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The Systems Approach as Theory for Multinational Industrial Relations in Developing Countries

Sola Fajana

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Article abstract

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This paper raises issues which show that the impact of the multinational companies in the industrial relations systems of developing countries are much too profound that the systems approach may not be suitable for explaining, predicting, and formulating policies in industrial relations in these countries in particular and beyond the level of nation states in general.

Research on the impacts of multinational companies (MNCs) on industrial relations have indeed become extensive since the last twenty years; some of which are Perlmutter (1972), Roberts (1972), Forgarty (1973), Gunter (1972), Bomers (1976), Bean (1985) and Liebhaberg (1980). Notwithstanding the variegation and size of research interest, few attempts, as exemplified in Liebhaberg (1980, p. 11-14) have been made to examine the suitability of existing theories of industrial relations as far as they affect or are affected by the activities of MNCs. Whereas a theoretical framework specific to transnational industrial relations will aid in studying a whole range of problems (e.g. explaining, predicting, interpreting and formulating policies) involving MNCs together with the industrial relations dialectics and dynamics, such frameworks have largely missed the attention of researchers.

The aim of the present paper is not to develop a framework for the purpose of analysing MNCs and industrial relations, but to point out the need for such an approach. Specifically, the objective is to raise issues which would tend to show that the typical role of the state in traditional systems analysis as applied to industrial relations is inadequate to explain the situation in some, if not most, of the developing countries. It is argued here that

* FAJANA, S., Lecturer, Department of Industrial Relations and Personnel Management, University of Lagos, Akoka, Yaba, Lagos, Nigeria.

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the activities of MNCs constrain the role of the state in less developed countries (LDCs) such that tripartism according to Dunlop (1958) seems unsuitable in explaining events in these countries.

The paper examines this crucial issue by discussing the transnational pattern of MNC operations in brief, as well as the criticisms that are often hauled at them isolating the effects on industrial relations. The reactions of their significant others in the area of industrial relations are focused with the object of identifying the location and linkages in power-relationship between these actors (i.e., the state, the MNC employer and labour). The extent to which the systems approach explain the interplay of power within transnational industrial relations system, especially in LDCs is also attempted.

SUITABILITY OF THE SYSTEMS APPROACH IN THE ANALYSIS OF INDUSTRIAL RELATIONS BEYOND THE NATION STATE

The Systems Model

Within the systems framework in the social sciences, the pride of place is held by the concept of «industrial relations system» (IRS). The theoretical controversy that had emerged since this tripartite model (Dunlop, 1958) was published had been considerable, details can be found in Blain and Gennard (1974), Walker (1976) and Schienstock (1981).

Every IRS at any time in its development is seen as involving certain actors, contexts and an ideology which binds the system together, and a body of rules created to govern the actors at the place of work and work community. The actors include a hierarchy of managers and their representatives in supervision, and a hierarchy of non-managerial workers and their spokespersons, and specialised governmental agencies.

The significant description of the contextual environment consists of: the technology of the workplace and work community, the market or budgetary constraints, and the locus and distribution of power in the larger society.

Although Dunlop admits that each actor has its own ideology, he insists that these ideologies are sufficiently compatible and consistent to permit a common set of ideas which recognise an acceptable role for each actor, and they will be expected to contribute towards maintaining the system as an on-going entity.

Merits and Demerits of Tripartism in Multinational Industrial Relations

The most obvious merit in this schematization of industrial relations is its all-embracing nature. It draws attention to the state of interdependence which exists between industrial relations and the political, economic and cultural environments in which social relations evolve. It is thus obvious that the problems of industrial relations at company level cannot be accounted for if we do not step outside the narrow boundaries of this restricted sphere. Dunlop's model also enables the analysis of cross national comparison of national systems of industrial relations. Especially, the scheme remains functional, without any loss in its logic, in such diverse situations as the factory, the company, the industry or the national economy as a whole. It may even be used to study the relationship between central and peripheral relationship between parent and subsidiary companies of a multinational as pointed out by Liebhaberg (1980, p. 14).

