Social Upgrading and Labour in Global Production Networks: A Critique and an Alternative Conception

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Over the last two decades the global commodity chain, global value chain and global production network (GCC/GVC/GPN) frameworks have facilitated valuable research into contemporary global capitalism. However, much of this research has paid insufficient attention to work and workers. Recently, the concept of social upgrading, with a strong emphasis on workers’ conditions, has been advanced by leading GCC/GVC/GPN theorists, as a potential remedy to the previous lacunae. This article welcomes this development, but also argues that the social upgrading concept represents an elite comprehension of relations between capital, the state and labour. It is argued that the concept, derived from the International Labour Organization’s Decent Work Agenda, denies the reality of labour’s exploitation by capital and is therefore only partially equipped to explain the existence of indecent work. The Decent Work Agenda and the social upgrading concept expect improvements in work to be delivered by elite actors such as firms, national states and international organizations. It is argued that, through re-visiting Marx’s explication of the capitalist labour process, it is possible to comprehend the nature of capitalist exploitation, the root causes of indecent work and resistance to it, and thus to develop an alternative conception of social upgrading. The article presents evidence from North East Brazilian export horticulture to support these arguments.

KEYWORDS Global production networks, ILO, decent work, social upgrading, capitalist labour process, Brazilian horticulture

Introduction

Since the mid-1990s the global commodity chain, global value chain and global production network (GCC/GVC/GPN) frameworks have facilitated much valuable research into contemporary global capitalism (Gibbon et al., 2008). However, much of this research has paid insufficient attention to work and workers. This lacuna may
be about to change since, in 2011, leading thinkers within the GCC/GVC/GPN frameworks have proposed a new concept – of social upgrading – through which to conceptualize the position of labour in global chains and networks (Barrientos et al., 2011; Milberg & Winkler, 2011). The concept of social upgrading seeks to identify how workers’ conditions in chains and networks can be improved. It does not assume that firm-level upgrading, which has been the central focus of most GCC/GVC/GPN research, automatically leads to improvements for workers. It therefore foregrounds and problematizes the relationship between increased firm-level competitiveness and workers’ conditions. By highlighting labour questions, ranging from remuneration to rights and conditions, the social upgrading concept represents a welcome development within the chain and network approaches.

The concept of social upgrading is derived from the ILO’s (see e.g. ILO: 1999) Decent Work Agenda, which seeks to comprehend and contribute to processes whereby workers can benefit from increased firm-level competitiveness. Despite the fact that the emergence of the social upgrading concept constitutes a promising development in that it raises the issue of how to achieve improved conditions, it is argued that much still needs to be done to integrate work and workers into GCC/GVC and GPN frameworks and to understand how to achieve meaningful improvements in workers’ conditions.

It is argued here that the concept of social upgrading contains analytical and political ambiguities and weaknesses. Its primary analytical weakness is its inability to comprehend the nature of capitalist exploitation and indecent work. Its primary political weakness is its argument that improvements to workers’ conditions are to be delivered by collaboration between elite bodies, in particular firms, states and international organizations. It thus represents a ‘top-down’ conception of social upgrading. This article argues, by contrast, for a ‘bottom-up’ conception of social upgrading, rooted in analysis of the capitalist labour process, where changes to workers’ conditions are determined, fundamentally, by the balance of power between labour and capital and how this balance is institutionalized by states.

Prior to the social upgrading concept, upgrading within the chain and network literatures referred, primarily, to the process of enhancing firm-level competitiveness. Upgrading was also assumed to contribute to broader human development. A number of paradoxes and tensions characterize this assumed causal relationship that advocates of social upgrading are now attempting to transcend. First, the causal relationship implies a situation of mutual gains for capital and labour. It will be argued in this article that this assumption is untenable. Second, a focus on firm-level innovation reflects an elite conception of development where the actions of a minority of entrepreneurs, firm managers and/or state agencies engender progress for the majority of workers. Within this elite perspective, beneficiaries of upgrading are relegated conceptually to secondary analytical importance (Palpacuer, 2008).

Third, it will be argued that the form and content of the labour process and broader class relations represents both a determinant of successful firm-level innovation and whether these are subsequently translated into improved conditions for workers. Fourth, there is little theoretical conception within the majority of the chain/network literature of how firm-level upgrading can also be achieved through worsening of workers’ conditions within and beyond the workplace.
Evidence from the author’s research into the horticulture commodity chain in Brazil will be utilized to illustrate how, under appropriate conditions, worker and trade union action can be central to delivering meaningful social upgrading. The article concludes by drawing these arguments together and suggesting how they might inform new areas of research.

