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CHANGING EMPLOYMENT UNDER A CHANGING MODE OF DEVELOPMENT

With special reference to Palmerston North

A Thesis Presented in Partial Fulfilment of the Requirements for the Degree of Master of Geography

Massey University
New Zealand

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1993
ABSTRACT

The old Fordist mode of development is being replaced by a Flexible mode of development. A new regime of accumulation, modes of regulation and technologies are being formed giving rise to new ways of organising business. Firms are restructuring to maintain profitability and this is having profound effects on labour and the way we work.

Employment is becoming more casualised through increased use of part-time, temporary and sub-contracted labour. New social groups are being brought into the workforce and new productive spaces are being created to complement a flexible business organisation.

At a regional level, the experiences are dependent upon historical and geographical conditions which give rise to regional uniqueness. Palmerston North displays regional uniqueness in terms of a high dependence on the Government sector and on service industries. It is aided by its geographical location and amenities such as Massey University. However, because of its place in a capitalist nation and global economy it is subject to similar forces that affect other regions thereby producing similar employment patterns.

Such employment patterns include a decline in full-time employment with rises in part-time employment, self-employment and unemployment. Those employed in the service industry are increasing along with those employed in managerial or administrative occupations. Manufacturing employment is decreasing. These trends are reshaping work and regions.
ACKNOWLEDGEMENTS

This thesis would not have been completed without the help of a number of people who I am extremely grateful to for their support.

Thanks to Geoff Thomas, my patient supervisor who I know became tired of hearing the words 'I'm quitting'.

Thanks to Rachel for much needed computer assistance, Jill for help with Supermap, Karen for cartography work, Sheree for typing 'the beast', Ian for computer help, and for everyone else who supplied me with information especially Malcolm Thomas at the Palmerston North City Council.

Thanks to Mum, Dad and Teresa for their support from afar.

Thanks to Pete, my long suffering ex-flatmate who had to deal with my mood swings and for believing in a person's ability to change.

Finally to all those people who were convinced that I watched soaps all day long - well this completed document should prove that I only watch soaps at night. Thanks for the support and concern.
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INTRODUCTION

The society we live in today is very different from the society of a decade ago and those changes are in part due to a changing mode of development and changing work patterns. The area of formal paid work is being reduced whilst the area of informal unpaid work is increasing giving the false notion of increased leisure time for people and the ability to arrange work around other pursuits. As will be demonstrated in this thesis the changes affecting work - more specifically employment, are due to a change in the mode of development as capital regains control over labour and further subordinates it for the purposes of accumulation.

Over the past decade, as recognised by geographers and government agencies (Martin:1986; Department of Labour:1993), the number of people involved in full-time employment has declined whilst the number of people in part-time employment has increased along with those who are unemployed. More people are employed in the service industry than in manufacturing and numbers are continuing to fall in manufacturing. Professional, managerial and technical employment has increased whilst employment in clerical and sales has decreased (Martin:1986; Department of Labour:1983). These changes are directly linked to changes in the capitalist mode of production as are the changes that are affecting work.

Employment, which is paid and therefore has value, a value which is socially created, can only be examined under the realms of a capitalist mode of production through the examination of capital/labour relations. Capitalism is based on 'private property, the extraction of surplus value from workers who sell their labour-power and the production and circulation of commodities bearing the stamp of value' (Walker:1985:84). The process of production is for profit, which is capital accumulation and physical goods and it is profit which determines the production of these goods and services therefore conflict
between capital and labour is inherent in the structural relationship formed by capitalism.

Production is a social process and involves social relations formed outside the workplace which are constantly reinforced within it. One such social relation is that of gender relations. Patriarchy is the word used to define the subordination of women by men and involved in the changing work environment is the further subordination of women as capital uses the current imbalances to further increase profit.

The focus on paid labour is admittedly at the expense of unpaid labour and the effect of this is to do what many researchers have done in the past, and continue to do today, which is to neglect the work done by a majority of women thus denying the substantial role many women play in the economy and providing an unbalanced view of society. Yet, it should be made clear before falling into the same error of others, women also play a large role in the paid labour force.

The difficulty in reporting on unpaid labour is the inadequacy of official statistics in recording such work. This reveals the tendency of capitalist societies to only value paid labour and the patriarchal way in which statistical data is collected. Patriarchy undervalues unpaid labour because it is seen as typically female and in doing so misses the importance unpaid work plays in the economy.

The lack of official statistics is also a reason for not examining the informal economy, as such a study would require much work from ground level, that is an in depth look at the connections formed by people in their everyday lives and this is outside the timeframe of this thesis. However, there are direct links between the formal and informal economy and the theory which will be used in this thesis would be adequate for bringing the two together. 'Deskilling in the formal sector is matched by reskilling in informal work' (Pahl, 1985:249), as people develop new ways of survival. Though for some the use of the informal
economy is not for survival but for a more natural lifestyle, especially those who are middle class. Thus the capitalist relations spill over into the informal economy revealing that both formal and informal are very much dependent on and at the will of capitalist relations of production.
CHAPTER ONE

THEORY

Introduction
The theory provided in the following chapter will explain and examine the changing dynamics of the capitalist mode of development. It will provide a framework for the topic of employment under which the case studies and the regional analysis will be examined.

The theory used is one developed from numerous sources and explores various ideas and concepts, some moulded to suit the purposes of the topic under investigation. What the end product is, is one that is internally coherent for the purposes of studying employment under a changing mode of development which is ultimately capitalist.
The changes in employment are based on the way business organisation has altered and the way in which capitalism is altering. However, the underlying structure of capitalism remains the same. It is its outside appearance which is changing as it is still driven by the desire to accumulate and expand.

The theory outlined below encompasses the changes in capitalism and business organisation, that is, the changing structure, whilst appreciating and allowing for the actions of individual firms in other words allowing for agency.

The following diagram is a visual representation of the theory used in this thesis:

FIGURE 1 MODE OF DEVELOPMENT

The technological paradigm (Leborgne and Lipietz:1988:264) refers to both the actual hardware used in production and the knowledge used by employers in the way they organise labour. Therefore 'soft' changes in work organisation and 'hard' changes in technology are combined under the one idea (Mitter:1986:43). As will be discussed later, management can make 'soft' changes without changing actual hardware. The regime of accumulation refers
to 'the ensemble of regularities that assure a general and relatively coherent progression of the accumulation process. This coherent whole absorbs or temporarily delays the distortions and disequilibria that are born out of the accumulation process itself' (Boyer:1986:46). The mode of regulation refers to 'interiorised rules and social processes' (Lipietz:1986:19). One should not reduce regulations to that of only state regulation as there are formal and informal regulations in play which have an impact on the way in which capitalist society organises labour (Moulaert and Swyngedouw:1989:340). One such regulation is that of the social division of labour which plays a major role in the spatial division of labour and has implications for sexual division of labour as social processes are constructed spatially (Massey:1984:141). Economy and ideology interplay as 'industrial restructuring is also a process of class restructuring' (Massey:1982:74). It is this type of informal regulation which has through state apparatus and firm control been reinforced into a formal regulation. Business organisation refers to capital-labour relations and inter-firm relations; that is, the relations between employers and employees and the relations between firms.

The concepts of a technological paradigm, a regime of accumulation and a mode of regulation can be used separately to explain changes in production organisation. They have been combined because there are definite links between them and a change in one causes a change in the others. A combination of the three concepts also provides a more rounded view of employment change and greater scope for its study.

Technological paradigm, regime of accumulation and mode of regulation are all altering leading to new opportunities for firms in the way they organise their businesses. The ultimate goal, however, remains profitability.

The way and extent to which firms restructure is dependent on their scale, as the options open to large firms are greater than those open to small firms as management structure and employer/employee relations are different. The type
management structure and employer/employee relations are different. The type of industry a firm is situated in, whether it be manufacturing or services predetermines restructuring because of the type of production process or the social groups involved in the industry.

The type of industry predetermines the type of production process (see Table 1):

<table>
<thead>
<tr>
<th>Type of Process</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Craft-type unit production to individual customer requirements</td>
<td>various</td>
</tr>
<tr>
<td>2. Craft-type batch production</td>
<td>aircraft</td>
</tr>
<tr>
<td>3. Manual Assembly</td>
<td>electronics</td>
</tr>
<tr>
<td>4. Mechanised Assembly</td>
<td>automobiles</td>
</tr>
<tr>
<td>5. Mechanised Processing</td>
<td>textiles</td>
</tr>
<tr>
<td>6. Automated Processing</td>
<td>pulp and paper</td>
</tr>
<tr>
<td>7. Continuous Processing</td>
<td>petrochemicals</td>
</tr>
</tbody>
</table>

Source: Adapted from Dicken: 1992:113: Table 4.2

The locality of a firm affects restructuring in two ways, either through the state regulations that affect a firm because of the country or region it is sited in or whether the firm is local, national or international in its origins because this has a bearing on loyalty.

All firms fit under the same structure, all need to maintain profitability yet they differ because of the three variables of scale, industry and locality. These differences allow for flexibility in firm restructuring which is leading to Neo-Fordist, Post-Fordist or Neo-Taylorist types of business organisation as 'Firms are experimenting with a range of different strategies in order to restructure'
(Amin:1989:31), and because production is a social process there are 'no rules of company behaviour' (Massey and Meegan:1985:124).

Fordism
In order to appreciate what is, it must be shown what has gone before. Fordism covers the period from about the 1930s-1970s. The technological paradigm under Fordism saw a 'standardisation of operating practices and a separation between organisation and methods' (Leborgne and Lipietz:1988:264). This type of production which separated the idea from the realisation of the assembly is termed Taylorism and it had the effect of dividing the working area and workforce between technicians and unskilled workers. Taylorism is the subjection of work process to scientific study and enhanced division of labour with increased control and supervision (Dicken:1992:116). Fordism as a production process saw the 'development of assembly-line processes which controlled the pace of production' (Dicken:1992:116).