Notwithstanding the various uses that the systems model have been and could be put, the degree of applicability in multinational industrial relations must undergo certain modifications because of the heroic sociological assumptions of integrated ideology. It merely assumes that an IRS is homeostatic (self regulating) because all the actors are expected to share the same ideology and that it is this congruence of meaning that binds the system together. However, it is with the practical identification of the parties and the integration of ideologies that we are primarily concerned here.

For instance, the state not being easy to define clearly can be conveniently described as the totality of all its institutions or agencies including the legislature, the executive (i.e. government), the civil service, and the judiciary (interpreters and enforcers of the law) within a geographical sovereign boundary (c.f. Palmer, 1983, p. 127). States' agencies may have divergent interests. Yet these agencies are usually thought to act in industrial relations at the national macro level where socio-economic policies are formulated and implemented; and at the IRS level of the workplace where employee rights and obligations are focused (Poole, 1986). Yet, the international level of state(s) action is ignored by the systems concept. However, government, business and labour are directly and indirectly affected by a number of international, regional, and national guidelines, codes and laws, notably those under the aegis of the OECD, the ILO, the IMF and the EEC and national co-determination legislation. The impact of these codes, guidelines and laws derive from the overlapping foreign and domestic operations of MNCs as models for initiating and structuring domestic programmes. They prevent government, business and labour from avoiding issues of industrial relations.

Furthermore, the rules that govern industrial behaviour can be expressed in a variety of forms. For example, they can be produced by the state, laid down by any worker hierarchy, or by the state agencies, collective bargainers, and the customs and practice and traditions of the industrial community; but the extent to which rules are transnationally made seemed relegated by the systems model. The analysis of industrial relations may not therefore be adequately examined simply from a national perspective contrary to what is currently espoused à la Dunlop.

The State in the Third World and Multinational Industrial Relations

Otobo (1988) had identified that among other theories, the systems approach and others of its kind do fail to relate to and reflect practice in African and other developing countries where external economic control (via foreign aid and MNCs), influence the role of the state in industrial relations. The logic of MNC hegemonic position and capitalistic class alliances has pushed most of LDCs' governments into greater admiration for repressive labour policies during colonialism which are still largely in use today. Examples are ban or hedging of the right to strike, de-registration of trade unions, and arbitrary detention of union officials. According to Paul Lubeck (1975), disputes procedures, where they exist, are dictated by management because majority of Nigerian workers are unorganised during colonialism. In organised establishments, disputes and grievance procedures may well have been laid down before unions even emerged. These caused workers to lock on the state to afford them minimum protection, which they paradoxically were unable to get.

It has also been raised that the «tripartite» ideologies may not be sufficiently compatible since management and employees are stratified into many groups or subgroups with different strategies. As commented by Otobo (1988), in Africa where most managements are racially and ethnically stratified, aside from other intervening variables, the orthodox compatibility of ideologies might prove difficult.

The role of most of the LDC state (colonial and independent) has tended to focus on policies that ostensibly would ensure their protection from the hands of powerful MNCs and non-MNCs both politically and economically. However, much diversity is observed between states' professed role and what is practised. For instance, post-colonial industrial relations experience showed that there is a tendency for the LDC state to collaborate with foreign investors and MNCs in exploiting workers. The various africanisation and indigenisation policies had the effects of protecting possessive individualism and economic self-interest of state bureaucrats and compradorial economic classes.

Most of these governments' revenue are derived from activities of MNC's notably in the form of royalties, taxes, and other perks. Given this trend, it becomes very difficult to defend those theories of industrial relations which suggest that the state is neutral (Clegg, 1960) as the context within which the state operates remains crucial in fashioning out its ultimate role.

The colonial states were not neutral as some colonial governments came only after big international businesses had established; labour laws were repressive (as predicted by Dunlop, 1972) and as exemplified in the use of forced and convict labour in private mines and for construction purposes, reluctant payment of (even low) wages, attempts to subdue local opposition and reduced labour costs resulting from importation of labour from other colonies.

Trading during colonalism was competitively cut-throat and harzardous and dangerously adventurous as military raids had to be organised against rivals who violate concessions that are transferred from hand to hand in business cycles. In Nigeria, owners and workers were housed in company yards and fully protected by company troops! And all these were in gross disregard to the call made by the foreign office for good industrial relations in the colonies.

