

BOOK REVIEWS

Entrepreneurs and Industrial Change: The Process of Change in Irish Manufacturing by Patrick O'Farrell, Irish Management Institute, Dublin (1986). x + 309 pp. ISBN 0 903352 50 8 (paperback).

Although only focussing on the manufacturing sector in the Republic of Ireland, this book represents a major contribution to the debate on the nature and scale of the job generation process in western capitalist society. The strength of the book lies in the presentation of a detailed and comprehensive analysis of manufacturing employment change alongside a close examination of the process of entrepreneurship derived from a sample survey of new firm founders. Although there have been a great number of surveys investigating the process of new firm formation in a range of regions and countries very few have been able to place them within a rigorous statistical context. O'Farrell has clearly demonstrated the value of adopting such an approach in this book.

A slightly disappointing feature of the book is the fact that the data used in the overall employment analysis stops in 1981. With the book being published in 1986 this is somewhat surprising and is underlined by the fact that the performance of the Irish economy since 1981 stands in marked contrast to the period being considered by O'Farrell. As the data used in the analysis was provided from the annual employment surveys of the Industrial Development Authority (IDA) it should have been possible to extend the period of study further into the 1980s.

The book is organised in two parts. Part I provides an historical review of the development of manufacturing industry and policy in Ireland, followed by a detailed set of analyses of employment change over the period 1973-1981. These analyses follow a components of change methodology which highlights the contribution of industrial closures, the performance of survivors and the rate of new firm formation to an overall net increase of 4.9 per cent in manufacturing employment between 1973 and 1981. O'Farrell extends this basic components of change by introducing a disaggregation by ownership, size, sector, grant type, region and town size (Chapter 3). This degree of disaggregation helps to counter the general criticism of the components of change approach that, on its own, it is unable to contribute to an understanding of the *processes* underlying the pattern of manufacturing employment change. Indeed, Chapters 4 to 6 provide the reader with a detailed discussion of each of the major components in an attempt to investigate the mechanisms responsible for the overall patterns of change. Thus, for example, the higher closure rate of MNEs, the better performance of overseas compared to domestic surviving companies, and the high level of job creation in new single plant indigenous firms are closely examined in these chapters.

In the light of recent events concerning the administration of regional planning in Ireland it is important to highlight the contribution O'Farrell has made to an understanding of the "regional problem". The analysis clearly demonstrates the problem of major job loss through the mechanisms of closure and contraction in firms in the Eastern Region, and which is compounded by a greater level of job creation in the West and Midlands. The comprehensive nature of this analysis, which clearly needs to be updated, underlines the current concern by many that the "regional" dimension to industrial policy is slipping off the agenda.

Following on from Chapter 6, Part II concentrates further on the process of new firm formation in Ireland by examining the characteristics and motivations of the founders of

new manufacturing firms (Chapter 8). This is accompanied by a detailed examination of the performance of new firms and a general review of small firm industrial policy (Chapters 9 and 10). A valuable and comprehensive theoretical contribution on the nature of entrepreneurship precedes these empirically based chapters (Chapter 7). Overall, O'Farrell concludes that the focus upon new and small firms as an important dynamic in the pattern of industrial change is entirely warranted. They would appear to have considerable potential in the creation of long-term and stable employment. However, he goes on to express a concern that the current package of policy assistance to such firms is not as supportive as it should be, and suggests that more attention needs to be focussed on the growth potential of new and small firms as opposed to simply concentrating on the process of formation.

"Entrepreneurs and Industrial Change" is one of the most important books on the Irish economy to emerge in recent years. However, the value of this book goes beyond its contribution to our understanding of the Irish economy. It has clearly enriched the debate on a much talked about yet little understood phenomenon, namely, the role of entrepreneurship in economic development. Based on comprehensive disaggregated employment data for the manufacturing sector in Ireland, and combined with a strong analytical approach, it has demonstrated the importance of indigenous firms to national and regional economic development. However, it is vitally important that such analyses become part of the regular monitoring process of industrial policy in Ireland and therefore, the need to update the analysis is paramount.

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Industrial Relations in Northern Ireland — The LRA Survey — Private Sector
by B. Tipping and P. McCorry, Labour Relations Agency, 1988.