The regime of accumulation was intensive, that is 'given to the continuing reorganisation of work and the real subsumption of labour to capital' (Lipietz:1986:25), as explained by the Taylorist production organisation under the technological paradigm. The large growth in production was counterbalanced by a large growth in consumption by wage earners but also by non-wage earners due to the large role of the welfare state in providing an adequate living standard for all.

The mode of regulation covered three factors, collective bargaining on the part of labour from which powerful and hierarchical unions arose, hegemony of large corporations (which can still be applied to today's firms), and direct state activity in the economy (Leborgne and Lipietz:1988:266). The state mediated between the former two for industrial peace and shares in productivity gain in order to provide for increasing population and welfare provisions and a growing bureaucracy (Harvey and Scott:1989:217). The state activities of the Fordist period are defined as Keynesian welfare statist which meant that the state
controlled the economy through tariffs and subsidies which insured profit for most firms and a basic standard of living for most people.

Various crises occurred that led to the decline of Fordism and a period of restructuring began. Capitalism 'transform(s) itself through the dynamic of its own internal contradictions' (Pahl:1980:15), and the following contradictions existed which reveal the limits of Fordism. There was a contradiction between the need for increasing productivity and strong unions. If a firm is to increase its productivity then new ways of producing more for less are needed, however, this is difficult if the capital/labour relation is institutionalised in such a way as to give unions enough power to halt change. Another contradiction involved the 'need for productivity gains and market expansion' (Moulaert and Swyngedouw:1989:333), and the other contradiction was between a state based on Keynesian ideas of controlling the economy and the entrepreneurial state which controlled productivity within the realms of production. One recognises that other theories of Fordist crisis are in the literature, but for the sake of simplicity the author will not venture to enter such a debate.

**Flexibility**

From the period of restructuring that followed the Fordist era has come a new mode of development, that being Flexible, however, firms are always restructuring but what makes this round of restructuring different is the profound effects it is having on society as a whole. Flexibility includes social, political and economic changes, so it refers to a new society. By using a combination of Neo-Taylorism, Neo-Fordism or Post-Fordism there is now more room for firms to act as agents. They are no longer tied to a specific mode of business organisation or management mentality.

It is necessary to differentiate between flexibility and flexible specialisation (Piore and Sable:1984). Flexible specialisation involves the 'fragmentation of technical division of labour, renewed craft tradition and resurgence of regional economies' (Amin:1989:15). These trends are evident but not as predominant
as one is led to believe as craft workers are only in small firms supplying certain niche markets, (for example, pottery, high fashion clothing), and these have always been in existence.

'High volume production is not becoming batch production' (Shaiken et al:1986:169), as mass production continues to dominate and so too does mass consumption because mass markets are not breaking up. People are still consuming 'en masse' or it would not be profitable for firms to remain in production, that is the total market must grow (Leborgne and Lipietz:267). The standardisation of products remains and has even moved into service areas like food, for example McDonalds (Walker:1985:49), where all hamburgers are the same around the globe. Firms are still mass producing, however, they are able to change their production lines quicker and more effectively than they could during the Fordist era, giving rise to the notion that what we consume is a limited edition. Firms mass produce a large batch of one type of item then are able to mass produce another by making tiny variations on the item beforehand. Products are not being invented just revised. Careful advertising manages to convince consumers that what they have is not mass produced but as mentioned previously a limited edition. It should also be understood that flexibility is not a complete package whereby technology and labour processes all change together. The changes are however all interrelated (Schoenberger:1989:99).

Under a Flexible mode of development changes in the technological paradigm come in the form of 'development and refine in control systems both on individual machines and in the co-ordination of sets and transfer mechanics' (Blackburn, Coombes and Green:1985:103). Control is the final process in the automation of the workplace and follows on from transformation of materials and transfer of materials from one part to another (Blackburn, Coombes and Green:1985:31). Control is extended over transformation and transfer.
It is important to define automation in terms of a labour-process rather than something which is technologically deterministic (Blackburn, Coombes and Green:1985:31), as technology does not just take over unhindered. Automation should be placed in terms of the capitalist mode of production and as a social process that occurs within the realms of capital-labour relations. Technological changes occur as an 'outcome of series of negotiations, struggles and concessions between groups in the community' (Mathews:1988:169). A series of choices are made between the interested parties which involve struggles between workers and employers and between workers and workers. Capital maintains control over workers by maintaining the differences between workers, for example, gender relations.

Control comes in the form of either simple, technical, or bureaucratic (Edwards:1979:179), depending on the sector the job is in. Small manufacturing jobs or service jobs are in the secondary sector and control is simple. Assembly-line production work in the subordinate primary sector is under technical control and independent primary jobs such as craft work or non-production staff work are under bureaucratic control (Edwards:1979:179).

Depending on the production process in use, control takes on a different form and has an affect on skill requirements. Control is also different for different occupations within the same industry or firm.

Innovations are occurring within the production process rather than in the area of new products (Leborgne and Lipietz:1988:267). 'Most of the benefits accrue not so much from the technology itself but from the organisational changes it involves. In other words, flexibility is more an 'organisational' property than a technical one' (Dicken:1992:118), as will be discussed later in the explanation of business organisation.

The regime of accumulation as a macro economic principle involves deindustrialisation of major Fordist areas of production with a rise in high tech
industries and a rise of informal activities for working class survival. Consumption has become flexible and segmented giving rise to the notion of a post-modern society (Albrechts et al:1989:70). The post-modern society as it relates to changing employment under a new mode of development, has caused a 'social and spatial polarisation of urban class antagonisms' (Harvey:1987:278), due to the rise of a new Flexible mode of development within the political economy of societies. Linked to flexibility of the political economy is the post-modernisation of the cultural-aesthetics in society. The increase in service employment, especially in the areas of professional, technical and managerial occupations, has encouraged 'gentrification, consumption palaces and sophisticated entertainment' (Harvey:1987:269), to meet the needs of the new urban affluent. At the other end of the scale the decline in production work in manufacturing has led to unemployment which has in some cases increased poverty and expanded the use of the informal economy.

In order to conquer the antagonisms that arise from such a polarisation, capitalist society has witnessed the 'mobilisation of the spectacle' (Harvey:1987:271) as a spectacle becomes 'an instrument of community unification' (275). For example, Olympics for world unity, Waitangi Day Celebrations for New Zealand Maori/European unity and 100 years of women's Suffrage for New Zealand men and women. These spectacles are short lived and never actually address real issues of power imbalances. Included in the spectacle is the popularisation of opera from stuffy indoors activity to a shorts and t-shirt outdoor experience. The rise of one-day cricket matches to appeal to the working-class person who could not afford to spend five days watching a cricket game that ended in a predictable draw. All spectacles are aimed at bridging the gap of the working class and professionals who inhabit the same region.

Society is moving from an industrial to post-industrial society with services replacing 'goods as the principal output of the economy and service jobs have
replaced industrial jobs as the principal occupation of workers' (Walker:1985:43), just as agriculture as an employer was taken over by manufacturing in dominance (Gershuny:1976). However services have always been present in a capitalist economy and rely on an industrial base - 'the growth of so-called 'service' activities rests on the productive power of the industrial system' (Walker:1985:72), whilst as an employer industry manufacturing declines yet its productivity continues to expand.

Productivity and labour organisation are altered with capital and labour substitution as capital regains the control over labour that it had weakened the during Fordist period and firms become capital intensive (Albrechts et al:1989:71). Labour is substituted by technology and or workers from different social groups. Production management and organisation is being altered to Just-in-Time principles. The accumulation process has also become international due to the rise of multi-national companies. Trade has always been on an international scale but the links between economies have increased due to the greater mobility of capital.

The mode of regulation is also becoming more global as not all regulations are nationally based (Moulaert and Swyngedouw:1989:340). The global regulations that exist are based on the hegemony of certain nations, that is the nation or nations who hold influence under the guise of organisations like the United Nations. Certain social regulations are global, for example patriarchy, but the ways in which they manifests themselves vary with location. Such social relations have a tendency to become institutionalised through the state apparatus. Also the spread and growth of multinational companies has witnessed the rise of a dominant culture. A culture that is Western.

Five areas of change in national modes of regulation have been identified by Burrows (1991), the first being a geographical change which will be dealt with at a later stage. The other four include, firstly a change in the labour market whereby there has been a rise in deunionisation. Union power has been
curbed due to the deregulation of the labour market but also due to restructuring itself which is used by firms as a weakening process. Deunionisation, which is especially pertinent to New Zealand with the implementation of Employment Contracts Act (1991) has witnessed unionism being made voluntary and contracts between employers and employees being on an individual basis giving employers the ability to set wages at their own level. Employers have the flexibility to renegotiate labour contracts. Unions have become derigidified because their highly structured set up was conflicting with the new structure of business division which had removed middle management.

Regional and plant based wage fixing is now more noticeable as it replaces national wages which has profound effects for those seeking higher wages and labour migration. Forced amalgamation of unions could see the demise of small unions (Britton and Le Heron:1987:135), which reflects loss of job demarcations in the workplace giving rise to broad divisions.

Secondly, a change in social structure is evident with a greater division between the wealthy and the poor creating an underclass (Burrows:1991:26), dependent on welfare leading to a cycle of poverty and unemployment. Lessened government resources mean that areas of traditional government concern, for example health care suffer reducing the care for the poor.

