

## Commodity Chains and Labour Relations

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**Bericht von:** Goran Musić, Centre for Southeast European Studies, University of Graz

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 52nd 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, subsis-

tence 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.

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. ERICH LANDSTEINER (Vienna) convincingly applied the commodity chain model to 16th century ironworks in the Innerberg district of Styria and Upper Austria, 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

<sup>1</sup> Ben Selwyn, 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, 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.), *Commodity Chains and Global Capitalism* Westport, 1994.

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Nuremberg, Antwerp and Hamburg. MIROSLAV LACKO (Limbach) showed how the copper producers in the Habsburg monarchy between the 17th and 19th 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 JANS-SON (Uppsala) and GÖRAN RYDÉN (Uppsala) followed the exchange of steel making knowledge among the experts in 18th 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-19th century changed the spatial arrangements and the organization of work inside the cotton mills of Skalica, resulting in the upgrading production facilities of this small provincial town of imperial Austria. KLEMENS KAPS (Vienna) followed the succession of various agricultural commodity chains between the late 18th and early 20th 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 19th 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 com-

parative perspective for studying the often-contradictory local consequences of commodity chains. He identified three main global soya production formations in the course of the 20th century located in Northeast China, the American Midwest and Brazil's Savanna region. The Chinese soya production in the interwar period is usually taken 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 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 off-shore 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. 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 DOUTCH (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 works 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). 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

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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.

### **Conference Overview:**

#### *Keynote Lecture*

Andrea Komlosy (University of Vienna): Chains of Labour: Connecting Labour History and the Commodity Chain Paradigm

#### *Panel I: Primary Production*

Rolf Bauer (University of Vienna): The Peasant Production of Opium in 19th Century India

Uwe Spiekermann (University of Göttingen): Labour Shortage as Task and Challenge: The Hawaiian and Californian Sugar Industry in the Late 19th Century

Ernst Langthaler (Johannes Kepler University Linz): Global Soy Commodity Chains and Regional Agricultural Labour Relations in the 20th Century: Northeast China, USA and Brazil in Comparison

#### *Panel II: Metal and Mining*

Erich Landsteiner (University of Vienna): The Relations of Production in the Steel Production of the Innerberg District (Upper Austria/Styria) in the 16th Century – an Analysis in the Light of the Commodity Chain Approach

Chris Evans (University of South Wales) / Linn Holmberg (Uppsala University) / Måns Jansson (Uppsala University) / Göran Rydén (Uppsala University): What was Steel in the Eighteenth Century? Commodity Chains and Knowledge Flows in Northern Europe

Miroslav Lacko (Slovak Society of Social and Economic History, Limbach): Problems of Proto-Industrial Logistics in the Distribution of East-Central European Copper Production on the Global Markets of the 18th Century

#### *Panel III: Long-term and Transregional Perspectives*

Heide Gerstenberger (University of Bremen):

On the Political Economy of Capitalist Labour Relations in the Era of Globalization

Christof Jeggle (Bamberg): Product Lines and Production Markets: Analysing Labour Relations in Pre-Industrial Production and Distribution

Klemens Kaps (University of Vienna): Commodity Chains and Labour Relations in a Peripheral Region: A Longue Durée Perspective on Habsburg Galicia, 1772-1918

Zdeněk Nebřenský (Masaryk Institute and Archive of the Czech Academy of Sciences, Prague): Commodity Chains and Transformation of Industrial Space: The Case of Cotton Mills in the Bohemian Lands during the Gründerzeit

#### *Panel IV: Flows of Production and Upgrading Strategies*

Santosh Hasnu (University of Delhi): Labour Circulation through Transport Systems

Franziska Ollendorf (University of Gießen / Université de Toulouse-Jean Jaurès): Governing through CSR – Linking Institutional Transformation and Private Governance in the Cocoa Value Chain

Christin Bernhold (University of Zurich): Argentinean Agro-Industrial Chains, Upgrading, and Uneven Development: Incorporating Marxian Theory of Value into Chain Research

Johanna Sittel (University of Jena): (Re)Production of Informal Work in the Automotive Value Chain in Argentina

#### *Panel V: Workers' Agency and Labour Struggles*

Marek Čaněk (Multicultural Centre Prague) / Devi Sacchetto (University of Padua) / Rutvica Andrijasevic (University of Bristol): From Socialist to Multinational Electronics Production: The Case of Foxconn in Eastern Europe

Michaela Douth (University of Bonn): The Movement of Cambodian Garment Workers: Labour Agency Potential in the Global Garment Production Network

Oliver Pye (Bonn University): Global Production Networks and Transnational Organising

in the Palm Oil Industry

*Workshop*

Andreas Brich (Chairman of the works council at the BMW Motoren GmbH) and Peter Schissler (Federal Secretary for Education and International Affairs of the trade union PRO-GE and chairman of weltumspannend arbeiten)

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