

Multiple scenarios of 'reindustrialization'

Instead of slipping cozily into 'post-industrial' society, urgent calls for 'new industrial society' are emerging from the socio-economic turbulence of advanced as well as developing economies. *Reindustrialization* is starting to dominate our future scenarios. Concerns about productivity, quality, capital investment, high technology, and energy, are making their comeback with unusual vigor. We even talk about 'service industry', 'health industry', 'information industry' and 'human capital'.

These trends are not direct outcomes of any conscious governmental policy, planning or strategy; they emerge spontaneously from the collective wisdom of individual *societal stakeholders* in U.S., Inc., Japan, Inc., and increasingly in *World Economic System, Inc.* Governments can only acknowledge, ignore or help to accelerate these trends; their power to counter them or to stop them is, at least in democratic, competitive economies, waning. The question is more and more what governments should *not* do rather than what they should do.

One obvious concern is about human prospect in reindustrialized society. Fears of 'dehumanization' and worries about the quality of life, safety, peace and freedom, are real and legitimate stakeholder concerns. It is important to understand that the unfortunate 're-' does not imply simple return to the industrial societies of the past. Neither has reindustrialization been spawned by some unforeseen 'mutation' of post-industrial society. It is a prelude to and integral part of a vast socio-economic transformation of the upcoming years.

The problem with 'reindustrialization' is that many individuals and constituencies interpret it quite differently and mold the concept in the direction of their own interests. We can of course dismiss Jimmy Carter's version of it, 'revitalization', as a rather harmless political slogan. Similarly, the editors of *For-*

tune have classified reindustrialization as 'a rotten idea' [2], just to be different, and there is no need to dwell on their 'inversion' of it.

Others view reindustrialization as an opportunity for renewed political and governmental interference with the economic system. For example, talks about 'a new social contract' in *Business Week* [1] or Kennedy's ill-fated 'new economic partnership' would belong in this category.

A. Etzioni [3] introduced his thesis of reindustrialization as a necessary counterbalancing process after the decades of overconsumption and underinvestment. He singled out sectors of transportation, energy, research and development, human capital, capital goods, and defense as areas which are to be granted the highest priority. Etzioni makes sure that his thesis does not get confused with the notion of 'industrial policy', that is selecting and supporting a few industries via some sort of anti-obsolescence revolving fund (idea of F. Rohatyn), a national 'guiding' committee, or even national planning system. Etzioni calls only for using economic incentives of accelerated depreciation, tax inducements, write-offs, guarantees, and other 'rules of the game'.

It should be realized that in the United States, over two thirds of the labor force now work in services. Such legacy of 'post-industrial society' calls for reindustrialization of services, breaking their sheltered status, and transforming them into service *industries*. These trends are already manifesting themselves more powerfully than could any governmental policy ever assure. New industries are emerging: microprocessors, robots, word processors, do-it-yourself products, software technologies, solar energy, and even biotechnology — all highly competitive, non-traditional, decentralized and little regulated enterprises. The U.S. is a strong and unchallenged leader in most of these new industries, in spite of governmental policies concentrating on services, transportation, automobile and aerospace industries.

Thus when we talk, about reindustrialization, we should perhaps take this unfortunate 're' with utmost

caution — we are not returning to anything, not backtracking, not re-industrializing. ‘Industrialization’ might better capture the trends we are trying to comprehend. Except that we already live in a highly industrialized society and we do not expect it to become *more* industrialized, but *differently* industrialized: decentralized, smaller, demassified, and home-centered. But mainly, labor-intensive service will become capital-intensive self-service [5], households will recover their central role in the economy, production will become distributed production, and new industries will emerge to cater to the new needs and demands. Levitt’s insights [4] into essential transformation of traditional services are becoming highly relevant.

More and more we talk about self-service society, custom-made society, household economy, customer industries, and the like. We emphasize *social software* rather than industrial hardware — it is often taken for granted that industrialization, or more precisely, technology dissemination, represents the necessary core around which the new society can evolve. As the era of social engineering is ending, a humane economy, one that sees people not as interchangeable mechanical parts but as individual human beings, is becoming the only acceptable alternative.

Rather than advancing countless scenarios of what economic and social actors *should* do, like with reindustrialization, it would be more useful to concentrate on what these actors *do* do and acknowledge that only one scenario is unfolding in reality. In order to prescribe, anything, we should be able to describe what is going on and why. Because good description is the best prescription, and in order to know where to go one should have some idea about where one is moving at the moment. It just might be that one is travelling in the right direction already.

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References

- [1] Business Week, Special issue on “The Reindustrialization of America” (June 30, 1980) 56–146.
- [2] Fortune (August 11, 1980) 97.
- [3] A. Etzioni, Reindustrialization: view from the source, The New York Times (June 29, 1980).
- [4] T. Levitt, The industrialization of service, Harvard Business Rev. (1976).
- [5] M. Zeleny, Towards a self-service society, Human Systems Management 1 (1) (1980) 77.