The pattern of industrial ownership did not change appreciably during the post-colonial period (Biesrstecker, 1987). Foreign economic ownership and repatriation of otherwise domestically investible funds abroad were not uncommon. These occured in the face of mounting foreign debts and adverse balance of payments. First, the bureaucratic and political elites that inherited political leadership consequent upon the politics of decolonisation were not predisposed to appreciably alter the pattern of economic ownership of industry (dominated by MNCs) ostensibly because of large pecuniary gains accruable to their groups.

Furthermore, the configuration of the post-colonial Nigerian state and its internal politics would seem largely dependent on activities of MNCs, struggles between factions of the political elites for privileges and left overs, workers and peasants reactions and interventionist policies of Western governments (Otobo, 1988). This situation undoubtedly exert considerable impact on the course of industrial relationship in developing countries.

The rest of this analysis is devoted to those issues which tended to explain the disproportionate power of MNCs and the profound impacts they exert over their co-actors in industrial relations. This is approached by examining the validity of arguments which are usually put forward in support of MNC investments in LDCs, showing how these «advantages» turn out to be harmful to LDCs and their industrial relations systems. The ultimate objective however is to isolate reasons why a theory specific to multinational industrial relations (rather than tripartism) is requisite.

MNCs AND THE NATURE OF THEIR OPERATIONS

MNCs activities span the globe. They operate in industrial, commercial and service firms. They have affiliates producing and selling through integrated networks in at least one or more other countries rather than merely selling abroad without fixed assets invested in such host countries. They transfer a great deal of amounts of money between countries as the need arises and they employ people of numerous nationalities subject (purportedly) to the local laws of the host countries. The subsidiaries are under the financial, or technological or managerial control of the head office.

They are inevitably characterised by extremely large size, having in some cases, annual sales worth as much in money terms as the gross national product of some smaller European, African and Latin American countries. Their rate of growth is much faster than some of these LDCs. The development of MNCs since the 1950s has marked world economic history to a greater extent more than the development of steam engine, electricity and automobile (Reiffers *et al.*, 1982, p. 20).

World investment and trade thus transcend national boundaries as enabled by the growth of multinationals. About half of the industrial output of the non-communist world is producted by firms that have a multinational structure. Practically all the 400 or 500 world's largest enterprises have substantial business interests in the form of operating units located outside their home country (Vernon, 1981).

Statistics on world direct foreign investments (Kassalow, 1983) show that about 300 million US dollars are invested by MNCs of which 75 per cent is based in advanced countries while only 25 per cent is physically invested in developing countries of Asia, Africa and Latin America. But given their small sizes, LDCs feel the presence of MNCs more than the developed ones. Although LDCs account for only 7 per cent of world manufacturing output (Reiffers *et al.*, 1982, p. 22), the relative importance of transnational companies in LDCs is often far greater than that which they represent in developed countries. The reasons for the underdevelopment of the presently developing countries are sometimes traced to activities of the MNCs and the events of colonialism (Rodney, 1972). This may result from dependence instituted by these events as the development of the now first world and the underdevelopment of the now third world are organically and functionally inter-related (Stavrianos, 1981); the latter being overdeveloped today to the same degree that the peripheral lands are underdeveloped.

That the size and character of MNCs place them in positions where they inevitably constitute both a unique opportunity and a host of critical problems for those many LDCs in which they conduct their business is consensual in contemporary development literature. But what opportunities or problems do they really represent and in what ways do these pros and cons affect the need for a rethink of the applicability of the systems approach in the analysis of the experience of developing countries? It is this question we seek to answer in the next section.

THE PROS AND CONS OF MNCs AND THEIR EFFECTS ON INDUSTRIAL RELATIONS

Several shades of opinions have been expressed as regards the pros and cons of MNCs. The relevance of this controversy to the present paper is only to show that the conception that industrial relations is nation-bound is grossly unsatisfactory. We attempt to show this in the following arguments for and against MNCs investments.

Capital Investment

Foreign investment is neo-classically seen as filling gaps between the domestically available supplies of savings, and the planned levels of these resources necessary to achieve development strategies (Todaro, 1977, p. 343). A counter-argument of course is the «sunction pump thesis» which asserts that MNCs pump out from the host economy dividends and profits more than they put in LDCs by way of fresh capital inflows. Akinsanya (1984) has produced evidence to show that from 1965 through 1970, the yearly inflow of investments into oil producing countries were all negative.

