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**The Politics of Labour Relations and Agency
in Global Production Networks:
Collective action, industrial parks, and local
conflict in the Ethiopian apparel sector**

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Politics of labour relations and agency in GPNs: collective action, industrial parks, and local conflict in the Ethiopian apparel sector

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Abstract

In this paper we examine the emerging politics of labour agency as new manufacturing locations are incorporated into existing global production networks, using the example of the Ethiopian apparel industry. The Ethiopian state has employed an active space-based industrial policy to attract leading apparel manufacturers into a series of new industrial parks in the country. At the same time, the global apparel industry has undergone a global restructuring process in response to cost and productivity pressures exerted by lead firms. We argue that the consequences for workers depend not just on state action and lead firms, but also on responses by organised and unorganised labour. We extend existing frameworks which combine analyses of global production networks with local labour processes by highlighting the variegated forms of labour agency used by Ethiopian workers and the interactions of factory-based labour grievances with local political conflicts. To capture these factors and their interactions, we combine a quantitative large-N survey of factory workers with in-depth qualitative interviews with managers, workers, trade union representatives and government officials. We demonstrate how industrial parks emerged as spaces of particularly intense contestation between workers, company managers and government officials at both national and subnational levels. Many industrial conflicts result from the collision of productivity imperatives on part of manufacturing firms tied into demanding, but low value-added, segments of global production networks with the expectations of workers with limited or no prior experience in industry but are compounded by the contradictory actions of different state agencies. (247 words)

Key words: Labour, global production networks, Ethiopia

1 Introduction

The working conditions of millions of workers engaged in production for markets in high-income countries depend on the conditions of their inclusion into global production networks. Such networks cut across different layers of space generating a variety of interconnections which lead to historically and geographically contingent labour outcomes. After sustained criticism of global production network (GPN) approaches for giving scant consideration to the lived experience of workers (Selwyn 2013), there has been a recent spate of activity to incorporate labour agency into the broader GPN framework (Coe 2013, Coe & Jordhus-Lier 2011). At the same time, an emerging literature is seeking to integrate core concerns of labour process theory, in particular issues of compliance with and resistance to management strategies at the factory level, with theoretical and empirical insights into GPNs (Taylor et al. 2015). Understanding labour relations at the factory level requires a combination of different levels of analysis, from the macro-political economy of growth and structural change in the country, through the sector and global production network level, to the micro-level of capital-labour encounters in the workplace. We illustrate the dynamics of such encounters and the contingent nature of outcomes for workers with an analysis of the emerging export-oriented apparel sector in Ethiopia. The country offers a case study into the establishment of a new export-oriented apparel sector. In the past ten years Ethiopia has embarked on an ambitious industrialisation strategy centred around active industrial policy aiming to attract foreign direct investment (FDI) by international textile, garment and leather products producers. The industry is concentrated in a series of industrial parks, which are supposed to help streamline service provision and attract a new industrial labour force. Building an industrial workforce is, however, an uneven, conflictive and slow process (Thompson 1967).

Despite some similarities with the past (Beckert 2015, Brooks 2019), the development of a textile and garment industry in the 21st century happens in a very different market context to earlier experiences of industrialisation. Since the phasing out of the multi-fibre agreement the apparel sector has also become increasingly concentrated (Gereffi and Fredrick 2010). Large institutional buyers in the US and EU, including general retailers, specialised clothing retailers and branded manufacturers, are converging on a set of buying practices. Such buyers demand low-costs, consistent quality and flexibility in both the short and long term from

manufacturers leading them to focus on a smaller number of large-scale suppliers.¹ In turn, some suppliers are moving from offering just assembly of inputs controlled by lead firms (called cut-make-trim, CMT) to own design manufacturing (ODM) as ‘full package’ suppliers in what is usually referred as ‘economic upgrading’ (Barrientos et al. 2011). The largest suppliers have themselves become transnational corporations capable of offering manufacturing-related services such as design, logistics, and inventory management. In search of new spaces of low-cost production these firms are moving beyond their production bases in Asia. As a result, entry barriers are higher, especially for firms from low-income countries, and competition among manufacturers is fierce. Concentration among buyers and fierce competition among manufacturers results in highly asymmetrical power relations among firms in the value chain, even if some of the large transnational suppliers have been able to capture part of such high-value activities (Staritz, 2011).

