

# MATHEWS AND THE NEW PRODUCTION CONCEPTS DEBATE

**Peter Gahan\***

During the last three or four years John Mathews has made important contributions to the study of political economy in Australia (Mathews 1989a, 1989b, 1989c, 1989d, 1990, Badham and Mathews 1989). These ideas, usually referred to as post-Fordism, have been important because they have influenced the direction of both the theoretical and political debates over the restructuring of work and production. However, these new production concepts have been subject to considerable critical comment, by myself among others (Gahan 1991). In a response, Mathews has expressed surprise at the nature of these criticisms (Mathews 1992). He suggests that rather than taking a negative stance and focusing on perceived weaknesses in the post-Fordist thesis, researchers should engage these ideas in a more positive manner, given the appeal of the concepts for those seeking to influence the change that many workplaces are currently experiencing. He also expressed concern about the manner in which these critics have muddled 'the ideas of intellectual critique with personal and political abuse' (Mathews 1992, 92).

Intellectual and scholarly exchange is about debates which occur in a critical and analytical manner. Criticism of ideas does not constitute a personal attack or intellectual abuse. What this paper seeks to do is to answer the criticisms made by Mathews of my work, and to counter the

---

\* Thanks to Andrea Mahony, Rick Iverson, Steven Deery and the *Journal's* referees for comments and criticism on earlier drafts of this paper.

somewhat perplexing claim that my scholarship is in any way 'strange' (Mathews 1992, 94).<sup>1</sup>

## A Critique of Post-Fordism

The central theme of the post-Fordist thesis is an assertion that, in the last decade or so, a fundamental change in the organisation of work and work relations has occurred: there has been a movement from Fordist production systems (ie. standardised, mass-production) to a new set of production processes. This change is said to be in response to a crisis in international capitalism. In this new post-Fordist era, rather than continuing the trend of deskilling and fragmentation of the work process, firms are said to be reintegrating job functions, up-skilling and 'professionalising' workers as a strategy to enhance the accumulation process. Kern and Schumann (1984, 57) referred to this as a "holistic approach to the appropriation of labour power".

Identification of the post-Fordist alternative is said to be based on the experiences of firms, both in Australia and elsewhere, that have been subject to strong international competition, which has produced volatile and constantly changing product market demand. To survive, these firms have needed to engage in continuous product innovation. This implies shorter production runs, which in turn requires a flexible production process. As the production process is characterised by regular adjustment, a firm's labour requirements are also changing. Instead of demanding workers who possess a narrow range of skills, firms require workers who are able to undertake a range of job functions. These new processes also require workers who can work autonomously and make decisions independent of management. All of these changes are said to have implications for how we conceive of work, our place in the international economy, and the role of organised

---

1 It is, however, 'strange' that Mathews can only justify including my work in his response on the basis that it is published in the *Journal of Industrial Relations* (Mathews 1992, 94). The implication that my critique of the post-Fordism has no intellectual merit borders on a position that is certainly not 'the stuff of intellectual debate' (p. 93).

interests such as unions. In short, it has been asserted that this is a new 'Age of Democracy' (Mathews 1989b; Lipietz 1992).

In response, I have argued that there are number of problems with an uncritical acceptance of the post-Fordist thesis (Gahan 1991). First, it was not clear that post-Fordist ideas were in fact so new; nor did they represent a distinct break with past ideas. I compared a number of the central concerns of the post-Fordist thesis with the ideas found in the work of Kerr, Dunlop, Harbison and Myers (1960, 1975). These parallels are striking, especially given that the work of Kerr et al. stands at the very core of the ideas from which the post-Fordist ideas are said to have made a break. Thus the post-Fordist ideas do not represent an organisational or intellectual catharsis. It is thus more appropriate to see the post-Fordist thesis as part of a historically continuous development of ideas on work and the organisation of production.<sup>2</sup>

Second, is the deep theoretical confusions permeate post-Fordist concepts. Three specific theoretical notions are significant: the use of the concept of strategic choice between various production paradigms; the use of the concepts of competition and markets; and how the post-Fordist thesis has incorporated the process of change into its central theoretical propositions.<sup>3</sup> All of these concepts have been incorporated into the post-Fordist thesis in a contradictory or ambiguous way. Thus, contrary to the assertion of Mathews and others,<sup>4</sup> it was unclear why the post-Fordist outcome would be in the interests of both firms, management and labour; not to mention the various other interests and organised movements that pursue their own sectional interests, both within the workplace and at the political level (Gahan 1991, 173).

