

Book review

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Tom Barnes, *Making Cars in the New India: Industry, Precarity and Informality*, Cambridge University Press: Cambridge, 2018. ISBN (ebook) 978-1-108380-83-6, US\$80, 261 pp.

Reviewed by: Phillip Toner, *Department of Political Economy, The University of Sydney, Australia*

This book, based on Dr Barnes' PhD, has at its core the 'aim . . . to explain why Indian auto manufacturing has experienced such a high level of industrial, social and political conflict in recent years' (p. 6). The book describes in detail the types and sources of conflict and argues that industrial conflict is particularly prevalent in the Indian auto sector, a conflict which has intensified since economic liberalisation began in the early 1990s to the present. There is the familiar conflict between capital and labour, disputes within capital up and down the car manufacturing supply chain, but also conflicts within labour especially between workers in more stable employment contracts and fellow workers on informal/precarious contracts. There is also what may be termed 'conflict with Indian characteristics', notably discord within labour involving caste, regional, city/rural, political and religious divisions. The author argues that these high conflict levels matter for the development trajectory of India as they undermine all of the following: 'operational stability and profitability' of firms, the 'financial security' of workers, certainty for foreign investors and state attempts to promote 'the investment climate in manufacturing regions' (p. 7). The book also devotes much space to explaining the functional role of industrial disputation for capital, as a means of disciplining labour and shifting the risk of business cycle fluctuations onto labour and less powerful suppliers in the car value chain. It devotes considerable effort to describing and developing a typology of labour relations along multiple dimensions of employment type, occupation and informal/precarious degrees of employment security within the industry and determining how these differ within each of the four tiers of the auto production chain.¹

The author shows a remarkable knowledge of the historical development of Indian auto manufacturing from the post-colonial period to the present and of the nuances of the major international and domestic major car manufacturers including how their evolving production strategies influence its labour and supply chain relations. It is also alive to the profound differences in power relations, production capacities and patterns of labour deployment down and across the four tiers of the auto supply chain. Distinct regional influences on the above are laid out and many words devoted to what can only be described as the unique anthropology of Indian labour relations. Among other points this comprises the influence of caste differences on conflicts within labour and obligations on auto workers imposed by religious festivals and harvest time on the family farm and how

these influence the availability of labour for factory work and stimulate conflict over such availability. For some groups of workers, informal work contracts make it easier to fulfil these obligations and allow them to 'chase' higher wages across different firms and industries.

In summary, high levels of conflict, often marked by extreme levels of violence on both sides, are attributed to three main causes. The first is intensified competition between Tier 1 producers and within their suppliers due to the integration of the Indian auto sector into global production networks following economic liberalisation. Second, intensified competition intersects the system of 'informal' employment contracts that dominates Indian motor vehicle production and manufacturing in general (p. 202). Finally, divisions within labour based on caste, religious and regional affiliation are an independent source of conflict and can undermine labour solidarity. These causes reinforce each other such that economic liberalisation since the late 1990s has facilitated the replacement of 'regular' (permanent) employment with insecure 'contract' work and precarious employment (claimed to comprise a majority of auto-making employment (p. 211)). Over time, because of factors such as intense competition, industrial conflict and widespread unwillingness of the state to enforce even existing labour regulations, the system of informal work arrangements that dominates Indian domestic manufacturing and services also dominates Indian car making including Tier 1 plants (p. 199).² In contrast to the experience of other nations, the Indian development trajectory is argued to be unusual, if not unique, as 'expansion and modernisation of auto manufacturing . . . has not led to major advances in socio-economic security, social protection or collective rights' (p. 227).

In India, as in many developing and developed nations (with the lamentable exception recently of Australia), a domestic car industry has been a focus of state industrial policy due to the now widely known arguments about the industry's role in the introduction and diffusion of advanced engineering technologies, labour skills, work organisation, supply-chain management and high wages. The book provides a detailed and empirically rich description of the evolution of Indian car industry policy which is also put into the context of shifts in broader economic policy. It charts the shift from the long-running post-colonial import substitution strategy to gradual liberalisation (late 1980s–2000s) and current 'neoliberal' policies. The latter include, for example, removing requirements on foreign investors to enter into joint ventures with local firms and removing capital controls. Nevertheless, the book does highlight a degree of incoherence in policy given the ostensible commitment to 'neoliberal' policies which is contrasted with the centre-piece of Modi's current industrial strategy labelled 'Made in India'. It is clear there is some continuity in policy, at least in a commitment to develop a modern manufacturing base. The fact that India is the sixth largest producer of passenger cars in the world (after South Korea but ahead of Mexico, Brazil, Spain and Canada) and exports 19% of its total output attests to the success of these policies (p. 38).

Despite the central claim of the book that the high level of conflict 'matters' for performance of the industry, it appears that conflict has not overly constrained the quantitative growth of the car industry's output. The annual average rate of the growth of Indian output from 2000 to 2014 was 11.4%, which is nearly three times faster than world growth and second only to China (p. 38). On the other hand, an implicit and explicit

question raised by the book is whether the ‘low-road’ of employment relations in the industry, which is dominated by informal and precarious forms of work and minimal employer investment in skills, is compatible with the ‘high-road’ of high technology, high quality, high skill and advanced work organisation. On this key question, the author answers in the affirmative when he writes that

there is no necessary or automatic binary distinction between ‘high’ and ‘low road’ paths of development. It is possible for enterprises – particularly OEMs [original equipment manufacturers] and Tier-1 firms – to implement lean manufacturing principles and invest in employee development and skills for *some* of their workers, while simultaneously pursuing a flexible, low-cost labour approach for other workers. (pp. 225–226)

This is a very big claim and needs reconciling with the apparent decline of ‘regular’ employment conditions in Tier 1 firms. Such a strategy, if successful, potentially has major implications for corporate strategy and labour response in more developed economies. But the reader is left wondering just how soundly based is this conclusion. For example, the reader wants to know how Indian car production methods and output compare to German or Japanese industry in terms of the quality, productivity, technology and profitability. If the conclusion of the book is correct, does it portend a substitution globally of the ‘Toyota production system’ for the ‘Indian production system’? These intriguing questions are not directly pursued by the author but open important research topics.

The book will be of keen interest to industrial relations and labour relations specialists as well as students of industry policy focussed on the motor vehicle industry.

Notes

1. Tier 1 embraces the major assemblers like Ford and Tata; Tier 2 embraces the major component suppliers like Bosch or Denso; in Tier 3 are large and small, mostly local Indian suppliers; and Tier 4 consists of self-employed suppliers.
2. ‘At the high end of the industry – in OEMs and Tier-1 and Tier-2 firms – labour standards and employment relations have been transformed by the imposition of regional contract labour systems that have . . . reproduced an informal work environment within formal institutions’ (p. 227).

Andrew Brady, *Unions and Employment in a Market Economy Strategy* Andrew Brady, *Unions and Employment in a Market Economy Strategy, Influence and Power in Contemporary Britain*, Routledge: London, 2019; 209 + xv pp. ISBN (hbk) 9781138489875, AUD 201.60. ISBN (ebook) 9781351035460, AUD 147.55.

Reviewed by: Jan Toporowski, *SOAS University of London, UK*

We are all in debt to Andrew Brady for providing us with fresh insight into what has sometimes been a tortuous and, at times, even tormented relationship between the British Labour Party and the British trades union movement over the last half-century. His story starts in the 1960s, with the efforts of the Wilson administration to bring order to British