Labour and upgrading in GCCs/GVCs and GPNs

In its original formation (Gereffi & Korzeniewicz, 1994) the GCC framework lacked a comprehension of labour as a constitutive factor of global commodity chains. Its core conceptual innovations, ‘governance’ and ‘upgrading’ were firm-centric as they focused on lead firm actions in governing commodity chains and supplier firm attempts to increase their competitiveness through upgrading within these chains (Gibbon et al., 2008; Selwyn, 2012a). As Smith et al. (2002: 47) noted, ‘insofar as “workers” are present in this literature, they appear as passive victims as capital seeks cheap labour’. This perspective has continued within GCC and GVC analysis as it subsequently developed. For example, in his discussion of the developmental impacts of garment production in the Dominican Republic, Kaplinsky (2005: 60–61) notes how initially low labour costs were a major attraction to US firms, but once these firms found cheaper regional sources of labour they re-structured their commodity chains and terminated their contracts with the Dominican producers. In their discussion of the fate of Sub-Saharan African commodity producers, Gibbon and Ponte (2005) do not consider workers or broader social relations between capital and labour.

There have been attempts to remedy these limitations. Smith et al. (2002: 47–48) argue that there is a ‘need for a more systematic analysis of the relations between capital, the state and labour in the production, circulation and realization of commodities’. Rainnie et al. (2011: 161) concur, but also argue that ‘labour, as the ultimate source of value … must lie at [GPNs’] heart’ (see also Taylor, 2010).

The central divergence between GCC/GVC and GPN approaches are that the former are conceptualized as ‘essentially linear structures’ and ‘focus narrowly on … governance and inter-firm transactions’, whereas GPN approaches ‘strive to … incorporate all kinds of network configuration’ and ‘all relevant sets of actors and relationships’ (Coe et al., 2008: 272). Indeed, the GPN approach emerged, in part, in reaction to what its practitioners viewed as a ‘network essentialism’ (Taylor, 2007) of the GCC/GVC tradition (see Henderson et al., 2002). GPNs are conceived of as being ‘embedded’ within broader, multi-scalar structures and institutions of the global economy. The most ambitious formulation of the GPN approach is by the ‘Manchester School of Economic Geography’ (see, for example, Hess & Yeung, 2006; Hess, 2008), which explicitly attempts to integrate workers and trade unions into its conceptual framework. However, Cumbers et al. (2008: 369) note how, within the GPN literature, ‘little has been said about labour as an active constituent of the global economy, rather than the passive victim of restructuring processes’. Levy (2008) also argues that, despite its stated objectives of transcending the limitations of GCC and GVC approaches, most GPN literature is very similar to these earlier modes of conceptualizing processes of global economic transformation.
A much more successful attempt to conceptualize labour within global systems of production is provided by Cumbers et al. (2008), for whom labour constitutes a ‘fundamental component of GPNs’. They argue that:

From the perspective of capital, the labour problem sooner or later reasserts itself into the logic of accumulation. That problem . . . is threefold: first, the need to successfully incorporate labour into the production process; second, the need to exercise control over labour time in the production process and third . . . the imperative to exploit labour as part of the process of commodification to realize surplus value. In other words, capital comes up against the reality of labour agency and resistance. (Cumbers et al., 2008: 370)

In a complementary vein, in his investigation into the call centre value chain, Taylor (2010) emphasizes the indeterminacy of labour power, that is, the difficulties faced by managers in ensuring that, once employed, workers carry out the tasks allocated to them as efficiently as possible (see also Smith, 2006). Whilst much chain/network research tends ‘to view the firm as a black box’ (Coe et al., 2008: 284), highlighting the indeterminacy of labour power means that the capital–labour relation within the firm becomes an important area for investigation, particularly when trying to identify causes of successful or unsuccessful upgrading. Taylor (2010) also argues for conceptually and empirically connecting the ‘inner workings’ of workplaces and the multiple contexts within which they exist, with a view to understanding the extent of labours’ ability to shape these contexts. Herod (2001), Castree et al. (2008) and contributors to McGrath-Champ et al. (2010) investigate and theorize how workers are constitutive actors in economic development, through gaining improvements in wages and conditions and in the spatial formation of economic zones through, for example, pressuring municipalities to construct housing and infrastructure that facilitates workers’ social reproduction.

