

TABLE 8
GROUP AFFILIATION AROUND THE WORLD

Country	Year	No. of firms	No. of group affiliated firms	(Median size of group affiliated firms)/(median size of un-affiliated firms)	Median of ROA of group affiliated firms (%)	Median of ROA of unaffiliated firms (%)	Median stadard deviation of ROA, group affiliated firms (%)	Median stadard deviation of ROA, unaffiliated firms (%)
Argentina	90-97	25	11	5.53	3.95	7.78**	3.67	4.91**
Brazil	90-97	108	51	2.50	3.30	1.85**	4.05	5.07
Chile	89-96	225	50	18.71	5.93	2.20*	4.42	4.10
Colombia	88-97	16	7	4.54	1.43	0.90	7.40	9.02
India	90-97	5,446	1,821	4.37	11.73	9.56*	4.65	4.37*
Indonesia	93-95	236	153	2.79	7.31	7.81	1.93	2.53*
Israel	93-95	183	43	4.99	5.60	3.90	4.40	6.80
Korea	91-95	427	218	3.63	4.85	5.12	1.88	2.58*
Mexico	88-97	55	19	2.29	8.22	6.08	4.89	4.92
Peru	88-97	21	5	1.62	7.92	7.86	10.51	9.98
Philippines	92-97	148	37	3.43	7.32	3.98	2.48	2.95
Taiwan	90-97	178	79	2.05	5.07	6.22	1.75	2.26**
Thailand	92-97	415	258	2.33	2.90	4.41*	4.32	4.93**
Turkey	88-97	40	21	0.96	24.62	26.32	12.52	12.37
Venezuela	88-97	11	2	1.45	3.68	4.60	6.11	3.90*
Pre-war Japan	32-43	58	17	6.80	5.50	6.40	4.40	7.10
Post-war Japan	77-92	1,002	94	8.50	3.41	3.63	2.23	2.29

Notes: The table shows summary statistics on group risk and operating performance for fifteen emerging markets as well as for pre-and post-war Japan. Firm numbers, as well as statistics on firm size (total assets) and median return on assets (ROA) are all based on the year for which we have maximal coverage for the country in question. Firms with profit rates above 100 percent or below -100 percent are excluded from the analysis. In pre-war Japan group affiliation refers to affiliation in the largest three zaibatsu only. In post-war Japan, group members are defined as members of Presidents' Club only. Significance levels for the comparisons of medians are based on Wilcoxon signed-rank tests. * denotes significance at 5 percent level and ** denotes significance at 10 percent level.

TABLE 1
THE MAIN MODES OF GROWTH: THE MACROECONOMIC CONTEXT

Modes	National income		Market	Labour	Dynamics	Contradiction
	Distribution	Growth				
«Competitive and competition led»		- variable depending on firms' domestic and external competitiveness	- balkanised - unstable - some categories are excluded	- flexible - organises itself on a category-specific basis	- drop in real prices - limited market due to uncertainty of income	- seeks to defend situation that has been acquired - speculative practises
«Competitive and consumer-oriented»	- depends on local and category-specific balance of power and on financial opportunism	- consumption-driven	- heterogeneous - variable	- flexible - organises itself into branch-wide labour unions	- broadening of market - stimulation of investment	
«Competitive and price export-oriented»		- driven by export of competitive standard products	- heterogeneous - unstable - some categories are excluded	- abundant - poorly organised	- rapid industrialisation	- domestic market is limited, lack of a virtuous circle
«Co-ordinated and consumer-oriented»	- nationally co-ordinated, moderately hierarchised, geared to productivity	- consumption-driven	- mass-oriented - moderately hierarchised - foreseeable	- organised into unions - makes demands	- total population can access mass consumption	- needs to find new economies of scale once market is saturated

(Table Continue)

