



Trans-scalar embeddedness and governance deficits in global production networks: Crisis in South African fruit



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ABSTRACT

The governance of labour in global production networks (GPNs) has become a critical area of concern amongst academics and policymakers alike. To date, GPN research has focused on the role of private company codes and multi-stakeholder ethical initiatives primarily driven by lead-firms. Other GPN studies highlight the critical role of civil society organisations (CSOs) in challenging lead-firm purchasing practices and shaping regulatory outcomes at local production sites. However, GPN research has not sufficiently incorporated the role of nation states in regulating work through legislative frameworks and enforcement regimes, often referred to in the literature as ‘state’ or ‘public’ governance. This is despite a ‘regulatory renaissance’ taking place across certain developing countries, seeking to strengthen their national regulatory labour institutions (Piore and Schrank, 2008:1).

The GPN framework provides an analytical lens through which to conceptualise cross-cutting strands of trans-scalar governance regimes, involving complex networks of state, private and civil society actors operating at multiple scales. Notions of territorial and societal embeddedness are used to elucidate how global ethical standards derived from particular country contexts become enmeshed in national regulatory frameworks and local societal relations, shaping governance outcomes for precarious workers incorporated into GPNs. The paper draws attention to the ‘trans-scalar embeddedness’ of labour governance regimes which interact across geographical scales and, in the case of South African fruit, reflect a ‘trans-scalar governance deficit’ for precarious workers. It is argued that the influence of national regulatory regimes should be more fully incorporated into analytical frameworks for understanding governance outcomes in GPNs.

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1. Introduction

This paper provides a theoretically grounded analysis of the role of nation-states in governing work in global production networks (GPNs). It does so by taking a specifically geographical approach to locate national regulatory frameworks in the broader context of trans-scalar state, private, public-private and civil society governance initiatives. This line of enquiry is undertaken both to reflect the recent acknowledgement that nation states play a key role in shaping the governance of labour, and demonstrate that the significance of state governance needs to receive greater analytical attention in GPN analysis than has been the case thus far.

The paper makes two principle contributions. Firstly, it elucidates the critical role of national laws and regulations in interacting with global corporate practices and civil society strategies

across geographical scales to shape governance outcomes for labour in GPNs. Secondly, it develops a theoretically grounded notion of national regulatory frameworks that accounts for the trans-scalar dynamics of labour governance processes, drawing upon Smith's (2015) strategic-relational understanding of the state.¹ In exploring these two ideas, the paper proposes that conceptualisations of state governance in GPNs can benefit from engagement with notions of embeddedness. In this respect, the paper utilises and develops concepts of territorial and societal embeddedness to understand how trans-scalar governance strategies are derived from particular contexts and play out for different groups of workers incorporated into GPNs. The paper advances these concepts by drawing attention to the ‘trans-scalar embeddedness’ of labour governance regimes which interact across geographical

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¹ In this paper, I refer specifically to Smith's (2015) understanding and application of the state's strategic-relational role in the context of broader GPNs. It is important to note that Smith (2015) draws upon Jessop's (1990, 2008) original strategic-relational conceptualisation of the state.

scales and, in the case of South African fruit, reflect a 'trans-scalar governance deficit' for precarious² members of a variegated workforce incorporated into GPNs.

Against a backdrop of de-regulation and trade liberalisation, numerous commentators have argued that the spread of global production has contributed to deteriorating labour conditions, particularly in developing countries. A key dimension highlighted is lead firm purchasing practices, which pressurise suppliers into producing high quality, low cost products with short lead times (Barrientos, 2013; Kaplinsky, 1998). This has driven a process of labour force casualization, associated with poor wages and insecure employment arrangements (Burawoy, 1983; Sengenberger, 2002). Consequently, improving labour conditions in global production has become a significant agenda for firms, governments and civil society organisations, prompting a plethora of geographically dispersed governance strategies (Bartley, 2011; Nadvi, 2008; Posthuma and Nathan, 2010; Locke, 2013).

However, theorisation and empirical investigation of labour governance has varied significantly between different bodies of literature. An emerging strand of political science research has acknowledged and prioritised the role of national state regulatory frameworks in addressing labour standards and compliance rates in global production (Pires, 2008; Piore and Schrank, 2008; Amengual, 2010; Coslovsky, 2011; Locke, 2013). Whereas, research into the governance of transnational trading networks undertaken in the GPN domain has a tendency to relegate the state's regulatory influence and focus on global corporate strategies, such as private company codes and public-private ethical initiatives, along with the role of civil society organisations (CSOs) in shaping governance outcomes across geographical scales.