Other studies within GCC/GVC and GPN literatures show how, whilst capitalist managers may initially conceive of workers as sources of cheap and disciplined labour, through their actions the latter have been able to both alter the most exploitative firm practices (see Applebaum (2008) and Barboza (2010) on Chinese industrial relations). In a complementary vein, Herod (2001), Dunn (2005), Feeley (2008) and Selwyn (2008) show how, while just-in-time systems of production and delivery are designed by firms to reduce their inventory costs and potentially increase their ability to source ‘flexibly’ from a large number of suppliers, they simultaneously give workers the ability to disrupt the functioning of supply chains through short bursts of strike action at strategic ‘choke points’ of the chain. Quan (2008) argues, however, that for such strategies by labour to succeed workers need to be educated by trade unions as to their strategic power within the chains (see also Taylor & Bain, 2008). These studies reflect in various ways what Wright (2000) labels workers’ structural and associational power. Structural power accrues to workers on the basis of their position in the production process and their ability to disrupt it. Associational power comprises ‘the various forms of power that result from the formation of collective organization of workers’ (962). Whether or not workers’ structural power is exercised in order to achieve concessions from capital depends on the politics of their organizations. That such studies have emerged suggest that the
side-lining of labour within much of these literatures is not necessarily a problem of conceptual incompatibility (between chain/network concepts and ‘labour’).

Upgrading is represented within most of the chain/network literature as a process of innovation where firms raise their competitiveness through enhancing their use of technology, skills and knowledge (Kaplinsky & Morris, 2001; Humphrey & Schmitz, 2002). Such a focus on firm-level innovation often leads to a situation where ‘labour is considered primarily as a productive factor’ that will benefit from firm’s enhanced competitiveness (Barrientos et al., 2011: 324). As Milberg and Winkler (2011: 345) put it: ‘[t]he presumption in the literature is that economic upgrading brings both improved export performance and social upgrading’. This presumed causal relationship, however, derives from neo-classical economics rather than real-world empirical observations (Bernhardt & Milberg, 2011).

**Social upgrading**

As a reaction to the limitations of the upgrading concept and its trickle-down assumptions, leading scholars have proposed that greater firm-level competitiveness and profitability be termed ‘economic’ upgrading, whilst the betterment of workers’ conditions and remuneration be termed ‘social’ upgrading. Milberg and Winkler (2011: 361) contrast neo-classical and institutional comprehensions of economic development. For the former, ‘the link between economic and social upgrading is automatic, while [for institutionalist approaches] there are a variety of norms and regulations that mediate this relationship’. The nature of the institutional arrangement between capital, labour and the state will determine the extent to which gains to capital from greater competitiveness (economic upgrading) translate into gains to labour (social upgrading). Advocates of social upgrading do not assume that the former automatically translates into the latter. Rather, they problematize how to achieve such mutually beneficial processes and outcomes. As Barrientos et al. (2011: 320) note, the key challenge, is ‘how to improve the position of both firms and workers within GPNs’.

The concept of social upgrading derives from the International Labour Organization’s Decent Work Agenda. The ILO’s conception of Decent Work (see Ghai, 2006) comprises four aspects – employment, social protection, workers’ rights and social dialogue. The Decent Work Agenda ‘promotes work performed under conditions of freedom, equity, security and human dignity, in which rights are protected and adequate remuneration and social coverage are provided’ (Barrientos et al., 2011: 324; ILO, 1999). Following the Decent Work Agenda, social upgrading is defined as:

> [T]he process of improvements in the rights and entitlements of workers as social actors, which enhances the quality of their employment. . . . This includes access to better work, which might result from economic upgrading. . . . But it also involves enhancing working conditions, protection and rights. (Barrientos et al., 2011: 324)

The benefits of social upgrading may not only accrue to the direct employees, but ‘can also help their dependents and communities’ (ibid). Mayer and Pickles (2011) conceptualize social upgrading as a potential counter-movement to profit-driven economic upgrading. They argue, following Polanyi (1957), that the disembedding of the market from society ‘results in struggles over the appropriation and distribution
of social surplus’. On the other hand, they also suggest that ‘[t]his movement of the market ... generates a counter-movement to re-embed the economy’ (ibid: 3–4). Whilst neo-liberal globalization has created a ‘global governance deficit’ the latter has, in turn, ‘generated a counter-movement, as governments, NGOs, organized labour groups and other social actors strive to create new institutional arrangements to re-regulate work, sourcing practices and the movement of factories in the global economy’ (ibid: 4). The argument here is that ‘appropriative and distributive struggles’ occur under disembedded markets. It is not unreasonable to suppose, on the basis of this argument, that such struggles would not occur under embedded markets.