The compilation of detailed and lengthy statistical studies of labour relations often lacks the academic prestige associated with major theoretical debate. Routine survey data remains, however, an important contribution in the labour relations field. This report stands as an indictment of mainstream GB Labour Surveys which have either by-passed Northern Ireland or (as the report demonstrates in the case of the Industrial Society) produced a distorted picture of Northern Ireland from inadequate data.

A principal objective of this report is to develop basic information on labour topics in Northern Ireland. To this extent the report should be considered a success. It offers the reader the first comprehensive review of labour relations in a major employment sector of Northern Ireland and its production has dramatically raised the base line at which many researchers will commence their work.

The report is modeled in part on the work of Daniel and Millward (1983) and Millward and Stevens (1986), whose workplace surveys in Great Britain have long been familiar reading to students and which have been able to identify significant changes and patterns to domestic labour relations. The LRA survey is inevitably handicapped by the lack of an effective historical dimension to its data. It is to be hoped that the report is the first of a series of such reports over time, which will avoid the criticisms usually associated with such "snapshot" statistical analysis and will enable students, and the LRA itself, to identify major trends and influences.

The report focuses upon private manufacturing and related service industries. It is composed of eleven sections and provides a range of statistical data covering shift working

patterns, overtime, payment systems, employee involvement, collective bargaining, industrial disputes and absenteeism. It offers a detailed statistical insight into the range and variation of these practices in Northern Ireland's private sector. Each chapter's statistical content is preceded by a useful, if often pedestrian review of the current academic writing within the field.

By far the most contentious part of the report is that devoted to industrial disputes. Central to the introduction to this chapter is a critique of Black's (1987) dispute thesis. Black's view is that Northern Ireland's relatively 'better' dispute record in comparison with the rest of the UK, may owe more to differences in industrial structure. Black thus argues that NI's strike record appears marginally worse than that of the rest of the UK if variation in industrial structure is accommodated within the analysis of disputes. The LRA report criticises the methodological approach of Black and produces data to suggest a Northern Ireland strike record markedly better than the rest of the UK.

The reader, mindful of the LRA report's major aim to 'assist the drive for investment in the province' (p.xii) may sense an attempt at academic overkill and may be left baffled by the chapter's obsession with a somewhat obscure debate. It is, moreover, an inevitable consequence of such a statistical debate in the area of industrial disputes that it by-passes critical issues of group consciousness and solidarity, and marginalises the range of activities undertaken by working groups that stop short of strike activity, but nevertheless represent a significant collective challenge to employer action.

The survey makes a few if any observations on the issues of sexual discrimination in the workplace, management training or the impact of technologies. It does, however, offer the researcher some challenges in regard to the directions for future research. The LRA promise a future edition on the almost 50% of Northern Ireland's workforce who by virtue of their public sector employment are excluded from this edition. As such it is an important and long overdue contribution to the developing portfolio of writings on labour relations in Northern Ireland.

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- Millward, M. and Stevens, M. *British Workplace Industrial Relations 1980-84*, Heinemann, London. 1986.

Regional Policy at the Crossroads: European Perspectives. Edited by L. Albrechts, F. Moulaert, P. Roberts and E. Swyngedouw. London, Jessica Kingsley Publishers (1989). 208 pages £15.00 (hardback) £7.95 (paperback).

Unequal regional economic development has been an abiding feature of the evolution of developed economies and has stimulated substantial interest in policies to ameliorate or redress regional imbalances at national and international scales. For much of the past forty years national governments in the European Community have pursued, with varying degrees of enthusiasm, some form of redistributive regional policy. Over the past two decades, there has also been a community wide attempt to deal with similar problems on a European scale.

However, since the mid-1970s there has been a progressive change in emphasis in the policy arena. As the editors of this collection of readings point out, in a climate of international economic crisis the particular problems of regions experiencing restructuring, decline or continuing backwardness have been over-shadowed by national and international concerns related to the control of inflation and trade deficits, competitiveness in the world market and the increasing level of external debt. As a result there has been a general downplaying of the emphasis on regional policy, and a re-evaluation of the role and form of specifically regional policies in the late 1980s and 1990s.