Thirdly, politics is witnessing a 'de-alignment between socio-economic bases and political propensities' (Burrows:1991:26). The growth of the service class sees their growing influence in politics. New Zealand is an example of this with the election of the 1984 Labour Government as traditional Labour ideology changed from a Welfare State orientation to that of a free trade orientation which saw a movement away from the working class voter to that of the wealthy business classes.
Fourthly, the level of state intervention has declined as free market policies are put into place leading to a return of conservatism in social policy along with deregulation of markets and state activities being moved into the private sector. Flexibility brings 'decentralisation and sharpened interregional/intercity conflicts' (Albrechts et al:1989:76), as compared to the Fordist mode of development which saw the state based on ideas of centralisation. The state now tries to solve economic problems on a regional basis.

A noticeable linkage between the regime of accumulation and the mode of regulation occurs at the level of state/management relations as the 'parallels between changes in the managerial strategy and changes in the state policy are striking' (Holloway:1987:158), with management leading and the state following. State and management are two aspects of the same thing which is the domination of labour which is required by capital in order to maintain profitability and the state relies on the profitability of firms for its own survival. Therefore the state finds it necessary to support capital. Such an occurrence was evident in New Zealand during the 1980's with the high degree of influence which the Business Round Table had over the state.

Figure 2 summarises the differences between Fordism and Flexibility as discussed in this chapter. However, whilst it is an adequate reference to change, it is one of polar opposites which implies that the movement from Fordism to Flexibility is straightforward and does not allow for variations in firm management and locality.
### Fordism versus Flexibility: Transitions in the Economic, Political, Spatial and Ideological Realms

#### A) THE PRODUCTION PROCESS

<table>
<thead>
<tr>
<th>FORDISM</th>
<th>FLEXIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass production of homogeneous products</td>
<td>Small batch production</td>
</tr>
<tr>
<td>Uniformity and standardization</td>
<td>Flexible and small batch production of a variety of product types</td>
</tr>
<tr>
<td>Large buffer stocks and inventory</td>
<td>No stocks</td>
</tr>
<tr>
<td>Testing quality ex-pest (rejects and errors detected)</td>
<td>Quality control of process (immediate detection of errors)</td>
</tr>
<tr>
<td>Rejects are concealed in buffer stocks</td>
<td>Immediate reject of defective parts</td>
</tr>
<tr>
<td>Loss of production time because of long set-up times, defective parts, inventory balances, etc.</td>
<td>Reduction of lost time – Diminishing “the porosity of the working day”</td>
</tr>
<tr>
<td>Resource driven</td>
<td>Demand driven</td>
</tr>
<tr>
<td>Vertical and (in some cases) horizontal integration</td>
<td>(Quasi-) Vertical integration Sub-contracting</td>
</tr>
<tr>
<td>Cost reductions through wage control</td>
<td>Learning-by-doing integrated in long term planning</td>
</tr>
</tbody>
</table>

#### B) LABOR

<table>
<thead>
<tr>
<th>FORDISM</th>
<th>FLEXIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single task performed by worker</td>
<td>Multiple tasks</td>
</tr>
<tr>
<td>Pay at per piece (based on job design criteria)</td>
<td>Performance payment (variable bonuses system)</td>
</tr>
<tr>
<td>High degree of job specialization</td>
<td>Elimination of job specialization</td>
</tr>
<tr>
<td>No or only little on the job training</td>
<td>Long on the job training</td>
</tr>
<tr>
<td>Vertical labor organization</td>
<td>Most horizontal labor organization for core workers</td>
</tr>
<tr>
<td>No learning experience</td>
<td>On the job learning</td>
</tr>
<tr>
<td>Emphasis on diminishing worker’s responsibility (disciplining of labor force)</td>
<td>Emphasis on worker’s co-responsibility</td>
</tr>
<tr>
<td>No job security</td>
<td>High employment security for core workers (life-time employment)</td>
</tr>
</tbody>
</table>

#### C) THE STATE

<table>
<thead>
<tr>
<th>FORDISM</th>
<th>FLEXIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation</td>
<td>Decentralization/Re-regulation</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Collective Bargaining</td>
<td>Division/Individualization</td>
</tr>
<tr>
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#### D) IDEOLOGY

<table>
<thead>
<tr>
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(Expanded based on Swyngedouw, 1987)

![Figure 2: Fordism Versus Flexibility](image_url)
CHAPTER TWO

CASE STUDIES

Introduction
The case studies examined in this chapter provide a sense of agency and reveal the options open to firms as they maintain profitability through flexibility. Whilst the case studies are at a firm level they reveal the way firms accumulate globally but are regulated nationally. This helps us to realise the power of regions as production takes place in a specific space. Capital can be mobile and therefore global but in order to produce something material must be assembled together in a specific place and time.

Firms use the spatial and social divisions of labour giving rise to three major shifts in capital/labour relations which can be placed under the headings of production relocation, casualisation and reskilling.
Production relocation

As the mode of development moves from Fordist to Flexible, the way business is organised is changing. New patterns of inter-firm relations are appearing and new relations are being forged between capital and labour. One of the major changes has been the relocation of production either in whole firm site or in particular aspects of production. Firms around the globe have been relocating in order to restructure giving rise to new industrial spaces and leading to a decline in old Fordist areas of production.

Holloway's study of Nissan found that 'problems of managerial control can be transferred to the point of selection', in Britain, (Holloway:1987:154). Therefore in order to regain control, capital moves to an area where the possible labour force has the right attributes for a subservient labour force. Such sites are termed 'greenfield sites' and are usually rural but are also made up of people that generally lack union experience.

Kenney and Florida found a similar pattern in the car assembly industry, in the USA, as 'changes in organisation of production fundamentally alter spatial outcomes and geographic organisation' (Kenney and Florida:1992:32). Japanese transplants searched the USA for greenfield sites that had transport and supply infrastructures while avoiding areas of unionised labour with a long history of industrial conflict. They searched for fresh recruits that could be easily socialised into the Japanese or Just-in-Time Business Organisation. Management sought out low rates of absenteeism by examining local school records for possible new workers.

The electronics industry in the USA has been responsible for the growth of industry in the west of that country giving rise to the movement from the Snowbelt to the Sunbelt. Part of that movement is because 'access to labour is widely identified as an important determinant of the location and competitiveness of high-tech firms' (Angel:1991:1501). Such industry requires access to highly skilled labour but at the same time requires the use of low
skilled easily controlled labour, which comes in the form of women and ethnic minorities. Both lack experience with strong unions but ethnic minorities also have the tendency to be illegal immigrants (Angel:1991), therefore giving capital an extra degree of control. With control capital is able to implement new forms of business organisation.

Capital makes use of locational changes in order to change the way business is organised by making use of the way the social division of labour is spatially differentiated.

A second locational change is that of production decentralisation whereby a firm segments part of the production process and moves it out of the factory to either other firms (subcontracting) or to individuals (homeworkers). Alternatively a firm retains production capacity but the actual work is done off location.

Subcontracting has been an option for firms for many years but it has been growing in popularity with the change from Fordism to Flexibility. Firms use subcontractors for various reasons, firstly, to minimise and control labour costs, secondly, to retain flexibility with respect to capital, thirdly, to maintain managerial control over labour and unions and finally for an adequate supply of labour (Holmes:1986:94).

It is obvious that whilst subcontracting has given rise to agglomerations whereby the large firm is surrounded by smaller supplier firms, such relationships are tightly controlled especially with the rise of Just-In-Time. JIT is subordinating Just-In-Case as a form of management philosophy. JIC resembles Fordism because of its long runs and big inventories (Sayer and Walker:1992:65). For the purposes of this thesis Fordism covers the larger topic of mode of development and JIC refers only to business organisation. JIC is based on uniformity and standardisation of production therefore making it inflexible to changes in customer demand. Large inventories involve the use of much space and are expensive to keep. Relations with suppliers are distant
and non-interventive making it difficult for 'harmonisation between supplier and customer' (Sayer and Walker:1992:168).

JIT is based on the notion of tasks being done only when needed. Orders are met just-in-time for dispatch, suppliers deliver just-in-time for manufacture and in some cases right to the point of assembly within the factory. JIT also 'regulate(s) the flow of subassembly or batch production work' (Shaiken et al:1986:175).

JIT management philosophy should not be seen as the panacea for the problems of JIC though the advantages it offers come in the form of flexibility of labour and production. It should also be remembered that 'JIC is a system of mass production based on a collection of large-lot production processes, separated by large buffers and feeding into a final assembly line, JIT is a system of mass production consisting of a highly integrated series of small-lot production processes' (Sayer and Walker:1992:176). Therefore mass production still continues under JIT and ultimately under a flexible mode of development. JIT is evidence that alterations in production are not always 'hard' technological changes by 'soft' organisational changes. With changing business organisation inter-firm relations become stronger and lead to new industrial spaces based on agglomerations and subcontracting relations.

Subcontracting relations, however, are not always formed between firms in the same region. Nike for example researches new shoe design in Bevearton, the core, but production is based in the periphery in Taiwan, South Korea, Thailand, China, Malaysia, Indonesia and Yugoslavia (Donaghu and Barft:1990:542), to take advantage of the low wages. Nike's subcontracting relationship with peripheral nations is Fordist and demonstrates the New International Division of Labour (Frobel et al:1980), whereby firms from the core have relocated the production side of their industries within peripheral nations in order to take advantage of cheap labour and other incentives offered to them by the host nation, such as tax waivers or low-price electricity charges. While
such action goes against current trends of capital returning to the core (Mitter:1986), it demonstrates a greater freedom for firms to choose the type of business organisation that suits their management mentality because for Nike it is labour costs that determine its production system. New industrial spaces are growing outside of the core. Also, Nike's market strategy could be classed as flexible with a numerically flexible workforce in the periphery and a functionally flexible workforce in the core but its production methods are Fordist. Thus reinforcing the idea that under the new mode of development various options are open to firms in order to maintain profitability.