Although industrialisation in Nigeria for example grew rapidly in the 1960s, the contribution of the industrial sector to employment growth has been disappointing. While gross value added in manufacturing increased at an annual rate of 14,1 per cent, numbers of employees in manufacturing (dominated by MNCs) increased annually only by 4,7 per cent (Morawetz, 1974). This slow growth rate of employment could be explained by the MNCs' choice of inappropriate production techniques, i.e., capital intensive rather than labour intensive methods. This factor perhaps served to weaken the emergence of trade unions as employment was small and fragmentary, thus enabling the MNCs to maintain their power in industrial relations.

Foreign Exchange Gap

A second contribution of MNCs is said to be the filling in of the so-called foreign exchange gap. An in flow of MNC investment is theorised as capable not only of alleviating part or all of the deficit on the balance of payments current account, but it can also function to remove that deficit over time if the foreign owned enterprises can generate a net positive flow of export earnings. Unfortunately, this objective is seldom realised as a net worsening of both the current and capital account balances ensue. This results as MNCs adopt policy of importation of (some obsolete) capital equipment and intermediate products from an overseas affiliate and often at inflated prices and the exportation of foreign exchange in the form of repatriated profits, managements fees, royalty payments and interest on private loans. This practice enables MNCs to have an unfair edge (in power) over nation states; another factor that must be noted in the use of existing or the reformulation of new theories of transnational industrial relations.

Tax Revenue for the State

The third gap said to be filled by MNCs is between targeted governmental revenues and locally raised taxes. By taxing MNC and participating financially in their local operations, LDCs governments are thought to be better able to mobilise public financial resources for development projects. But the practice of transfer pricing, liberal tax concessions, investment allowances, disguised public subsidies e.g. provision of cheap factory sites or export processing zones (as in Phillipines: Vasquez, 1984) and tariff protection provided by the host government renders this objective unattractive, unrealistic and highly suspect. Furthermore, the cost of foreign investment, if measured in terms of low rate of interests, is indeed not proportional to the rate of profits earned by MNCs. Generally, interest rate on loan capital which they procured easily, much more easily than indigeneous enterprises, for obvious reasons of ability to guarantee repayment, is indeed lower than the rate of profits (Neerso, 1978). It is very unlikely that the revenue gap is honestly filled to the advantage of LDCs. Taxes paid, if not avoided through predatory pricing, or through the help of home governments by means of differentialcorporate tax rates, are in some cases the hold which MNCs have on poor countries. The LDC state must therefore trade off its bargaining power for tax revenue contributed by the MNCs.

Transfer of Technical and Managerial Skills

Equally important for our analysis here is the gap in management, enterpreneurship, technology and skills which is presumed to be partially or wholly filled by the local operations of MNCs; by means of training programmes and the process of learning by doing. Such transfer of knowledge, skills and technology are assumed to be both desirable and productive to the recipient nations.

Yet management training schemes may have little impact on developing local sources of these scarse skills and resources. It may even inhibit their development by stifling the growth of indigeneous entrepreneurship as a result of the dominance of MNCs in the local labour markets. Howard (1971), and Iyanda (1981) have similarly produced evidence to support the finding that the effect of MNCs on skill diffusion has been limited to MNCs as skilled personnel tend to move more widespreadly between large MNCs rather than from MNCs to indigeneous enterprises. This is achieved through wage leadership policies and efficient operation of internal labour markets. The effects of this on industrial relations in LDCs is undoubtedly profound. MNCs concerted strategies of capturing the skill market, coupled with company-specific orientation and loyalty inductions perhaps served to weaken the bargaining power of employees and their trade unions. Employees may never consider unionisation worth-while, because unionism may be considered disloyal to the company, a situation which amounts to an unjustified and opportunistic use of the paternalistic culture of African workers, and a move that enables the proletarianisation of third world labour.

MNCs may adopt policies and managerial styles which are allien to local practice, for example through refusing to recognise trade unions (e.g. IBM in the US and Switzerland), they may refuse to engage in collective bargaining, or to play a part in employers associations. They may switch their investments if faced with serious industrial relations problems at a particular location. All these probably serve to weaken national and transnational union actions.

