

# 5 Lean production as a tool of global capitalism in Asia

## The transnational capitalist class in action

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In this chapter we consider the general role played by lean production as an integral element of capitalist globalization. Struna (2013) identifies “the global capitalism perspective” as an emergent research program. This program is based on analyzing and theorizing the capitalist practices of transnational corporations (TNCs) and the rise of various other connected transnational social and material dynamics. We analyze in particular how the processes and practices of lean production are employed by a major TNC in the automobile industry to systematically undermine the security and well-being of workers in a newly industrializing nation in Asia (India). We develop the argument that worker subjugation and vulnerability are the hallmarks of global lean production, relentlessly systematized by ideologically indoctrinated managers who impose greater uniformity and standardization of the codes and rules of the global economy in their pursuit of capitalist accumulation through the exploitation of labour as a naked commodity.

### Global capitalism and labour subjugation

The “global capitalism perspective” or school of thought has placed the activities of TNCs as the driving element of today’s dominant social forces. Different approaches within this school of thought have been propounded, from a network approach, to historical-materialist approaches and a Foucauldian-inspired approach (Sprague, 2011). In regards to the dominant social forces of the global capitalism epoch, scholars have looked for example at the network relationship between the transnational capitalist class (TCC) and the exercise of corporate power (Carroll, 2010; Harris, 2013). In pursuing research on the TCC, Sklair (1996) distinguishes between the concepts of national/international (which rests on nation–state centrist approaches) and transnational/global (which rests on transnational approaches). Robinson and Harris (2000) explain that the extension of trade and financial flows between national states is referred to as *internationalization* (arm’s-length, shallow integration), but the globalization of the production process itself represents *transnationalization* (deep integration) that supersedes the confines of national states. They propound that groups and classes from different transnational and national orientations conflict with one another, including through state apparatuses and various institutions. Whereas Robinson

and Harris define the TCC as the major owners, investors, and CEOs of transnational corporations and financial institutions, Sklair takes a somewhat more eclectic approach (Sprague, 2009). For example, Sklair (1997) defines “economic” practices as emanating within transnational corporations and “cultural” practices as embodying the culture ideology of consumerism, and “political” practices are articulated with the TCC made up of four fractions – TNC executives, globalizing bureaucrats, globalizing politicians and professionals, and consumerist elites such as merchants and the media.

Members of the TCC tend to occupy interlocking positions that bind the class together. They often move from one fraction to another in the form of a “revolving door” between government and business and constitute a “global power elite” (Sklair, 1998: 4). The owners and controllers of TNCs drive the system, assisted by global capitalist-inspired politicians, bureaucrats, and professionals. All support the culture ideology of consumerism based on “persuading people to consume above their biological needs” (Sklair, 1998: 3). The TCC is dedicated to the continued accumulation of private profit through the ideology of global capitalist consumerism, and global marketing and selling. The ideologies of neoliberalism, economic rationalism, and the unfettered operation of the free market are aimed at creating governmental climates that support the interests of global capitalism. Accordingly, TCC members regard themselves as citizens of the world, possessing outward-oriented global perspectives rather than inward-oriented local perspectives. They support the view that the best strategy for any national state lies in its support for growth in the global economy, driven by neoliberal principles. Thus, national states can only play their full part if all protectionist measures are dismantled and the national state is allowed to become globally competitive (Sklair, 1996). The TCC “has established itself as a class group without a national identity” (Robinson, 2010: 63) and continues to advocate the line that national states will prosper only through more deeply integrating national interests into global accumulation: “there is no national industrial policy that is not a transnational policy” (Harris, 2010: 407).