«Co-ordinated and specialised export-oriented»	- nationally co-ordinated, moderately hierarchised, geared to export competitiveness	- driven by export of specialised goods or services	- mass-oriented - moderately hierarchised - significant top-of-the-range	- organised into unions - cooperative - stable	- total population can access mass consumption – high wages work in favour of quality products	- risk of getting boxed into one specialisation, likely to become obsolete
«Co-ordinated and price export-oriented»		- driven by export of competitive mundane products	- mass-oriented - moderately hierarchised - foreseeable	- organised into unions - cooperative - stable	- total population can access mass consumption	- other countries' reactions, - rise in wages and in exchange rate
«Inegalitarian and rent-oriented»	- structurally inegalitarian - vote-catching	- erratic, depends on world prices for raw goods and agricultural products	- categories of owners, executives and dependents - sudden contraction or expansion	- flexible - poorly organised - dependent	- enriched on a period-to-period basis	- industrialisation process runs into significant hurdles
«Shortage and investments-oriented»	- relatively egalitarian for most of the population	- depends on savings rate	- very limited - administered - foreseeable	- mobilised	- ensures full employment, creates solid industrial bases	- cannot perpetuate itself indefinitely

TABLE 2

PROFIT STRATEGIES, PRE-CONDITIONS AND REQUIREMENTS/THE FIRM LEVELS

Profit strategy	Characteristics	Conditions of relevancy		Implementation requirements			Company governance compromise
		Market	Labour	Product policy	Productive org.	Employment relation	
Diversity and flexibility	<ul style="list-style-type: none"> - Profit margins based on - products that specifically respond to distinct types of demand - rapid adjustment of costs to variations in demand 	<ul style="list-style-type: none"> - heterogeneous, even balkanised - from variable to unstable 	<ul style="list-style-type: none"> - autonomous, flexible and mobile workforce 	<ul style="list-style-type: none"> - models with few parts in common - targeting different customer categories - price that is most lucrative 	<ul style="list-style-type: none"> - design new models rapidly and for lowest cost - production changed whenever necessary 	<ul style="list-style-type: none"> - remuneration of competency and flexibility - incentives so work is carried out within competitive timeframe 	<ul style="list-style-type: none"> - to be developed by shareholders seeking remuneration, employees and suppliers who ought to be flexible and efficient
Quality	<ul style="list-style-type: none"> - Profit margins based on - products socially considered to be «top-of-the-range» or luxury goods - commercial distribution is international from the beginning 	<ul style="list-style-type: none"> - well-to-do and affluent clientele - international 	<ul style="list-style-type: none"> - skilled, working under constraint of having to maintain specialisation on international markets of national production 	<ul style="list-style-type: none"> - offering models that express the social and economic position of a well-to-do and affluent clientele 	<ul style="list-style-type: none"> - guaranteeing quality of supplies, maintaining quality throughout production process - ability to sell prestige factor 	<ul style="list-style-type: none"> - maintaining the rare competencies that guarantee quality and prestige - emphasis on professionalism and on good work 	<ul style="list-style-type: none"> - developed by owners concerned with the brand, by wageearning professionals and by suppliers responsible for quality

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Volume	- Economies of scale through production of increasing quantities of standard model	- homogenous - rising - national, then international	- abundant, unskilled and unionised workforce	- offering a product that satisfies basic individual transport needs	- standardisation and fluidification of production	- get people to accept undifferentiated work and repetition of identical acts	- to be developed primarily by executives together with most employees
Volume and diversity	- Combination of economies of scale for non-visible elements and economies of scope for visible elements	- moderately hierarchised, with transition from one segment to another over product life - national then international	- polyvalent and unionised workforce	- offering superficially different models with shared platforms - excluding niche vehicles, at the very bottom and top-of-range	- control the complexification variety creates in all domains - avoid simultaneous overcapacities or undercapacities	- achieve polyvalency - offering of moderately hierarchised wages - guarantee career development opportunities	- mainly developed by managers together with growing number of engineers and technicians, and with labour unions