There are important implications of these developments for workers. Highly concentrated global buyers have been able to reduce the unit prices they pay to their suppliers. As a result of the increasing dominance of ‘fast fashion’, suppliers are expected to help lead firms reduce the ‘time to market’ by turning orders around faster and faster. These two ‘squeezes’ on prices and on supplier capabilities generate pressures which are passed on to workers in the form of lower real wages and worsening working conditions, including enforced overtime, and job insecurity (Anner 2020). We argue, however, that the consequences for workers depend not just on lead firms but also state- and international-level regulations, local political conflicts, and responses by organised and unorganised labour. Labour outcomes at factory level are the result of multiple combinations of factors at the micro-, meso- and macro-level. To capture these factors and their interactions, we combine a quantitative large-N survey of factory workers with in-depth qualitative interviews with managers, workers, trade union representatives and government officials.

This paper aims to contribute to the literature on labour regimes in GPNs in three ways. First, we advance new empirical evidence on labour outcomes and dynamics of resistance in a

¹ A similar dynamic of growing lead firms choosing to work with increasingly large suppliers can also be observed in other industries marked by increasing concentration of lead firms. Nolan et al. (2008) call this the cascade effect.

country recently entering apparel GPNs. With the partial exception of Bangladesh (see Anner 2020, Saxena 2019, Kabeer et al. 2020), empirical evidence on labour outcomes and dynamics within the GPN literature is still thin, and especially so for ‘late-late comers’ like Ethiopia. Second, existing strands of literature linked to GPN approaches tend to focus on labour agency through formal organisations such as trade unions (Cumbers et al. 2008), some recent contributions in other contexts and sectors notwithstanding. This paper provides evidence on a wider range of forms of resistance, and particularly those not mediated by formal trade unions, such as wildcat strikes and high turnover, which are important features of the Ethiopian context (Hardy and Hauge 2019) and echo the double indeterminacy of labour (Smith 2006).² Third, the labour-focused GPN literature suggests that the spatial shift of capital weakens labour resistance as it moves to poorer countries, but may produce new waves and spaces of resistance in the new centres of production (Silver 2003), as evidence from East Asia, and especially shifts in labour outcomes in China show (Qi and Pringle 2019). As Cumbers et al (2008: 372) suggest: ‘[multinational companies]...ultimately always come up against problems of labour agency and resistance within the production process’. The Ethiopian case is of particular interest as conflict and resistance arose in the very early stages of global capital penetration, albeit with significant variation across firms. This runs counter to dominant narratives of plentiful supplies of labour, a supposedly docile labour force comprised of rural women with limited employment experience, and the stability that industrial jobs offer compared to irregular informal employment. Understanding this variation requires taking local political dynamics into account. This paper focuses on these early stages of operation for several international suppliers in Ethiopia.

The remainder of this article is organised as follows. Section 2 reviews the most relevant analytical categories and proposes a theoretical framework to analyse labour outcomes and relations within distinct labour regimes that are shaped by global, national and local forces. This section also briefly lays out how we collected our data. Section 3 provides the necessary

² By ‘labour indeterminacy’ Smith (2006: 390) means that labour power i.e. ‘what the employer hires and the worker exchanges’, is indeterminate, first, because the amount of effort cannot be fixed ex-ante, and is subject to work effort bargaining at shop floor level; second, because of labour mobility, i.e. workers’ ability to change employers or simply leave the job as a form of resistance.

context to understand the state, capital and labour in the emerging light manufacturing industry in Ethiopia. Section 4 contains the primary empirical material on dynamics of labour conflict and resistance and their determinants.

2 Analysing multi-scalar labour regimes: theory and data

The configuration of labour relations in the emerging light manufacturing sector in Ethiopia has undergone rapid transformations that have accelerated further after the arrival of new foreign investments linking into global production networks in the apparel sector. To analyse these dynamics, we draw on labour process theory, GPN approaches, and labour geography. These strands of literature provide the conceptual foundations for an empirical analysis of the emerging politics of production and employment in the emerging light manufacturing sector in Ethiopia.

