

ECONOMICS, LABOR, & BUSINESS

United States, even though export revenues are the chief means the Latin countries have to meet their financial obligations.

Dornbusch also scolds the IMF for forcing the debtor nations to adopt austerity programs that, by slashing government spending and imports, look good on paper but diminish long-term prospects for economic growth.

"Muddling through" will not suffice during the next phase of the debt crisis, Dornbusch warns. U.S. officials should 1) lower barriers to Latin imports; 2) get U.S. banks to write off some Latin debt in return for agreements by South American leaders to devalue national currencies in order to promote exports. That would leave the Latin nations poorer "but with employment and hope."

Japanese Managers In America

"The Japanese Manager Meets the American Worker" in *Business Week* (Aug. 20, 1984), Box 421, Heightstown, N.J. 08520.

Last year, Japan's Bridgestone Corporation bought a failing Firestone Tire and Rubber Company factory in LaVergne, Tennessee, and, to nobody's surprise, put it on the road to profitability. What is surprising, reports *Business Week*, is that Bridgestone, like other Japanese companies in America, is doing things the old-fashioned way.

Bridgestone is just one of 31 Japanese manufacturers that established an American foothold in 1983. Japanese companies now own 479



American business executives tour a Japanese factory. Some Japanese management "secrets" were originally borrowed from the United States.

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plants in the United States, employing some 73,000 workers.

The company's recipe for the LaVergne plant is light on cheerleading and group calisthenics, heavy on the basics: "tighter quality standards, new equipment, and a stricter management approach." Bridgestone met union wage demands but also won concessions on work rules (e.g., top production jobs are now assigned on the basis of worker merit, not seniority). It has retrained American managers—most of them holdovers from the Firestone days—in basic business techniques, such as measuring statistically their own progress toward meeting company goals. One result: Output per worker is up from 17 tires per day to 28.

But Japanese-style management does not automatically bring bliss to the American workplace. At Sanyo Manufacturing Corporation's television and microwave-oven plant in Forrest City, Arkansas, workers complain of production-line speedups. Employee grievances are mounting at Sharp Manufacturing Company's Memphis, Tennessee, factory, according to union spokesmen, despite worker satisfaction with participation in the company's "quality circles." Many Japanese corporations are less than enthusiastic about U.S. labor unions. United Auto Workers organizers get the cold shoulder at Honda's Marysville, Ohio, factory and Nissan's Smyrna, Tennessee, assembly plant.

At Bridgestone, president Kazuo Ishikure has achieved mixed results. Worker distrust lingers from the Firestone era, says *Business Week*. One Japanese manager jokes with local union leaders: "We learned lots of four-letter words from you." Despite gains at the Tennessee plant, labor productivity still is only half that of the company's Japanese plant. Profits are still a year away. But Ishikure is confident that once American workers learn "the Bridgestone way of manufacturing," the tire factory's fortunes will take a turn for the better.

Big Labor Looks Wistfully At Europe

"The Future of American Unionism: A Comparative Perspective" by Everett M. Kassalow, in *The Annals of the American Academy of Political and Social Science* (May 1984), Sage Publications, 275 South Beverly Dr., Beverly Hills, Calif. 90212.

Since the end of World War II, America's labor unions have had their ups and downs, but their counterparts elsewhere in the industrialized world consistently fared better. Now, predicts Kassalow, a University of Wisconsin economist, the foreign advantage is likely to widen.

The U.S. work force has always been less unionized than Western Europe's. Whereas 29.3 percent of American workers held union cards in 1968, 35.8 percent of West German workers, 44 percent of British workers, and 61.2 percent of Danish workers did. By 1979, the unionized portion of the American work force had dropped to 24.9 percent. But unions by then claimed 39.2 percent of West Germany's work force, 55.8 percent of Great Britain's, and 75.7 percent of Denmark's.

Kassalow believes that American labor unions have suffered because