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Banaji, Kairus and Rohini Hensman: **BEYOND MULTINATIONALISM**  
Sage Publications, New Delhi, 1990, pp 234

In recent years, there is considerable interest in finding out the impact of multinational companies on Industrial Relations in the third world countries. So, the book under review is a useful contribution in this direction.

This book is about employee relations in two international companies which operates partly or wholly from Netherlands and have had considerable manufacturing investments in India – Unilever and Philips. (Among international firms which have operations in Bombay, these are also the biggest multinationals in India). It is a systematic comparative study of transnational differences in the structure and level of earnings, grading practices, leave, working hours and labour use, conditions of work, management attitudes and rates of conflict. The point of these comparisons, according to the authors is, that the book is more fundamentally concerned with the significance of international investments for the type of labour movements and industrial relations in the industrialised Third World. (p 17- 18).

The book is broadly divided into nine chapters. In chapters 1 and 2, the authors have pointed out the nature of multinationalism and decline of employment and main differences in the bargaining system in Holland and Bombay. From chapter 3 to 7, considerable amount of statistical data, survey reports and interviews held with Managers, Workers and Trade Union Leaders have been profusely quoted to bring out the differences in multinational companies in Bombay and Netherlands to point out existing conditions with regard to pay and benefits, grading practices, leave, working hours and labour use, working conditions, health and safety, management attitudes, organisation and conflict.

In chapter 8, under the title 'Trade Union Strategies', the authors have examined trade unions response to managements' attempts to retain control over crucial decisions, such as those on automation and restructuring. After examining the situation in Netherlands and Bombay, the authors found that most of these responses have been limited to a national or local context.

Another interesting finding recorded in the book is that in the case of multinational companies, the locus of decision-making is generally inaccessible to union pressure.

I.L.O., OECD and U.N. Centre on Transnational Corporation (CTC) have all developed codes of conduct for multinationals. The aim is to regulate the conduct of these companies, but according to the authors, success has so far been limited, because the recommendations are not mandatory and there is no means by which they can be enforced. (p. 194).

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According to one survey, quoted by the authors is that apart from 'hostility of management', major obstacles to international collective bargaining are: lack of support from national trade unions in terms of losing their 'sovereignty' over bargaining, lack of support from trade union members, differences between national industrial relations systems, lack of international framework, non-legitimisation of international solidarity actions, political fragmentation of trade unions. (p. 197).

The authors have also pointed out the work being done by various organisations, particularly, the Transnationals Information Exchange (TIE) to equip unions with information regarding common problems and introduction of new technology and its social consequences. (p. 199).

Though internationally coordinated trade union solidarity has received some success in case of coca cola bottling plant in Guatemala, but such actions have not proved successful so far in case of closures. (p. 201).

These findings only indicate that mere efforts by the local unions and non-mandatory nature of recommendations by the international organisations will not go far enough to help unions to have a say in decision-making process with regard to introduction of new technology, prevention of retrenchment and closures.

In chapter 9, the authors have discussed the strategy of Multinationalism by citing various instances. Some of the interesting findings are:

Industrial relations is one function, international companies deal with in a largely internationally decentralised form (p. 203).

International companies enforce technical and financial control over subsidiaries, but allow purely local influences to determine the nature and form of their labour relations. (p. 205).

International firms deny their workers access to international resources (information, decision-making), standards (personnel practices, disclosure codes, safety, etc.) and conditions (shift payments, working hours, etc.) and they do this because fragmentation of this type, increases the firm's flexibility and enormously increases the power of the corporate management. (p. 207).

There are massive disparities in the treatment of multinational labour forces because multinational employers are fundamentally opposed to bargaining arrangements which would make it possible for unions to eliminate inequalities in standards and conditions by standardising the essential terms and conditions of employment between plants internationally. (p. 207).

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Crucial decisions are made at the international level; any move to bargaining to that level constitutes an especially threatening development since it would mean that employees' representatives are finally muscling in to the very heart of management power. Thus, opposition to 'international bargaining' is a natural part of the drive to enforce a decision-making structure where the crucial decisions are not only made internationally, at headquarters, but made unilaterally by management alone. (p. 208).

All these important findings show that in spite of the efforts of the Unions and International Organisations, the multinational companies have retained their decision-making power in crucial matters like finance and technology without any breach by the unions. These findings also bring an awareness on the part of unions and various international organisations about their limitations.

The book is quite useful to the academicians, unions, personnel and industrial relations managers.

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