

52nd ITH Conference (Steyr, September 2016)

Conference Opening, 15 September 2016

Opening remarks by Susan Zimmermann, ITH President

I am happy and feel privileged indeed to open the 52nd ITH Conference here in Steyr. This is so, because I can barely imagine a conference theme that would be timelier than “Commodity Chains and Labour Relations”. Not being a specialist in chain research myself, I conceive this theme to be particularly momentous in the current global condition for a number of interrelated reasons.

As in the decades since around 1980, the globalization of the relationship between labour and capital itself has reached a historically new quality, transnational commodity chains form one of the quintessential tools by which this dimension of globalization is operated. In the short period between 2000 and 2012 alone, the overall global industrial workforce has grown, according to data of the International Labour Organization (ILO), by 33 percent. At the same time, recent decades have witnessed a dramatic shift of the global distribution of the industrial workforce, with industrial production growing very quickly, yet also spreading very unevenly, in the Global South. According to Immanuel Ness, in 1980 half of the world’s industrial workers lived in Europe and North America – whereas today the industrial workforce in low-wage countries undergoing a process of export-led industrialization comprises 80 percent of the world’s industrial workers. The ILO’s global figures show that while 26 percent of the global industrial workforce still lived in the developed economies in 1991, this share reduced to 15 percent in 2012. One result of the imperial globalization of the relationship between labour and capital, which has driven these changes, is the dramatically growing dependency of capital on low-wage workers especially in the Global South and Eastern Europe. At the same time, we witness the accelerated unravelling and destruction of the livelihoods of hundreds of millions of people in the Global South, Eastern Europe, and elsewhere. We also experience the shattering of the very political and technical infrastructure on which the capitalist world economy has been thriving; this includes the falling-apart of social cohesion, basic social and technical infrastructure and, in increasing numbers, of the very state, as well as rapidly growing levels of every-day violence and insecurity in many parts of the world.

In sum, global capitalism of our days is visibly characterized by a tension intensified more than ever before between dynamically developing *production* and accelerated *destruction*. Scholarship and activism connected to commodity chains and labour relations have identified at least four phenomena related to this tension, which we might address with some urgency. First, at least in this part of the world, we continue to live in the midst of an endless global flow of ever cheaper and ever more sophisticated commodities, not visibly disturbed by any stuttering of any relevant commodity chain as might be expected in view of the accelerated destructive tendencies worldwide. In other words, while

the infrastructure of the global economy is falling apart in many places, capital and its production sites and commodity chains all over the globe seem to be well and alive. The conflict between VW and two of its suppliers, Car Trim and ES Automobilguss, both located in Eastern Germany, which threatened VW with massive production stoppages a few weeks ago, was one of the first tangible exceptions. Jörg Nowak has argued that the large multinationals learn quickly from incidences such as this one, and have developed sophisticated production management strategies to counter vulnerabilities such as these. How do these corporate strategies affect labour relations and what has been or can be the role of workers and workers' organizing in countering these strategies to re-gain power on the shop floor?

Second, undoubtedly new forms of workers' organizing, labour militancy and labour conflict are on the rise in a number of countries in the Global South, and probably in some parts of Eastern Europe, notably the Balkans, too. We do not hear much about this new workers' agency, not least because the global media minimize coverage. However, Immanuel Ness among others has documented the rise of what he calls "Southern Insurgency" in large countries such as India and China. Talking about the *history* of global capitalism, Beverly Silver has argued some years ago that when capital became dependent on labour through large-scale industrialization processes in a given space, this development, on the one hand, triggered labour struggle and accommodation of workers' demands by capital and state, and, on the other hand, capital's leading sectors intensified their search for new spatial fixes. If, then, today the globalization of production has indeed created a new dependency of capital on workers in the Global South, what does this analysis imply for the spatial development of commodity chains and for the labour force and the labour relations constitutive of the chains?

Third and fourth, I would like to mention two fundamental questions for chain research if it is to deepen its engagement with labour. Scholarship has long demonstrated, of course, that in the process by which commodity chains are generated and modified, wage-differentials or differences in hourly labour cost between different parts of the world are *only one* amongst many intervening and explanatory factors. And yet, as a rule these differentials – constituting one (variably important) key element of how overall productivity levels are generated – seem to have played a key and persistent role in the history of commodity chains, and they continue to do so. According to data provided by EUROSTAT, the statistical service of the European Union, the hourly labour cost in manufacturing industries in Bulgaria is less than 4 Euros. 300 km west of Steyr, in Germany it is 38 Euro, while 300 km east of here, in Hungary, it is 8 Euro. According to Immanuel Ness' data, the hourly labour cost in the global textile industry is lowest in Bangladesh (28 cent) and highest in Switzerland (35 Euro). I therefore feel that focusing on the very processes by which wage differentials and differences in hourly labour costs are being constantly generated, reproduced and aggravated might be one

important avenue by which research into the past and present of commodity chains could develop a more systematic focus on labour.

At the same time, as full dependency on wage labour becomes the basic condition of an ever-growing proportion of the populations in the Global South and Eastern Europe, while wage differentials across space persist or increase, emigration or the intention thereto visibly are – once again – on the rise. Ulf Brunnbauer has recently argued that besides all the other well-researched and pinpointed factors generating large-scale emigration from the Balkans in the late 19th and early 20th centuries, persistent grave wage differentials between South-Eastern Europe and the Western destinations must be considered a key factor explaining the exodus from the region. What has been, in present and past, the relationship between labour on the move and the restructuring of commodity chains? How can chain research deepen its connection to labour history and labour studies by focusing on processes of labour migration?

With these large questions in mind, I enter into our deliberations during this conference. I am looking forward to learning about other questions and about posing these questions differently, and to learning about your answers and future avenues of research and action. I am looking forward to hopefully most exciting exchanges and debates amongst all of us in the days to come.