By decentralising, labour is still being dominated hence Neo-Taylorism. While it appears that labour is not tied to the production process as much as it was during Fordist era, it still is because with JIT the highly integrated assembly process means that the worker or group of workers must perform to keep in time with the previous worker or group of workers. Subcontractors have closer ties to large firms increasing a large firms control over small and ultimately over someone else's employees other than their own. The labour relations are far from harmonious.

Homeworking is another facet of production decentralisation as firms reduce labour costs and overheads by employing people to work at home. From the typology used in Stanworth (1991:36), five types of home-based workers are identified, they include Freelance, Corporate itinerants, Self-employed itinerants, Personal services and Traditional homeworkers or outworkers. The focus of this discussion will be on the traditional homeworker or outworker which includes most teleworkers, sewers and machinists and routine clerical workers to name a few.

Homeworkers are considered part of the overall category of self-employed under statistical categories yet their experiences are very different to the notion of being one's own boss and they are not a homogenous group because their conditions of work and pay depend very much on the industry they are in and
their gender and race. Many homeworkers are not recorded as self-employed and form part of the unregulated economy making it difficult to study their experiences and difficult to monitor trends often leading government officials to believe that such activity has disappeared from the modern capitalist society (Mitter:1986:38).

Work is seen as being freed from 'the constraints of location and time' (Bailyn:1988:149), when the reality is that the cost of work is being placed at the feet of labour rather than capital as homeworking represents a movement away from work in a particular location over a particular period of time. 'Homeworking is characterised not only by its location in the home, but by the conditions of employment which in many respects resemble certain other forms of employment...casualised' (Allen and Wolkowitz:1987:5). Even though homeworking is not a new phenomenon it forms part of the casualisation of the workforce. Those involved in this type of work are paid by piecemeal rates as with some employers viewing such money as pinmoney (Mitter:1986), when in many cases it is for the family's survival. The workload is set by the supplier, but other commitments mean homeworkers cannot meet work requirements which 'legitimises the homeworkers low pay and lack of employment security' (Allen and Wolkowitz:1987:120).

Employers use homeworkers in order to reduce fixed capital, overheads and running costs, variable capital or wages (Allen and Wolkowitz:1987:95-106). Homeworking is dominated by women because of the notion that such work is ideal for women with children as it gives them financial autonomy through a wage while providing them with the flexibility of organising their time around work and childcare. However many mothers simply perform a caretaker role (Allen and Wolkowitz:1987:126), not an interactive parental role.

One industry that has had intensive studies made with regards to homeworking is the clothing industry. Due to the nature of its production it is an ideal
candidate for the fragmentation of its production process as design can be separated from cutting and cutting from assembly.

Rising competition in the area of clothing has encouraged capital back from periphery nations. Increasing speed in product conception to production through the development of CAD (computer-aided design), has meant that the speed of production to retailer must also increase therefore production needs to be close to its markets. Labour needs to be cheap and subservient just like the labour in the periphery nations. Homeworkers are providing that cheap alternative. Women have become the ideal candidates for such work especially women from ethnic minorities who are 'trapped between the racism of their host community and the sexism of their own' (Mitter:1986:63). These women are kept tied to their job because of the strong familial ties that exist in their culture. Technology is also aiding in the speed of production to retailer in response to consumer demand giving rise to small batch of limited runs of a particular item of clothing.

The other type of homeworking is commonly referred to as teleworking and involves the use of computers and modems. It can therefore be differentiated from homeworking by the technology used as well as the difference in experiences of those who work at home. However, the same reasons apply for capital's use of the teleworker as those of the homeworker, to reduce overheads and costs. Such work is made possible by technology in the form of computers. Teleworking has the advantage of increasing productivity, reducing floorspace and heating and firms can respond to increased demand without new investment in office space.

However, teleworking is not as common as first-thought as 'rhetoric appears to be running far ahead of reality' (Stanworth J and C:1991:40). It has not been taken up rapidly by firms because of the disadvantage of capital losing control over workers time. 'There is a shift from managing input (ie controlling methods
of working) to managing output (ie judgement by results)' (Stanworth J and C:1991:47).

Women and men have different experiences with regards to teleworking. Men have separate rooms to work and tend to become obsessive with work whilst women tend to use the family room and must combine work with family duties. There is also a difference between managerial and professional teleworkers compared to the clerical and technical worker in terms of job security and ties to the firm.

Homeworking represents part of the growth of self-employment which has increased due to the increased demand for services to businesses who favour small enterprises, greater use of subcontracting, public sector subcontracting and a rising demand for services often provided by the public sector. Governments are keen to promote entrepreneurial activity and view self-employment as giving workers 'independence, flexibility, choice and freedom' (Hakim:1988:433). The entrepreneurial culture is weakened by people who are forced into self-employment, that is involuntary entrants because of job shortages. Though the rise of self-employment has been increased by the rise of businesses wanting to use subcontractors rather than the rise of an entrepreneurial culture.

The increase in production decentralisation by large firms has witnessed the rise in small firms. While it is noted that small firms have always been around there has been a substantial increase in their numbers and not just as subcontractors. Small firms can be defined either numerically as done by the New Zealand Census Department as being a firm of between one to five people or descriptively, thus 'relatively small share of the national market for their products or services, which are managed by their owners in a personalised way without formalised management structures, and which are independently owned with owner-managers free from external legal control in taking major decisions' (Keeble, Bryson and Wood:1991:442). From this definition of small firms, one
can see that many lack formalised management structure, especially as many small firms are family businesses. Small firms lack resources to purchase new equipment to aid in profitability yet make up for this in other ways, for example staying open for longer hours.

Small firms are being used by large firms for the production of specialised products yet with the increase in JIT technology small batch manufacture within the large firm could threaten small firm dominance in small batch production (Bollard:1988:41).

Small firms are being encouraged by governments as remedies for unemployment and business decline yet they operate in the same market as large firms and the large factory is still dominant. Government reasoning is that by focusing on small firms they can 'offer an almost cost-free cure for current economic ills' (Britton et al:1992:257).

The problem with small firms is that the net growth of small firms does not equal the growth (or decline) of jobs in one large firm, small firms are concentrated in the service sector especially trade and consumer services because of the low skill involved and the low financial threshold, and there is a disproportionate growth of a few successful ventures (Britton et al:1992:258). Due to these three factors the growth of small businesses leads to displacement of existing businesses, as a majority of small firms meet local needs government funded businesses increase competition for privately funded businesses. Secondly, because of the high failure rate there is an unnecessary use of public resources. Thirdly, it is difficult to retain activity after support is withdrawn. Small businesses aided by government tends to do better in prosperous areas.

However, small businesses of all types are about local capital employing local capital employing local people and are not part of national chains or multi-national companies whose presence does not always serve to benefit the
economy they are in especially if certain incentives have been offered to them to be there in the first place.

Small firms tend to be concentrated at the service end of the economy because of the low barriers of entry and the local nature of markets (Blackburn and Curran:1991:174). Also consumption takes place at point of purchase therefore distribution is localised or 'geographically constrained' (Rothwell:1986:119). Small firms have the ability to respond faster to market niches as traditional mass markets diversify (Maier:1989:47). As society becomes more consumer orientated there is a tendency for more diversification in the market and more specialist shops.

Smaller firms have more flexibility in management and control and are therefore able to make decisions faster which is a good way for entry into a new type of business area and innovations tend to come from small firms yet they lack the resources of large firms to continue with manufacture.

Harmonious industrial relations are credited to the small firm with the notion that a small firm environment depoliticises the workplace. Small firms are placed at the forefront of the fight against trade unions, however, trade unionism is not absent from small firms just less prevalent (Curran et al:1986:56). As Rainnie (1985), found in the British clothing industry all is not as politicians and social commentators would have the public believe. The small firm clothing industry tends to have a high labour turnover and the silence of the workers does not equal contentment with their work. Since a majority of workers in the clothing industry are female the silence could be explained by female socialisation which encourages a woman to accept her lot. Another reason could be because these women do not want to lose their jobs because they provide vital finances to the family economy.
Casualisation

As noted previously, the workforce is being casualised for increased flexibility leading to a duality between workers of a core workforce surrounded by a peripheral workforce. The core workers tend to be functionally flexible, that is, multiskilled while the peripheral workforce are numerically flexible, that is able to be increased or decreased in numbers to suit the workload (Donaghu and Barff:1990). By standardising and rationalising production capital has split the workforce between routine and non-routine work (Christopherson:1989:133).

Core workers are full-time, unionised, have job security and a career ladder. Peripheral workers work as part-timers and temps, they are non-unionised and lack job security. They also tend to be young, female or belong to ethnic minorities. Young people are involved as part-timers because of schooling and work for spare cash.

Women dominate part-time work because of two basic reasons. Firstly, it is perceived that women will take part-time work to fit it around childcare therefore enabling them to have the best of both worlds. However patriarchy determines that offering part-time work to women encourages them into the workforce and therefore empowers them. This has the effect of reinforcing the 'relations within production...(that) do not just take advantage of an externally constructed ideology, they further reinforce it' (Massey:1984:86). Women are then further casualised and this demonstrates a synthesis between capitalism and patriarchy (McDowell and Massey:1984), as capitalism makes use and reinforces the subordination of women to men at home and in the paid labour force. Secondly, patriarchal attitudes determine that women work solely for pinmoney to spend on luxuries for themselves therefore the money women receive is low. This also assumes that all women have a breadwinning husband. Many womens' incomes are the sole income for a family.

The reasons for the use of part-time work by capital are classical because of the nature of the job which shows that part-time work has always been evident
it is just becoming more prominent; supplementary whereby part-time is used as well as full-time; substitution as part-time is replacing full-time which is the latest trend (Curson:1986:105-107). As full-time work declines part-time has been increasing. Post-modernists account for the change from full-time to part-time as beneficial because it provides humans with less work and more leisure time (Edwards:1979:167). Yet one of the aspects of a decline in full-time and a rise in part-time is to make males redundant and casualise females depending on the industry that one is in.