---

2 For a systematic analysis of this 'dualistic rhetoric' of the competing Fordist and post-Fordist production paradigms, see Sayer and Walker (1992, pp. 193-212) and Pokrant (1993, 5-7).

3 These do not, of course, capture all of the theoretical concerns which have been identified with post-Fordism. Two additional concerns, which have been dealt with in some detail by Sayer and Walker (1992, 24-53 and 198-212) are the implications of the gender division of labour for the post-Fordist analysis, and confusions surrounding the use of the concept of flexibility.

4 Lipietz (1992, 92-100), for example, has argued that post-Fordism can be the source of wide ranging 'citizenship rights'.

Third, concerns arise about operationalising the post-Fordist thesis in an empirical analysis of the changes that are occurring in labour markets and the organisation of production. The evidence supporting the post-Fordist thesis is selective, reflected in the incomplete inductive process of empirical validation that Mathews has undertaken to legitimate his assertions about the 'reality' of post-Fordism.

## Mathews' Objections

Mathews (1992) contends that my work is "a strange kind of scholarship that systematically misquotes, misrepresents and misconstrues an argument" (Mathews 1992, 94). Later, he adds that the work "shows the depths of misunderstandings and misrepresentation reached in these debates" (p. 103); and is nothing short of 'dishonest' (p. 108). If Mathews is correct, then my work is certainly not deserving of any reply (as he suggests) - perhaps not even the brusque sidelining given to the work of Bramble (p. 94).<sup>5</sup>

He criticises my paper on six accounts:

- that I have not offered a coherent alternative to post-Fordism (p. 94, 106, 107);
- that I have misconstrued his arguments on the historical development of production epochs and the process of change (p. 103, 108);
- that my paper has taken a contradictory position on the issue of empirical selectivity (pp. 105-6);
- that I have embarked on some "quest to deny the reality of post-Fordist options" (p. 109);
- that I have queried the legitimacy of market forces in debates over restructuring in a questionable manner (p. 109); and,

---

5 His failure to contend with the critique of his own work by Bramble is justified simply on the grounds that Bramble occupies "a political position radically opposed to my own" (Mathews 1992, 94).

- that the comparison of his work with that of Kerr et al. is insulting (p. 122).

## **The Reply**

The vehemence of the attack on my work by Mathews is quite extraordinary. My aim was not to misrepresent systematically the Mathews line in a way that is dishonest, as he suggests (p. 108). My intention was to present a number of problems with these concepts, which the various post-Fordist writers have overlooked or failed to address. The ultimate aim of my critique was not to refute the post-Fordist thesis. Instead, my purpose was to point to the need for a more clearly thought-out theoretical construction that allows a full understanding of the changes occurring in labour markets.

### **1. The Counter - Position**

The first accusation is that my criticisms are not valid because I fail to provide a counter-position to the post-Fordist thesis. A counter-position is not a necessary pre-condition for legitimate criticism. The beginnings of a better understanding of the full complexities of labour markets *do not* have to come with an exposition of a fully thought out alternative position to post-Fordism. The criticisms do not derive their legitimacy from an alternative position, but rather the force of their own argument and logic.

### **2. History and the Process of Change**

Mathews suggests that I have misconstrued his construction of history and the process of the historical change towards the post-Fordist outcome (p. 103, 108); in particular, the epochal nature by which one dominant production paradigm is displaced by another.

This is a misrepresentation of my criticism (Gahan 1991, 165-67; 170-1). My point was to show that the post-Fordist literature - not just

Mathews - has advanced a *contradictory* position on the historical unfolding of post-Fordism and the forces of change which have brought this about. On the one hand, the historical development of the post-Fordist reality is described as a response to a crisis in mass production in the 1970s. Thus the displacement of mass production by post-Fordism is construed in epochal terms where forces beyond the workplace, industry or nation state, act as the sources of change. Yet firms are also able to make choices which are not necessarily post-Fordist or neo-Fordist, such as 'Toyotism' (1989c, 140). A central question posed by this observation is whether firms have been the force behind these changes or the 'callous agent' of larger sources of change. Further ambiguities were raised about the conceptual choices that firms are able to make: Fordism, post-Fordism, neo-Fordism or Toyotism. In particular how does one differentiate between these options (Gahan 1991, 167). Conceptually then, the process of change and its causes is developed in an ambiguous manner.