The adoption of the Decent Work Agenda by leading chain/network scholars reflects its broader appeal. It became part of the Millennium Development Goals in 2006, the majority of the world’s governments have signed its core conventions and international institutions, including the World Bank and IMF which have incorporated the Decent Work Agenda into their development discourse (Lerche, 2012). Pruett (2005) documents how supplier firm integration into ILO-led auditing programmes in partnerships with buyers, governments and trade unions can have selective positive impacts, in particular over issues such as child and forced labour and health and safety. Miller (2009) confirms this perspective in his research on Cambodian export textile manufacturers. However, he also notes the limited impacts of such campaigns on workers’ remuneration, freedom of association and ability to pursue collective action.

**Limitations and gaps**

The Decent Work Agenda is based around a number of assumptions arguably derived from an institutionalist political economy framework. These are that, contrary to the neo-classical position, benefits to capital do not necessarily translate into benefits to labour. However, given the right institutionally mediated relations between capital and labour, mutual gains are possible. Also contrary to a core neo-classical precept, it is held that strong worker representation can contribute to successful resource allocation, leading to rising firm profitability and more rapid economic development. Finally, in agreement with neo-classical economics, most institutionalists and the ILO hold that capital does not systematically exploit labour within the production process. Rather, exploitation, when it occurs, takes place within the sphere of exchange, where workers receive below-market rates for their labour power. Neither neo-classical nor institutional approaches define with any precision the mechanisms and processes of exploitation or how to measure it. The following discussion highlights three significant problems for the Decent Work Agenda and advocates of social upgrading.

The first problem is the extent to which the Decent Work Agenda can be realistically implemented and, relatedly, the dangers of its co-option by elite institutions. It may be encouraging for proponents of Decent Work that international institutions and many governments have either signed up to its agenda or adopted its discourse. For example, in the mid-1990s the World Bank’s (1995) *World Development Report: Workers in an Integrating World* took the position that trade unions and employment-related institutions, rather than constituting ‘distortions’ in the economy, could potentially contribute positively to economic growth and efficiency. Hence:
In many jobs workers are better informed than management about how to improve productivity. They will be more willing to share this information if they are confident of benefiting from any resulting change in organization. The presence of an agent on the workers’ behalf, the union, may make them less suspicious that any information they reveal will benefit only management. If the union involves workers in activities that improve efficiency, unionism can be associated with a more productive organization. (World Bank, 1995: 74–80)

This extract may appear to contradict the above claim that a core precept of neoclassical economics is that trade unions detract from economic efficiency, growth and welfare gains. However, as Fine (2006) notes, the international financial institutions’ shift from Washington to post-Washington consensus represents a continuation of these organizations’ conceptual methodological individualism, but also a recognition that markets require various support mechanisms if they are to properly function. From this perspective, then, trade unions that complement capital’s objectives of profit maximization, through facilitating the regulation of relations between employers and workers, are conceived of as ‘market-friendly’ actors.

In a similar ‘pro-trade union’ vein, Freeman (1993: 138) argues that, in constructing progressive labour market institutions, it is necessary to have ‘a strong labour movement, with leaders able to assess the economic scene and convince workers [but not capitalists] to accept current consumption losses for future gains’. Freeman also argues for ‘a business community that accepts labour as a social partner and a government willing to share some prerogatives with its social partners’. The assumption that workers’ organizations can contribute to dynamic capitalist development is shared by the World Bank and also the ILO. However, as Paul Cammack (2002: 129), notes, the logic of the World Bank’s perspective is that: ‘[e]ffective unions . . . eliminate the need for large-scale state regulation and intervention, and help firms to extract more surplus value from workers; they do not distort labour markets, or protect jobs’.

The dangers of the co-option of the ILO’s Decent Work Agenda have been recognized by those who advocate social upgrading. Mayer and Pickles (2011: 9) record how since 2006 the World Bank’s International Financial Corporation has required adherence to the ILO’s core labour standards in all of its funded infrastructure projects, but that its Doing Business benchmarking programme defines ‘almost all labour regulations – such as hours of work, minimum wages, advance notice of mass dismissals and protection against discriminatory practices – as undue impediments to “doing business”’. The possibilities of the Decent Work Agenda being co-opted by elite international institutions, states and firms reflects a fundamental weakness of the ILO:

[It] has no powers of enforcement at its disposal, apart from ‘naming and shaming’ those in breach of conventions. Compared to the economic and political power of capital and of neoliberal governments, and even compared to the sanctions available to the WTO . . . the solely discursive powers of the ILO are extremely weak. (Lerche, 2012: 20)

A second problem for the Decent Work Agenda is that it is relatively devoid of analyses of the causes of indecent work and processes contributing to its amelioration. Rather, as Miyamura (2012: 105) argues in his discussion of labour market institutions literature, the ILO’s presentation represents a focus on best case labour
market outcomes, ‘rather than the social processes and mechanisms to achieve them’. It is assumed that combinations of incorrect policy choices and inappropriate micro-institutional arrangements are the cause of bad work. Consequently, the ILO, like the World Bank, promotes good governance and the tackling of corruption as prerequisites for the generation of decent work (see Lerche, 2012).

A third problem in the Decent Work Agenda is its weak conceptualization of class relations and its inability to identify the systemic processes of exploitation characteristic of capitalist social relations. This problem derives from its assumptions that, given the right institutional context, capital does not exploit labour. For example, Mayer and Pickles argue that struggles over appropriation and distribution of social surpluses occur in contexts of the disembedding of the market, rather than when markets are ‘embedded’ in society. Their argument represents the conceptual denial of the source of capital’s existence in the exploitation of labour. This conceptual denial, by Mayer and Pickles and by the ILO, perhaps explains why ‘the development of . . . outright political mobilization is not part of the ILO Decent Work Agenda’. Consequently, however, this ‘leaves [it] without transformative power’ (Lerche, 2012: 27). As Miyamura concludes:

[T]he ‘decent work’ agenda must open up space for class focussed struggles and arguments that not only demands redistribution of surplus through the state, but also focus on the causes and processes of socio-economic inequalities . . . . It must also secure legal, political and social conditions which enable exploration of commonalities in the struggle of labouring classes. (2012: 118)

The next section discusses the nature of capitalist exploitation and resistance to it. It is suggested that these, rather than institutional arrangements between state, capital and labour, should be placed at the heart of attempts to conceptualize and realize Decent Work and social upgrading.

The capitalist labour process

In their contribution to debates about the labour process, Smith and Meiksins (1995) note how the globalization of production is facilitating a rapid diffusion of managerial techniques across the globe. Lead firms’ governance of their supply chains enables them to regulate supplier firm production and labour processes to meet their demands. These observations complement GPNs’ emphasis upon the multi-scalar constitution of the labour process, at local, national and global moments of capital accumulation.

The capitalist labour process exists within two sets of mutually conditioning relations – competition between firms and the employment of labour by capital. It consists of two sub-processes. First, the production of use and exchange values and secondly, and simultaneously, the generation of surplus value (Marx, 1990). Because firms relate to each other through constant competition, the labour process is characterized by an endless productivity drive designed to maximize the speed and intensity of the performance of tasks and the ‘precision, predictability and quality of transformations being worked’ (Brighton Labour Process Group, 1977: 13). The productivity drive is technical and sociological. Once the employment contract has been signed and workers enter the workplace, managers attempt to ensure that they
work as effectively as possible. However, as Smith (2006) observes, labour power is ‘indeterminate’ in that there is often a disjuncture between the expectations of managers and of workers of what exactly needs to be done, how and how fast. Capital must therefore continually re-organize ‘a system of power relations the function of which is to define and enforce the discipline of the labour process’ (Brighton Labour Process Group, 1977: 13).

Ownership, control and organization of the production process, the means of production, workers’ labour-power and the final commodity by capital are all indispensable in the process of exploitation and are guaranteed by capitalist property relations backed up by states. These social relations, which co-constitute the imperatives of competitive accumulation, explain why capital will seek to reduce to a minimum, if not eliminate altogether, activities by labour that might limit the valorization process, often including those associated with social upgrading.

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The kernel of truth in institutional analysis is that, without arrangements that commit capital to providing benefits to labour, there is no reason why individual capitalists would choose to do so (even if they wanted to) as their actions would represent a cost, thus potentially handing competitive advantage to their rivals in the market. However, what the Decent Work Agenda and, so far, the social upgrading framework ignores, is that such institutional arrangements are themselves often outcomes of and/or responses to real or potential struggles between capital and labour.