Firms are changing to a dual work structure by eliminating middle management (termed shamrocking). Management now has a more direct involvement with the workforce giving rise to a caring management and dedicated workforce. Holloway (1987) found that the Nissan management became paternalistic in its attitude to workers when it changed the social structure of the workforce rather than the previous 'macho' attitude. This change in attitude could be related to the notion of a more caring, environmentally friendly capitalist. Yet whilst the face of capitalism is changing the underlying structure remains the same with uneven capital-labour relations as capital attempts to take surplus value from labour.

Full-time work is declining because of the rise of part-time work but also because of deregulation as tender work is put out by public sector operations thus reducing the directly employed worker. Manufacturing businesses have been reorganising their in-house service departments by employing external contractors (Marshall:1989:140). The Fordist Business Organisation is based on the 'spatial separation of corporate activities' (Marshall:1989:141), from production. That means that the head office is situated in a large city area and the branch plants are located in provincial areas. Due to the physical separation of corporate activities from production activities tighter cost control has been encouraged which in turn has encouraged contracting-out. Contracting-out has spread to white collar functions and as will be shown through the figures from the regional study of Palmerston North, the rise of
administration/managerial and professional/technical occupations could be due to contracting-out to consultants.

Full-time work is declining leading to an increase in unemployment. Massey and Meegan (1982:1985), looked at three ways firms reorganise production which leads to job loss. They are intensification which involves the reorganisation of the existing production process, investment and technical change and rationalisation which includes disinvestment and cutbacks in capacity though there is not a change in the production or labour processes (Massey and Meegan:1985:121). Only technical change leads to a change in location of production (Massey and Meegan:1982:127).

Computer technology has expanded the range of services in-house service workers can perform (Marshall:1989:142), and has led to new functions that require the involvement of external workers. Service activities have become more important to the manufacturer through greater emphasis on marketing research, marketing advertising, selling, design and packaging services. Secondly through training and personal services which are designed to improve the quality of staff and enhance the service provided to customers. Finally, flexibility in production through computer technology especially with the Just-in-Time Business Organisation, has meant greater discipline in distribution and supply of components (Marshall:1989:144).

Technology through the use of a computerised payroll enables management to keep exact records of staff working hours making the use of part-time labour cost effective.

Firms combine flexible staffing with Fordist production. Donaghu and Barff (1990) demonstrated this with Nike as their staff were numerically flexible whilst production was along Fordist principles. Reiders (1988) found a similar situation with McDonalds as the workforce is numerically flexible with high level of part-timers but manufacture of food is Fordist.
Reskilling

Labour is also experiencing changes in skill requirements which are related directly to changes in production organisation and workforce flexibility as Just-in-Time subordinates Just-in-Case. Under JIC workers had one skill and had a tendency to become bored with one job. JIT has encouraged multiskilling or task flexibility which makes workers more adaptable yet reduction of 'staff levels was a significantly more important managerial goal than was promoting worker adaptability' (Shaiken et al:1986:178).

As management merges work roles it eliminates narrow job classifications. However this has the effect of increasing the intensity of work. It may speed up the assembly line and increase productivity yet overworks labour.

Labour is encouraged to change its work attitude as management seeks out behavioural rather than technical skills as was the case with Nissan in Britain when selecting new employees (Holloway:1987), and with the auto-assembly industry in the USA (Kenney and Florida:1990). The worker is encouraged to 'be more responsible as the supervising role of management is stripped out' (Easton:1993:58). Again capital is putting the emphasis of self motivation on the worker just like homeworkers.

Process training is company specific so that workers cannot transfer from one company to another easily and take with them company secrets which is especially important in times of increased competition. Such training has the effect of increasing the split between core and periphery workers as the core becomes more differentiated from the periphery.

'New technology in the form of flexible manufacturing systems increase the movement towards unmanned (sic) factory' (Ebel:1985: 135). It has the effect of higher productivity, continuous flow, fuller use of machines, lower inventory of finished goods, better quality and lower overheads. With the introduction of such technology reorganisation of the entire production process and
transformation of occupation structure occurs. Unskilled and semi-skilled workers are removed especially machine operators, loaders, transport and stock control. The highly skilled are increased especially those involved with computer work as 'productive activities decline and production supporting activities increase' (Ebel:1985:139). The use of computers in production makes work less personal as 'computers mean stricter control through an impersonal and distant centre' (Murray:1983:89).

Old skills are being replaced by new skills. It is not so much a case of deskilling but new skills and new social types of people being involved in the workforce. Unskilled males who are production workers are being replaced by white, skilled males who are computer technicians. This duality of skills is evident in the electronics industry where a majority of component design and software design jobs are held by educated white males whilst females and ethnic minorities have the tedious, labour intensive jobs of component soldering. This reflects social divisions between core and periphery workers and the casualisation of females and marginalisation of male productive workers which Scott and Storper (1987), found in the USA electronics industry.

Changes in skill requirements with individual flexible pay systems which allow for increased pay due to increased skill and merit payments (all of which is enabled by computer technology) is leading to individual contracts (Sayer and Walker:1992:186-187). With one union being recognised which is possible because of broad job definitions. New Zealand's Employment Contracts Act (1991) could encourage the demise of small unions, nationally set wages could be replaced by locally set wages hence increasing competition between regions making less well off regions suffer. Capital is able to renegotiate labour contracts (Britton and Le Heron:1987:135), this is an example of the mode of regulation combining with regime of accumulation or capital gaining help from the state to subordinate labour.
Control of unions is not always necessary due to the gender of the labour employed as women tend not to be involved in industrial relations in great numbers even in areas where they make up a majority of the workforce. An explanation for a lack of union involvement could stem from a woman's dual role of breadwinner and houseworker which means that they have little time to attend union meetings. McDowell and Massey (1984) found that union involvement by women had a regional dimension with the history of women's work being an important factor to their role in today's unions.

Patriarchy also controls women in their desire to move into the upper echelons of business management as managerial/administration positions are generally chosen from existing staff and requires one to work for a long period of time within the company. Patriarchal attitudes by those who make promotions are reluctant to promote women, which supports the notion of the glass ceiling whereby women can see upper management but very few attain it. Also women are forced out of labour force when they have children due to a lack of child care facilities, maternity leave and society's expectations of what a mother's role is. Women therefore have broken work patterns.

Greater managerial control is achieved by having specific company skills giving credence to Neo-Taylorist business organisation. McDonald's treatment of staff is Neo-Taylorist in terms of tight control over the way all jobs are done right down to mopping the floor (Reeders:1988).

More automation is also evidence of Neo-Taylorist control as unskilled direct jobs disappear (Leborgne and Lipietz:1988:275). CAD has enabled a Neo-Taylorist business organisation to enter the drawing office work, (McLoughlin:1989:27). Three areas Neo-Taylorist managerial practices were implemented. Firstly, work design whereby design of work to deskill and reduce the range of tasks. The operation of a CAD workstation meant a
standardisation of software. Craft skills became keyboard skills. Secondly, through management control structures whereby the use of CAD means that everytime a worker logs on jobs are automatically timed. Shift work is used to extend user time. Thirdly, the employment relationship is polarised between the 'core' professional skills of designer and 'substitutional' skills of drawing office labour.

An example of privatisation that has led to restructuring of business organisation and encompasses many of the changes to capital/labour relations that have been discussed in this chapter is that of Electrocorp as examined by Ammon (1989). Management wanted to maintain control by redefining work attitudes and relations, public service motives became corporate profit, labour costs were reduced by cutting the workforce by 20% (Ammon:1989:115), either by relocating workers or casualising permanent workers and finally changing the focus of industrial relations to a process of human resource management (Ammon:1989:115).

Though not all managers are willing to take a 'caring' approach to labour relations with some continuing to maintain hardline Fordist principles. The reason for this could be due to the reserve army of labour in the form of a high number of unemployed giving managers plenty of reason to be less compelled to rely on co-operation and goodwill with their staff (Brocklesby:1983:224).

Restructuring was done by altering staffing levels through various methods such as removing one tier of staff hierarchy (shamrocking), utilising the available workforce in an efficient fashion through a smaller workforce with the same workload which increases the intensity of work for each employee, using contract workers for peak demand and having more of the accounting and management done at a local level along with decentralising the work of the

1Traditionally males have done the craft work and females have been associated with keyboard typing. It is patriarchal of McLoughlin to assume that a movement from one job to the other represents deskilling.
engineers and technicians also (Ammon:1989:112). There were increases in accounting, technical and personnel staff levels with a decrease in painters, plumbers, labourers and clerks which has led to the increase in certain service occupations and a decline in production occupations.

There were changes in work organisation and these included such things as round the clock work schedules, reduced number of shifts with operators doing attendants jobs, implementation of remote control operating activities, workers being moved to were the work is hence a more mobile workforce and finally multi-skilling and a removal of job demarcations (Ammon:1989:113).

New technology is to be implemented in the form of micro-processors which will reduce staff levels further (Ammon:1989:114), and has the potential to increase conflict between capital and labour.
CHAPTER THREE

REGIONAL ANALYSIS

Introduction
The aim of this section is not to test the theory set out in Chapter 1, nor is it to test Palmerston North's applicability to the theory. The aim is to use the Mode of Development theory as a device which will enhance our knowledge of employment change in a specific area. A regional analysis provides a sense of reality to the theory as peoples first perceptions are local (by their region) and the world is made up of regions.