First, drawing on labour geography, our understanding of how global capital is reconfigured worldwide is shaped by the notion of the spatial ‘fix’, which lies at the heart of the expansion of globally integrated manufacturing production in developing countries, and especially in Asia (Harvey 2001).³ A key insight from labour geographers is how labour agency, especially through collective action, influences the different manifestations of a ‘spatial fix’ leading to different outcomes for millions of workers in different parts of the world that are increasingly interconnected through global production networks (Peet 1983, Herod 2012, Cumbers et al. 2008).

Second, the GPN framework emerged to analyse processes of value creation and capture, via structures and dynamics of power (corporate, collective, etc), by considering the social, network and territorial embeddedness of actors, markets and processes. As core analytical concepts ‘the notions of value, power, and embeddedness are used to explore the sector-specific configuration and coordination of global production networks by firm and extra-firm actors.’ (Coe and Yeung 2015: 18). An expanded ‘GPN 2.0’ is pushing the field further in

³ In Harvey’s formulation the spatial fix describes a general tendency of capitalism to overcome, or at least postpone, crises that result from the internal contradictions of the system itself by means of geographical expansion.

order to propose different causal mechanisms connecting these core elements and analyse the processes of network formation, coordination, and configuration (ibid.). Although it is widely recognised that labour remains a significant gap in the empirical GPN literature, in the past ten years there have been notable theoretical and empirical contributions on issues such as social upgrading (Barrientos et al. 2011, Selwyn 2013), labour agency in producing geographies of labour (Herod 2012), workplace micro-dynamics, gender and migration as key markers of labour dynamics within GPNs (Baglioni 2018), and the revival of the concept of labour regime, which combines some of the above-mentioned aspects (Coe and Yeung 2019).

Third, from the global labour studies field we deploy the concept of ‘labour regime’ as a heuristic tool to explore how interconnections between factors inside and outside the factory help explain observed differences between practices across sectors and workplaces. This concept stems from work on the ‘politics of production’ (Burawoy 1985, Lee 1999) which connects workplace labour relations with the macro politics of capital–labour relations in a national or global context. In particular, ‘labour regimes’ help us frame the interrelations of labour market segmentation and workforce mobilisation, conditions of employment and labour processes, and forms of enterprise authority and control (Bernstein 2007: 7). Labour regimes build on labour process theory in focusing on the appropriation of surplus value by capital through the ownership and control of means of production (Thompson 1989).

Employers and managers are under permanent tension between manufacturing consent and creating internal labour markets that provide some stability to their workforce and exercising coercion to make sure work effort matches productivity and quality imperatives (Burawoy 1979, Collinson and Ackroyd 2006). Beyond the workplace, labour regimes incorporate the institutions of social reproduction which, taken together, ensure that workers can be mobilised, motivated, utilised in production, and reproduced (Taylor and Rioux 2018, Lerche et al. 2017). Labour regime analysis is “necessarily multi-scalar”, incorporating the global, national, regional, and local (Selwyn 2016). The associated concept of ‘[local] labour control regimes’ emphasizes the role of local/national labour institutions and governance and the different sources of disciplining labour, whether governments, labour market conditions or employers (Jonas 1996, Anner 2015, Pattenden 2016, Smith et al. 2019, Coe 2015). Local labour regimes are embedded in both specific local configurations of class struggle and capital-state relations and structures, processes and relations intrinsic to particular GPNs.

