

INDUSTRIAL DECLINE AND THE RISE OF THE SERVICE SECTOR? HOW DID WESTERN EUROPE AND NORTH AMERICA COPE WITH MULTIFACETED STRUCTURAL TRANSFORMATIONS SINCE THE 1970S?

Conference at the Institute for Contemporary History Munich (IfZ). Co-sponsored by the German Historical Institute, Washington DC. Conveners: Sebastian Voigt (IfZ), Stefan Hördler (Mittelbau-Dora Concentration Camp Memorial); Co-convenor: Howard Brick (University of Michigan, Ann Arbor). Participants: John Alic (consultant, North Carolina), Hartmut Berghoff (University of Göttingen), Eileen Boris (UC Santa Barbara), Frank Bösch (Center for Contemporary History, Potsdam), Jessica Burch (Harvard University), Jörn Eiben (Helmut-Schmidt-University Hamburg), Timur Ergen (Max-Planck-Institute, Cologne), Sina Fabian (University of Hannover), Michael Kozakowski (University of Colorado, Denver), Nelson Lichtenstein (UC Santa Barbara), Christian Marx (University of Trier), Marjin Molema (Fryske Akademy, Leeuwarden), Francesco Petrini (University of Padova), Franziska Rehlinghaus (Center for Contemporary History, Potsdam), Morten Reitmayer (University of Trier), Karsten Uhl (University of Darmstadt), Andreas Wirsching (IfZ Munich), Johanna Wolf (University of Leipzig), Daniel Wylegala (University of Düsseldorf).

At least in German historiography the 1970s have been (and still are) a flourishing field of research. This is certainly due to the various characterizations of this decade as — to name just a few — a phase of structural change, marking the turning point from boom to “after the boom,” towards a “postindustrial society” or postmodernity. Regardless of the accuracy of these or other diagnoses: the 1970s were an intense and dynamic phase — at least in Western Europe and North America, on which the international conference “Industrial Decline and the Rise of the Service Sector? How Did Western Europe and North America Cope with the Multifaceted Structural Transformations since the 1970s?” at the Institute for Contemporary History in Munich concentrated.

In his welcome address, Andreas Wirsching underlined the importance of the topic. From a historiographic as well as from a contemporary perspective, dealing with the significant transformations that occurred both in the economy and society is crucial. Wirsching suggested researchers be mindful of the necessary interplay of broader

diagnoses on the macro level and the often stubborn or downright contradictory cases on the micro level.

After summarizing general trends of and assumptions about the 1970s, such as growing pressure on the middle class, increasing income inequality, or the shrinking share of the “old industries,” Sebastian Voigt took up Wirsching’s considerations for his introduction. Following Wolfgang Streeck, he suggested to take the 1970s as a starting point for an analysis of current crises. In a historiographic sense, he accentuated the importance of the “after-the-boom” hypothesis, from which a fair share of current research emerges. Adding yet another prominent diagnosis of more general trends, namely Daniel Bell’s notion about the rise of a postindustrial society dominated by a strong service sector, he finally argued for more faceted historiographic analyses. There are, Voigt reasoned, several very good and very fitting examples of transformations from industrial to service-based economies both in Germany and the USA. Yet one wonders whether such examples justify the rather broad and general assumptions put forward by some of the grand diagnoses of industrial decline, postindustrial societies or a phase after the boom.

The first panel, moderated by Stefan Hördler, dealt with transnational similarities and differences in economic development. Accordingly, Marijn Molema took up Wirsching’s suggestion to investigate the regional level more closely, following the example of planning processes in northeast Frisia. Even though it had its heyday in the 1960s and 1970s, planning never left the political realm, but was transformed from spatial to economic planning. Due to these planning processes, a new economic geography emerged in the region, with just a few industrial centers. Here, he argued, the majority of the region’s people found employment up until the early noughties. Hence, Molema concluded, the narrative of industrial decline is not adequate at all for this particular region. In her paper on the ship building crisis’ effects on the workforce, Johanna Wolf investigated debates within the various international, national, regional, and local union networks. Even though she pointed out that they made many reasonable and well-conceived proposals for solutions, Wolf painted a fairly disillusioning picture of the unions’ impact on solving the problems the industry faced. In short: next to none of their suggestions were adopted by their respective governments. Among other things, Stefan Hördler pointed out that neither paper had addressed the important conceptual question about what we mean exactly when

we speak about industrial decline or crisis — a conceptual challenge that would resurface frequently in the following panels.