This collection of papers presents an assessment of the present state of regional policy in Europe and identifies some of the necessary ingredients if regional policies are to continue as a legitimate part of the wider policy domain. The papers were originally presented at an international conference held in April 1987 in Leuven, Belgium co-organised by the Regional Studies Association (London), the Centre des Relations Internationales en Economie (Lille) and Institute for Spatial Organisation (The Netherlands). The papers in the book draw on experiences in Italy, the United Kingdom, Ireland (North and South), West Germany, France and the European Community and include wider assessments of the requirements for a future regional policy.

The volume is structured around three major themes. The first section contains four papers on theoretical perspectives on current regional development dynamics. These range from empirical studies of business services and innovation in Southern Italy (Martinelli) and the political economy of regional restructuring in the United Kingdom (Martin) to more general overviews of the infrastructure requirements for regional development (Janssen and Hoogstraten) and the implications of changing modes of socio-economic organisation for regional planning and policy (Albrechts and Swyngedouw). A common theme of the papers in this section, which usefully sets the agenda for the rest of the volume, is that there is currently a major change in the post-war economic development process triggered by the range of corporate, social and policy responses to the economic crisis of the 1970s. This sets a new agenda for and provides new constraints on the formulation of regional policy into the 1990s.

The second section of the book addresses this theme of the regional policy response to the present crisis by examining policy issues and implementation at the European Community scale. Kowalski reviews current and future regional issues in the context of the enlarged Community, with particular reference to the accession of Spain and Portugal and the completion of the internal market. He identifies as the most serious problems of structural adjustment and lagging development those experienced on the southern and western fringes (including Ireland north and south) of the Community, and suggests that major investment through the Regional Fund, operating on a programme rather than project basis, will be required. This factual account is complemented by a review of the operation of regional policies within member states (Allen et al), which reviews current experience and policy shifts in the design and delivery of policy in the light of the marked changes in the political, social, economic and technical environments which have occurred.

The third section of this book is in many respects the most interesting as it examines one emerging theme in the evolution of regional policy in Europe: the interplay between international, national and local processes. The ideas are developed through a series of case studies, together with a short overview of the local economic development strategy (rooted in the specific needs of local communities) as an alternative form of regional policy in the 1990s (Roberts). This local, or bottom-up, approach to regional policy is taken a stage further in Courlet's analysis of role of small and medium sized enterprises in French local development, which emphasises the need to develop new policy instruments to match the new requirements of the contemporary local and regional development process. Of the remaining chapters in this section, two (by Drudy on rural development in Ireland and by Murray and Hart on local integrated development strategies in Northern Ireland) are of particular interest. Drudy reviews the development of rural regions in Ireland, and summarises the policy response to the problems encountered. He questions the likely future contribution of industrialisation strategies as a rural development mechanism, reflecting changes in production technology and the socio-economic environment.

Drudy concludes with three recommendations for future regional development strategies: they should give greater attention to stimulating the service sector (the contribution by Martinelli in this volume); the centralisation of power away from the local and regional level, as in Britain and Ireland, has operated to the disadvantage of the rural development process and should be reversed; and integrated comprehensive development strategies for rural regions should be adopted. These last two points are taken up in Murray and Hart's review of integrated rural development in Co. Tyrone, an initiative pursued within the framework of the European Community's Integrated Rural Development programme. Based on their review of the Co. Tyrone experience the authors suggest that such 'bottom-up' rural development strategies raise a number of issues: the need for local administrative structures with decision-making powers; the problems of co-ordinating or even obtaining central government (in this case regional administration) responses in policy areas affected, and with it the legitimisation by the decision makers and financial controllers of such local strategies; the problematic role of existing sub-regional planning policy which is urban biased and underplays rural issues; and the need to explicitly consider external relationships by recognising that local development does not occur in a vacuum free from the broader context within which the local economy is situated.

This volume represents a diverse and stimulating collection of papers on the future of regional policy in a European context. All collections of conference papers run the risk of the whole being less than the sum of the parts, as common themes and interrelationship fail to emerge. In this respect the editors of this volume are to be congratulated both on their introductory essay which provides an overview of the issues covered by the book, into which the individual papers are integrated, and on the inclusion of a final overview paper by Walter Stohr on the future for regional policy which not only draws some of the themes raised in earlier chapters together but looks forward to identifying some of the issues which will exercise both policy makers and academics alike in the 1990s.

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