The period covered in this section of the thesis is between 1981-1991. The ten year span is because of the convenience of census data but it also covers an interesting era in New Zealand politically, economically and socially. The decade covers the era after the 1984 Labour government and the changes in the New Zealand economy and the 1987 stock market crash. Restructuring by government in New Zealand has altered the way in which businesses operate because of a deregulated economy. The New Zealand economy went from a highly protected economy to an economy open to outside competition and the global forces of capitalism. This deregulated economy has had major effects on employment and the way labour is organised. Competition is the prime reason for a firm to increase flexibility in production and labour organisation. With increased competition in a deregulated economy, New Zealand firms have responded in the same way as overseas firms, right down to the regional level of Palmerston North.

The area under investigation is represented in Figure 3 and all data is applicable to this area. The data has been taken from the 1981-86-91 Censuses.
Context

Before an analysis of Palmerston North's employment change can be undertaken, the city needs to be put in context through a look at its employment and firm structure. Firstly, the internal structure of Palmerston North will be explored then employment figures will be compared to other New Zealand regions and then New Zealand as a whole. This comparison will serve as a way of placing Palmerston North in the New Zealand economy. The context will also aid the analysis by providing an explanation for the employment trends that Palmerston North is experiencing.

Palmerston North has close to a third of its workforce in the Government sector (Low:1992:iv), meaning that any Government restructuring has a major effect on the labour force and the local economy. A majority of those people employed in the Government sector are situated in Education, Welfare, Health and Community Services or Defence (see Table 2).

Education's prominence derives from the importance Massey University has as an employer with close to 2000 equivalent full-time people (see Figure 4). The siting of Massey University in Palmerston North has encouraged other research facilities to the city such as the DSIR and the DIR which are also government departments. Massey therefore plays a dual role for the DSIR and DIR with the sharing of information and providing a pool of potential employees through graduates. The large student population present at Massey, the College of Education and Polytechnic increases the need to provide other services around the region with any changes to student numbers affecting both staffing at the educational institutions and the buoyancy of the local economy.

The Area Health Board\(^2\) employed 1700 equivalent full-time in December 1992, people with most of those being situated in the Palmerston North Hospital. The

\(^2\)Area Health Boards have since been replaced by Regional Health Authorities and Crown Health Enterprises.
then Area Health Board covered the Manawatu and Wanganui regions which reveals Palmerston North’s importance as a regional office locality and its prominence in the regional hierarchy.

### TABLE 2 GOVERNMENT SECTOR EMPLOYERS

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<tr>
<td>Welfare, Health and Community Services</td>
<td>2587</td>
</tr>
<tr>
<td>Research and Development</td>
<td>514</td>
</tr>
<tr>
<td>State-Owned Enterprises</td>
<td>884</td>
</tr>
<tr>
<td>Government Commercial Enterprises</td>
<td>140</td>
</tr>
<tr>
<td>Government Non-Commercial Enterprises</td>
<td>175</td>
</tr>
<tr>
<td>Defence Forces</td>
<td>1162</td>
</tr>
<tr>
<td>Local and Regional Government</td>
<td>869</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9573</td>
</tr>
</tbody>
</table>

Source: Low: 1992: 5

Many of the major employers are head offices (for example, Glaxo, Sunbeam, Allflex and Ezibuy), which provides Palmerston North with a sense of security because such firms have a greater sense of local loyalty than those who are branches of national or international firms.
The three major employers are also government departments and they are Massey University, Defence and the Area Health Board. All employ over 1500 full-time employees. Defence is situated in Linton Army Camp.

FIGURE 4 MAJOR EMPLOYERS IN PALMERSTON NORTH
1992

Source: Thomas: 1992: 11

The following set of graphs show the 1991 figures for the important aspects of employment change, namely full-time, part-time, self-employment, unemployed, occupation and industry categories.

Figure 5 shows the levels of full-time, part-time, self-employed and unemployed across Palmerston North urban subdivisions (see Appendix 1), and

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3Full-time: people working 30 or more hours per week plus those unemployed and seeking full-time work.
Part-time: people working 1-29 hours per week plus those unemployed and seeking part-time work.
reveals the spatial unevenness within Palmerston North due to its capitalist nature.

FIGURE 5 WORK STATUS
1991

Palmerston North Subdivisions

Number of (a) in (b)
Number of working age population in (b)

a=Full-time/Part-time/Unemployed/Self-employed
b=Urban Subdivision

Source: Supermap: Census 1991
Massey University has a low number of full-time workers because most of the people who inhabit the area are students. Whakarongo, Kairanga and Stoney Creek are high in self-employed numbers because they are rural areas with many people employed in farming which still tends to be run on a self-employed basis.

Otherwise part-time and self-employed are relatively similar across the region. Highbury and Palmerston North Central show a high rate of unemployment because these are the areas of low income families and low cost housing.

One third of the workforce is employed in the professional/technical fields which can be partly explained by the prominence of education. The production category has the second highest number of full-time workers revealing a substantial industrial base in Palmerston North (see figure 6).

**FIGURE 6 OCCUPATIONAL DISTRIBUTION IN PN**

1986 & 1991

Source: Hillson: 1991:9
The industrial structure of Palmerston North reveals a high percentage of people in community services because of the major role the government sector plays in Palmerston North (see Figure 7). This is followed by trade (22%) then manufacturing (14%).

There is a high dependence on services which make up 50% of Palmerston North's industrial structure (see Figure 7).

**FIGURE 7 INDUSTRIAL STRUCTURE OF THE WORKPLACE**

1991

![Diagram showing industrial structure of the workplace in 1991]

Source: Hilson: 1991:9

The following comparisons of Palmerston North to New Zealand puts it in a national context. There is a higher level of wage/salary earners in Palmerston North than nationally because of a lower level of self-employment and employer (see Figure 8).

There is a higher level of unemployed in Palmerston North than nationally because of the student population.
Work status (see Figure 9) demonstrates a lower level of full-time employment as compared to the rest of New Zealand.
This reflects the student population and a large number of part-timers which is also a reflection of student numbers as many combine study with employment in order to pay for fees. It could also show that Palmerston North firms are casualising their workforces.

For male/female differences, Palmerston North is similar to New Zealand as a whole with men at 62% and women at 38% (Hilson:1991:7), in the full-time workforce. In the area of part-time labour, three out of four are women revealing that it is women who are likely to be the casualised sector of the labour force, whilst it is men who have been forced into the non-working category. This phenomenon will be examined later when examining changes in Palmerston North.

Males make up 39% of those 'not-working' while females make up 61% (Census:1991). 'Unpaid and voluntary work' is excluded from the work status category therefore disguising the contribution women make to the economy. In Palmerston North, 55% of voluntary work is done by women (Census:1991), with men out-numbering women only in the areas of sport. This reveals that even in the area of voluntary work there is a sexual division of labour as women are expected to do the caring jobs such as welfare, youth, health and education which is an extension of what many do in the home, while men do the physical activities like sport which itself reveals an interesting sexual division of labour because while a majority of males are involved in the coaching of sports (the recorded aspects), females are behind the scene cooking, washing and cleaning.

Compared to other selected regions of New Zealand (see Appendix 2), Palmerston North is average in all areas of employment. Palmerston North has a higher rate of full-time employment over Wanganui, Christchurch, Tauranga and Dunedin showing growth here at the expense of established centres like Christchurch and neighbours like Wanganui (see Figure 10). Palmerston North
has one of the highest figures for part-time work and one of the lowest levels of self-employment.

There is a high concentration of the workforce in community services second only to Wellington (see Figure 11). This is a reflection of strong links with the Government sector which could be the reason for low percentage of workers in business services.

Palmerston North's occupational structure, (see Figure 12), is similar to the other centres displayed. Overall, Palmerston North has fared better than many other regions because of a lower reliance on industries most affected by the downturn, such as agriculture and manufacturing. The number of businesses actually increased by 6.6% between 1991-92 (Thomas:1992:20).
FIGURE 10 WORK STATUS, MAJOR CITIES

1991

New Zealand Urban Areas

1 Wanganui  6 Porirua  11 Western Auckland Zone
2 Tauranga  7 Lower Hutt  12 Central Auckland Zone
3 Dunedin  8 Upper Hutt  13 Southern Auckland Zone
4 Christchurch  9 Hamilton  14 Palmerston North
5 Wellington  10 Northern Auckland Zone

Number of (a) in (b)
Number of working age population in (b)

a=Full-time/Part-time/Unemployed/Self-employed
b=Major Cities

Source: Supermap: Census 1991
FIGURE 11  INDUSTRY, MAJOR CITIES

1991

New Zealand Urban Areas

1 Wanganui  6 Porirua  11 Western Auckland Zone
2 Tauranga  7 Lower Hutt  12 Central Auckland Zone
3 Dunedin   8 Upper Hutt  13 Southern Auckland Zone
4 Christchurch  9 Hamilton  14 Palmerston North
5 Wellington  10 Northern Auckland Zone

Number of (a) in (b)
Number of working age population in (b)

a=Industry
b=Major City

Source: Supermap: Census 1991
FIGURE 12 OCCUPATIONAL STRUCTURE, MAJOR CITIES
1991

New Zealand Urban Areas

<table>
<thead>
<tr>
<th>Major City</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Wanganui</td>
<td>6 Porirua</td>
</tr>
<tr>
<td>2 Tauranga</td>
<td>7 Lower Hutt</td>
</tr>
<tr>
<td>3 Dunedin</td>
<td>8 Upper Hutt</td>
</tr>
<tr>
<td>4 Christchurch</td>
<td>9 Hamilton</td>
</tr>
<tr>
<td>5 Wellington</td>
<td>10 Northern Auckland Zone</td>
</tr>
<tr>
<td>6 Porirua</td>
<td>11 Western Auckland Zone</td>
</tr>
<tr>
<td>7 Lower Hutt</td>
<td>12 Central Auckland Zone</td>
</tr>
<tr>
<td>8 Upper Hutt</td>
<td>13 Southern Auckland Zone</td>
</tr>
<tr>
<td>9 Hamilton</td>
<td>14 Palmerston North</td>
</tr>
</tbody>
</table>

Number of (a) in (b)
Number of working age population in (b)

a=Occupation
b=Major City

Source: Supermap: Census 1991
Changes

With Palmerston North now placed in some context the changes taking place within the city can be analysed under the framework of the theory provided in the first section of this thesis.