This developmental argument has met with support from a range of policy-makers from developing countries, as well as from countries previously arranged within the communist bloc, who see integration within neoliberal global accumulation as a potential source (and a requirement) of industrial growth. These former communist bloc countries were once part of what was described as the “second world,” with their level of development somewhere in between the developmental status of the first and third worlds. Robinson argues that the recent capturing of these national states by global capitalism means that “the world has increasingly become a single unified field” (2012: 353). These captured national states become absorbed functionally into the transnational institutional structure, where “they tend to serve the interests of global over local accumulation processes” (Robinson, 2010: 69). But Robinson explains that global capitalism cannot dispense with, or replace, or make irrelevant, the national state, on the grounds that national states provide valuable functions for transnational capital, such as “sets of local economic policies aimed at achieving macroeconomic

equilibrium, the provision of property laws, judicial arbitration, infrastructure, and social control and ideological reproduction” (Robinson, 2010: 69).

TNCs represent the driving force in serving the interests of global capitalism “through building the economic power of their corporations, the political power of their industry, and the culture-ideology of consumerism” (Sklair, 2002: 168). Production has become transnationalized, not only through the global spread of the TNCs themselves, but also through the decentralization of the various segments of the production chains across the world. Such chains have become fragmented and organized in complex production processes through global functional integration (Robinson and Harris, 2000; Robinson, 2012). Transnational capital is continually on the search for the most favourable conditions around the world for each stage of the globalized production process, “including the cheapest labor, the most favourable institutional environment (eg, lower taxes), and regulatory conditions (eg, lax environmental and labor laws)” (Robinson, 2012: 354). Through their global neoliberal ideology, the TCC and TNCs continually seek to impose an increased level of economic control within the workplace by employing the argument that jobs will remain under threat unless workers toil for longer hours with less pay to meet the challenge of foreign competition (Sklair, 1998). One aim of transnational capitalists is to propagandize the argument that economic development can be successfully pursued only through the establishment of a system of deregulated work conditions and labour control based on cheapened, socially disenfranchised, deunionized, flexible, casualized, and diverse contingent categories of workers. As Robinson (2012) explains,

workers in the global economy [are] increasingly treated as a subcontracted component rather than a fixture internal to employer organizations. . . . In global capitalism labor is reduced to an input just as any other, meaning that it needs to be totally flexible, available in large numbers that can be tapped, added to the mix, shifted, and dispensed with at will. Labor is increasingly only a naked commodity.

(Robinson, 2012: 361)

Robinson and Harris state that “globalization is a process, not a state or condition” (2000: 21). Transnational capital is gradually integrating every country into a global production and financial system (Robinson, 2010), where “vast multilayered networks of outsourcing, subcontracting, collaboration and so on, increasingly link local and national agents to global networks and structures” (Robinson, 2012: 356). Frank Hammer, ex-UAW local president, is quoted by Harris as saying that “in a global economy we’re all foreign workers” (2010: 396). Robinson and Harris repeat the same theme by quoting Thomas Middelhoff (chairman of the TNC Bertelsman), who noted, “there are no German or American companies: there are only successful and unsuccessful companies” (2000: 35). William J. Amelio, president and CEO of Lenovo (a global computer company), is quoted by Robinson as stating that in today’s global world, “assessing companies by their nation of origin misses the point” and the products of

TNCs should be labelled “made globally” (2010: 61). Globalized management education plays a key role in this development, as education becomes increasingly corporatized, commodified, and delocalized. Sklair quotes a spokesperson for the Wharton School of Business as stating, “we wanted to be a school of management of the world that just happens to be headquartered in Philadelphia” (1997: 522).

The motor vehicle assembly industry is a prime example of global capitalism. Traditionally, specific companies have been identified with individual countries, such as General Motors, Ford, and Chrysler (U.S.), Toyota and Honda (Japan), Volkswagen (Germany), Land Rover and Jaguar (UK), and so on. However, as noted by Harris, the industry “has long been transnationally integrated through mergers, buy-outs, and joint ventures” (2010: 395). TNCs in the auto industry have developed long and complex global production chains involving supplier relationships, contracting and outsourcing arrangements, local marketing deals, and interorganizational collaborative relationships (Robinson and Harris, 2000). These have brought local companies into the circle of influence of transnational capital, as a result of which the latter gains increasing control over major sectors of the global economy. Local companies are increasingly only able to escape extinction through a strategy of delocalization, whereby they have to “link to hegemonic transnational capital if they are to survive” (Robinson and Harris, 2000: 38).