In addition, historical change has not always been associated with crisis.<sup>6</sup> Kern and Schumann (1984; 1987) note that a firm's ability to introduce innovative production techniques has been associated with high profitability: those firms who enjoy the buffer of higher profits and are in core stable product markets are in a position which allows them to experiment with different production techniques. Norton (1986) shows the importance of product life - cycles and regional economic development as crucial to labour and product market strategies. Hyman (1987) suggests that organisational limitations also play an important role in constraining the ability of firms to initiate change. Streeck (1987) points to the uncertainty of management and unions with respect to these new production techniques given the uncertainty of developments in the global economy. Under conditions of uncertainty, it is not clear that the post-Fordist option represents optimising behaviour for firms.

---

6 The notion of a 'crisis' in mass production is of itself a dubious proposition. See Sayer and Walker (1992, 196-8), Meegan (1988, 136), William, Cutler, Williams and Haslam (1987, 405) and Pokrant (1993)

### 3. The Problem of Empirical Selectivity

Mathews' response to the criticism that the evidence used to support the post-Fordist thesis is selective is difficult to interpret. There are three aspects to the argument put forward. First, he questions my argument that the evidence is drawn almost exclusively from the manufacturing sector. Second, he asserts that I have failed to provide arguments for the case that post-Fordist adherents have been decidedly selective in the gathering of empirical support for their notions. Third, he claims that I have made a *volte face* by pointing to the incomplete inductive process of validation for claims of a more universal significance for post-Fordism. I criticised Mathews for selectively choosing evidence of different facets of the post-Fordist thesis, and not being able to illustrate all of these elements within any single case. I also suggested that a complete inductive inquiry would then seek to find general application for the inferences drawn from any single case study; a step that would be crucial to the legitimising the claim that the post-Fordist thesis represents a coming epoch.

The evidence presented by Mathews (1989a, Chapter 5) for the services sector does not support the assertion that post-Fordist production systems are emerging in the retail and food services. Rather it describes the *computerisation* of these sectors. The development of computerised retailing services and its integration into banking and other financial services, for example, does not necessarily mean an increase in the skill requirement for all workers in those sectors affected by technological change (pp. 63-5). The identification by Mathews of these shifts in the technological basis for the provision of such services cannot be said to constitute major evidence for the emergence of post-Fordism.

Mathews concedes that many of these changes represent 'contradictory tendencies' (p. 106), and the evidence in their favour is by its very nature 'fragmentary and selective' (p. 107). Further, like Kern and Schumann (1984), Mathews argues that one cannot 'expect these new systems to emerge throughout the whole economy, but only in certain sectors, and then not uniformly' (p. 107). The contradictory, fragmentary and selective nature of the evidence found in case studies

raises the problem of interpretation. These changes in the organisation of work and production may be better explained by competing theories.

For example, in a study of the structure of labour markets in Japan, Chalmers (1989) highlights the importance of the peripheral workforce in the organisation of production and work. She draws particular attention to the importance of this sector of employment and production in maintaining the core workforce, whose employment exhibits many of the features that would be associated with post-Fordism. Reich (1991) has likewise recognised the strong continuities in labour market segmentation in his analysis of the impact of a new technological revolution and restructuring of the global economy. That is, he observed the same developments as does Mathews, but finds sense in a quite different explanation. Segmented labour market theory, which has a long tradition in institutional labour economics, is used to explain many of the developments that are characterised by Mathews as providing contradictory support for post-Fordism. Perhaps a more fruitful analysis of the changes in work and production can be found by couching explanations in, *inter alia*, segmented labour market theory.<sup>7</sup> This recognises that it may not be an optimal strategy for all firms to pursue a post-Fordist strategy, or for any single firm to restructure work for all workers along post-Fordist lines.

Having failed to find evidence to justify fully an acceptance of the post-Fordist thesis in case studies, Mathews looks to other means. The reader is informed that the reality of post-Fordism is evident from 'a reading of history' (p. 107).

---

7 This idea is perhaps captured by Dore's (1987) notion of 'flexible rigidities'. Sayer and Walker (1992, 212-3) contend that these rigidities, which appear as unexplainable paradoxes to post-Fordism can be best captured by notions of 'structured flexibility'. One type of structured flexibility is segmented labour markets.



