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**PRODUCTIVE ADAPTATION AND INDUSTRIAL RELATIONS
IN NICARAGUA, 1980-87**

Summary

Several developing countries attempted to transform dependent economies according to socialist-oriented strategies in the 1950s-80s. Extensive research on development policies pursued in this context has focused more on their impact at macro and sectoral level than on the resultant adjustment processes within the factory. This thesis therefore examines the nature of productive adaptation and union-management relations in Nicaraguan state metalworking firms during a period of revolutionary change (1980-87).

The first part analyses the relationship between patterns of productive adaptation and the diverse roles of the state in the economy. Government policies did generate forms of adaptation that furthered immediate production and social transformation goals under severe import constraints. The results of this study indicate ways in which the Nicaraguan government and enterprises could have redirected and strengthened these adjustment processes, bringing them into line with those required to secure the long-term viability of domestic industry.

The second part examines the evolution of union-management relations in the light of each firm's efforts to adjust to its external environment. It compares two metalworking firms who initially displayed contrasting types of industrial relations, but then developed similar patterns by 1987. The two case studies focus on union strategy to explain why cooperative-participatory relations became the workplace response to an escalating economic crisis. The research findings favour a labour strategy that would have combined this adaptive capacity with collective initiatives aimed at increasing the political power of workers to change the external environment.

The thesis conclusions enrich our understanding of the possibilities contained within this particular experience in social transformation, while demonstrating the implications of an analytical approach that focuses on micro-level adaptation. In today's global economy, this approach remains relevant as enterprises in many developing countries must adjust to rapidly changing market conditions, persistent resource constraints and abrupt changes in the macro-economic environment. Nevertheless, a different framework is required to address issues confronting economic actors operating under a distinct economic system and set of power relations.