

## **‘Putting Labour in its Place’: Global Value Chains and Labour Process Analysis**

The origins of this Special Issue lie in a stream organized at the International Labour Process Conference (ILPC) held in Stockholm in 2012. The editors’ interest in this area emerged from work on the retail supply chain (Newsome, 2010), call centres and business process outsourcing (Taylor, 2010), and spatiality, work and employment (Rainnie et al., 2011). The underlying rationale for the stream was to attract papers that situated labour and the labour process within the global commodity chain (GCC), global value chain (GVC) and global production network (GPN) frameworks.

The articles in this collection reflect different positions and divergent approaches in their attempt to integrate labour. We now provide some necessary context for understanding the debates with which they engage. There has been no agreement as to whether the most appropriate analytical framework for incorporating labour is the GCC, the GVC or the GPN. Gereffi’s pioneering work (1994) on global commodity chains centred on systems of production and governance. Concerned with power and the inter-sectoral linkages between and firms and other actors (Gibbon et al., 2008), labour was often written out of the GCC narrative. The subsequent critique by the Manchester School (e.g. Henderson et al., 2002) was with ‘global–local’ relations and, hence, included labour as an element in the ‘territorial’ context. In turn, Gereffi and colleagues (2005) developed a more nuanced version of global commodity chain analysis, which has been interpreted as a shift towards a quite different GVC framework. However, it has been seen to focus much more narrowly on the dyadic linkages in a value chain (Bair, 2008) without incorporating labour as value creator. In sum, the editors acknowledge the advantages of GPN over GCC and GVC perspectives, in the emphasis on the social relations of production and the potential to reflect upon condition of labour.

Attempts have been made to address the labour ‘deficit’. In an early contribution, Smith et al. (2002) advocated the inclusion of labour as source of value. Cumbers et al. (2008) argue for the integration of a Marxist conception of value (specifically surplus value) with their favoured GPN perspective. Rainnie et al., in a number of articles (e.g. 2011), have agreed with this proposition. Taylor (2010) argued that the three frameworks, each operating at a different scalar level, is capable of providing specific elements that can be integrated with the labour process to form a distinctive analytical framework. He reflected on the irony that global *value* chain analysis had failed to interrogate value as a category. Writers associated with the Manchester School have recently stressed the importance of labour agency. For Coe and Jordhus-Lier (2011), the interests and organization of workers should be placed at the heart of analysis, not reduced to a secondary or residual category.

Value has certainly taken on multiple meanings in GCC, GVC and GPN analysis, rendering it frequently meaningless. The point made by Cumbers et al. (2008) regarding the specific utilization of surplus value has been elaborated by Fitzgerald (2012), who argues for methodologically commencing with the capitalist labour process before extending analytically ‘outwards’ to embrace a broader political economy of work and employment. In addition to this Marxist critique, there are those scholars who have argued for the re-insertion of labour but do so from a Development Studies tradition. Barrientos et al. (2010) critiqued the original GCC formulation, for either neglecting to consider the position of workers or for depicting them as passive victims at the bottom of commodity chains. While early GCC studies also tended to imply that upgrading in chains would automatically bring gains for labour (Milberg & Winkler, 2011), recent research counters this assumption, arguing that

economic upgrading need not necessarily lead to social upgrading. Furthermore, worker organizations, particularly trade unions and arguably NGOs, can positively influence the process of upgrading to bring benefits for workers.

Another way in which the labour deficit has been addressed has been from within GPN analysis itself and specifically through what has been termed strategic coupling. Through this mechanism, transnational corporations (TNCs) lock themselves into organizations, institutions and governance structures at the regional level (e.g. Yeung, 2009). However scholars, including Mackinnon (2012) and Bair and Werner (2011), have indicated negative aspects arising from these interconnections and have focused on the dangers of decoupling, disinvestment and devaluation. The capital accumulation strategies involved in a spatial fix, to use Harvey's famous concept (1982), might thus depend upon the amelioration of worker terms and conditions in the networked region or locality. The repercussions can be felt both in the sphere of production and reproduction, impacting on workers, their families and communities beyond the confines of the workplace. The significance of local labour regimes and the ability – or otherwise – of workers to organize in the networked locales of the global economy has long been acknowledged as a salient factor (Kelly, 2002).

A final significant reflection on the integration of labour with value chain or production network frameworks relates to the facts of profound change in the global macro-economy. In this respect, the financial crash of 2007–2008 and the subsequent crisis and recession (Kliman, 2012) should lead to a questioning of accepted approaches, or at least to refinement and developments within existing schema.

The contributions in this special issue reflect emerging debates on the relationships between labour and the related GCC, GVC and GPN frameworks. Undoubtedly, in the two decades since the original GCC formulations, the utilization of the chain and network formulations by scholars from different traditions have deepened our knowledge of the integration and functioning of the global economy. The proposition – to integrate labour – will add considerable value to the broader project of explaining the dynamics and contradictions of the increasingly interconnected global economy.

The contributions herein derive from diverse intellectual traditions and disciplines, including development studies, economics, sociology and political economy. One important purpose, therefore, is to develop the conversation between scholars using these different approaches but who share a common interest in labour generally. The presentational logic of this Special Issue of *Competition and Change* is as follows, drawing on work from three major European research projects, Flecker, Haidinger and Schonauer examine the labour process in service value chains. They argue that the service sector as a whole, ranging from interactive to tele-mediated, has been under-represented in GVC/GPN analysis. For them, more attention needs to be paid to spatial, social and political dimensions. Special emphasis is placed on three themes deemed to be central to the analysis of the service sector labour process: organizational flexibility and flexible employment; modularization of services and codification of knowledge; and the concurrence of co-operation and competition.

The next two articles, by Feuerstein and Pawlicki, are rooted in labour process theory and have a common interest in issues of control and, specifically, the work of Friedman (1977). Feuerstein examines the offshoring of IT services from Germany and analyses contrasting

shifts in management control deriving from differing forms of internalization. Based on a detailed case study of a product development centre in Bucharest, Romania, Pawlicki introduces the idea of global design networks in the electronics industry. Developments in the local labour market are emphasized to draw attention to the dialectical relationship between the global and the local in the process of internationalization.

The papers by Hedberg and Selwyn share an empirical concern with labour and horticulture. Hedberg, in her investigation of wild berry picking in Sweden, argues that worker experiences have often been neglected in commodity chain approaches. She argues that the social effects in a GCC are the result of multiple power spatialities and concludes by suggesting that the mix of hierarchical, networked and topological power spatialities needs to be considered to fully understand the wild berry GCC and its impact on labour. Selwyn, by contrast, welcomes Barrientos et al.'s (2010) challenge to the conventional wisdom of chain analysis, that economic upgrading leads automatically to social upgrading. However, he critiques the optimism of a perspective that relies upon social upgrading as inevitably resulting from the Decent Work Agenda of the International Labour Organization. Drawing on empirical evidence from Brazilian horticulture he identifies effective social upgrading as the outcome of worker agency and action. Robinson and Rainbird also attempt to integrate labour process theory with international supply chains. They provide insight into how the nature of managerial control, in part, is constituted outside the immediate workplace. Drawing on an analysis of the global banana supply chain, they reveal the existence of different levels of regulation at different nodes of the chain. This analysis raises new questions for labour process theory, which include: what levers does labour have to extend beyond the site of production and immediate workplace regime to exert pressure in their own interest; and how can labour build solidarity with consumer and environmental groups to ensure more equitable employment conditions in a global economy?

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