

# Conference Report of the 52<sup>nd</sup> ITH Conference

## “Commodity Chains and Labour Relations”

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Tracing single products through manufacturing stages, taking place at different locations under a plethora of institutional, social and legal environments, has proven to be a particularly fruitful way to research the seemingly opaque networks of global capitalism. The ability to mobilize various forms of labour, working under diverse conditions along the commodity chain is the key to successful entrepreneurial strategies for many corporations today. Yet, as many scholars have already noted<sup>1</sup>, the commodity chain research tends to have a narrow focus on firms and governability, offering very little insight on the workers, their conditions and the actual production process. The 52<sup>nd</sup> ITH Conference aimed to help correct this oversight by calling for papers engaging with commodity chains from the perspective of labour relations and work experience in various locations, as well as the possibility of workers' agency within these complex spatial arrangements.

In her keynote address, **Andrea Komlosy** (Vienna) pointed out that global commodity chain model has its origins in the world-systems perspective, where it was used to shed light on the mechanisms of unequal exchange, international division of labour and synchronicity of different work regimes.<sup>2</sup> After Gary Gereffi and Miguel Korzeniewicz reintroduced the concept in the mid-1990s,<sup>3</sup> it was picked up by financial and development institutions as a way of analysing cost reduction business solutions and implementing policies, which could upgrade regions/states within the commodity chain. One of the consequences of these specialized applications of the model under the key terms 'global value chain' and 'global production network' was the loss of critical outlook and detachment of commodity chain model from labour studies. Komlosy argued that global labour history and global labour studies with their emphasis on topics such as unfree labour, subsistence work, precarization and informalization could serve as a source of inspiration for the understanding of commodity chains beyond business strategies or national economic constraint and room for manoeuvre. Furthermore, instead of dealing solely with social actors directly engaged in production, distribution and consumption of commodities inside the chains, she stressed horizontal embeddedness of each chain in particular government legislature, communities, family and household structures as well as the importance of acknowledging hierarchy of different locations along the chain.

Observing in retrospect various sessions and debates which addressed cases located in different time periods and world regions, it can be said that this year's ITH Conference has foregrounded four distinct clusters of themes: the application of the commodity chain model to preindustrial settings, the role of commodity chains in the formation, reproduction and reversal of core, semi-periphery and periphery relations, overview of various actors involved in the functioning of the chains and the question of workers' agency.

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<sup>1</sup> Ben Selwyn (2012): Beyond firm-centrism: re-integrating labour and capitalism into global commodity chain analysis. In: *Journal of Economic Geography*, 12 (2012), pp. 205-226.

<sup>2</sup> Terence K. Hopkins / Immanuel Wallerstein (1986): Commodity Chains in the World-Economy Prior to 1800. In: *Review* (Fernand Braudel Center), Vol. 10, No. 1, Anniversary Issue: The Work of the Fernand Braudel Center (Summer, 1986), pp. 157-170.

<sup>3</sup> Gary Gereffi and Miguel Korzeniewicz (eds.) (1994): *Commodity Chains and Global Capitalism*.

A number of papers dealing mostly with mining and metal in the early modern Europe challenged the standard view of preindustrial producers as isolated units untouched by global exchange and free from competitive pressures. **Christof Jeggle** (Bamberg) pointed out how Immanuel Wallerstein and Terence K. Hopkins originally applied the concept of commodity chains to developed networks of artisan production prior to Industrial Revolution. Jeggle conceptualized the combination of chain approach with that of the 'worlds of production', developed by Robert Salais and Michael Storper within the framework of the French *économie des conventions*. **Erich Landsteiner** (Vienna) convincingly applied the commodity chain model to 16<sup>th</sup> century ironworks in the Innerberg district of Styria, the most important steel producing centre in Europe at the time. The production mills were organized in the form of early stock companies controlled by the merchants from Steyr who sold finished steel products through the northern trading hubs, such as Nuremberg, Antwerp and Hamburg. **Miroslav Lacko** (Limbach) showed how the copper producers in the Habsburg monarchy between the 17<sup>th</sup> and 19<sup>th</sup> century utilized state support for workforce recruitment and transport logistics to export their product as far as Asia and Africa. **Chris Evans** (Pontypridd), **Linn Holmberg** (Uppsala), **Måns Jansson** (Uppsala) and **Göran Rydén** (Uppsala) followed the exchange of steel making knowledge among the experts in 18<sup>th</sup> century Northern Europe, pointing out that people shaping the steel production technology at the time thought in terms of not only commodity, but also "intellectual and discursive chains".