The first section of this article reviews how governance of labour has been treated by GPN theorists - an influential analytical frame for understanding the spatiality and inter-connectivity of transnational production networks. The discussion outlines that nation-state based governance strategies remain under-theorised and investigated in much existing GPN literature, with a predominant focus on corporate and civil society strategies. With that in mind, I draw upon Smith's (2015) strategic-relational framework to help conceptualise and locate the nation-state's regulatory role in the broader architecture of GPN governance. Notions of embeddedness (territorial and societal) are discussed, which help account for the diversity of trans-scalar governance strategies derived from, and shaped by geographically dispersed social and institutional contexts.

The second section then explores the trans-scalar governance of labour on thirteen commercial fruit farms located in Ceres, South Africa connected to GPNs. This case serves to underline the central role of national state governance in determining labour outcomes in the context of global corporate and localised civil society strategies. Concepts of societal and territorial embeddedness are drawn upon to highlight how commercially driven networks are embedded in, and constrained by, particular social and institutional contexts at global, national and local scales. In particular, the discussion highlights how GPNs are embedded in, and governed by global corporate and public-private strategies such as the Ethical Trading Initiative (ETI) base code, national regulatory frameworks and cross-cutting civil society activity. Such an approach serves to elucidate how complex combinations of codes, standards and laws derive from particular contexts and interact across geographical scales. Moreover, the case highlights an inability of trans-scalar governance to address the commercial pressures

and power asymmetries inherent in GPNs, resulting in a *trans-scalar governance deficit* for precarious members of an increasingly variegated workforce incorporated into fruit GPNs.

Section three examines in depth a labour crisis which occurred in the case study location and spread throughout the Western Cape fruit sector, serving to illuminate an inherent tension in the state's strategic-relational role in the wider GPN, trans-scalar governance interactions across spatial scales and the resulting deficit facing precarious workers. The concluding section further unpacks the notion of trans-scalar embeddedness of diverse governance strategies in GPNs, and considers the conceptual and policy implications of this case.

This paper is based on fieldwork data obtained for a broader research project undertaken in 2012/2013. The primary research location was Ceres, a town located approximately 160 km north-east of Cape Town and at the heart of South Africa's fruit export industry. The research involved GPN mapping and in-depth case study of thirteen commercial farming units producing deciduous fruit (apples, pears, peaches, apricots, plums) for export to lead firm European supermarkets via integrated global production networks. In total, the research involved 117 semi-structured interviews with farmworkers, government, civil society and commercial actors, along with four focus group discussions with 21 farmworkers (Alford, 2015). An additional and extended period of key informant interviews and secondary research was undertaken to document the labour crisis in the Western Cape fruit sector in 2012/2013. The objective of this phase of research was to investigate how tensions within and between state, private (firm; industry associations), civil society (trade unions; NGOs) actors and farmworkers operating in fruit GPNs played out over the labour crisis, and the implications for trans-scalar governance of labour.

2. Global production networks and the trans-scalar governance of labour: acknowledging the centrality of the state and processes of embeddedness

2.1. GPN analysis and embeddedness

Whilst numerous and varied frameworks abound through which to understand the functioning of global supply networks (for further discussion, refer to Henderson et al., 2002; Gereffi et al., 2005; Coe et al., 2008), this paper outlines and draws upon the global production network (GPN) framework as a specifically geographical approach. In particular, attention is placed on the explanatory power of the GPN approach with reference to the governance of labour. As observed by others, the GPN approach is influenced by global commodity chains (GCCs) and global value chains (GVCs) frameworks emanating from economic sociology and development studies. However, as will be elaborated in further detail below, the GPN framework's geographical underpinning facilitates analysis of the spatiality and embeddedness of trans-scalar governance strategies.

GPNs are understood as 'the globally organised nexus of interconnected functions and operations by firms and non-firm institutions through which goods and services are produced and distributed' (Coe et al., 2004:471; Dicken et al., 2001; Henderson et al., 2002; Coe et al., 2008). The notion of the network is used to account for the 'nexus of inter-connected functions, operations and transactions' between states, firms, civil society organisations, labour and consumers operating at multiple geographical scales (Coe et al., 2008:272). A key focus is on the social interactions between these various actors that comprise the production network architecture and the degree to which cross-border trade is driven by powerful multi-national corporations (MNCs), whilst accounting for the embeddedness of production network dynamics

² 'Precarious' work is adopted here as a generic term encompassing more insecure forms of employment including temporary and seasonal work on short-term contracts. This refers to workers increasingly employed through third party labour brokers and migrant labour (Theron et al., 2005).

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