



# Labour Control in Global Value Chains

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# Introduction



- Restructuring of GVCs in parallel with a transformation of labour markets and control regimes
  - Informalisation
  - Labour mobility, migration
  - Reproduction
- Conceptual apparatus of GVC analysis emphasises productive and competitive relations
  - Need to provide social and institutional context of GVCs
- Employment relation is central in explaining the dynamics of GVC restructuring
  - Weak version: labour as a collective actor shapes parameters of GVC; GVC governance shapes terrain of labour agency
  - Strong version: labour /power as a constitutive variable in functional division of labour

# GVC restructuring (in international construction)



- Struggle over the functional division of labour; extraction of rents; crucial role of lead firm power in shaping the governance of GVC
- International construction:
  - functional integration parallel to vertical disintegration as well as efforts to increase upstream and downstream capabilities
  - from price competition to emphasis on more complex non-price factors
  - Growth in private investment schemes requires more capabilities across planning and developing, financing, engineering, procurement and construction
  - Financing capability
  - Time-space coordination capacity to organise resources as well as production process
- GVC restructuring is not confined to firm actors searching for higher rents; the state and labour actively shape the conditions for rent creation

# Employment, competition and organisational change



- Inter-capital relations (in the sphere of production as well as competition) cannot be analysed in abstraction from capital labour relations and the role of the state (Grimshaw and Rubery)
  - Extraction of labour
  - Any differences within labour impact on the competitive relations between different capitals
- Firms' capabilities at different points in the chain are shaped by product market institutions  
But also by segmentation of labour market competition and labour control (Rubery, Grimshaw; Jonas)
- Changes in the latter are not neutral: new tensions and contradictions emerge between new factions of capital and labour that impact on the sustainability of this form of economic organisation

# Contract, mobility, living conditions



- Labour-intensive character of construction, devolved risk has led to the above developments associated with outsourcing and subcontracting  
which led to the development of new forms of LM segmentation and labour control (based on particular links between migrant status, contract and reproduction); tiers of labour control (Davies et al)
  - Employment contract: precarious (casualisation, false self-employment), fixed-term employment (Nichols and Cam); informal employment (Bremann; Wells; Agarwala)
  - Labour mobility: ‘posting’ of workers in EU; Circular migration (Bremann), managed migration programmes (Wickramasekara); Work and residency permits of migrant workers; Forms of neo-bondage (withheld wages, restrictions on leaving the employment relationship)
  - Reproduction: state withdrawal from social protection and reproduction (Pun et al); Dormitory labour regimes (Pun and Smith)
- Different strands: MNC-local consortia – inter-(national) contractors – local contractors; Turkish, Chinese contractors
- Different strands draw from different labour market segments and forms of labour control; latter shape boundaries within those strands

# Conclusion

- explanatory value re restructuring of the functional division of labour
- analyse inter-capital relations in context of capital-labour relations and the role of the state
- use LMS, LCRs to link organisational and institutional logics