Acceleration of the Pace of Development

Rather than accelerate the pace of development, MNCs leave uneven impact on development and in many cases their activities reinforce dualistic socio-economic structures and exacerbate income inequalities. They tend to promote sectional interest of a small group of well paid elites, against the interest of the rest by widening wage differentials and consequently aggravating discontents among the working people (Harrod, 1970). It is not inconceivable that the effect of this dualistic practice is the weakening of the solidarity which workers, irrespective of placement in the reward structure, would have been able to put up to solidly and more effectively defend their interests.

MNCs sometime produce inapropriate goods and services and backed these with advertising and monopolistic market and power, and the deployment of capital intensive technologies of production. Thus local resources tend to be allocated towards goods that are individually and socially undesirable. This in turn tends to aggravate poverty, unemployment, income inequality and serious dualistic imbalance between urban and rural economic opportunities.

At the political level, they exert considerable impact on decisions through bribes, and corruption and lobbying of civil servants at all levels and subversion of the political system, having changed the framework within which national economic and industrial policies can be effective (Stephenson, 1972). Turner (1976) has argued succintly that the instability of the Nigerian state is due principally to «an alliance of sorts» between state bureaucrats, the multinationals, and sections of the local business elites, a trend which currently exists in most LDCs. This is supported by analysis presented by Ohiorhenuan (1984) regarding the character of military rule in Nigeria, casting doubt on the «autonomy of the post-colonial state», contrary to Alavi (1972) and Cypher (1979). Clearly, if foreign direct investment ever truly helped to start off development initially, it is doubtful in recent times. Given the conditionality often imposed, foreign direct investment probably have a negative impact on industrial growth and economic development, if cases from Chile and Brazil are illustrative.

From this review, it could be summarised that it is often recognised that the growth of MNCs create problems as regards question of sovereignty, balance of payments, and economic development in general, yet these have profound direct and indirect effects on power relationship in national IRS which do not seem to have been documented in the development literature. States often contend themselves with putting up with the MNCs because of their «inadequate countervailing power» (Stephenson, 1972, p. 149-176; Casserini, 1972, p. 70; Galbraith, 1963).

Governments are supposed to be the autonomous variable in multinational industrial relations. But governments have tended to encourage the growth, expansion and prosperity of the MNC (Sunkel, 1985, p. 48). Neither governments nor MNCs seem in actual practice to be autonomous with respect to each other. And the reason of course is that they are both parts of a single system (Sunkel, 1985).

In the next section pertaining to the reactions of significant others, we shall attempt to develop more the rationale for questioning the adequacy of tripartism in the analyses of multinational industrial relations in developing countries.

REACTIONS OF MNCs' SIGNIFICANT OTHERS

LDCs Governments Actions and their Effectiveness

In meeting up with the force engendered by MNCs, the role of the nation possibly still remains the crucial factor. In response to the excesses of MNCs, a variety of measures have been adopted in some LDCs. This range from confiscation to partial or total nationalisation of investments and of managerial positions and equity participation (Bierstecker, 1987). Measures to ensure transfer of technology and to check the excesses of the MNCs (e.g. workshop on transfer pricing in Pakistan: Aron, 1985, p. 35) are recently being pursued worldwide.

The effect is however that such attempts have been largely ineffective. For instance, the countervailing actions of the LDC governments have caused little or no change in the character of the MNC. As argued by Bierstecker (1987, p. 294), MNCs in Nigeria characteristically device new responses to every policy regulation of the government. Thus the current trend is an increase to the favour of MNCs in the dynamics of the changing bargaining position of the host state and the MNCs. The privatisation and commercialisation policy response of the Nigerian government in restructuring the economy in recent times is more likely to aid the hegemony of MNCs.

It seems to remain therefore that accommodation between the state and the MNCs is inevitable. In any case, there remains little doubt that MNCs and the nation states look like continuing to be the strongest structures of world economic relations. Almark and Alvaredo (1983, p. 98) has provided evidence that more and more LDCs that usually regard MNCs as agents of imperialism now look to them as partners in development.

