

Peck, Frank ORCID: https://orcid.org/0000-0003-1976-154X (2003) Book review: Bargaining with multinationals: the investment of Siemens and Nissan in North-East England. Economic Geography, 79 (1). pp. 101-102.

Downloaded from: https://insight.cumbria.ac.uk/id/eprint/4582/

Usage of any items from the University of Cumbria's institutional repository 'Insight' must conform to the following fair usage guidelines.

Any item and its associated metadata held in the University of Cumbria's institutional repository Insight (unless stated otherwise on the metadata record) may be copied, displayed or performed, and stored in line with the JISC fair dealing guidelines (available <u>here</u>) for educational and not-for-profit activities

provided that

- the authors, title and full bibliographic details of the item are cited clearly when any part of the work is referred to verbally or in the written form
 - a hyperlink/URL to the original Insight record of that item is included in any citations of the work
- the content is not changed in any way
- all files required for usage of the item are kept together with the main item file.

You may not

- sell any part of an item
- refer to any part of an item without citation
- amend any item or contextualise it in a way that will impugn the creator's reputation
- remove or alter the copyright statement on an item.

The full policy can be found <u>here</u>.

Alternatively contact the University of Cumbria Repository Editor by emailing insight@cumbria.ac.uk.

Vol. 79 No. 1

BOOK REVIEWS

Bargaining with Multinationals: The Investment of Siemens and Nissan in North-East England. By Henry Bernard Loewendahl. Basingstoke, Hampshire, U.K.: Palgrave, 2001.

The experience of the Northeast of England has been at the forefront of many debates in economic geography for at least the past 30 years. Often cited as an exemplar of a branch plant economy, more recent debates have focused on the ways in which multinationals exploit the knowledge assets of regions to maintain competitiveness. Global companies, so theory tells us, no longer simply exploit low labor costs in peripheral regions; they also embed themselves in regional labor markets and local and regional institutional structures to increase their responsiveness to changes in the global market. In Part 1 of the book, the author sets the scene in terms of current debates on the impact of globalization on corporate organization, the effects of these changes on the character of investment in regions, and the relative significance of different location factors and investment incentives. Theoretical approaches to these issues are also reviewed, such as reference to regulation theory, flexible specialization, agglomeration, clusters, tacit knowledge, learning, networks, and lean production, to name but a few.

These types of issues form the backdrop to this text that develops arguments using case studies of the investment of Siemens and Nissan in Northeast England. Part 2 of the book describes the companies' histories and the background leading to investment decisions in the United Kingdom. The negotiations with the European Commission, U.K. government, and trade unions are given particular attention. As the title indicates, this involved complex bargaining between the companies and different levels of government, as well as local agencies and institutions in Northeast England. The role played by Northern Development Company is discussed in detail. The case studies are used to illustrate the utility of a "bargaining model" in which the relative powers of the

company and the U.K. government are weighed against one another.

The policy context surrounding these investment decisions is also dealt with in detail in Part 3. These chapters review foreign direct investment policy over a long period (70 years), demonstrating how the regional incentives have changed and the ways in which industrial and innovation policies have also influenced changes in patterns of regional investment. The analysis of policy change demonstrates how inward investment agencies have become more sophisticated in their approach since the 1970s, with attention given more recently to aftercare, the development of investors, and strategies to encourage and support local management in their attempts to secure reinvestment in existing inward investor plants.

The scope of this material is impressive. Even though the focus is on just two investment decisions, the author manages to use these cases to draw out a wide range of points relevant to the process of inward investment. The bibliography is fairly comprehensive, and the literature reviews show considerable breadth. Most of the readily available published statistics are analyzed, and the author demonstrates a wide-ranging understanding of policy issues for inward investment agencies. All these characteristics reflect the fact that this book began life as a Ph.D. thesis for which an ability to place one's contribution to knowledge in context is an important expectation. Ph.D. students will read this book with interest because of its logical structure, referencing, and handling of some of the methodological issues that are faced by postgraduate students.

Policymakers and practitioners with enough time on their hands would read the conclusions with considerable interest. The final chapter contains a 28-page discussion of policy issues, including the effectiveness of different approaches and investment incentives, the potential benefits of sector targeting, and the difficulties created by the "uneven playing field" across the United Kingdom and Europe. Undergraduate students may find the book as a

Economic Geography

JANUARY 2003

whole rather imposing in its empirical detail, although with suitable guidance from instructors, those in specialist courses in economic geography or business strategy would benefit from some of the case study material. With regard to theoretical development, many of the terms that are commonly associated with current theories of uneven development are referenced, and most key authors are cited. However, these theories are presented but not used explicitly as a basis for the analysis. Instead, the approach is driven by a set of questions that concern policy and policy evaluation. Those who are seeking new theoretical developments may need to look elsewhere, but even so, this volume scores high as an effective overview and critique of inward investment policy in the 1990s.

Frank Peck University of Northumbria

America's Johannesburg: Industrialization and Racial Transformation in Birmingham. By Bobby M. Wilson. Lanham, Md.: Rowman and Littlefield, 2000.

America's Johannesburg: Industrialization and Racial Transformation in Birmingham is a powerful addition to academic fields as varied as southern studies and Marxian critical theory. Wilson's interpretations of Marx's writings combine with a regional case study in Alabama to create a book whose most notable theme is the application of nineteenth-century economic theory with human geography. Wilson weaves an account of post–Civil War southern economic transformation with a critical analysis of race and class in a work that is shot through with references to many of the classics in southern history and economics.

America's Johannesburg is organized in a way that is regional, systematic, and temporal. The first seven chapters address the origins of race and critical race theory as applied to Marxism and capitalist production. Chapters 8 through 17 are organized chronologically and trace the development of post–Civil War southern industrialism, postwar political control, and the rise of

Birmingham as the South's greatest industrial center. This case study serves the interests of the book in that Wilson attempts to merge economic theory with race theory. Such a project blends the modern with the premodern. Regional analysis helps lead Wilson to this theoretical outlook in that he notes that racism has roots in place. In a work that is generally unconventional in its leftist economic analysis, Wilson uses the work of many long-established historians and economists to help build his arguments. Wilson's writing style is clear, even when his prose moves through its more Marxian passages. He keeps jargon at a minimum, yet does not oversimplify.

Birmingham was founded in 1872 and was conceived as an industrial project. The city's founders wanted to create an iron and steel center based on Birmingham's transportation links and the natural resources found in the region. Wilson points out that these planners operated within the South's historical patterns of race and class to establish a workforce that was relatively immune to the labor movements that were consistently forcing concessions in the northern industrial workplace. Capitalism married institutional racism to create a brutal, yet productive, system of wealth accumulation.

America's Johannesburg begins with the historical and cultural roots of race and racism. Wilson agrees with recent works in the humanities that view racism as a social construct. He does not carry the argument as far as some social theorists, who argue that race is itself a social construct, but that racism is a sociopolitical method for the exercise of power. Bringing this observation to his study of Deep South industrialism, Wilson points out that factory owners appropriated the racist practices of antebellum planters to assert their near-absolute power over an oppressed workforce within a capitalist mode of production. A premodern form of racism served the needs of a premodern form of capitalism.

Wilson takes on one of the oldest debates in southern history when he argues that the post-Reconstruction southern white elites were steeped in the traditions of, and

102