As we will see later, the global automobile industry has adopted techniques and policies associated with lean production as it has spread its influence across the world. Sklair (2002) regards lean production as a key concept in economic globalization, but its adoption has come as a mixed blessing for different stakeholders within the global economic system. On the one hand, lean practices imply that TNCs can produce products far more efficiently than they are traditionally produced under regimes of mass production. On the other hand, the costs associated with the entire production chain are invariably borne by other stakeholders. For example, workers lose their jobs in large numbers. Additionally, supplier companies bear the increased cost associated with just-in-time deliveries, as do public consumers, such as road users in the form of road congestion caused by a multitude of heavy delivery vehicles. Lean TNCs in the auto industry increasingly seek out production facilities around the world where they can obtain the most favourable conditions, thus further reducing the cost of their production inputs. Favourite targets are low-cost developing regions and countries of the third world, as well as areas of the former second world. As such, this industry plays a key role in coordinating global capitalist control and domination across national borders as successive national states are opened up in a kind of domino effect to the penetration of transnational capital. Robinson notes the inexorable process driven by the

penetration of capitalists from every corner of the world [who] pry open regions and sectors around the world to global capitalism [and] force nationally-oriented policies in general into transnational alignment . . . we are witness to new forms of global capitalist domination whereby intervention is intended to create conditions favourable to the penetration of

transnational capital and the renewed integration of the intervened region into the global system.

(2010: 70)

Such capitalist penetration is often admired and encouraged by the various fractions that comprise the TCC under the argument that transnational capital brings economic development and material prosperity in its wake. In contrast, critics of the system argue that such development is bought through the subordination and exploitation of local labour by global capital. This process also puts under threat the gains by organized and unionized labour achieved over many decades under previous regimes of negotiated working conditions within nation-centric economies. Harris (2010) points to the example provided by the influx of TNCs in the auto industry into the southern United States since the 1980s, which has brought low-cost producers and global competition directly within the geographical boundaries of the country. It is an ironic situation when we realize that neoliberalism seems to have “peacefully” forced itself upon new areas around the world through the device of economic coercion, facilitated by the structural power that global capital is able to exert over individual national states (Robinson, 2010).

### **Lean production**

Robinson and Harris argue that the agenda of the transnational elite is to impose “greater uniformity and standardization in the codes and rules of the global market” and by so doing create “instruments of a world bourgeoisie against world labor” (2000: 29). In this section and the next we will analyze how this is achieved by a leading TNC using the policies and practices of lean production. Lean production is the hallmark of international automobile manufacturing. Lean producers such as Toyota, Honda, and Mazda have, during the past three decades, progressively moved from their Japanese base to globalizing developed and developing nations in Europe, Asia, and America. Lean production could therefore be regarded as a fundamental tool of global capitalism in Asia, as it is in other parts of the world. The concept of lean production was popularized in Western thinking after the publication of *The Machine that Changed the World* (Womack, Jones, and Roos, 1990). The authors found that Japanese automobile producers were manufacturing motor vehicles of higher quality, with shorter lead times and lower cost than Western manufacturers. They ascribed this difference to what they called *lean production*:

lean production is lean because it uses less of everything compared with mass production – half the human effort in the factory, half the manufacturing space, half the investment in tools, half the engineering hours, to develop a new product in half the time. Also, it requires keeping far less than half the needed inventory on site.

