

## BOOK REVIEWS

*China's Changing Workplace: Dynamism, Diversity, and Disparity*, edited by Peter Sheldon, Sunghoon Kim, Yiqiong Li and Malcolm Warner. Routledge, London and New York, 2011, 332 pp., ISBN 978 0 415 58454 8, £95.00; US\$155.00, hardback.

*Trade Unions in China: The Challenge of Labour Unrest*, by Tim Pringle. Routledge, London and New York, 2011, 224 pp., ISBN 978 0 415 55958 4, £85.00, hardback.

China's structural changes occur in two parallel paces. Profound shifts initiated by political elites take place suddenly, while significant though less dramatic ones percolate upward through the capillaries that connect society, the economy and the state. These two volumes chart the latter in the arena of labour relations.

*China's Changing Workplace* — something of a mistle, as it hardly mentions workplace and labour process issues — covers a wide range of labour market and human resource questions. The overall theme is, not surprisingly, the variegated practices in different parts of the country and the different stages of transition from state socialism to a somewhat distinctive if still highly segmented Chinese capitalism. Indeed, the editors have the temerity to ask just when 'transition' gives way to a sustainable new form of political economy, which they believe to be taking root in some parts of the country.

An opening section contains chapters that provide useful overviews and contexts on labour markets and human management practices, business systems, and legislation and institutions. That is followed by five chapters on labour markets that underscore a number of important new developments that are often overlooked. China still possesses what Marx called large 'latent' reserve armies of unskilled or semi-skilled industrial labour, both in the countryside and among urban school-leavers, 'stagnant' reserves of long-term unemployed and unemployable laid-off workers in rustbelt zones, and 'floating' pools of underemployed looking for work. The government speaks often and urgently of its need to maintain at least 7 per cent annual economic growth in order to avert a social and political crisis sparked by unemployment. Yet *China's Changing Workplace* looks closely at the other side of this labour market dialectic: the often severe shortage of skilled labour. China is often hailed, and rightfully so, for its highly educated and literate labour force; indeed, many observers credit educational gains going back even to the Maoist era for the success of the post-Maoist economy. Yet *China's Changing Workplace* takes the country to task for an irrational system that places too much emphasis on general education and too little on focused technical and vocational training fine-tuned to the needs of local labour markets. This leaves employers holding the bag for training their own workforces, a

different approaches to explore economic life. The book does not duck from showing disagreement and difference between traditions, exposing the reader to the mess of social thought, and the legitimacy and value of intellectual conflict. Budd and his publishers are to be congratulated on producing a text that will be an invaluable resource for teachers and students of sociology, philosophy, management and business, as well as other disciplines. The book deserves to be a staple on any self-respecting critical reading list on work and employment. *The Thought of Work* is part of a real renaissance in the interdisciplinary study of work and is to be applauded.

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## Reference

Anthony, P. D. (1977). *The Ideology of Work*. London: Tavistock.

*Quiet Politics and Business Power*, by Pepper D. Culpepper, Cambridge University Press, New York, 2010, 248 pp., ISBN 978 0521118590, £55.00, hardback.

With his book *Quiet Politics and Business Power*, Culpepper refreshingly extends the focus of research in comparative political economy beyond employer preferences, towards the means by which managers get their way in the political arena.

The book starts with a straightforward empirical puzzle and equally straightforward answer. Culpepper asks why some non-liberal market economies (France, Japan) experienced an increase in takeover bids since the 1990s, while others (Germany, Netherlands) did not. Drawing on secondary literature, Culpepper first offers a standard ‘varieties of capitalism’ explanation: managers’ preferences varied across countries due to cross-national variation in the strength of labour. However, instead of stopping there, he goes on to ask, more provocatively, why managers in all four cases got what they preferred, regardless of whether they wanted the removal or the fortification of barriers to unsolicited takeovers.

The answer to this second puzzle, neatly captured by the term quiet politics, constitutes his main argument. Business power is high where political salience is low. According to Culpepper, elected politicians and the media care mainly about issues that mobilize voters, and many corporate governance issues are too boring or too complex for voters to care. As a result, politicians and journalists have weak incentives to acquire independent expertise, and this opens the door to business lobbyists, who can tell them what to think and what to do. It seems obvious why this should worry us, and Culpepper states it clearly. Political contestation fades where issues are of low salience, and this suggests a democratic deficit.

Salience is hard to measure, and some may object to Culpepper’s exclusive reliance on newspaper coverage, but his empirical findings are plausible. Between 1996 and 2006, takeover regulation made the headlines less often than pension reform, and it seems likely that, during the period in consideration, voters in Germany, France, Japan and the United States did in fact care less about takeover regulation.

I am less convinced by his explanation as to *why* voters cared less about takeovers, and why, more generally, some issues are less salient than others. The answer matters because it affects the assessment of whether and why quiet politics is a problem for democracy. Culpepper suggests that takeover regulation ‘is a complex issue, not easily

translated into concise prose that will hold the attention of a reader' (p. 8). In my view, he underestimates the writing skills of tabloid journalists. Some aspects of the current financial crisis may indeed be too technical for non-specialists to handle, but the main distributional consequences of takeover regulation are easy to grasp, and the fact that press coverage tends to rise in the wake of major bids suggests that they lend themselves perfectly well for populist politics.

