The New Old Economy
Josh Whitford, Oxford: Oxford University Press, 2005, £30.00, 220pp (Production) Regime Change?

Whilst much ink has been spilt documenting the decline of manufacturing in Western economies, its antecedents and consequences, comparatively less attention has been given to exploring the changes in manufacturing organizations that remain, and in particular the trend that sees the transfer of much productive activity from large manufacturers to smaller suppliers. An investigation of these changes, and their implications, in the context of US manufacturing, and in particular in the American Upper Midwest, provides the departure point for this study.

The book is organized into three sections. Section one essentially presents an extended literature review, which seeks to historically contextualise the decline of US manufacturing and draws attention to its uneven nature. Whitford suggests that the changing contours of deindustrialisation are a consequence of changes in the economic structure of manufacturing, which are characterised as being based around a ‘new production paradigm’ and consequent ‘decentring of production’. Crucially this involves the outsourcing of manufacturing and means that production is unlikely to remain ‘under one roof’. The implications of this for firms in terms of managing relations, complexity and quality are stark, and their exploration forms the central contribution of this text.

Section two presents the findings of an empirical case study of metal manufacturing in the American Upper Midwest. This focus is justified by the claim that the region accounts for one in four durable manufacturing jobs in the US. The study draws upon 102 semi-structured interviews with personnel from large manufacturers, their suppliers, and a variety of end users. The intention of the research is to explore how the trend toward decentralization is enacted on a day-to-day basis. The result is a complex and rich account, which gives ample voice to research participants with the author skilfully drawing a narrative account through the use of extracts from interviews and interpretation. The importance of inter-firm relations is highlighted, together with the potential for collaborative gains to be made albeit at the cost of closer interdependence. Despite the somewhat optimistic picture that emerges of the potential for mutual gains and reciprocity from joint endeavour, the voice of pragmatism is resonant, as economic and psychological costs of uncertainty appear to pervade, with the interview text giving voice to the often-resultant intra-firm conflict, which invariably seeps into inter-firm relations.
Section three, drawing on the evidence of potential failures of collaboration outlined in the empirical material, raises the question of the degree to which collaboration might possibly be stimulated by nonmarket interventions. Drawing upon the experience of a collaborative group of seven manufacturers firms that formed a manufacturers’ consortium, Whitford argues that space exists for the development of co-ordinating, nonmarket entities, that function to overcome the uncertainty explored in section 2.

Despite the clear link between the various sections of the book and the way in which they appear to neatly coalesce into clear policy prescriptions, the issues of employee training and levels of skill were notably absent. The discussion is suggestive of the need for intra-firm flexibility and quality yet the issue of training and development is largely ignored. This also has a clear relevance in terms of state level policy. Within a UK context for example, authors such as Finegold and Soskice (1998) draw attention to the relationship between low-valued added production and low investment in skills development through the concept of a ‘low skills equilibrium’, where firms face significant disincentives to invest in training and development. An analysis of the pattern of skill formation that emerges in the context of new production regimes might have usefully informed the discussion.

In summary, this is a book that will be of interest to economic sociologists who are interested in understanding the development of post-deindustrialised manufacturing. The most important contribution that this text makes is arguably in the use of interview technique and the data that this reveals in attempting to comprehend the complexity involved in the day-to-day maintenance of intra-firm collaboration in the context of growing technological uncertainty. For the author the clear outcome of this is a policy prescription, based at the federal level, of increasing nonmarket stimulus for collaboration through the infrastructural support of cooperation. The degree to which the political will exists for an agenda based on this type of regime change in the United States is certainly a topical question, and one worthy of consideration.

Reference


Keele University Matthew J. Brannan

The Making of Social Theory: Order, Reason, and Desire

A frequently voiced complaint by those charged with teaching undergraduates in the humanities and social sciences is that their students lack both a historical