There was a decline in full-time employment in Palmerston North overall (see Figure 13), from 53.2% in 1981, 51.9% in 1986 to 46.6% in 1991. The largest decline was between 1986-1991 (Census:1981-86-91), which follows national and international trends of declines in full-time employment. Within subdivisions (see Appendix 1), all have experienced declines except Massey University and Aokautere which is due to suburbanisation and the building of homes outside the central city area. A decline in full-time employment is related to the rise in part-time employment and unemployment which demonstrates casualisation as people either opt out of full-time employment or are forced out.

Part-time work has increased from 9.2% in 1981, 12.2% in 1986 to 12.1% in 1991 (see Figure 14). One reason for the increase is the need for a flexible workforce which is a requirement made by the service sector. The rise in part-time is partly because of the decline in full-time but different groups of people are affected. Males tend to be losing employment whilst females are gaining employment on a part-time basis. Reasons for this will be discussed later. Youth workers include many students who, because of government policy changes which increased fees, need part-time employment to pay their way through tertiary education.

The rise in services has led to a rise in part-time work such as entertainment facilities which have been boosted by increasing numbers of bar and cafes (Thomas:1992:14). Such facilities require a workforce that can work flexible hours in response to consumer demand.

Technological changes through computerised payrolls have enabled businesses to employ a flexible workforce because it makes keeping track of staffing hours
easier. Flexibility has also been aided by Employment Contracts Act (1991), in which staff employed on a part-time basis and who work unusual hours are not entitled to overtime and other benefits.

**FIGURE 13 FULL-TIME WORK IN PN**

1981-91

Palmerston North Subdivisions

<table>
<thead>
<tr>
<th>Number of (a) in (b)</th>
<th>Number of working age population in (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a=Full-time</td>
<td>b=Urban Subdivision</td>
</tr>
</tbody>
</table>

Rising part-time employment along with declining full-time employment points the way for core/periphery labour force in Palmerston North as well as a casualised labour force.

FIGURE 14  PART-TIME WORK IN PN
1981-91

Palmerston North Subdivisions

Number of (a) in (b)
Number of working age population in (b)

a=Part-time
b=Urban Subdivision

All subdivisions have experienced a rise in part-time employment since 1981, meaning that all areas of work (occupations) have been exposed to the forces that drive casualisation which has affected all social groups to differing degrees.

As mentioned previously, unemployment has risen from 2.2% in 1981, 6.1% in 1986 to 6.9% in 1991. The major increase being from 1981-86 which can be accounted for by the restructuring of the 1984 Labour government which stripped away the insulation that had protected New Zealand businesses over the Fordist era, forcing them to become competitive leading to major restructuring and for some, decline. Also major restructuring of the government sector led to the privatisation of many firms in which directly employed staff decline substantially as work was either subcontracted out (vertical disintegration) or work was intensified as one staff member took the job of two (see Figure 15).

Within Palmerston North subdivisions all places increased in unemployment, which demonstrates that unemployment has affected all occupational groups but especially affected were Highbury and Palmerston North Central.

Self-employment has also risen from 2% in 1981, 3.4% in 1986 to 3.6% in 1991 in Palmerston North (see Figure 16). Across the subdivisions the increase in self-employment was larger between 1981-86 than between 1986-91. The increase is not dramatic but is most noticeable between 1981-86 which could again be due to government restructuring of 1984 onwards. The government has been most active in the area of small business development (self-employment), especially with the use of the Enterprise Board and Business Development Boards. Between 1989-92, 60% of the Enterprise Board’s new clients have increased Palmerston North’s businesses by 162 creating 187 full-time equivalent jobs (Annual Report:1993:2), revealing a degree of success. Initiatives such as ‘Be Your Own Boss’ are encouraged by the Boards especially in activities that focus on niche markets in terms of exclusive products. City marketing through such organisations as the Business

FIGURE 15 UNEMPLOYMENT IN PN

1981-91

Palmerston North Subdivisions

Number of (a) in (b)

Number of working age population in (b)

a=Unemployed
b=Urban Subdivision

FIGURE 16 SELF-EMPLOYMENT IN PN
1981-91

Palmerston North Subdivisions

Number of (a) in (b)
Number of working age population in (b)

a=Self-employed
b=Urban Subdivision


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There are differences in male/female self-employment especially types of businesses but also in terms of success. Males have a tendency to be situated in 'traditional' male areas such as butchers, electricians or builders whereas women tend to be in the areas of hairdressing or dressmaking. Government Departments such as the NZ Employment Service are actively encouraging more women to become their own boss. Many women, however, are already self-employed as homeworkers in there low-skilled and low-paid jobs which lack the independence that is perceived of self-employment.

The industrial structure of Palmerston North city has been altering. Between 1986-1991 increases came from agriculture, hunting, forestry and fishing (171 jobs) (Hilson:1991:9), but because agriculture is outside the scope of this thesis an explanation of trends concerning the primary sector will not be provided. Though it is interesting to note that in many regions agricultural employment is declining as agriculture changes because of being drawn into the capitalist structure.  

Increases can be found in service industries, especially community, personal and social services (1179 jobs) and business and financial services (549 jobs). The former includes a large range of occupations and it will be shown later that increases are not evident across service occupations.

The rise in services is linked to consumer oriented services which are found in a post-modern society and this phenomenon is evident in Palmerston North, not just in employment figures which show service growth and manufacturing decline but in the phenomenal growth of bars and cafes around the city centre as well as the increase in the number of health clubs as people search for a 'balanced lifestyle' (Annual Report:1993).

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*For a complete explanation refer to Goodman, Sorj & Wilkinson, 1987*
The increase in consumption palaces (shopping malls) and sophisticated entertainment, along with Saturday and more importantly Sunday trading in Palmerston North, means that the workforce must be able to work hours that are outside the traditional working week. The workforce required is numerically flexible and because of patriarchy a majority of service workers are female. This is reflected in the high number of women in part-time work - 3/4 are female in Palmerston North (Hilson:1992:7).

Manufacturing employment has declined in Palmerston North from 17%-14% (1986-1991), (Hilson:1992:9). This decline is not directly related to the rise in services because it affects a different group of people - males. Though it should be made clear that females too have been affected by manufacturing restructuring and too have experienced unemployment, however, not to the same degree as males. Manufacturers in Palmerston North are using flexible working practices in manufacturing and hence to increase productivity.

Whilst manufacturing has shown a decline in employment and services an increase, an examination of occupations reveals that service occupations have had variable fortunes and the industry is not as homogenous as industry categories make it appear. Most noticeably is the rise in administration/managerial and professional/technical occupations (see Figure 17). In fact the growth in administration/managerial of 117% is staggering. These increases follow from the 'shamrocking' of business organisations which are removing middle management to make firm structure two-tiered.

A second reason is the restructuring of the government sector, especially in the area of health whereby State departments are taking on a more corporate-like structure.

A third reason is the rise in consultants, that is people who offering business services, who tend to be self-employed giving rise to small businesses and also form part of the temporary labour force as work is subcontracted out to them.

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There has been a huge rise in the number of Managerial and Administrative positions, with falls in Labouring, Sales and Service Jobs.

A sexual division of labour exists within these occupations as men are twice as likely to be in managerial/administration and women more likely to be in professional/technical. This is again due to patriarchy and shows how patriarchy affects the way management structures operate. Professional occupations also include such things as teaching which women are over represented. Declines have occurred in the areas of clerical and sales/service which are two occupations over-represented by women (30% of female workforce vs 6% men) (Hilson:1991:9). Various reasons are evident for these declines. Technology in the form of the rise of computerisation has meant that jobs have been consolidated so that one person can do them. In the case of the Public Trust Office, on-line computer systems have meant a loss of data processing staff and counter automation technology has meant a similar fate for data entry staff.
Motor Registration (Low:1992:13). Firms seek efficiency and profitability in restructuring through the use of new technology. Declines in full-time work as firms replace with part-time workers in clerical and sales, or homeworkers. Sales occupations have declined because of a fall in sales as people have had less money to spend and shops have had to discount to get customers. What now appears to happening is that declines in staff have led to fall in prices encouraging more spending (Thomas:1992:14).

National retail chains such as Canterbury, Michael Hill, 3-Guys have moved into Palmerston North revealing a confidence in Palmerston North's ability as a stable and growing business climate. This confidence was also evident when Ansett retreated from a tourist area like Mt Cook for a business area like Palmerston North in 1987 (Britton et al:1992:151), which has had benefits for Palmerston North in the form of more flights in and out of the city. Air New Zealand's decision to remove Friendship flights out of Wanganui has also helped increase the use of Palmerston North's airport.

Under the headings of amenity, access and agglomeration (Albrechts et al:1989:71), Palmerston North's appeal as an business economy over other centres and its reason for prosperity become clearer. Amenities such as Massey University, the Polytechnic, DSIR and the DIR provide research facilities and offer people with teritiary qualifications to the labour market. The access to a major highway because of the inland location of Palmerston North enables goods to be transported either by road or rail and transport is also aided by the use of two major airlines. Agglomeration comes in the form of government offices and head or branch offices being located in the city.

Those employed in production also lost jobs (37% male - 12% female), demonstrating that those most affected by restructuring are unskilled males. This is due to the restructuring of manufacturing and the altering of work organisation as labour becomes casualised and multi-skilled. Access to specific data on the changes in part-time production work for males and females is
difficult to obtain making a more indepth analysis impossible. This applies to many other industry occupations throughout this thesis.