#### 4. The Reality of the post-Fordist Option

A failure to provide strong empirical support for post-Fordism does not mean that the post-Fordist paradigm does not provide an appropriate explanation for the current changes:

Just as a failure to find fairies at the bottom of the garden does not prove that they are not there. All such a failure proves is that the searchers were not able to find what they were looking for. It does not prove that the fairies do not exist. It is always possible that further empirical work will produce supporting evidence for the theory. The lack of empirical foundation for the basic hypothesis underpinning the... argument does not disprove it, but rather, given its lack of any logical deductive foundation, it turns its claim into unsubstantiated assertion. Belief in the theory becomes a matter of faith (Nyland 1989, 545)<sup>8</sup>.

Perhaps it is the case that post-Fordism best describes the workplace of the future: and that the 'limited evidence' (Mathews 1992, 107) will, as a result of future research or strategic interventions by 'young activists and scholars alike', become more universal and 'open up a new world of workplace reform' (p. 95).

To question the post-Fordist thesis because of its lack of empirical basis is not to query 'the reality of post-Fordist options' (p. 109). As an *option* it may still be 'real'. However, the manner in which the post-Fordist thesis is transformed from theoretical assertion into historical truth is questionable.

8

---

Nyland is not relating fairies to the post-Fordist thesis, but to the theory of a negatively sloped labour supply curve. He is cited here to demonstrate the general point about empirical work and the validity of theory.

## 5. Market Forces and Restructuring

Mathews states that I have queried whether market forces have 'any legitimacy in restructuring debates' (p. 109). This is not the case at all. The contention is that the role of market forces in post-Fordist theories also appear to be contradictory. On the one hand, in an 'untended garden' they exhibit all the inefficiencies and inequities characteristic of monopoly capitalism (Mathews 1989b, 149). Yet if they can be regulated, they will prove to be 'good servants' (Mathews 1992, 109). At issue is the adequacy or otherwise of post-Fordist concepts to deal with the omnipresence of market power in determining the behaviour of firms.

It has been those firms at the heart of monopoly capitalism and those able to exercise market power that exhibit the clearest ability to experiment with new production and working arrangements. Mathews cites CIG Gas Cylinders, Bendix Mintex and Colonial Mutual Life, among others, as characterising firms who have adopted these new forms of work and production (p. 95). These firms hardly represent small producers. Piore and Sabel (1984) utilise evidence drawn from the Italian region of Emilia-Romagna to substantiate their flexible specialisation thesis. Yet Murray (1987, 86) notes that the economy of this same region is dominated by multinational companies. Where small and medium companies do operate, Ruggiero (1987) contends that they have been successful in reinforcing and exploiting labour market segmentation as a source of expendable labour. Thus, the very firms said to be the agents of these more desirable changes have equally perpetuated the labour market segmentation wrought by monopoly capitalism. Market forces are very much in evidence in both product and labour markets dominated by large, medium and small firms. It would appear, therefore, that post-Fordist theories have failed to take full cognisance of the implications of market power for the labour market (re)structuring process.

## **6. From Industrialism and Industrial Man to Post-Fordism: Theoretical Continuity or Break With the Past?**

An important aspect of the post-Fordism thesis is the assertion that it represents a break from past structures and arrangements in the organisation of production and work. This is a refutation of the inherent pessimism of labour process theory. In a more optimistic vein post-Fordism has attempted to refute the predictions of deskilling and the degradation of work as continuing processes under monopoly capitalism (Bray & Littler 1988).

Prior to the rise of labour process theory, other long run analyses of labour market developments under mass production offered a far more optimistic picture. In the early 1960s, Kerr et al. co-authored a book called *Industrialism and Industrial Man* (1960), which began a research agenda that ran for some twenty years (Cochrane 1979). Kerr et al. hypothesised that industrialisation and the emergence of mass production would eventually lead to rising levels of skill, broader job functions and a highly educated and politically sophisticated workforce. All this, they argued, would have profound implications for the quality of working life, and the emergence of democracy in all spheres of life. *Mass production*, they argued, was the beginning of the 'age of democracy'.