(Womack *et al.*, 1990: 13)

The concept of *value* is the essential starting point for understanding lean thinking. Anything that does not produce value is classified as *waste*. Ohno (1988: 129) recognizes seven types of waste: overproduction, waiting, transporting, overprocessing, inventories, moving, and reworking. The basis of lean analysis lies in the continual identification and elimination of these sources of waste (Preece and Jones, 2010). For this purpose a large number of tools and techniques have been devised to detect and eliminate such waste, including 5S (sort, straighten, shine, standardize, and sustain), kaizen, just in time, value stream mapping, and standardized work (Liker, 2004). Thus, an integrated process designed to maximize workflow, eliminate waste, and efficiently use resources within a repetitive reliable system forms the essence of lean thinking. However, lean processes are far more than merely a collection of tools and techniques for eliminating waste. Adherents to lean thinking stress that it is a human system that requires radically different HR practices and policies from traditional Tayloristic thinking. Rather than separating out management (who think) from workers (who do), lean thinking brings together management and workers in a synergistic partnership of common citizenship. Such an approach aims to facilitate employee involvement, flexibility, and empowerment within a system that becomes more people oriented and people driven because only employees can identify ways of eliminating waste and improving existing processes and products (Forrester, 1995). This involves such processes as teamwork, multiskilling, continuous learning, problem solving, high trust, and autonomation. The combination of Tayloristic principles (such as standardized work) with more humanistic principles (such as worker empowerment) has led authors like Adler and Cole (1993) to describe lean systems as *democratic Taylorism*, in the sense that it combines principles of technical efficiency with participative humanism due to the institutionalization of the practice of seeking worker input for the implementation of work methods. However, despite this rhetoric from lean adherents, a more critical analysis of lean production would expose it as an exploitative system that fatigues workers and co-opts them into their own subjugation. This analysis unfolds later in this chapter.

Amongst the practitioners of lean thinking, the Toyota Motor Company (TMC) stands out in some circles as enjoying almost cult-like status (Liker, 2004; Rother, 2010; Sato, 2008; Magee, 2007). TMC was founded in 1937 in Japan and exported its first vehicle (the Crown, to the U.S.) in 1957. Since then it has expanded its operations across the globe. At the end of 2012 the company had 52 overseas manufacturing companies in 27 countries and regions. Three publications together comprise the essence of the formally approved technical, human, and philosophical bases for Toyota's methods: *Workplace Management* (Ohno, 1982), *Toyota Production System* (Ohno, 1988), and *Toyota Way* (TMC, 2001). TMC represents a transnational company that supersedes both its Japanese roots and the nature of the countries in which it manufactures its vehicles. The company's rhetoric states that "Toyota doesn't put a label on vehicles which says 'made in the USA' or 'made in Japan', but instead opts for one label for all: 'made by TOYOTA'" (TMC, 2013). This global homogeneity is pursued through the

managerial values and business methods of the Toyota Way (TMC, 2001): “the concepts that make up the Toyota Way 2001 transcend language and nationality, finding application in every land and society” (TMC, 2001: 3). So although TMC recognizes that it operates within “host countries which have a wide variety of customs, traditions, and business practices” (TMC, 2001: 1), nevertheless its global leadership team is expected to override these through the mechanism of the Toyota Way. Regarded from this viewpoint, the Toyota Way would appear to represent a culturally neutral, prescriptive, one-best-way approach to doing business in manufacturing environments that is capable of being transnationalized across the world. It is interesting to note that, as Toyota progressively transnationalized its operations, it found it increasingly difficult to spread its message solely by word of mouth. This issue was solved by President Fujio Cho in 2001 by creating a single, 12-page document (the Toyota Way) which brought together all the principles, practices, and philosophy of the company’s global operations, which had previously been disseminated by a less formal process during preceding decades. The Toyota Way now occupies a central plank in Toyota training programs across the globe, although other scholars may prefer to refer to it as an indoctrination exercise.

## **Toyota in India**

Following the demise of British colonial rule in 1947, India embarked on a period of socialist-inspired economic development through the vehicle of successive five-year economic plans. This came to an end in 1991, when a severe balance of payments crisis ushered in the beginning of economic liberalization. This included eliminating restrictions on imports and exports; reducing entry barriers for foreign companies to operate in the country; privatizing airlines, telecommunications, and the power sector; easing restrictions on the banking and insurance industry; opening up the stock market for foreign investment; and easing restrictions on foreign exchange flows in and out of the country (Khanna and Palepu, 1999). Until 1991, Indian industries were either under public sector control or else were highly regulated with licence requirements (“licence raj”). Following liberalization, all except 18 industries were freed from licence requirements; that number was reduced to three industries by 2000 (defence, atomic energy, and railways), with all others either fully or partly privatized (Ahluwalia, 2002).