Reactions of Governments of Source Nations

Source nations also exercise fears about the role of MNCs and the reverse effects on their own economies. For instance, the expansion of America's multinationals is an important element in its national security and foreign policy. Akin to this recognition, Stopford and Turner (1985) have also recognised that MNCs have been used in international relations as «transmission belts» for bad news. This is exemplified in the Nigerian nationalisation of Barclays Bank in 1978 and British Petroleum in 1979. The Falklands War with Argentina also cost Britain some of her MNCs. The central question for transnational relations is: How do sovereign states propose to deal with the fact that so many of their enterprises are conduits through which other sovereigns exert their influence? (Vernon, 1981, p. 527). But greater implication is the questions posed pertaining to the validity of tripartism as theory for analysing industrial relations, if MNCs are regarded as important policy variables for the governments of their home countries.

Labour's Reactions

Multinational labour traditionally reacts to the imposition of central industrial relations policies which may be entirely inappropriate to the local customs, practices and institutional framework found in their «peripheral» countries where such head office policies and practices may provoke industrial conflict. Such reactions to the growth of MNCs however tend to have been less dramatic because of the traditionally disadvantaged position of labour in industrial societies. Notable among the constraints is the problem of solidarity among national unions (Barovick, 1970), the weakening of their bargaining position through the switching of production, and the remoteness of the locus of decision-making. The discretionary powers inherent in supranational decision-making structure potentially enable MNCs to impose their will upon the local partners in industrial relations where ever they operate.

Labour initiated responses to MNCs have been slow and largely ineffective, because of certain factors. Among such factors especially in LDCs are possibly the role of the state in permitting the growth and development of MNCs within the global economy and or perhaps the trapped position of most LDC's government being unable to or unwilling to generate or exercise enough countervailing power to meet the challenges of the MNCs.

Data collection for collective bargaining purposes are fraught with extreme difficulty due to non-disclosure of financial information. The competence of labour representatives to study and interprete financial statistics and discuss these meaningfully on the bargaining table with MNCs managerial teams is also an important consideration retarding the success of labours' reactions.

For these considerations, it may not be unduly critical to state that tripartism may not adequately describe social relations in industry which have to include the actions and inactions of MNCs with little or no obligation at the level of nation-states in the area of industrial relations. Thus, an IRS probably does not consist of three actors, contrary to the position held by Dunlop. Bean (1985) asserts that:

> Unlike a national company whose management is an actor within a single industrial relations system, an MNE operates within a number of systems simultaneously. It can therefore be argued that MNEs represent a possible destabilising force within industrial relations, displacing the existing power balance and resulting in a symmetrical relationship between MNE managements, unions and even governments (p. 187).

Clearly, the discretionary powers inherent in supra-national decision-making structure potentially tends to enable them to impose their will upon the local co-actors in the IRS in which they operate.

Reactions of Employers Associations

MNCs do not presently take international employers association's action seriously. However, B.C. Roberts (1981, p. 382) showed that the reactions of MNC employers to union demands had been either to deny that they were MNCs or to argue that even if they were, they pursued a policy of national devolution which made any notion of company-wide industrial relations policy impossible. Hence MNCs claim a tendency for decentralisation of their personnel and industrial relations functions which ostensibly take account of differences in culture. Some MNCs fear that national unions would neither be satisfied with agreements negotiated internationally nor able to honour such agreements (IOE, 1974).

However, some concerted efforts are being taken by international employers although these are largely limited to the EEC. The absence of a serious economic challenge to their operations in LDCs possibly limits international employers actions there, although this is a claim that is yet to be validated empirically.

Reactions of International Organisations

Taking the world system as a whole, there is no denying that its interdependence and indeed its economic integration have been significantly reinforced by the spread of MNCs. The ILO, the United Nations Centre on Transnational Corporations (UNCTC) and the OECD have sought to arrive at conventions and codes, to regulate the activities of the MNCs.

The OECD guidelines addressed the following issues: recognition of trade unions, signing of collective agreements, and the provision of relevant information to enhance meaningful and active negotiation on the part of workers. Such information is to relate to the subsidiary and the head office. The terms of employment for foreign workers should not be inferior to those of parent company, the companies should use local labour as much as possible; that the union leaders should be informed ahead of time and sufficient notice should be given where a factory is to be closed down; and that during negotiations threats to transfer operations to another country should not be issued. Other agencies: WHO, UNCTAD, IME, UNICEF, have at one time or the other released codes in respect of MNCs.