An example of the interaction of capital–labour relations and institutional norms is provided by Smith and Meiksins (1995) in their discussion of TNCs’ attempts to diffuse ‘best practice’ workplace relations along their supply chains. They note that, since ‘nodes’ of each chain are geographically located within distinct national territories, the process of diffusion is mediated by national political economies, rather than determined solely by lead firm requirements. They also argue that the institutional arrangement within national political economies, between capital, labour and the state, is itself partially determined by the balance of power between capital and labour. For example, they note differential forms of best practice diffusion in the UK-based car industry. When American firms located in the UK in the 1950s and 1960s they faced a relatively strong trade union movement and a state committed to Keynesian economic demand management, meaning that firms had to ‘conform to [the UK’s] multi-union environment . . . [and] industrial relations customs’. In contrast, when Japanese auto firms began directly investing in the UK in the 1980s, in the context of faltering trade union power and a neo-liberal (anti-labour, pro-foreign capital) state, they were able to force through major changes in workplace industrial relations and extract significant concessions from labour. These examples suggest how trade union strength in relation to capital and the state is constitutive of the institutional environment within which globalizing capital seeks to operate and thus represents a determinant of the relationship between economic and social upgrading.

Workers and social upgrading: union action in Brazilian horticulture

A central argument of this article is that workers’ ability to transform their structural power into associational power in order to extract concessions from capital constitutes a core determinant of the relationship between economic and social
upgrading. Put differently, if workers are able to organize in the face of capitalist management systems designed to raise the rate of exploitation, then they raise, significantly, the possibilities of achieving some form of social upgrading. This argument is derived, in part, from the present author’s research into capital–labour relations in North East Brazil (Selwyn, 2007, 2010, 2012a, 2012b).

The São Francisco valley in the interior of the Brazilian North East is home to a fast-expanding region of export horticulture. Thousands of hectares of irrigated land enable the production of high quality grapes and mangoes for Northern markets. The valley is but one of many zones of export horticulture production that have emerged across the global South over the last three decades and that operate within tightly co-ordinated retailer-dominated supply chains. There are numerous cases, for example in South Africa and Chile, where profitable export horticulture is characterized by domineering farms and precarious conditions for labour – temporary contracts, low pay and limited union recognition or presence (Barrientos, 2001). Such cases represent examples of economic upgrading without social upgrading.

In the São Francisco valley, however, the local rural workers’ union, the Sindicato dos Trabalhadores Rurais (STR), has been able to mobilize the workforce in the export grape sector and has contributed to significant social upgrading. As part of their competitive strategies and within the context of the global ‘retail revolution’ Northern retailers have, since the 1990s, been ramping up requirements across their proliferating supplier base. Suppliers to Northern supermarkets need to produce grapes according to strict size, shape, colour, weight and sugar-level requirements, and are strictly regulated by buyers, importers and third-party certification agencies. Meeting such standards requires farms to oversee an increasingly complex labour process. For example, while export grape producers require over 30 operations per harvest cycle to meet retailer standards, producers selling onto ‘traditional’ (street) markets within Brazil perform as few as nine operations per harvest cycle. In order to carry out these operations, exporting farms rely on an increasingly skilled and hard-working labour force, of which a large percentage is female.

Initially, working conditions in the valley’s export grape sector were very poor, characterized by low and often ad hoc pay, lack of employment security and even the use of child labour. As a lawyer from the STR described it:

> Before we had the collective agreement, working on grape farms could be very dangerous. Workers were transported to the farms on top of lorries, they had to apply insecticides without using protective clothing, they might hurt themselves at work and not be able to continue working, and then the boss would sack them. Lunch breaks were not specified, with workers sometimes being forced to work throughout the day without a break, and safe drinking water was not provided. (cited in Selwyn, 2007: 545)

However, in the mid-1990s, the STR began an on-going campaign which has led to very significant improvements in workers’ pay and conditions. These improvements have been codified or ‘institutionalized’ within a collective convention, between the employers’ organization (VALEXPORT) and the STR, overseen by the Ministry of Labour. Employers’ obligations to workers are negotiated and, in some areas, heavily contested by either side during the annual negotiations for the renewal of the convention.
At the heart of STR’s strategy of pressuring employers to ameliorate workers’ conditions has been the threat, or use of, strike action. In order to meet retailer demands exporting farms must implement a strict and precise production calendar and any delays reduce fruit quality. This represents a strong reliance by farms on dedicated and skilled labour input. It also represents, for workers, a source of structural power, that is, the ability to disrupt production through suspensions of work. Short strikes by workers on exporting farms have deleterious consequences for fruit quality and its sale price. This structural power, which has been augmented by rising retailer demands, has been realized through workers’ associational power – their ability to organize through the STR. Early gains made by the STR included commitments by farms to employ only registered workers, leading to pension and other social security contributions, such as the right to paid maternity leave for female workers, specified working hours, payment above the minimum wage, higher pay for overtime and the provision of protective clothing, and the right for the STR to represent, organize and visit workers on farms during the working day. Subsequent gains have included the provision of crèche care, safe transport to and from work and the rights of workers to pursue an education outside work, implying the need for workers to be able to leave the farms on time.

