it. Under the former head, the introduction underlined the centrality of conflict within the labor relation. Within traditional industrial relations writings, conflict used to be equated with strikes, leaving the connections between such overt sanctions and the organization of conflict within the production process largely unexplored. Comparative studies followed this approach. The great contribution of political economy was to see strikes as part of a wider relationship between unions, employers, and the state. Its limitation was its typological approach and a lack of evidence on the workplace relations underlying a given strike pattern.

Developments around a mode of production approach have offered a more dynamic view of the labor relation. Yet there is an evident need to complement analysis at a national or industry level with study of the dynamics of conflict within the workplace. As argued in the introduction, with growing employer attention to initiatives within the workplace, it is here that the management of conflict is likely to be particularly significant.

A second theme relates to contingency theory. The theory is correct to question deterministic models of development, but it tends to see the regulation of labor as lacking any logic or material base. The assumption guiding the present collection, by contrast, is that there are identifiable structural forces at work. Managements have to turn labor power into labor, which is an uncertain and contradictory process. Not surprisingly, therefore, the ways in which labor is performed vary both between countries and over time. But this is variation on a theme, and it is constrained by the need to continue to produce a surplus in the production process and to realize it in the market. Variation occurs within limits.

In relation to the state, too, the current fashion is to emphasize its independence and to explain its behavior in terms of its own dynamics. The present argument, by contrast, is that, though states certainly make choices, the choices made, and indeed the fact that states have to take any position at all on workplace issues, are shaped by pressures from the productive sphere. The American state would not have been led to pass the New Deal labor legislation without a "labor problem" that called for attention.

Further, the form of intervention reflected the preexisting nature of class relations. It was taken for granted that collective bargaining between an individual employer and a single union was the natural order and that the state should buttress this system. This reflected the development of

employer power within the workplace in the nonunion era, as compared with the development of multiemployer arrangements in a country such as Sweden. The preference for exclusive union jurisdictions reflected long-established workplace practice, whereas in France, with its multiple union traditions, the state would have been unable to impose such an arrangement.

As for concrete issues, the nature of employer and state activity within the workplace features heavily in the following chapters. This chapter has outlined several debates, partly to set the context for the detailed studies and partly to introduce some key arguments. There are three such arguments. First, the state plays a significant role in labor regulation. Reference in later chapters to its impact on workplace regimes is not a chance observation but part of a well-established debate. Second, the state's role varies between countries. The following chapters help to explore the nature of this variation. Third, the state has a generic impact. The literature reviewed in this chapter sees state policies as central to the explanation of historical variation. When following chapters focus on the role of the state and not on other aspects of the environment of a workplace, they have good grounds for doing so. State interventions shape the regulatory regime of a country in clear ways: they impinge directly on the system of labor regulation in the workplace, whereas other external forces do not.

A final concrete issue is variation in the behavior of the employer. There certainly are differences within national systems. For example, sectors such as construction, dominated by small employers and facing specific product market and technological circumstances, differ from mass production. Yet there are approaches to labor that are characteristic of employers within a whole country. Firms in Germany, for example, cannot escape the system of industrywide bargaining. And, as argued above, British rail companies, though free of the constraints that faced their counterparts in many manufacturing sectors, still failed to rationalize the shopfloor; this failure stemmed from their wider lack of interest in rationalizing the production process as a whole. By contrast, American railroads, in their vigorous opposition to industrial unions, were no different from the steel or engineering firms.

Thus, when workplaces in two countries are compared, one can be reasonably confident that real national differences, and not accidental aspects of a particular case, are being explored. This point is important in buttressing arguments about generalization considered in the introduction. The British firms discussed by Bélanger and Haiven were not inhibited by a craft legacy. Their reliance on ad hoc approaches and their lack of coherent labor strategies were part of a wider British approach that has continued even into the 1980s and 1990s (Edwards et al. 1992). Haiven shows that one function of grievance arbitration in Canada was to educate managers in current good practice and thus to promote a systematic, professional style. Even if managers in his British firms had wanted a legally sanctioned grievance procedure, it is doubtful whether they had the organization to handle it effectively. The British firm studied by Bélanger lacked a developed personnel function, and it was driven along by reactions to immediate crises. Its labor policy was one part of its managerial approach.

In addition to all these points, the overall lesson from this chapter is simple. Analyses of variations in labor regulation have advanced our understanding of how labor is regulated and how the workplace may be "neutralized." But what actually happens within the workplace itself? The following chapters take up this question.

2
Job Control under Different Labor Relations Regimes: A Comparison of Canada and Great Britain

Jacques Bélanger

Drawing on fieldwork conducted in Great Britain and Canada, this chapter aims to explore the interaction between specific patterns of labor control and national labor relations regimes. The analysis relates mainly to the way work relations are shaped by the economic and institutional forces outside the enterprise. In examining the connection between "micro" and "macro" levels, it also seeks to achieve a better understanding of the national regimes under study, through an analysis of their effects in particular workplaces.

Research carried out in a car components manufacturing plant in Coventry, England, enabled me to document a particularly pronounced pattern of job control and to explain its basis. The production workers had a great influence on the utilization of their labor power, and especially on job assignments, mobility between workshops, and work intensity. The situation observed subsequently in a large Quebec factory suggested stimulating questions from a comparative perspective. The workers here, in a plant that manufactures subway cars, had as much autonomy in the execution of their tasks and in their relationships with the foremen as did their British counterparts. They were able to reorganize the operations within their work groups, and, given their control of work intensity, they finished their workday a few hours before the end of the shift, a practice that was even more widespread than in the plant in Britain.

This chapter develops in five sections, of which the first seeks to define the problem under study and to show its relevance to recent industrial relations literature. After exposing briefly the theoretical approach and considering some issues of methodology in the second section, the three empirical sections present in turn three levels of analysis, namely, the extent of job control, social regulation in the workplace, and wider influences.