

**Rival Capitalists: International Competitiveness in the United States, Japan,
and Western Europe.**



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concluding chapter, "There is no relationship between the extent of enfranchisement and the propensity to conclude agreements" (p. 400). This finding may be of particular help to the analysis of economic restructuring and democratization, where too often the ability of authoritarian regimes to impose economic and social costs on populations has been assumed. Conversely, various chapters seem to indicate that the domestic pressures of a democracy may actually contribute to successful negotiation.

Despite its limitations, *Double-Edged Diplomacy* should stimulate future work. I would certainly welcome a companion volume treating domestic negotiations as the dependent variable and demonstrating that these also involved multilevel games. Another volume on international cases, with less concentration on security issues and more on post-Cold War concerns such as international debt would be equally useful. The book may also serve as a warning of the limitation to the type of theoretical formalism to which other social science disciplines have fallen prey.

Rival Capitalists: International Competitiveness in the United States, Japan, and Western Europe, by **Jeffrey A. Hart**. Ithaca: Cornell University Press, 1993. 305 pp. \$16.95 paper. ISBN: 0-8014-9949-6.

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The relative economic success of Japan, East Asia, and Germany and the relative decline of the United States and Great Britain have given renewed emphasis to the study of comparative capitalisms. The obvious differential role of states in these developments, the very different social organization of firms, and the failure of neoclassical economics—with its focus on market processes—to account for these trends, gives sociologists and political scientists the opportunity to enter debates on industrial policy.

Jeffrey Hart's book is an attempt to review the literature on five advanced industrial societies (United States, France, Germany, Japan, and Great Britain). His goal is to explain the differences in industrial competitiveness across societies in the steel, auto, and semiconductor industries. His basic argument

is that what drives competitiveness in world markets is changes in innovative capacity (i.e., technology change). But the ability to discover and use new technologies effectively is shaped by the configuration of what he calls "state-societal arrangements." These arrangements consist of the various linkages between states, firms, and labor.

Hart begins his analysis by arguing that, by conventional criteria of competitiveness, Japan and Germany lead, France is in the middle, and the United States and Great Britain trail. He then goes on to argue that Japan and Germany's lead is due to the effective deployment of new technologies (including organizational innovations such as just-in-time manufacturing). Most of the book is taken up with detailed discussions of the three industries and how state, firms, and labor structured the generation and absorption of new technologies.

His core theoretical idea is that states are strong if they have the capacity to direct industry-specific policies; firms are strong if they are organized, both internally into industrial families and in presenting states with a united voice; and labor is strong if societies are highly unionized and politically connected. He concludes that Japan is characterized by a strong state, strong firms, and a weak labor sector, while Germany has a weak state, but strong firms and strong labor. France has a strong state, but weak firms and labor. Great Britain has a strong labor movement, but a weak state and weak firms, while the United States has strong firms, weak state, and weak labor. The major implication he draws from this is that if Japan and Germany are viewed as examples to be emulated, the path to industrial competitiveness may have more than one route.

Scholars who are familiar with this literature will find that Hart covers relatively familiar ground. However, these general conclusions leave much room for debate. First, the German state is very involved in the economy, not at the federal but at the state level. One reason that German firms have invested in plants and workers is that the states, which have ownership shares in firms, have prevented them from investing in overseas plants to escape high-priced labor. Similarly, French labor has traditionally been a very powerful force in industrial organization. Finally, the British government has been

trying to stimulate the British economy since World War II. They just have not been successful in doing so. Thus, I think it is easy to contest his central conclusion about the alignment of forces in these societies. I also think it is difficult to evaluate the effects of state intervention on technology creation and diffusion, and he does not have convincing evidence that states were decisive.

The book is troubling in one other regard. There is now a large literature in sociology and organizational behavior that describes the structure and functioning of the dominant firms in these societies. Hart is often left arguing that the failure to be competitive is a failure of managers. This doesn't make sense, because he has not attempted to understand their worlds and the constraints and opportunities they perceive. Even though he describes the existing structure of business (e.g., the *keiretsu* structure in Japan), he does not pay much attention to its effects on what can and cannot be done (e.g., the time horizons of managers).

It is clear that economists will not take other social scientists very seriously on these questions. But it is important that sociologists and political scientists, along with potential allies in business schools, listen to one another if a national debate on industrial policy is going to get anywhere. Such a debate must begin with the idea that the social structure of firms is effective, if not efficient, and thus transforming them requires working from given institutional conditions. Hart's book, from this perspective, is pretty asocial.

Power without Force: The Political Capacity of Nation-States, by **Robert W. Jackman**. Ann Arbor: University of Michigan Press, 1993. 194 pp. NPL cloth. ISBN: 0-472-10463-2. NPL paper. ISBN: 0-472-082236-1.

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This is an odd hybrid of a book. Part specialized textbook and part original contribution to the literature on nation-states, it combines a review of a number of contemporary theoretical perspectives on political development and the state with the author's own research. This dual nature is the goal of the series, *Analytical Perspectives on Politics*,

of which this book forms a part. A blurb from the editors suggests that the series volumes offer "compact review for political scientists, a helpful introduction for graduate students and central reading for advanced undergraduate courses."

The first part of *Power without Force* critically reviews the literature on development from its postwar inception through the more contemporary approaches of world-systems, Marxist, and state theory. The last receives special attention, although the critique here adds little new, focusing on common complaints about the lack of identifiable measures and specificity of what the "state" is. However, Jackman's point in tackling it is to argue that later theories misguidedly dismiss the notion of political capacity found in earlier treatments. This is not a concept the author wants to re-import wholesale; he points to the failings of the early development literature, such as the overly optimistic forecasts for the Third World. But he does want to rehabilitate it as the focus of inquiries about development. The remainder of the book is devoted to what constitutes political capacity and how it might be measured.

For Jackman, central to the idea of political capacity is the development of political institutions and legitimacy. Age is important for stable institutions, both the longevity of a constitutional regime and the generational age of political leaders, or how long specific leaders last, which is important as evidence of orderly transfers of power. Using an organizational perspective, he argues that political regimes, like firms, may suffer from newness. Building legitimacy is likewise important, although given that few social scientists would dispute this, the length of and importance he attaches to his discussion are unwarranted. In legitimate systems, leaders do not have to resort to violence to get compliance. Indeed to do so is, for Jackman, evidence of a lack of political power and is merely brute force (hence the title). In addition, for a regime to be considered legitimate, its challengers should not resort to violence either.

The empirical goal, then, for Jackman is to find operational indicators of political capacity based on these definitions of institutionalization and legitimacy. This is done in the last substantive chapter, which reveals problems