TNCs in the auto industry took advantage of this period of liberalization to enter India in large numbers. The driving motive was, of course, profit and capital accumulation provided by the huge potential market in India and the relatively low wages. As part of this transnational capital movement, Toyota commenced operations in the southern Indian city of Bangalore in 1999 through the medium of a joint venture with a local manufacturing company (Kirloskar) to form an entity called Toyota Kirloskar Motors (TKM). Importantly, as companies from around the world expanded their operations in India, Indian capitalists became increasingly transnationally oriented, leading to new conditions for labour

(Upadhyaya, 2004; Upadhyaya and Vasavi, 2013; Biradavolu, 2008; Sandhu, 2006, 2008). Between them, the authors of this chapter have made three trips to TKM since 2008, and have visited and studied Toyota plants in Australia, Thailand, China, and the U.S. During their visits, data has been collected through personal interviews, nonparticipant observations, company documentation, and Internet and media sources. For the purpose of this paper we provide data mainly in relation to TKM, but observations and analysis are also provided for Toyota operations in Australia and Thailand.

TKM was warmly feted by the globalizing politicians in the Karnataka state government (the state arm of the TCC) and given many incentives and exemptions to invest in the state, such as entry tax, sales tax, investment subsidies, land acquisition, power and water supplies, and relaxation of pollution controls. These perks remained unavailable to local companies. Consequently, the perception began to emerge that one rule existed for foreigners (read transnational capital) and another rule for locals. This bias was reinforced once construction of the plant commenced. TKM is located in a hilly region, and the company is reputed to have indulged in environmental degradation by completely levelling one hill in order to create flat ground. Not only was the company accused of ignoring various environmental and pollution issues, but also of insulting the religious sensitivity of local people who believed that gods resided on the hilltop. However, at the time the Karnataka government was “very keen to get this plant, so a lot of these issues were buried under the carpet” (interview with trade union officer).

TKM’s workforce was overwhelmingly composed of young men, industrially inexperienced and drawn from the surrounding villages. Many were contract workers, employed on three-year probationary contracts. Such contractual arrangements represented a departure from traditional Indian workplace practices, but were facilitated by an amendment to the Contract Labour Act. This amendment represented another example of the state arm of the TCC (in the form of globalizing politicians in the Karnataka state government) coming to the aid of transnational capital by facilitating its global accumulation processes. Little or no accommodation was made by TKM to the cultural requirements of its Indian workforce and context. The Toyota Way and the Toyota Production System (TPS) were regarded as the driving mechanism. Since Toyota was captured by its prescriptive, one-best-way approach to manufacturing that could be moved across international boundaries and cultures at will, it expected its managerial paradigm to be accepted and adopted in India. Its unitarist, family-oriented philosophy expected that the Indian operation would soon be easily co-opted into its worldview. Unfortunately for TKM, this did not happen. The pace of industrial work proved too much for the local workforce. High customer demand led to the institution of a two-shift system by 2000, with an intervening four-hour gap that was often filled with compulsory overtime at short notice. Workers described the Toyota Production System as “inhuman,” “anti-worker” (Business Line, 2006), and “slave-like” (ICMR, 2006). Trade union sources were equally scathing, describing TKM as “a Nazi camp” (interview with external union official).