Another group of speakers focused on the power of the commodity chains to transform local labour relations and inspected lasting effects these business amalgams had on economic differentiation between countries and regions. **Zdeněk Nebřenský** (Prague) indicated how the import and processing of raw cotton from the United States in the mid-19<sup>th</sup> century changed the spatial arrangements and the organization of work inside the cotton mills of Skalice, resulting in the upgrading production facilities of this small provincial town of imperial Austria. **Santosh Hasnu** (New Delhi) presented the case of colonial Assam, where the British rulers were forced to construct a railway and mobilize coolie labour from other regions for tea plantations after failing to discipline the local hill tribes into permanent wage labour. **Rolf Bauer** (Vienna) explained how a layer of Indian small peasants were pushed into signing highly detrimental contracts for poppy seed production with the colonial Opium Agency during the 19<sup>th</sup> century as the agency offered advance payments and the peasants were obliged to pay land rents to their landlords at the beginning of the growing season. **Klemens Kaps** (Vienna) followed the succession of various agricultural commodity chains between the late 18<sup>th</sup> and early 20<sup>th</sup> century in order to explain the reasons for economic backwardness of Galicia – traditionally one of the poorest regions within the Habsburg Monarchy. By narrating the story of the American late 19<sup>th</sup> century sugar mogul Claus Spreckels, **Uwe Spiekermann** (Göttingen) charted the transfer of the sugar industry back and forth between Hawaii and California, with production at both sites being highly dependent on the usage of coolie labour. In 1878, Spreckels invested in an ambitious sugar refinery project in Maui, only to relocate the brunt of his business back to California a decade later under the influence of changed political alliances, heightened competition and public outrage over the import of Chinese workers, radically altering landscapes and demographics of both sites in the process. In his overview of global soya production **Ernst Langthaler** (Linz) demonstrated the advantage of long-term and comparative perspective for studying the often-contradictory local consequences of commodity chains. He identified three main global soya production formations in the course of the 20<sup>th</sup> century located in Northeast China, the American Midwest

and Brazil's Savanna region. The Chinese soya production in the interwar period is usually regarded as an ideal type of a primary production chain based on labour-intensive farming of individual peasants, whereas present-day Brazil is the embodiment of industrial plantation farming dependent on cheap wage labour. According to Langthaler, the evolution of American soya production since the 1950s illustrates that small-scale peasant farming can successfully evolve into more capital-intensive model, while the ongoing struggle of landless peasants' movements in Brazil is exerting pressure in the opposite direction. These examples prove that contrasting dynamics are always present on the ground and that local socio-economic constellations brought about by the global commodity chains are not irreversible.

When it comes to actors shaping the global flow of commodities and relations of production, the conference highlighted two stakeholders whose importance has often been neglected, namely non-governmental organizations and temporary work agencies. **Franziska Ollendorf** (Gießen/Toulouse) inspected the role of corporate social responsibility campaigns within the global cocoa production chain. She observed that corporations are increasingly implementing corporate social responsibility programmes not only because of consumer pressure, but also because of the need to improve the sustainability of their commodity supplies. Looking at the results of one ethical certification project in Ghana, Ollendorf concluded that it had a divisive impact on the local small-scale cocoa farmers. The more productive farmers successfully joined the project and sold higher quality beans with a premium while the less productive producers were left behind, rarely getting the chance to participate, as success of the registered growers' community depends on the performance of each individual farmer. **Marek Čaněk** (Prague), **Devi Sacchetto** (Padua) and **Rutvica Andrijašević** (Bristol) underlined the importance of labour market intermediaries by analysing the growing reliance of the electronics multinational corporation Foxconn on temporary work agencies in the Czech Republic for recruitment and control of workers from other countries. By providing dormitories for migrant workers and employing them under differentiated contracts, the work agencies keep the foreign workforce isolated from their Czech co-workers, thus effectively preventing common ground for trade union activity.