However, many third world countries do not wish the codes to serve to augment union activities in their countries where unions are either banned or merely part of the state machinery. What is more, they suspect the unions of the industrialised world of wanting to use the codes to protect employment in their own countries and diminish investment in developing countries. The extent to which these fears are real or merely imagined are yet to be evaluated. Nevertheless, they serve to cast a doubt on the notion that an IRS is necessarily tripartite.

CONCLUSIONS

In summary, the profound effects exerted by MNCs on industrial relations will tend to make the systems approach's conceptualisation unsuitable without some form of modification. The compatibility of ideologies seem unrealistic in developing countries of Africa, since workers, the trade unions and their leaders bear the brunt of state coercive powers; and the role of the state is diffused with that of the MNCs. Because the model uses the nation state as its point of reference, it does not directly allow for an analysis of the interactions which take place between the MNCs and various industrial relations systems. The advantages which MNCs are supposed to bring to LDCs only end up in problems such as the capital intensity of their production which tends to weaken the actions of the trade unions; repatriation of income and fees which tends to weaken state powers and benefits, the trade off between tax revenue and state power as the state source of revenue must be protected, the accentuation of dualism as the solidarity of workers are weakened by labelling some junior and others senior; the reservation of key jobs for expatriates and the location of strategic plants (e.g. Research and Development) outside the LDC and making it possible to open and close the subsidiary at will, a practice that reduces the bargaining power of labour and also tends to ally the support of the state, thus wiping away the «autonomy» of the state in LDCs.

These are some of the problems introduced into industrial relations which would tend to limit the use of the systems approach for the purpose of serving the theory role in transnational industrial relations. The invincibility of the powers of MNCs and their omni-present activities also tend to affect the suitability of the system model in analysing even national industrial relations systems of LDCs, if not of all nations.

Furthermore, the alliance of the multinational employer with the LDC state is further enabled on the political front as powerful MNCs have that ability to gain control over assets and jobs. They exert considerable impact on political decisions through bribes, and curruption and lobbying of political and bureaucratic elites at all levels, thus altering the Dunlopian framework within which various national public policies (including industrial relations regulations) can be effective. Since states may be merely contending themselves with putting up with the MNCs because of their «inadequate countervailing power», the classification that separate MNC employers from the state bureaucrats may have to be re-examined.

The classification of industrial relations actors à la Dunlop could have been excusable if in fact it recognises the fusion and balance of power among the actors. But Dunlop seemed contented with the relegation of such factors into the constrained contextual environment of the locus and distribution of power in the larger society. But as the decomposition of the larger society into distinctly identifiable segments becomes problematic, it would appear that the powers of the MNCs and the effects on national industrial relations is grossly underplayed in tripartism. This point need to be included among the numerous other criticisms of the systems theory so that it could be improved upon and its predictive and explanatory powers enhanced. At any rate, a theory specific to multinational industrial relations have to be devised in the long run.

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La théorie des systèmes en relations industrielles et les multinationales dans les pays en voie de développement

Le présent article soulève différentes questions de nature à montrer que l'influence des multinationales dans les systèmes de relations professionnelles des pays en voie de développement est beaucoup trop forte. À moins qu'elle ne soit modifiée, la théorie des systèmes peut fort bien n'être pas en mesure d'expliquer, de prévoir et de formuler les politiques en matière de relations du travail dans ces pays en particulier ainsi que dans les autres nations en général.

L'application de cette théorie ne semble donc pas réaliste dans les pays en voie de développement en Afrique, étant donné que les travailleurs, les syndicats et leurs dirigeants subissent l'agression des pouvoirs coercitifs de l'État d'une part et que, d'autre part, l'action du gouvernement se confond pour ainsi dire avec celle des multinationales. Parce que le modèle présenté a comme point de référence l'État-nation, il ne permet pas une analyse directe des interactions qui ont lieu entre les multinationales et les divers régimes de relations du travail existants.