Attempts by workers to form a trade union were thwarted, as TKM attempted to impose an internal company union and suspended workers who organized union activities in the workplace. In 2001, a three-day strike occurred as a result of the sacking of two workers. In response to this development the state arm of the TCC (in the form of globalizing politicians) once again came to the aid of TKM through the medium of the Karnataka state government, which amended the Industrial Disputes Act 1947 by declaring Toyota to be a “public utility service,” in effect outlawing strike activity in the company. In the ensuing period between 2001 and 2006, production was regularly hampered by strikes and stoppages. Union-active workers were regularly disciplined, suspended, and dismissed. In 2006, a lockout occurred at the plant. Workers responded by occupying the factory and threatened to blow up the liquid petroleum gas (LPG) unit, and commit suicide in the process. Community unrest occurred throughout Bangalore and in the townships. As early as 2002, the trade union had initiated links with an external trade union federation, but company management was adamant that it would not recognize any trade union that permitted outsiders to be office bearers. TKM’s reaction to this continuous industrial unrest was to issue successive threats that the company would move its operations to North India, where workers were regarded as more compliant. This approach of the company reveals the facility with which transnational capital can readily employ the tactic of using place to undermine place in its campaign to subjugate labour. Other studies on labour in the information technology industry located in India have arrived at similar conclusions (Upadhyaya and Vasavi, 2013; Sandhu, 2008).

The objective of kaizen is to ensure that every minute of production time on the assembly line is taken up with value-adding activities. Workers barely have time to think, let alone have the time luxury of being able to devise new and innovative ways of performing the job. Thus, empowerment is an empty concept, in the sense that empowerment is used only to enable workers to think of further ways of making them work more intensively and more cheaply. This objective is greatly facilitated by the extensive employment of contract workers in lean production systems. Contract workers possess little or no job security. Periods of probation are lengthy, sometimes as long as three years. In order to pass their probation such workers often go to excessive lengths to “please the boss,” sometimes injuring themselves in the process, and then being discarded for replacement contract workers. In a Toyota plant in Bangkok, Thailand, teams of six young contract workers were observed whilst they performed their jobs on the line. Each worker not only performed a long list of standardized tasks that had to be performed within a stated period, but additionally had been allocated time targets by which to reduce the time they took to perform each of their tasks. The objective of this exercise was to reduce the time component sufficiently so that the station could be rebalanced and all the tasks performed by only five workers. Kaizen was thus used to impose more and more pressure on workers in the name of reducing waste. Claims of employee empowerment and worker input were not observed in the plants. These concepts were only used to engage workers in

exercises to decrease costs, reduce times, and increase production. Because there was a relentless pressure aimed at these objectives, workers were often seen as being complicit in their own subjugation.

Lean systems have a cute way of ensuring that only “acceptable” workers remain in the system. Those who are not injured or burned out through excessive work (either during the probation period or thereafter) suffer the added indignity of being subject to a pernicious performance management system, which is aimed at weeding out those workers who do not possess the correct cultural attitude. Thus, for example, TKM’s performance management system lay at the heart of its control and discipline mechanisms. TKM claimed that its performance appraisal system was a transparent system that followed the same global HR systems adopted in other Toyota facilities worldwide. Appraisals were performed every month (Business Line, 2001). It is claimed that workers were only suspended following indiscipline, misbehaviour, or poor performance. Poor performance often encompasses the inability of workers to sufficiently engage in time-reduction kaizen activities (in other words, they are unable to be sufficiently innovative to make themselves a target for redundancy!). According to Das and George (2006), the system employed seven criteria (measured on a four-point scale): attendance, teamwork, attitude, quality, cost reduction, behaviour, and adaptability. Only “attendance” and “quality” relied on objective measurement. The other criteria were based on subjective supervisor evaluations, which could easily be manipulated to penalize workers who were regarded as disloyal to management. In other words, the performance appraisal system could be used as a tool to control and victimize workers. Similar accusations were made in April 2012 by union sources at the Toyota Australia plant in Melbourne, when 10 percent of the workforce was made redundant. Workers were selected for redundancy on the basis of a similar performance appraisal system, although in this case a total of nine criteria were employed – Toyota Way, acceptance to change and flexibility to learning, safety and uniform and personal protective equipment (PPE) compliance, attendance, quality and participation and problem-solving troubleshooting, communication skills and teamwork, standardized work and diligence, technical skills, and ability to manage people. Union sources claimed that those mainly targeted were shop stewards, health and safety officers, and those who made WorkCover (injury compensation) claims. The analogy of Nazi tactics was (again) raised by union sources to describe the process by which workers were selected for redundancy and then processed in an inflammatory manner by security guards:

they have had (security guards) on rooftops, on top of cars. They have had everything except snipers. . . . They have marched in like Nazis, swept our members up, put them into their vans, taken them across the road to their holding pens and treated them like cattle.