The parallels that can be made with the post-Fordist thesis seem striking, especially given that the work of Kerr et al. represents some of the ideas from which the post-Fordist thesis is said to have made a break (ie. commodity and product markets dominated by mass production). There are at least four parallels. First, both post-Fordist writers and Kerr et al. rejected the historical determinism of Marxist predictions. Second, both theories predicted a major shift in work relations and its organisation, in which skill and knowledge were paramount. Work would become a source of satisfaction and creativity rather than a source of alienation. Third, both theories couched their conceptual framework in the context of paradigmatic change, which was also labelled 'democratic'. Fourth, both presented their ideas (and agendas) as agendas or ideologies for the labour movement (Gahan 1991, 165).

Mathews seems to find this comparison insulting. He asks:

How in all seriousness could one equate the notion of post-Fordism - which is all about a break with the rigidity and conformism of mass production, and an opening towards diversity - with a view of the industrial system at the end of the 1950s, when the mass production system seemed to many to be impregnable and unassailable, and social scientists were celebrating the 'convergence' between East and West on a single industrial model? (Mathews 1991, 122)

He asserts that my motive in drawing these parallels was calculating, as to associate the two theories is an attempt to bring post-Fordism 'into the same disrepute that attaches to these authors in current industrial relations circles' (p. 122).

Whereas the notions associated with industrialism seem to have been relegated to the past, Kerr et al. are hardly disreputable authors. Many of the ideas of these same authors still dominate theory in both industrial relations and labour economics. Dunlop's notion of an industrial relations system, for example, is still widely utilised as an appropriate heuristic device, despite years of criticism (Dunlop 1958). Kerr's work on labour market segmentation holds an important place in labour market analysis as a seminal piece which highlighted the importance of institutions in labour market exchanges (Segal 1986).

However, if in certain 'circles' of intellectuals the work of Kerr et al. is considered 'disreputable', then the parallels become even more striking; especially given that the comparisons have the ironic consequence of associating aspects of the post-Fordist thesis with writers who were concerned to explain the very phenomena (mass-production and Fordism) from which post-Fordism is said to have broken away. It also suggests even greater caution with what Bell (1974, 49) saw as the sociologist's disposition to play the role of seer. Speculative social analysis, like economic forecasting, has its own limits.

## A Speculation

The surprise then is not the nature of the criticisms made of the post-Fordist thesis. These criticisms cannot be seen as strange, or as a personal attack on Mathews. Rather, the concern was to identify a number of shortcomings in these debates. These have met with a rather emotive response by Mathews, which in itself rests on a misrepresentation of my own arguments. The response of Mathews is also perplexing for its inability to come to terms with the weaknesses of post-Fordism.

In general, it remains questionable whether post-Fordist theories are able to adequately analyse the continuing process of change as it unfolds in future production epochs. Indeed, if past experience can provide a basis for speculative analysis, the shortcomings will, over time, be revealed if Mathews (and others) fail to recognise and respond to the theoretical weaknesses of post-Fordism. If there is a surprise, it is the insistence that these criticisms can be overlooked in the crusade to win, what Mathews labels, the 'battle of ideas' (Mathews 1989b).

## References

- Bell, D. (1974) *The Coming of the Post-Industrial Society: A Venture in Social Forecasting*, Basic Books, New York.
- Bray, M. and Litler, C. (1988) "The Labour Process and Industrial Relations", *Labour and Industry*, Volume 1(3), October, pp. 551-588.
- Dore, R. (1987) *Flexible Rigidities: Industrial Policy and Structural Adjustment in the Japanese Economy, 1970-1980*, Athlone Press, London.
- Dunlop, J. T. (1958) *Industrial Relations Systems*, Holt, New York.
- Chalmers, N. (1989) *Industrial Relations in Japan: The Peripheral Workforce* Routledge, London
- Cochrane, J. L. (1979) *Industrialism and Industrial Man in Retrospect*, Ford Foundation, Michigan.
- Gahan, P. (1991) Forward to the Past? "The Case of New Production Concepts", *Journal of Industrial Relations* Volume 33(2), June, pp. 155-177.

Hyman, R. (1987) "Strategies or Structure? Capital, Labour and Control", *Work, Employment and Society* Volume 19, March, pp. 25-55

Kern, H. and Schumann, M. (1984) "Work and Social Character: Old and New Contours", *Economic and Industrial Democracy* Volume 5, pp. 51-71.

Kern, H. and Schumann, M. (1987) "Limits of the Division of Labour: New Production and Employment Concepts in West German Industry", *Economic and Industrial Democracy* Volume 8, pp. 151-70.