The STR pursued these tactics from the mid-1990s to the mid-2000s. Workers represented by the trade union enjoy substantially better conditions than prior to the STR’s mobilization and better conditions than unrepresented workers elsewhere in the fruiticulture sector. These victories do not mark the end-point of the STR’s campaign for ameliorating the pay and conditions of its members. They do however demonstrate how workers’ collective action can bring about social upgrading.

Farms have responded in various ways to STR gains. On the one hand, they have tried to reduce non-wage costs, such as their commitments to crèche care and maternity leave for women, by restructuring the rural labour force and reducing their reliance on women workers, leading to a stratification of the female workforce between a small core of permanently employed women, enjoying relatively good pay and conditions, and a larger periphery of temporarily employed women, enjoying fewer benefits. On the other hand, they have tried to substitute themselves for the STR as workers’ principal benefactor, thus reducing workers’ associational power, by providing benefits to workers directly, such as free or very cheap on-farm housing and some health care. However, whilst many attempts by farms at holding the STR at arm’s length have been successful, they have come at a cost, of having to provide real, material benefits to their workforces.

Broader implications
Does the above example have any broader implications for conceptualizing sources and processes of social upgrading? Barrientos et al. (2011: 337) do acknowledge that ‘independent trade union representation of workers’ can contribute to social upgrading. However, they do not specify the causal weight they give to trade unions and their activities in relation to the actions of ‘benign’ states and capital. This recognition and hopefully arguments advanced in this article will further encourage advocates of social upgrading to consider how they conceptually incorporate the labour process, class relations and in particular workers’ movements and actions into
their broader developmental objectives. There are at least three reasons for them to do so.

First, there can be a gulf between the adoption of Decent Work principles and their practice. The example of Cambodia is instructive. In 1999 the governments of Cambodia and the United States signed a three-year, quota-based trade agreement covering textiles and apparel exports, on the basis of improvements to Cambodian workers’ conditions. The governments jointly requested ILO oversight and assistance to implement this ‘social clause’. Miller (2009: 14) notes that the resultant Better Factories Cambodia project ‘is arguably the most comprehensive and systematic monitoring effort governing any national garment supply base in the world’. The Better Factories Cambodia project has been hailed as a success (Polaski, 2003) as working conditions across the sector have improved in some important ways, with, for example, no more reported cases of forced or child labour. Payment of wages also became regularized across much of the sector. The value of exports has boomed – from US$26 million in 1995, to US$1.6 billion in 2004, to over US$2 billion by 2006 – and employment in the sector numbered around 265,000 by the mid-2000s. This case study appears to lend credence to arguments by advocates of the Decent Work Agenda that simultaneous economic and social upgrading is possible.

Miller (2009) advances an alternative interpretation, however. He documents the above-mentioned improvements, but notes that other much-needed improvements to workers’ pay and conditions, such as freedom of association, collective bargaining and reduction in excessive working hours, remain distant hopes, with numerous cases of unfair dismissal of workers and harassment of shop stewards, leading to widespread discontent, manifested in strikes, across the sector. He also notes how, despite not being part of the ILO’s objectives in the Better Factories Cambodia project, the demands for a ‘living wage’ lay at the heart of many of the strikes. This is because ‘[i]n an economy where the monthly living wage is estimated at US$82, garment workers earned an average wage equivalent to US$65 per month in 2005, including overtime and bonuses’ (ibid: 22).

Workers’ productivity (or the rate of exploitation) has increased across the sector as it has expanded. For example, one worker cited by Miller described her situation thus: ‘Before . . . I had to finish 300 pieces per eight hours and worked only on one machine. But now I am assigned 550–600 pieces to finish in eight hours and operate two machines’ (ibid: 26). Miller concludes by noting the ‘real changes in working conditions and working environments’ that have been brought about through Better Factories Cambodia, but also that ‘factory owners continue to mount dogged resistance to the establishment of collective bargaining in the workplace and demand excessive overtime from their workers for less than a living wage’ (ibid: 27). His conclusion should serve as a corrective to the excessive focus on institutional agreements by the ILO and advocates of social upgrading and suggests the need to investigate more closely processes of exploitation and resistance to it that characterize the capitalist workplace.