(Australian, 2012)

In other words, through the combination of waste-reduction kaizen activities, together with a keenly policed performance management system, lean systems are well devised to ensure that only acceptable workers continue in employment – namely, those who remain uninjured; those who continually achieve their cost, time, and production targets (including kaizen reductions in waste); and those who display a compliant and loyal, management-pleasing mindset. Thus, lean systems retain only those workers who are willing to become complicit in their own subjugation.

Lean practices and targets that achieve world best standards never remain isolated within the factories where they are pioneered. Rather, they quickly become the benchmarks that are spread to all other plants around the globe. This process of communicating “improvements” is known as *yokoten* (sharing the learning through leverage transfer). Obara (2012: 90) explains how this system works by quoting the case of an activity performed to reduce the prevalence of mosquitos in one of the Toyota plants in Thailand. Once the problem had been solved, the factory sent a standard A3 report to Toyota headquarters which identified other sister plants that could benefit from such an initiative. In this manner, every Toyota plant is under constant pressure to match “improvements” that are continually being devised and implemented in global Toyota factories. Those locations found wanting suffer threats of closure and worker redundancies. A prime example is the Toyota plant in Melbourne, Australia that suffered 350 redundancies in April 2012 and another 100 redundancies in November 2013. The Melbourne-made Camry has traditionally been sold extensively in various Middle Eastern markets. However, according to press reports in 2013, the factory has been given a benchmarked reduction of \$3,800 per car (15 percent of the manufacturing cost of each vehicle) in order to compete with seven other Toyota factories around the world for the Camry market in the Middle East. Australian Productivity Commissioner Philip Weickhardt has responded to this by retorting, “simple arithmetic suggests that workers would need to be paid virtually nothing to close the gap” (Australian, 2013). But the ideology of the TCC is relentless in this debate. The executive vice president of Toyota Australia, Dave Buttner, is quoted as saying, “this reduction . . . is a further reminder of the global nature of Toyota’s business in Australia” (*Herald Sun*, 2013). The future of Toyota in Australia began to be seriously questioned in late 2013. An earlier promise by Toyota to build a second-generation Camry in Melbourne was later placed into doubt by the company in December 2013; Toyota warned that, unless a new workplace agreement was established with the trade union (which incorporated severe cost-cutting of a range of worker wage allowances), then “this will put our ability to continue building cars in Australia at serious risk,” also adding that “a no vote . . . would send a very strong message to our parent company that we are not serious about transforming our business” (Australian, 2013). Statements such as these emphasize the nature of the power of transnational capital to hold hostage the decades of worker advancements in wages and working conditions by the threat posed through benchmarking them against standards in other areas of the world economy where labour is subjugated and exploited.

