



Disarticulating distribution: Labor segmentation and subcontracting in global logistics



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ABSTRACT

An enduring focus of scholarly work on global production networks (GPNs) is the process of insertion into production networks and the capacity of places to shape their manner of inclusion. Sometimes overlooked are ways in which these insertions are based on an evolving set of exclusions. A disarticulations perspective trains our attention on the mutual interplay between moments of inclusion and exclusion that produce uneven geographies and histories of development, foregrounding place-specific factors and offering a framework for understanding local experimentation. Firms continue to restructure under relentless pressure to improve performance and the concomitant need to experiment, causing firm strategy to shape-shift and re-making relations of inclusion and exclusion. In the distribution function of global supply chains, the prevailing value-creation strategy is downward pressure on the cost of labor, but this perhaps suggests a false sense of stability. Using data gathered in the distribution hub just outside of Chicago, I examine the role of labor market intermediaries in re-negotiating the boundaries of inclusion. This article explores processes of linking and delinking subsets of workers and the differential implications for worker segments and their attachment to the supply chain. Inscribed in the absorption of places and workers into GPNs are ongoing processes of disarticulation, evident in this case through the labor market strategies pursued by local firms and temporary staffing agencies. These processes lay bare the mechanisms that reproduce capital-labor relationships in global supply chains.

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Introduction

Drive southwest from Chicago, Illinois on Interstate 55 and you are traveling on a thick artery of the circulatory system of capital. Trucks clog the right lanes of the highway, shipping containers are stacked five and six high in empty lots, and a couple dozen miles outside the city limits the landscape gives way to massive concrete distribution centers – windowless boxes with freight trucks stuck into their sides. Beyond the warehouses lie sprawling rail spurs and intermodal facilities, with awkward-looking cranes moving containers from trains to trucks in a growing logistics cluster in exurban Will County. The circulation of goods through Will County requires an extensive infrastructure that has transformed the corn-field landscape: swathes of new rail spurs, acres of warehouse buildings, truck routes, intersections, intermodal cranes, and sewers. But distribution also demands a far less visible infrastructure, one that organizes a local labor pool and compels workers into the largely contingent, low wage, manual jobs inside warehouses. Workers are absorbed into many different supply chains as they come to ground in Will County but, as I discuss in this article,

the incorporation of workers into global production networks is an experimental and uneven process, reflecting a dialectic of inclusion and exclusion.

The global production network (GPN) approach frames supply chains as a set of power relations and productive processes that touch down in space and produce “observable patterns in the global economy” (Dicken, 2011). This approach has provided a framework with which to analyze webs of relationships, economic and social, that connect goods from their points of production to their points of sale. In the extensive literature on GPNs, the dynamics of outsourcing have been dissected, particularly in developing countries doing the heavy lifting of goods production, and one “observable pattern” of global capital is the increasing use of labor subcontractors across the supply chain (Barrientos, 2013), a trend well underway in the distribution function. GPN research has rarely possessed an explicit focus on logistics, but the approach nonetheless offers much to those interested in examining the circulation of goods and the ways in which places and people are entangled in supply chain development.

A productive intervention into the GPN framework by Bair and Werner (2011), which they term ‘disarticulations,’ turns our attention toward processes of dispossession that (re)produce uneven

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geographies of development. As [Havice and Campling \(2013, p. 2611\)](#) described it, disarticulations offer “a framework for exploring how things included in, as well as excluded or expelled from, production processes mutually, and often simultaneously, constitute commodity chains.” This article engages with the GPN approach through the emerging disarticulations perspective to examine the organization of work, and the mechanisms through which workers experience inclusion and exclusion, in the distribution function of global supply chains. I consider the role played by temporary staffing agencies in mediating employment relationships involving GPN firms and workers in the U.S., and how they act as arbiters of attachment for segments of workers. Using data collected through a worker survey, diaries kept by workers, and series of interviews with employers, industry analysts and consultants, and workers, the analysis focuses on a central characteristic of work organization in the distribution function: the creation of competitive hierarchies, both between and within temp agencies. A process of disarticulation is made visible and embodied in the labor market through intermediaries that are re-negotiating the boundaries and terms of inclusion in and exclusion from global production networks. This is achieved within a political economy that is integral to the functioning of the local labor market: immigration policy, the criminal justice system, welfare policy, labor law, and markers of social, racial, and ethnic difference, all of which serve to shape the opportunity structures workers encounter in the labor market.

GPNs and disarticulations

An enduring focus of scholarly work on global production networks is the insertion of firms and sites into networks, and the varying capacity of places to shape their manner of inclusion, often via so-called upgrading. GPN research has usefully trained our attention on the role of governance and processes of value creation and capture, and has raised critical questions about the distribution of the benefits of globalized production. The framework is inherently territorialized, given the concern with where chains “touch down” and the production and capture of value in place. This leads to a focus on a range of spatially-determined relationships between firms, institutions, and actors.