Contributions focusing on labour agency confirmed the difficulty that atomized, place-bound working classes face when attempting to organize against transnational and globalized capital. **Heide Gerstenberger** (Bremen) talked about the plight of workers in offshore conditions of law, such as export processing zones or cargo ships sailing under 'flags of convenience', where national labour legislation of the host country does not apply. **Johanna Sittel** (Jena) showed how the current automotive industry chains in Argentina are creating a tiny layer of relatively well-off workers in final production plants, while at the same time reproducing informal work among its component suppliers positioned lower along the chain. **Christin Bernhold** (Zurich) argued how the contemporary Argentine agricultural business avoids permanent workforce with fix salaries, rather opting to camouflage capital relations by forwarding the small farmers commercial capital as their 'partners' and offering income-sharing deals. **Oliver Pye** (Bonn) described the extreme fragmentation among migrant palm oil workers in Malaysia divided between various ethnicities, formal and informal contracts, legal and illegalized statuses, different labour agencies operating in the same location and "new forms of indentured labour arising from debt bondage scams". At the same time, Pye argued one should resist the lure of seeing such highly exploited workers simply as passive victims of highly mobile capital. His paper presented these same subjects exercising surprising power on the ground and building solidarities as members of "real and extended social networks [...] used to circumvent and

challenge the labour regime imposed upon them by capital and [...] produce a transnational scale of experience". In a similar manner, **Michaela Douth** (Bonn) displayed the 2013/14 movement of Cambodian garment workers expressing itself in the streets, but also paid attention to "everyday forms of labour agency", such as gatherings of female workers to watch the news and exchange work-life experiences.

In addition to the academic panel presentations, the conference organized a tour of the highly automated Steyr BMW engine plant with the help of the factory work council, and hosted a workshop with **Andreas Brich**, chairman of the works council at Steyr BMW, and **Peter Schissler**, the Federal Secretary for Education and International Affairs of the Austrian Union of Production Workers (PRO-GE)<sup>4</sup>. The exchange revolved around the issues of international trade union solidarity, the challenges of industry 4.0 and complexities of organizing within the highly automated, 'just in time' factories. The trade unionists presented their efforts to connect and engage in common education projects with the unions in the regions on the receiving end of industrial relocation, such as Eastern Europe, and protect stable work hours and private data under the 'internet of things' technology. In the discussion, the point was raised that, contrary to common wisdom, the influence of the workforce in 'just in time' manufacturing actually increases, since the management system foresees constant flow of production factors with little or no stocks of materials at the final goods production facilities.

The concluding debate weighed the advantages and limits of global commodity chains approach in the study of labour. Some participants maintained that the application of the commodity chain toolkit could quantify unequal economic exchange, account for parallel existence of apparently conflicting labour relations and map relations of power, thus helping us explain historical change. The long-term and comparative perspective also exposed the continuities of different forms of unfree work, putting into question the assumption about the gradual spread of free wage labour under capitalism. On the other hand, many speakers had reserves about the actual reach and explanatory (rather than purely descriptive) potential of the model. The question was posed, whether the neglect of labour agency in the commodity chain research is simply an omission or an indicator or inherent weakness of the chain as an analytical construct. There was caution about reductionism of the chain model, or the tendency of researchers to recognize straightforward vertical connections when observing the chain dynamics downstream, when, in actuality, each node along the global production chain is a part of much more muddled network of sellers and buyers. Most of the participants agreed that a number of conference papers had a hard time balancing between the explanation of the chain dynamics and the desired focus on labour. Linking the two is potentially rewarding, but also a delicate task, demanding theoretical reflection and sensibility toward less visible actors within and outside of the chains.

*A shortened version of this report was published in H-Soz-Kult.*

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<sup>4</sup> PRO-GE is the largest Austrian workers' union and represents colleagues in the metal industry, the chemical industry, the textile and garment industry, the food industry and in temporary employment agencies.