Second, it is arguably problematic to conceptualize the institutionalization of capital–labour relations as analytically prior to those relations themselves. But this is what the ILO does by conceiving of workers’ actions as secondary to the institutional arrangements between capital, labour and the state. An important seam of political economy illustrates how changing class relations determine differential
patterns and trajectories of capitalist development (Brenner, 1977; Byres, 1991; Kay, 2002). These authors highlight how the outcomes of class struggles constitute historical moments which, once stabilized, determine the form and content that national institutional arrangements take, which in turn subsequently influence the nation’s developmental trajectory. Whilst this literature is concerned with the world-historical transition to and diverse developmental trajectories within capitalism, there are also similar insights to be had from scholarship addressing more recent transformations. For example, Seidman (1994), Moody (1999) and Silver (2003) document how rapid industrialization and high rates of capital accumulation occurred in dictatorial Brazil and South Korea and Apartheid South Africa, respectively, during the 1970s. Under these regimes, rapid economic upgrading occurred, based upon high rates of worker exploitation and social downgrading. These authors also show, however, that through collective action workers’ organizations were able to gain concessions from state and capital and, further, that they represented the essential component of movements that contributed to the installation of democracy in these countries.

Third, by analytically prioritizing institutional arrangements over workers’ self-activity, advocates of social upgrading risk demobilizing the very actors that can bring about the kinds of improvement that they wish to see. An alternative approach, suggested here, is to analytically prioritize workers’ attempts to ameliorate their conditions and to understand that institutional arrangements between capital, labour and the state are, in part at least, outcomes of these struggles from below.

**Conclusions**

What are the implications of the above discussions for critical chain and network conceptions of social upgrading? Clearly, a focus on workers’ actions and trade union representations and how these achieve or fail to achieve improvements in their members’ conditions, would constitute an important avenue of research. Also, from the perspective of the Decent Work Agenda, it is important to investigate processes whereby class relations become institutionalized in such ways that contribute to/detract from the possibilities of social upgrading. Such investigations would examine strategies of organized and unorganized labour and of capital in its many forms, in their respective attempts to enhance their positions within the accumulation process. Such examinations and theoretical reflections would also seek to shift the intellectual agenda of critical chain and network approaches towards a constructive engagement with labour movements, as advocated by Quan (2008), and would therefore be highly political in seeking to legitimate workers’ actions as contributing to social upgrading and broader human development.

By analytically discounting systemic exploitation of labour by capital, current conceptions of Decent Work and social upgrading leave a central feature of the capital-labour relation – the labour process – relatively untouched, empirically and conceptually. As has been argued here, following Cumbers et al. (2008), Taylor (2010), Rainnie et al. (2011) and Selwyn (2012a), a closer focus on the labour process and its multi-scalar dimensions (how it is constituted at local, national, regional and global ‘levels’), places greater analytical weight on workers as actors in the constitution of the global economy. In the analysis of the labour process and of the wider
labour regime we can, if we look beneath the surface ideology held by both neoclassicals and institutionalists – of a ‘fair day’s pay for a fair day’s work’ – detect means of economic upgrading, processes of exploitation and of labour’s resistance to it and possibilities of what might be termed ‘labour-led’ social upgrading.

This shift in emphasis, from the institutional arrangements prioritized by advocates of social upgrading and Decent Work to the labour process, also leads to a different political perspective. While advocates of social upgrading and Decent Work represent a ‘top-down’ approach to addressing problems of labour’s mal-treatment by capital, a more critical chain/network framework, rooted in an analysis of the labour process, represents a ‘bottom-up’ approach to these issues. The first perspective allocates labour a subordinate ‘partnership’ role to capital’s profit orientation and states’ attempts at regulating the capital–labour relation. The second perspective analytically prioritizes workers’ struggles to ameliorate their conditions through collective action. There may be some situations where both perspectives are complementary – where class alliances are formed when workers’ struggles complement capital’s and states’ attempts at regulating employment practices. But it would be a mistake for advocates of a more critical chain/network analysis to intellectually and politically subordinate their commitments (the primacy of workers’ collective action) to objectives of capital and the state. As Wright (2000) and Selwyn (2012b) observe, class compromises, alliances and the institutionalization of these relations emerge out of processes of collective action by workers as they pursue their own goals, demonstrating to capital their collective strength.

References


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