Kerr, C., Dunlop, J. T., Harbison, F. and Myers, C. A. (1960) *Industrialism and Industrial Man*, Ford Foundation, Michigan.

Kerr et al. (1975) *Final Report*, Ford Foundation, Michigan.

Lipietz, A. (1992) *Towards a New Economic Order: Postfordism, Ecology and Democracy*, Polity Press, Cambridge

Mathews, J. (1989a) *Tools of Change: New Technology and the Democratization of Work*, Pluto Press, Sydney

Mathews, J. (1989b) *Age of Democracy: The Politics of Post-Fordism*, Oxford, Melbourne.

Mathews, J. (1989c) "New Production Concepts", *Prometheus*, Volume 7(1), June, pp. 129-148.

Mathews, J. (1989d) "From Post-Industrialism to Post-Fordism", *Meanjin* Volume 48 (1), Autumn, pp. 139-52.

Mathews, J. (1990) "An Australian Model of Industrial Restructuring" Working Paper No. 84 School of Industrial Relations and Organisational Behaviour, UNSW, Kensington.

Mathews, J. (1992) "New Production Systems: A Response to Critics and A Re-evaluation" *Journal of Australian Political Economy*, Number 30, December.

Meegan, R. (1988) "A Crisis of Mass Production?", in Allen, J. and Massey, D. (eds.) *The Economy in Question*, Sage, London, pp. 136-83.

Murray, F. (1987) "Flexible Specialisation in the 'Third Italy'", *Capital and Class* Number 33, Winter, pp. 84-95.

Norton, R. D. (1986) "Industrial Policy and American Renewal", *Journal of Economic Literature*, Volume XXIV, March, pp. 1-40.

Nyland, C. (1989) "The Income and Fatigue Explanations for Worktime Change", *Journal of Industrial Relations*, Volume 31(4), December, pp. 538-551.

Piore, M. and Sabel, C. (1984) *The Second Industrial Divide? Possibilities for Prosperity*, Basic Books, New York.

Pokrant, B. (1993) "New Production Concepts, Flexible Specialisation and the Debate Over Postfordism: Some Critical Comments" Discussion Paper Number 93/3, The Western Australian Labour Market Research Centre, WA.

Reich, R. B. (1991) *The Work of Nations: Preparing Ourselves for 21st Century Capitalism*, Alfred A. Knopf, New York.

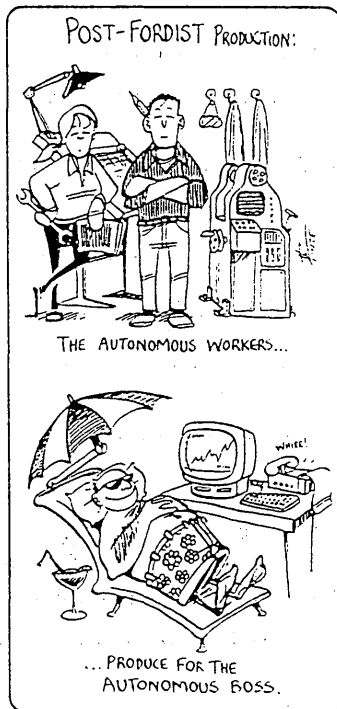
Ruggiero, V. (1987) "Turin Today: Postmodern Society or Postindustrial Bazaar?", *Class and Capital*, Number 31, Spring, pp. 25-38.

Sayer, A and Walker, R. (1992) *The New Social Economy: Reworking the Division of Labor*, Blackwell, Cambridge MA and Oxford.

Segal, M. (1986) "Post-Institutionalism in Labour Economics: The Forties and Fifties Revisited", *Industrial and Labour Relations Review*, Volume 39(3), April, pp. 388-403.

Streeck, W. (1987) "The Uncertainties of Management in the Management of Uncertainty", *Work, Employment and Society*, Volume 1, pp. 281-308.

Williams, K., Cutler, T., Williams, J. and Haslam, C. (1987) "The End of Mass Production?", *Economy and Society*, Volume 16(2), pp. 405-39.



**Copyright of Full Text rests with the original copyright owner and, except as permitted under the Copyright Act 1968, copying this copyright material is prohibited without the permission of the owner or its exclusive licensee or agent or by way of a license from Copyright Agency Limited. For information about such licences contact Copyright Agency Limited on (02) 93947600 (ph) or (02) 93947601 (fax)**