I suspect that the lack of problem pressure, rather than inherent complexity or deliberate media manipulation, accounts for the lack of public interest. Contested bids are still extremely rare in all four countries studied by Culpepper. Even in France, where the increase was largest, the average number of attempted takeovers since 1990 amounts to less than one per year. Moreover, most of the companies involved were in the financial sector, with no blue-collar jobs at stake. The vulnerability of French companies may have increased because of changes in the structure of corporate ownership, which Culpepper describes in detail, but until more takeovers actually happen, or until more individuals start owning shares, the average voter will not see a pressing need for takeover regulation.

If this is correct, then the democratic deficit stems not from quiet politics as such, although it is not necessarily less severe. Why exactly is it problematic that managers get their way as long as they are the only ones who care? Culpepper suggests that voters and their political representatives do mobilize where issues are salient, and that the 'promise of popular sovereignty' (p. 177) is thereby realized. This optimism seems misplaced for two reasons. First, the mobilizing capacity of societal counter-movements has declined dramatically since the 1960s. Protest groups, such as Occupy or Attack, may be visible, but they have not prevented business interests from carrying the day, even on issues of high salience. Second, legislation can be hard to reverse once it is locked in due to constraints on parliamentary sovereignty, such as those that result from European integration. In the case of the takeover Directive, the European Commission forced non-liberal market economies to endorse EU-wide legislation before the issue became salient. If it ever does become salient, governments in these countries will not be able to unilaterally change a Directive that has been endorsed by all 27 member-states. In other words, business may still win where politics is loud.

And does 'business' really win where politics is quiet? Culpepper defines business broadly, without dwelling on intra-country divisions within and across sectors. His case study of France, which does include fascinating details about disagreements inside the main employer federation, provides ample unexploited material for a more systematic analysis. Most problematically, he repeatedly uses 'business' as a synonym for 'managers'. This may reflect reality in the four countries under study, where institutional investors are not politically influential at the domestic level. However, it does not apply to Britain or the United States, both of which are regrettably missing from the analysis. In the UK, where investors are strong, the managers of non-financial sector companies did *not* get their way. One segment of business, namely investors, did win, possibly due to quiet politics. But there is a lot more to learn about what parts of the business community prevail when, where and why.

To the extent that salience matters, it would also be worth investigating how and why it changes over time. Again, longitudinal case studies of Britain and the United States may prove especially instructive. Unlike the cases covered by Culpepper, both countries have had active markets for corporate control, and the associated takeover waves, since the 1950s. This would allow for a more systematic analysis of the connections among news coverage, parliamentary debate and regulatory response.

In sum, Culpepper's book is a stimulating and provocative read that opens several agendas for further research. While packed with empirical detail, it is written in a clear, engaging style and does not presuppose specialist knowledge. *Quiet Politics* will resonate with anyone interested in the relationship among government, business and the media.

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*Disintegrating Democracy at Work: Labor Unions and the Future of Good Jobs in the Service Economy*, by Virginia Doellgast. ILR Press, Ithaca, NY, 2012, 272 pp., ISBN 978 0 8014 5047 1, \$65.00, hardback.

Call centres owe their omnipresence to a combination of forces: technical development and new services in telecommunications, deregulation of markets and industrial relations, a more general wave in politics and economies working against labour as an organized factor of production, and outsourcing and a rationalization of customer contact that splits front and back office functions. A powerful impetus came from telecommunications companies: these and outsourcing firms are in the empirical limelight of the present book, which compares call centres in the United States and Germany.

The main results point to both convergence and divergence: common movements towards neoliberal recipes involving a weakening of unions and collective agreements, and relative deterioration of wages and working conditions, and also a persistence of institutions and culture established earlier in the two countries. This more general message is developed in great detail, and is based on case-study data and general information. The present study formed part of a wider comparison of call centres in North America and Europe, with participants in many countries. The work of this network has constituted the major and authoritative investigation of call centres worldwide. The attractiveness of the present book is founded on the societal contrast between the United States as a 'liberal market economy' model, and Germany as a 'coordinated market economy'.

The study confirms what scholars in comparative industrial relations and organization studies would have suspected: companies in the United States are larger, have a more confrontational posture against unions and impose more of a strait-jacket on labour, whereas companies in Germany feature establishments not as large, operating with works councils and appealing to team-based employee motivation. However, the study is exemplary in its impressive attention to details regarding working conditions and industrial relations machinery, and in its combination of enterprise and regulatory histories with present-day quantitative and qualitative results. Furthermore, the book excels by attractive writing and presentation: the reader is put in the picture right from the start by an excellent summary chapter that explains general results at length and in the comparative context of the two countries. This overview leads on to the more detailed chapters in such an appealing way that the reader at all times understands the specific results as part of the wider picture. Thus, although the book emerged from a PhD project at Cornell University, and is appropriately theoretically based and informed, it is easy to absorb. This is no mean feat, also bearing mind that the investigation presented is an authoritative study of an important and topical subject. In short, this is a highly recommendable read!