Les avantages que les multinationales sont censés apporter aux pays en voie de développement pour combler les lacunes dans les investissements, les échanges commerciaux, la rentrée des impôts, les transferts de technologie, l'expertise de gestion et, finalement, l'accroissement des processus même de développement finissent par créer de grandes difficultés à ces pays. Ces difficultés proviennent de l'existence d'entreprises à forte intensité de capital qui ont pour effet de nuire à l'activité des syndicats; de même, le rapatriement de leurs profits et autres redevances ont tendance à amoindrir les pouvoirs et les revenus de l'État qui doit accepter de céder en partie son pouvoir en retour de l'obtention des impôts, source de revenus qu'il lui faut protéger; l'accroissement de la discrimination entre les travailleurs en étiquetant les uns de 'séniors' et les autres de 'juniors', a pour conséquence de les affaiblir en tant que classe; l'exclusivité des emplois clés qui sont réservés aux étrangers et la localisation, à l'extérieur des pays en voie de développement, des entreprises stratégiques (recherche et développement), rend possible l'ouverture et la fermeture des filiales à volonté et est de nature à diminuer le pouvoir de négociation des travailleurs et tend aussi à leur aliéner l'appui des gouvernements, d'où perte de l'indépendance de l'État dans ces pays.

De plus, ce comportement de leurs vis-à-vis multinationaux en matière de relations professionnelles ne leur permet pas l'obtention d'avantages positifs substantiels du fait que l'action des syndicats se trouve contenue par les nombreuses manoeuvres combinées des multinationales et de leurs alliés du gouvernement. L'État est impuissant à mettre en place la moindre opposition qui puisse contrebalancer leur attitude, parce que tant les multinationales que les gouvernements font partie d'un même système. Les associations internationales d'employeurs ne voient rien de mal à la 'mondialisation' des capitaux, tandis que les organismes internationaux, comme par exemple l'Organisation internationale du travail, ne peuvent pas se départir de leur neutralité à cause de la grande protection dont bénéficient les intérêts capitalistes. Les gouvernements locaux sont davantage intéressés à la sauvegarde de leurs intérêts dans le domaine de la politique internationale de peur que les multinationales en place cessent d'agir comme les canaux par lesquels les gouvernements expriment leurs griefs d'ordre politique.

En outre, l'alliance de l'employeur multinational et du gouvernement local est d'autant plus facilitée au plan politique que les multinationales puissantes savent prendre le contrôle des richesses naturelles, voire des emplois. Elles exercent une influence considérable sur les décisions politiques par les pots-de-vin, la corruption et le lobbying auprès des élites politiques et bureaucratiques à tous les niveaux, ce qui fausse le modèle de Dunlop selon lequel les politiques publiques, y compris la réglementation des relations du travail, peuvent être efficaces. Puisque les gouvernements ne peuvent simplement que s'accommoder des multinationales à cause de leur pouvoir d'opposition inadéquat, il importe de revoir la proposition qui fait une distinction entre les multinationales et les bureaucrates du gouvernement.

Tels sont quelques-uns des problèmes qu'on retrouve dans les relations professionnelles dans les pays en voie de développement. Ils en font un terrain de luttes pour le pouvoir de la part des groupes d'intérêts qui y sont engagés: les diverses factions des bureaucrates de l'État, les employeurs multinationaux, les syndicats et les travailleurs du rang. Cette épreuve multipartite aurait pour conséquence de limiter le recours aux systèmes tripartites pour aider le rôle de cette théorie dans le champ des relations du travail.

Le classement des acteurs des relations professionnelles selon Dunlop aurait pu être excusable si dans la réalité, on avait reconnu l'intégration et l'équilibre des forces parmi ceux-ci. Mais Dunlop a semblé se satisfaire de la relégation de tels facteurs dans le milieu ambiant du climat et de la répartition du pouvoir dans la société globale. Comme la décomposition de cette société en segments identifiables est problématique, il devient apparent que les pouvoirs des multinationales et de leurs effets sur les relations du travail au plan national sont grossièrement sous-estimés dans le tripartisme... C'est là un point qu'il faut inclure parmi les nombreuses autres critiques de la théorie des systèmes de façon à l'améliorer et à accroître ses capacités exploratoires et prévisionnelles. De toute manière, il faudra dans un avenir plus lointain mettre au point une théorie spécifique en matière de relations du travail en ce qui concerne les multinationales.