Chaired by Frank Bösch, the second panel dealt with the ways in which collective and individual actors coped with change. Karsten Uhl presented the findings of his new research project on the printing industry — an industry with a workforce deeply devoted to and interested in technological progress. In combination with their firm belief in being part of an irreplaceable aristocracy of workers, the technological process eventually overtook the workers and endangered their jobs. As this process as well as the cooperation amongst the unions became increasingly global phenomena, Uhl called for research to focus on the interconnections of computerization and globalization. In his paper, Francesco Petrini took a closer look at deindustrialization processes. Against those who favor exogenous factors, for example the rising oil price, he argued that the breach of the post-World War II social contract was the main cause for industrial decline and the resulting phenomena of crises. Following this contractual hypothesis, Petrini investigated the ensuing attempts and failures at re-establishing a similar binding framework. Michael Kozakowski then took a closer look at the role of migration as a result of industrialization in Western Europe. Focusing on France, he showed how migrants faced a twofold problem, namely their politically and legally unclear status as well as the lack of jobs brought about by industrial decline. For migrant workers, Kozakowski concluded, the rise of the service sector created alternative job opportunities — opportunities, however, with significantly lower wages than the industrial sector had provided before.

Howard Brick chaired the third panel, which focused on state responses to these challenges. Interestingly, this panel was entirely composed of speakers from outside the narrow margins of historiography, that is, from the fields of political science and sociology. The first speaker, Timur Ergen, provided some profound insights into American debates about industrial policy and future economy. Unfolding mainly in the 1970s and 1980s, these debates revolved around the question whether or not the United States needed a concerted industrial policy in order to cope with contemporary problems. While the debates did not lead to any concrete results and had ended by the mid-1980s, they are of interest for the study of the epistemic realms of American economic policy. Using the example of the August Thyssen Hütte, Daniel Wylegala investigated

changes in research and development (R&D) policies in the West German steel industry. While Ergen reconstructed his findings following the debates among economic experts, Wylegala based his argument on the continuous rise in expenditure for research and development. As the proponents of a strong R&D policy construed the recession of 1974 as an economic crisis (as opposed to a structural crisis), they had fairly solid arguments for suggesting a positive stance towards the future, if the company made the necessary technological innovations. Finally, John Alic provided a perspective on U.S. industrial policy of the 1970s and beyond. Unlike the case of the German steel industry, Alic indicated, overall spending on R&D in the U.S. declined since 1969 and rose to a comparative level only in 1977, before it began to decline once more as the economy gained momentum again.

The second day began with a panel on transformations of the labor market and consumer behavior chaired by Andreas Wirsching. In her paper, Eileen Boris investigated the topic of household workers. She identified the 1970s as a turning point in the participation of women in the labor market. One of the consequences was an enormous increase in the “outsourcing” of reproductive labor: that is, child care and domestic work. Especially (comparatively) well-earning women turned their houses into workplaces for other women. While Boris’s focus was on the transformations of the labor market, Sina Fabian emphasized the importance of investigating consumption. Following the examples of car purchases and holidays, she demonstrated that widespread diagnoses of crisis did not have significant effects on consumption — at least in the U.K. and Germany. Even though the 1970s were hence in keeping with general trends since the end of World War II, economic recessions and mass dismissals did have an effect: using the British example, Fabian showed how consumption patterns differed, depending on the respective social strata. The panel’s final paper combined the foci of the previous papers. Jessica Burch presented her findings about the direct sales business in the United States in the 1970s. In stark contrast to diagnoses of economic crises, this mode of selling and consuming (predominantly) household goods was booming. Accordingly, Amway, one of the market’s most successful companies, made “opportunity in crisis” their slogan. Convincingly, Burch argued that the story of direct selling allows us to look at coping strategies of Americans in economic turmoil and provides a glance at the much larger picture of flexible employment and jobs.

Hartmut Berghoff chaired the conference's last panel, which dealt with business strategies in the 1970s. In their paper, Christian Marx and Morten Reitmayer used the chemical industries of France, Germany, and the U.K. to analyze whether and how their respective national economies dealt with the economic challenges of the 1970s and the following decades. By investigating business strategies, industrial relations, and corporate governance and inter-company relations, they elaborated on national similarities and differences. Nelson Lichtenstein then took a closer look at a particular and very important business strategy: vertical integration, a model which dissolved in the 1970s. Discussing this model and its dissolution, Lichtenstein showed how transformations of the corporate form complicate or even impede state regulations as well as the organization of the workforce. The conference's final paper was presented by Franziska Rehlinghaus, who analyzed another business strategy, vocational training. Although vocational training programs were not a new phenomenon in the 1970s, Rehlinghaus demonstrated how the (actual or alleged) crises of the 1970s contributed to changing the program's rationale from an individual surplus towards a necessity for everyone's CV.

The conference's organizers succeeded in creating an opportunity for intense discussion. Both question marks contained in the conference's title fostered debate. The suggestion of general trends described as "industrial decline" or "rise of the service sector" and the coping strategies born from such changes created sufficient bases for discussion. Yet most papers concentrated on the problems these changes caused and the coping strategies brought about by these very changes. The first challenge, namely questioning the very diagnoses of a declining industrial and a rising service sector, was not confronted directly. Even though some papers, notably Molema's or Fabian's, dealt with these diagnoses in a critical manner, Hördler's question about the categorical or analytical status of characterizations such as "decline," "rise" or "crisis" was not answered, but ran through all discussions. This seems to be a promising outlook for a potential (and strongly encouraged) follow-up meeting.

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