

# Contents

<i>List of Figures, Tables and Maps</i>	x
<i>Preface</i>	xiii
<i>Acknowledgements</i>	xv
<i>List of Abbreviations</i>	xvi
<b>1 Putting Business Restructuring in Context: Globalization, the Crisis of the German Model and Rhineland Capitalism</b>	<b>1</b>
1.1 Business restructuring, globalization and the German Model	1
1.2 Regional variation and Rhineland capitalism	5
1.3 A map of the book	13
<b>2 Situating Business Strategies: Institutions and Regulation</b>	<b>15</b>
2.1 Introduction	15
2.2 Regulation theory and institutionalism	16
2.3 The coordination of recurring relations	27
2.4 Conclusion: a contextual framework for empirical enquiry	39
<b>3 Scaling Business Strategies: Globalization, Place Dependence and Institutional Distance</b>	<b>43</b>
3.1 Introduction	43
3.2 The region in a globalized world: discourses of distance and proximity	45
3.3 Spatial rescaling, institutional distance and place dependence: a power and scale framework for business strategies	52
3.4 Conclusions	59

<b>4</b>	<b>Globalization, 'Americanization' and the Changing Corporate Power Geometry</b>	<b>61</b>
4.1	Introduction	61
4.2	Detraditionalization, selective internationalization and uncertainty	62
4.3	Putting Anglo-American business culture to work: shareholder value, return on capital and corporate organization	78
4.4	The changing corporate power geometry: shareholder value, labour, and the 'ratchet effect'	82
4.5	Concluding remarks: upscaling, institutional distance and power asymmetries	85
<b>5</b>	<b>The Territorialization of Ruhr Conglomerates: Regional Engagement and Place Dependence</b>	<b>91</b>
5.1	Introduction	91
5.2	Dimensions of regional interdependence	91
5.3	Spaces of protective engagement: inter-firm relations and the state-capital nexus	99
5.4	Spaces of assertive engagement: regional ties and upscaling	106
5.5	What is there for the Ruhr Area? The thin line between the enabling and constraining effects of regional place dependence	110
5.6	Conclusions	119
<b>6</b>	<b>The Ruhr Mittelstand: The Institutional Limits to Restructuring in Space</b>	<b>121</b>
6.1	Introduction: different pathways to adjustment and profitability	121
6.2	Political economic turbulence: Mittelstand firms between internationalization and state 'overregulation'	124
6.3	Organizational space: upscaling and institutional distance	129
6.4	Conclusions	149

<b>7</b>	<b>The Regional Responses by Mittelstand Firms: Falling Back on 'Tested and Tried Relations', Transmission of Pressure and Systemic Change</b>	<b>151</b>
7.1	Introduction	151
7.2	The regional production system: traditional interaction structures, successful learning and the new quality of inter-firm relations	151
7.3	The fragmented firm: segmentation and coercion into cooperation	165
7.4	The geography of labour re-regulation: redrawing of boundaries, downscaling and exclusive cooperation	173
7.5	Conclusions	188
<b>8</b>	<b>Making the (Re)connections: Governance Dilemmas, Discursive Regulation and the Scaling of Organizational Space</b>	<b>190</b>
8.1	Connecting the economic and the non-economic: the negotiation of governance dilemmas	190
8.2	Scaling the social: spatial abstractions, organizational space and place dependence	199
	<i>Appendixes</i>	206
	<i>Glossary</i>	226
	<i>Notes</i>	229
	<i>Bibliography</i>	237
	<i>Index</i>	251

# Lists of Figures, Tables and Maps

## Figures

1.1	People in employment, Ruhr Area, Nordrhein-Westfalen and Germany, 1980–98	10
2.1	A 'hierarchy' of interdependent contextual settings	40
4.1	Domestic and international employment, 1990–9	66
4.2	The ratchet effect, Veba and RWE, 1981–98	84
4.3	Cash-flow/capital-expenditure ratios, 1985–97	87
4.4	Stock prices and employment 1985–97	89
5.1	Interlocking supervisory boards and capital linkages	93
6.1	Classification of Mittelstand firms	127
7.1	Temporary labour, Germany and Nordrhein-Westfalen, 1976–96	174
7.2	Temporary labour, total and unskilled, West Germany and Nordrhein-Westfalen, 1976–96	182
7.3	The re-regulation of capital–labour relations in Germany	187

## Maps

1.1	Ruhr Area and Nordrhein-Westfalen in Germany	7
A.1	The Ruhr Area, counties and cities	207

## Tables

1.1	Ruhr Area and Nordrhein-Westfalen, structure of unemployment, 1992–9	12
2.1	Institutional forms and recurring relations	18
2.2	The different faces and dimensions of power	25
2.3	Ideal-type modes of coordination	28
4.1	Turnover share according to divisions, 1980–99	63
4.2	Internationalization, 1990–9	64
4.3	Financial capital involvement in supervisory boards	72
4.4	Shareholder structure of major German companies, 1996	74
4.5	Veba AG, breakdown of shareholders, 1986–97	74
4.6	RWE AG, breakdown of shareholders, 1993–8	75
4.7	Thyssen AG, breakdown of shareholders, 1988–96	76
6.1	Ideal-type adjustment strategies, production policy and capital–labour relations	123
6.2	Employment changes, 1990–5	128

6.3	Mittelstand firms, upscaling trends and definition of 'in-situ' spatial scale	130
6.4	The international expansion of organizational space: crucial contacts for innovation and diversification	142
7.1	Career background of young firm-founders	156
7.2	General contracting systems and 'piggy-back' rides	158
7.3	The labour strategies of the 28 sample firms, 1990–5	165
7.4	Relocation of production to East Germany and Eastern Europe	178
7.5	Organization rates within the metal and electronics industry, West Germany, 1980–97	180
7.6	Structure of temporary labour in West Germany, 1976–95	183
7.7	Temporary workers, share of average monthly income, Germany, 1980–95	183
8.1	Organizational interaction, dynamic change and structural persistence	192
A.1	Regional and local employment distribution according to main industries, 1994	208
A.2	Mittelstand contacts to regional conglomerates, 1995–6	210