Recent interventions in GPN research aim to draw the nuances of relational development more explicitly into conversation with analyses of global supply chains. [Kelly \(2013\)](#) has argued that, despite its strengths, GPN analysis tends to focus on the opportunities created by industrial development, and not necessarily the distribution of those opportunities and who might be excluded from them. [Bair and Werner \(2011\)](#) offer a kindred critique, arguing that the focus on moments of incorporation into supply chains – an “inclusionary bias” (p. 989) – limits the analytical approach and obscures the ways in which these insertions are related to an evolving set of exclusions. They instead emphasize disarticulations, or how prior waves of investment and disinvestment shape how places are incorporated into the chain in subsequent rounds of capital accumulation, and argue that it is the mutual interplay between moments of inclusion and exclusion that produce uneven geographies of development. Resonant with the feminist commodity chain analysis proposed by [Ramamurthy \(2004\)](#), the disarticulations perspective foregrounds the “contradictory, contingent, and recursive processes of mediation at work as commodity chains are constituted materially and culturally” (p. 764). These processes are produced among linked locales, unfolding in locally-specific ways that defy a teleological account of economic development. Critical engagements with GPNs like these have made room for the grounded struggles and multiple viewpoints that shape the ways globalizations are experienced, linking nodes in a value chain,

not through a unidirectional power dynamic of lead firms cascading through the chain, but through recognition of the multiple, complex sites of value production and circulation.

What Bair and Werner termed an inclusionary bias conjures a second, and related, oversight in much of GPN literature: where are the workers? The GPN framework has been subject to critique on the basis of the peculiar absence of the source of value from network research. Scholars have taken aim at the focus on transaction costs and technomanagement fixes common in commodity chain research, which has obscured the inherently social nature of capital-labor relations ([Werner, 2012](#); [Taylor, 2007](#); [Rainnie et al., 2013](#)); while others have argued for a stronger conceptualization of labor power and labor agency in shaping development trajectories and labor outcomes ([Selwyn, 2011](#); [Taylor, 2007](#); [Coe and Jordhus-Lier, 2011](#); [Cumbers et al., 2008](#)). In response, a number of studies that explicitly incorporate labor and labor market dynamics have emerged, enriching our understanding of development in supply chains (see, for example, [Carswell and De Neve, 2013](#); [Coe and Hess, 2013](#); [Coe and Jordhus-Lier, 2011](#); [Cumbers et al., 2008](#); [McGrath, 2013](#); [Posthuma and Nathan, 2010](#); [Selwyn, 2011](#)).

The problems inherent in overlooking labor’s constitutive role in global production networks become particularly stark through discussions of upgrading, an area of research that, while not without dissent, has generated a significant amount of scholarship. Upgrading in the GPN literature refers to the process through which a firm or region moves into more profitable, innovative, or skill-intensive niches of the supply chain, where barriers to entry are higher. This can involve incorporating new functions; for example, taking on more complex assembly processes or component design work ([Gereffi, 1999](#); [Humphrey and Schmitz, 2001](#)).

Yet there is evidence that so-called upgrading is far from a straightforward process that leads to measurable gains for labor. Instances of firm upgrading that allow for the capture of more value do not necessarily translate to improvement in the social conditions of workers, including wages, working conditions, rights, and economic security ([Barrientos et al., 2011](#); [Milberg and Winkler, 2011](#)). In cases where upgrading involves increases in productivity, workers are likely to bear the brunt of functional upgrading. Where processes of technological improvement form the basis of upgrading, employment levels may contract, without the promise of better wages. [Werner \(2012\)](#) found that changes in work process, so often the result of upgrading, are bound up with the mobilization of social difference among workers, and [Raworth and Kidder \(2009\)](#) showed that in just-in-time apparel and fresh produce chains, the implementation of value-adding strategies like lean production are predicated on the ability to degrade working conditions. In many cases, upgrading leads to changes in the social relations of production as well as in material processes, and [Selwyn \(2011\)](#) has argued that this shifting landscape of labor-capital tension is poorly conceptualized. In much of the upgrading discourse, the redistribution of greater shares of profitability to workers assumes a kind of benevolence on the part of the employer, which may or may not exist.

The combined effect of the underspecification of labor in GPN research is to privilege the agency of employers over other actors, rendering artificially smooth the nature of the tension between capital and labor, and thus processes of incorporation into commodity chains. A disarticulations perspective invites us to see the local nexus as a site of invention and reinvention, where a “firm” consists not of a unified set of interests, but a locus of conflicts between capital and labor, and these emerge in the foreground. The shuffling of sites of production and distribution is a process that incorporates and expels both people and places, but the question asked here is, on what terms? Exclusion can sometimes refer to wholesale disconnection of a region over time, as when produc-

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