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Innovation and flexibility	<ul style="list-style-type: none"> - Profit margins based on innovative models that are a response to new expectations - Rent exploited through saturation of potential demand before it is copied - Losses limited through rapid reconversion in case of failure 	<ul style="list-style-type: none"> - partially rejuvenated by the periodically emerging practical and symbolic expectations of new sections within the general population 	<ul style="list-style-type: none"> - entrepreneurial and opportunistic employees 	<ul style="list-style-type: none"> - offering when needed conceptually innovative models that correspond to expectations of those the durable new sections of the population 	<ul style="list-style-type: none"> - generate ability to innovate in a commercially relevant manner - develop highly responsive organisation in all areas 	<ul style="list-style-type: none"> - emphasis on innovation, expertise and responsiveness 	<ul style="list-style-type: none"> - become financially autonomous so as to be able to assume the necessary risks - pact between executives, innovators and responsive employees
Permanent reduction in costs	<ul style="list-style-type: none"> - Constant volumes, costs cut in all circumstances - Other profit sources are exploited as long as they do not undermine the costcutting - Makes it possible to avoid taking technical, social, commercial and financial risks 	<ul style="list-style-type: none"> - moderately hierarchised - emphasis on price, reliability and raising level of basic equipment 	<ul style="list-style-type: none"> - semi-skilled and unionised employees - operating under external competitiveness constraint 	<ul style="list-style-type: none"> - volume, diversity and quality of «lean» product offer - avoid having to innovate conceptually 	<ul style="list-style-type: none"> - avoid major variations in production - design a productive organisation that can be improved on a step-by-step basis 	<ul style="list-style-type: none"> - get employees to accept cost-cutting as well as its effects on jobs and on work 	<ul style="list-style-type: none"> - mainly developed by executives, employees and suppliers - ensure that this is politically acceptable in light of the stringent competitive capacities

Source: Boyer and Freyssenet (2000).

TABLE 3

A TAXONOMY OF THE PRODUCTIVE MODELS: THE RESULT OF THE ANALYSIS

Model	Profit strategy being implemented	Company governance compromise	Components of the model			Dynamics Risks Contradictions
			Product policy	Productive organisation	Employment relationship	
Taylorian	Diversity and flexibility	High wages inexpensive workforce, «scientific» methods	Specific products, varied product offer, medium-sized series	Standard procedures and allocated times, flexibility of equipment and stationary individual workstations	Task-based wages, augmented by 30 to 100% if procedures followed and deadlines met	Conditional increases in productivity
Woollardian	Diversity and flexibility	Autonomy and collective skills, flexibility, capital is well remunerated	Specific products, varied product offer, small & medium-sized series, lucrative price	Workshops for each product or subsystem, mechanisation and synchronisation of supplies	Autonomous teams, Incentivising piecework wages negotiated on a team- by-team basis	Establishment of a «dual» management structure in the firm
Flrdian	Volume	Access to mass consumption vs. acceptance of productive organisation	Standard single produit, drop in real prices	Production is integrated, continuous, mechanised, timed and broken down into elementary operations	Rising fixed wages, egalitarian, vs. parcellised and repetitive work	Rapid saturation of market, emergence of labour unions making demands

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Sloanian	Volume and diversity	Rising purchasing power vs. rising productivity	Hierarchised product range, shared platforms, superficial diversity, many options	Strategic centralisation and operational decentralisation, tools are polyvalent and subcontracting	Wages depend on job being done, polyvalency vs. acceptance of the organisation	Management structure is weighed down, excessive diversity, cannibalisation of products
Toyotian	Permanent reduction of costs at constant volumes	Longevity for firm and for employees' and suppliers' jobs	Well-equipped basic models, good quality that is perceptible to the client	Polyvalent work team, «Just-in-Time» inside and outside of firm	Employment and career guarantee vs. collective participation in reduction of standard times	Limits of social and political acceptability, severe competition in certain situations
Hondian	Innovation and flexibility	Self-funded, individual promotion vs. responsiveness and initiative	Conceptually innovative and specific models, anticipation of customer expectations	Lines, machines and personnel can be quickly converted	Hiring, wages and promotions depend on initiative, expertise and responsiveness	Loss of innovation rent because product is copied rapidly, loss of autonomy