Defence employment as shown in the Context plays a major role in Palmerston North and even though there have been major reductions in New Zealand’s defence personnel numbers due to a reduced vote of $112.5 million with further reductions to come (Low:1992:15), Palmerston North has done well because restructuring has meant that many functions have been centralised here from other places. Staff have been moved from the Papakura Military Camp to Waiouru and Linton, The Ready Reaction Force from Christchurch now has its headquarters in Linton and its Support Units have also been moved from Burnham to Linton. The Government has decided to concentrate defence in the general triangle of the North Island again reinforcing the importance of Palmerston North’s geographic location. The reduction in defence spending is also a response to the end of the Cold War, however, one could imply that the Cold War came to an end because many countries could not afford to keep spending money on defence because of the economic downturn.

Government restructuring in other areas has led to decreases in employment through the closure of the Customs Office in 1989 and the closure of the Social Welfare Regional Office in 1990, the relocation of the Government Print Office in 1990 and the movement of the Support Command Headquarters to Wellington in 1990 (Low:1992:8). Again this shows that relocation plays a major role in job loss.
CHAPTER FOUR

CONCLUSION

This thesis has taken three directions in order to explain and document a changing mode of development in relation to employment. Firstly, a theoretical perspective which explained how employment has changed due to a change in business organisation under a new mode of development; secondly, a firm perspective which showed how different firms use different forms of business organisation but still attempt to maintain profitability and thirdly, a regional perspective, which has looked at a specific region and by employment statistics and local knowledge has shown how it can be made applicable to the theory.

To summarise the theoretical perspective, the old mode of development referred to as Fordism is being subordinated by a new mode of development that is Flexible which is made up of a combination of either Neo-Taylorism, Neo-Fordism or Post-Fordism, depending on the firm involved. This will be discussed later. The changing mode of development encompasses changes to the organisation of labour (technological paradigm) macroeconomic pattern (regime of accumulation) and the 'set of accepted and institutional rules' (Leborgne and Lipietz:1988:263), (mode of regulation) which in turn gives rise to new ways of organising business which affects the way labour is organised and ultimately gives rise to changes in employment patterns.

This thesis has looked at the way firms restructure in order to maintain profit by using particular 'types' of labour and the way labour has been reorganised by capitalism in order for it to regain control. Especially important is the use of space either by the movement of the entire place of production or by subcontracting areas of production to other places in order to capture 'cheap' labour. Relocation of entire firms to 'greenfield' sites has led to a decline of male direct labour and an increase of young, minority or female labour at a casualised level. Management uses changes in space in order to alter production technology either the actual hardware or management practices.
Relocation of parts of production process is situated under the heading of subcontracting yet this includes homeworking and teleworking, both of which involve different social groups yet all aid capital in its desire to maintain profitability. Subcontracting has always been a part of many businesses, just recently, however, especially through the wide use of JIT the interfirm links have been strengthened in favour of the large firm. Parts are to be delivered just in time for manufacture and subcontractors have found it beneficial to agglomerate around the large firm in order to cut down travel time.

Subcontracting has weakened labour because direct employment is lost as firms 'put out' work. The increase in the use of homeworkers has had a similar effect as direct workers decline. Homeworkers in industries such as clothing tend to be female and are often ethnic minorities who work for piece-meal rates as capital uses the patriarchal system to further subordinate women and for its own means which is profitability, holding the belief that women welcome working at home so they can be with their children and women's earnings are spent on luxuries not family essentials. Both ideas could not be further from the truth with the reality being that by working at home, women remain child-minders but not interactive parents and women's money goes towards maintaining a family's survival.

Homeworkers in the area of secretarial/research (called teleworkers) have a better deal yet capital's reasons for employing such a system is the same as for homeworkers - to reduce overheads thus increasing profitability. Viewed by post-modernists as the future of work leading to a new balanced lifestyle (also less traffic and less pollution), homeworking in fact tends to make men obsessive about work and for some women, reinforces their role as caregivers to children as some use it as a career gap.

The workforce is being divided into core and periphery workers (though one must not become too carried away with simple dichotomy). Core workers have stable, well-paid jobs and periphery workers (casualised) have unstable low-
paid jobs. This is reflected in employment statistics as part-time workers are increasing and full-time workers decline as firms restructure to settle on core staff. However, those involved in part-time work namely females, are not those being made redundant from full-time work, it is mainly males.\textsuperscript{5}

Changes in skill requirements have also led to a decline in full-time employment as the implementation of JIT, though not solely this, means that workers become multi-skilled and take the role of many workers. This increases intensity of work and reduces job demarcations which is reflected in occupation statistics as production workers are declining.

In order to maintain profitability and regain control over labour firms are restructuring by employing new groups of people either at current production locations or off them by making use of social divisions and inequalities. This leads to casualisation of workforce and a new geography of production.

The regional perspective of this thesis focused on Palmerston North and the changes it had been through since 1981. By putting Palmerston North in a context this thesis was able to focused on what made it similar to other New Zealand regions but also what made it unique. What is especially obvious is its reliance on three main employers - Massey, Area Health Board and Defence. All are governmental bodies. Palmerston North's economy has kept it in good stead for regional offices over other regions in the near vicinity, for example, Wanganui. Palmerston North has a stable economic base with a fairly even distribution of industries, however it has a high reliance on services, especially community services which reflects part of the movement towards the service industry.

\textsuperscript{6}One admits that there has been a rise in female unemployment and male part-time employment but not to the same degree as male unemployment and female part-time employment which suggests that the trend is towards a casualisation of female labour and a marginalisation of male labour.
The changes that have occurred in Palmerston North are in step with trends around the world. There is a trend towards declining full-time employment, rising part-time employment, rising self-employment and a rise in unemployment. Employment in services has increased whilst manufacturing employment has declined. Professional/technical and administrative/managerial occupations have all increased most noticeably administration/managerial whilst production, sales and clerical occupations have declined. The statistics demonstrate the capitalist nature of Palmerston North and that the forces leading to a new flexible mode of development are evident in Palmerston North.

Even though Palmerston North has experienced similar changes in employment patterns to other regions it has experienced growth which sets it apart from other regions. This gives credence to the notion of regional uniqueness.

From this study one can come to some conclusions about firm restructuring and regional changes by using the topic of employment. Taking the case studies used in this thesis one can see that all firms are experiencing profound changes in their business environment and whilst restructuring is a continuing process over the last decade it has been at a greater degree and in some cases, especially in New Zealand, rapid leading to incredible social upheaval, as well. Firms are having to restructure because of the global structural changes taking place yet not all firms are acting in the same way because of agency. The restructuring firms undertake is dependent on three major factors - industry, size and site.

The way service industries are set up varies from manufacturing because of the difference in what is produced, that is, a tangible item versus a feeling.

The size of a firm has a bearing on what changes can be made to labour and how labour is organised. Small firms lack resources to purchase new equipment to aid in profitability yet make up for this in other ways, for example staying open longer hours and because many are family businesses unpaid
relatives assist. Also managers make decisions free from board members, unions and shareholders and are more likely to take into consideration the personal lives of staff and because of strong ties to region are more likely to take into account local needs.

The third differentiation is that of locality. Firms are subject to the rules of nations and the history of the regions they locate in as 'the structure of capital and labour markets and forms of production organisation depend crucially on historically specific political and institutional factors' (Holmes:1986:95). The 'current weak bargaining position of American labour' (Christopherson:1989:138), as that of Western European was based on the different social and political contexts of each region. Unions in Western European nations were national in their organisation because of the homogeneity of population and therefore could represent broad issues. Whilst the United States tended to be 'ethnically heterogeneous and segmented by industry and occupation' (Christopherson:1989:139). Local interests were served to a greater degree than national interests.

Therefore firms decisions are 'ultimately all rooted in the uneven nature of capitalist development and the exigences of the processes of capital competition and accumulation' (Holmes:1986:95), yet there is room for agency and under a flexible mode of development firms depending on their circumstance (site, industry, size) can adopt various types of business organisation ranging from Neo-Fordist, Post-Fordist or Neo-Taylorist.

A similar conclusion can be drawn for regions in that they all operate under capitalist structure because of their histories and social make up there is room for uniqueness. That is 'all rivers are unique, but the laws of fluid dynamics shape the flow of the Thames in the same way they shape the flow of the Hudson. Furthermore the path to understanding unique events ... lies through an investigation of universal laws of processes' (Harvey: 1987:371). 'Why then is the Thames not like the Hudson? Because of the very specification of the
history and geography of their respective formations’ (Redfern:1987:144). This is why, even though Palmerston North has similar employment patterns to other regions there was evidence of growth when other regions had declined. Geographic and economic aspects such as central location, a large government sector, and high student numbers set Palmerston North apart from other cities. From this one can see that even with changes in the mode of development, regional differences remain as one witnesses the ‘reproduction of local uniqueness’ (McDowell and Massey:1984:137), which is important when focusing on MNC’s or retail chains as they appear similar globally or nationally no matter what region they are sited in yet they must adjust to local conditions as the region never loses its uniqueness.

The changes taking place technologically, to the regime of accumulation and modes of regulation are altering the way the world works and hence the way in which society lives. The changes to employment are due to firm restructuring as firms attempt to maintain profitability. Such changes have the effect of dividing the labour force between core and periphery as it is casualised, reskilled and new social groups are brought into it incorporating new regions of production. Such regions vary in scale from inter-country to intra-country, as shown in the case studies and regional analysis. All firms and regions operate under the capitalist mode of production yet respond differently depending on scale, industry and locality and for regions, history. Capitalism, however, demands inequality and finds it between social groups such as between men and women and because social groupings also occur spatially, differentiation is found between regions. So as one region declines in the face of restructuring another grows. Palmerston North has been affected by the transition from Fordism to Flexibility yet has grown economically at the expense of other neighbouring regions and has become part of the movement towards a post-modern society.
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