Globalization and standardization are facilitated and enforced by global Toyota managers who are moved frequently around the world from one country to another and one plant to another. Toyota managers, especially those sent overseas, are thoroughly socialized into the Toyota culture, frequently never having worked for any other company, and possessing at least 20 years in the company. For example, the current MD and CEO at TKM, Hiroshi Nakagawa, joined Toyota in 1977 as a production planner. After a total of 36 years with the company, he represents the quintessential Toyota senior manager – thoroughly indoctrinated and uncontaminated by any alternative cultural baggage. During the early years of operation in a new country, only Japanese managers and trainers are allowed to occupy senior positions. Although local managers may appear to exercise authority on the surface, they are invariably heavily shadowed by Japanese managers who exercise *de facto* authority. Indian personnel at the TKM factory complained bitterly about the suppression of local Indian managers during the first 10 years of operation, a deficiency which was blamed with causing much industrial unrest at the plant. Local managers are only allowed to progressively assume increased authority in Toyota plants once they can convince their superiors that they have been sufficiently indoctrinated into the culture as to permit their emancipation. The TKM MD, Hiroshi Nakagawa, was recently interviewed by an Indian journalist and asked the question “how do you identify leaders amongst your employees?” In reply, he gave a short, three-word answer: “the right approach” (Info.Shine, 2013). In Toyota’s lean ideology, fitting in and displaying the right attitude and approach is king, and only demonstrated after many years of cultural indoctrination. It is this blandness, standardization, and homogeneity of Toyota culture across the world which allows each Toyota plant to blend into all the others, and allows the company to emphasize its global statement – “made by Toyota” – rather than “made in USA” or any other individual country – the ultimate achievement of global delocalization. Not that locale is unimportant. In the Toyota approach, place is employed to undermine place in the pursuit of globalization. The example of the experience of Toyota Australia in competition with seven other Toyota plants for the Middle Eastern Camry market is an exemplar here, as is the threat by TKM to move production from Bangalore to North India.

## Conclusion

This chapter has analyzed how a major TNC in the automobile industry uses lean production as a device to exploit labour in the pursuit of global profit and capital accumulation. We have argued that ideologically indoctrinated managers, caught within a paradigm that they are incapable of reflecting upon due to their many decades of absorbing company propaganda, systematically subjugate labour by preying upon its hapless and vulnerable state. We have used the newly industrializing country of India to illustrate our points. India represents the epitome of how a former socialist-leaning member of the third world has been pried open by global-seeking capitalists (with the assistance of globalizing politicians) to bring previously nationally oriented policies into transnational alignment whilst

pursuing the argument that such “capture” is beneficial, both for economic development and worker well-being.

Robinson and Harris (2000) have shown how the interests of national accumulation lie in traditional national regulatory and protectionist mechanisms, whereas the interests of transnational accumulation lie in the unfettered functioning of global capitalism through worldwide market liberalization. The agenda of the TCC is one of greater uniformity and standardization in the codes and rules of the global market. In effect, the TCC acts as “a world bourgeoisie against world labor” (Robinson and Harris, 2000: 29).

This chapter has attempted to show how the TCC has used its hegemonic status against world labour. We have shown how a major TNC in the automobile industry has employed lean production as a tool of global capitalism in Asia to further the aims of capital accumulation through its power to discipline labour. The company articulates a specific philosophy based upon eliminating waste through the use of a set of practices and policies that are employed homogeneously across the globe. Long-serving, paradigmatically captured managers are moved frequently around the world from plant to plant to ensure the successful incorporation of these elements, regardless of place. Interplant benchmarking is used globally to ensure that “improvements” in the form of cost reduction or production enhancement are quickly absorbed and standardized as best practices throughout all global operations. Workers globally are placed under constant pressure to match the improvements achieved elsewhere within the TNC empire. In this manner, worker security is under constant threat, as the tactic of “place undermining place” is employed. Contract workers in particular remain highly vulnerable in the face of long probation periods and the possibility of injury induced through repetitive and standardized operations. In order to ensure that workers are capable of matching such improvements, the use of kaizen is employed, with the objective of ensuring that workers not only undertake their normal tasks and operations, but also constantly seek out reductions in time and cost, relating to their activities as well as production-enhancing improvements. Accordingly, workers become complicit in their own subjugation, especially when such worker-initiated improvements are used to justify reductions in worker numbers on the pretence of eliminating waste. The entire system is policed through the device of regular performance management appraisals, designed to ensure that only acceptable workers remain within the system. Such appraisals are, in the main, subjective in nature, leaving high levels of discretion in the hands of local managers to decide which workers are sufficiently loyal, compliant, and productive to remain in employment.

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