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**Book review of Alice R. P. Abreu (org.):
Flexible production and economic
governance in Latin America**

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Alice R. P. Abreu (org.): *Produção flexível e novas institucionalidades na América Latina (Flexible production and economic governance in Latin America)*, Rio de Janeiro, Ed. UFRJ, 2000, 334 pp. ISBN 85-7108-232-4.

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This book organized by Alice Abreu, actual President of ISA-RC30 “Sociology of Work”, is a follow up of an international seminar on the same theme of the title, held in September 1997 also in Rio de Janeiro (Brazil). In this book are published papers presented on Latin American case studies, mostly from Brazil and Mexico, but also from Argentina and Chile. All these papers are structured around the three main parts of the book: the first one is on the productive re-structuring and inter-firm relations in automotive production chain, the second one on productive re-structuring and flexibility and the third one on entrepreneurs and entrepreneurial associations.

The first part, related to the automotive industry, has four papers on the changes acknowledged either in Brazil, or in Argentina, two among the main South American economies. The studies are about the relations among auto parts enterprises in three different regions in Brazil (the chapter organized by Alice Abreu et al.), the vulnerabilities of the manufacturing networks in this same sector in Argentina (Marta Novick and Gabriel Yoguel) and the policy changes in the Brazilian automobile industry (Anne Posthuma). Another chapter, from Márcia de Paula Leite, focus the trends and problems in the relation among work and qualification in this same sector that includes the metal, the plastic and the electronic sub-sectors.

A second part of this book, proposes a broader discussion on flexibility and organizational changes, bringing together Mexican and Brazilian cases. There you can find the study from Jorge Carrillo and Martha Miker on the construction of an industrial pole in North Mexico based on clusters around the automotive sector. Other papers are aiming an analysis on organizational learning, either in the Brazilian and Mexican metal and electronic sectors, with firms with strong industrial relations with Japanese clients (Maria T. Fleury and Afonso Fleury), and a study on the Brazilian chemical industrial complex, with a specific focus on the qualification and consent issues (Nadya A. Guimarães and Alvaro Comin). In this part of the book, we can also find another interesting paper on the role of production co-operative in

the sub-contracting activities in the Northeast region of Brazil (Jacob C. Lima).

The last part of this book is about the entrepreneurial relations. An initial paper reflects the social construction of manufacturing networks, based on the Chilean case (Cecília Montero). A second one is about the certification process of supplier firms in Brazil (Caren Addis), and the final one is about the recent changes in the socio-economical actors relations within the Brazilian industry, focusing the local Armenian groups (Roberto Grün).

Beside all of the papers, the book starts with an introduction from the main organizers of the event, Alice Abreu and Laís W. Abramo that gives to reader a comprehensive framework of the discussion.

Having this structure in mind, we can say that this book can be a milestone in the Latin-American debate on the influence of globalization processes in the regional change of industry. In fact, this is a result of an international project developed by the Social Science Research Council (US, 1995-97) on the “Economic governance and flexible production in Latin America and East Asia”, and involved, beside the north American researchers experts on Asian societies, several Latin-American researchers that gave a broader vision in several regions of the world on those change and modernization processes.

The moment of the debate that produced this publication reflects the discussions on the flexible specialization and the new emerging parameters. These ones, based on multifunctionality, polyvalence, quality, skills, were occurring under different conditions as those we can know from Europe, North American or Japan. And the experiences from different type of Brazilian regions (Nordeste, São Paulo, Rio Grande do Sul or Rio de Janeiro), from Argentina, México (mainly Chihuahua) and Chile, show that a strong renovation and re-structuring processes were occurring in the local industries, and expressing in new networks that are developing in globalized economy. These new production processes are including these so-called peripheral regions in the new multi-centered system, where these firms and regional economies have a specific role.

As it is mentioned in the introduction, “along this process, was determinant to study not only the changes occurred in the large- and medium-sized firms, but also what was happening along the manufacturing chain, including the small-sized supplier firms of the third or fourth layer” (p. 8). In this sense, the authors tried to know more about the new emerging labor management parameters and the framework of the new co-operation and partnership

among firms that are able to reach the lower levels of the production chain. This knowledge is so important because this process can only “incentive an increasing precarity in a labor market already strongly characterized by heterogeneity” (p. 9).

But from this analysis, a new debate emerged recently about the economic governance. In this sense, most authors underline the need to understand the new innovation and competition processes in a product chain, through a focalized study not only on the manufacturing activities and also in the other complementary activities, specially when globalisation requires an functional integration. This means a managerial co-ordination and a governance policy.

Abramo and Abreu, in the introduction of this book, still point that this governance patterns are clearly influencing the reactions to this globalisation process, where the sub-contracting relations are increasing, as well as the partnerships in all production chain. But the issue is, which are the working conditions under those relation frameworks, and will the workforce know an increase of their qualification and participation levels? So, are the changes occurring in the markets, hierarchies and networks - the governance types – improving the quality of working lives, or is still a new process that, finally, will devaluate the work force?

This final issues are determinant to develop alternative policies once other factors than price and flexibility, are being elements to the increase of economical competitiveness. This governance patterns include more evidently the new type of relations among firms and within sectors, and less the state. The flexible specialization, as one of the most important type of economical governance can incentive innovation and knowledge. But the real consequences of the effects of that type of governance are not yet well known. That is why this debate, at least with a specific relevance to the Latin American case, is so important. And, because of that, the conclusions are also pertinent to other regions in the world, as in Europe, or Asia.

The Latin-American experience seems to evidence the existence of verticalized productive chains, more than the networks of firms. But these chains assume a strong unbalanced power relation among firms, an absence of regulatory schemes (specially in sub-contracting), and a fragility of negotiation fields, either internally or in the relation among them. So, the result is an increasing difficulty to prepare and negotiate re-structuring processes and productive externalization.

These situations of power asymmetry, absence of regulation and of competitive strategies, push the chain top companies to externalize their costs over the small and medium sized firms. With this, is very difficult to develop confidence relations, as well as co-operation and technical assistance patterns inside these networks. When this collaborative activity is not dominant, the labor segmentation can occur more easily, with its consequence of its precarization. And these lessons are precious for the knowledge of the different experiences that allow us, in all regions of the world, to work with the various alternatives in order to contribute with options that allow the improvement of working conditions.

This was a non-declared objective, but present, in the edition of this book. Abramo and Abreu conclude their presentation to this publication saying that there is a need to establish new forms of associativism, of regulation and social bargaining involving firms and unions, the whole productive chains, and the territories, which include the local institutions of policy making, industry, unions, R&D, that gives a new sense to the concept of governance.

It's a book that the non-Portuguese speaking scientific community will loose in the process of increasing information and debate on governance and flexible production. Nevertheless, is a book that the Portuguese speaking scientific community can and will use in the next years, once will become a reference in the discussion of these concepts and experiences.

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