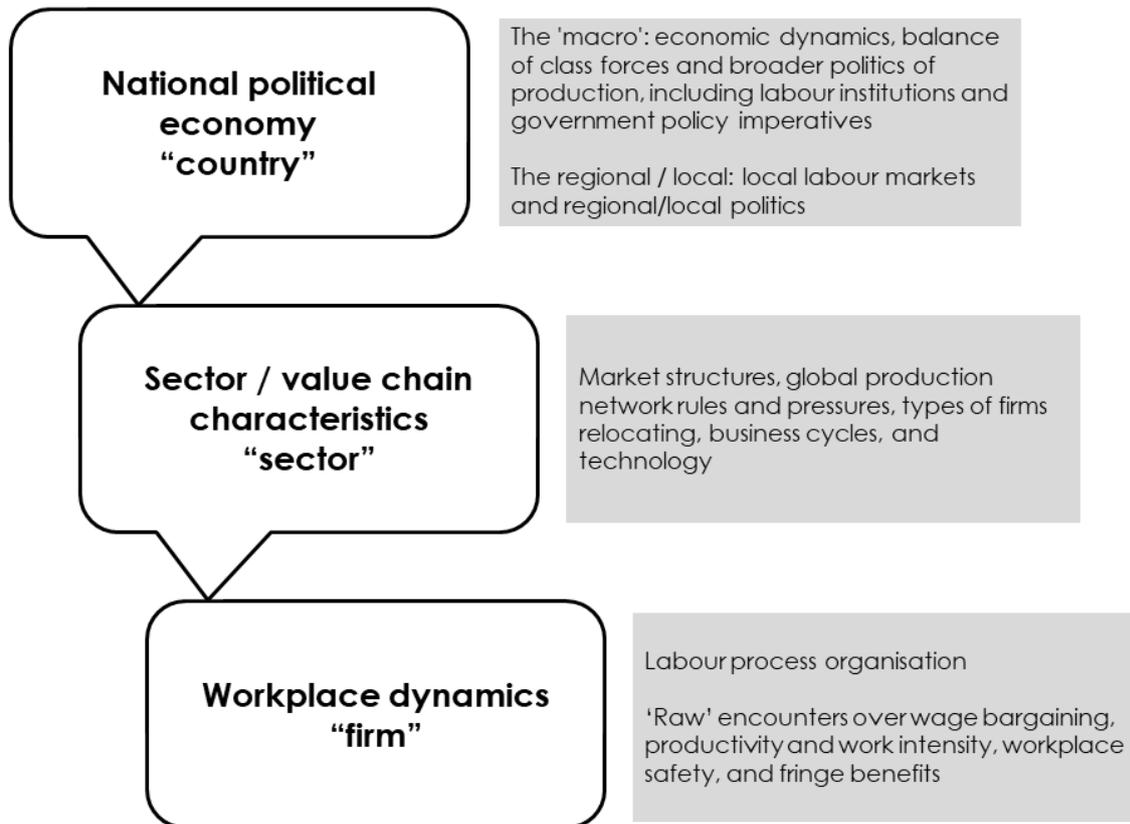
Based on these conceptual insights, we adopt a multi-scalar framework that combines three levels of analysis (Figure 1). Variants of such multi-scalar (or nested scalar) approaches have been deployed in recent research on local labour regimes, labour standards and competitive pressures in global value chains (Smith et al. 2019, Baglioni 2018, Selwyn 2013). We extend previous variants by making the framework more ‘localised’ and specific, moving away from broad typologies and unpacking the different key actors (capital, labour, the state) according to their contingent manifestations. Beginning at the bottom of Figure 1, are the micro-level workplace dynamics and ‘raw’ encounters between employers and workers over wages, productivity, safety, effort, and labour time. Different corporate cultures, localised labour dynamics, and specific firm-level labour processes affect outcomes in many ways.

Next are the characteristics and dynamics of a particular sector or set of global production networks. Sector/GPN features cut across national boundaries and generate specific imperatives of labour control and standards, through market structures, competition, and global chain rules. For example, GPNs in textile and apparel are characterised by manufacturers, especially those located in lower-end tasks, that survive on tight profit margins due to the behaviour of lead firms that dominate these GPNs (Anner 2015). A priori, we expect labour processes in companies tied into such global production networks to be subject to much more detailed managerial interference, and managers to rely on more sophisticated – and often harsher – labour control regimes. Textile and apparel GPNs have been categorised as ‘low-wage classic’ labour regimes characterised by strong hierarchical work relations, low wages with piece-rates, flexible employment, migrant workers, high turnover and a strong anti-union animus (Katz 2006, Lüthje et al. 2013). Variations within this type of labour regime may be shaped by ‘varieties of capital’ (Lee 2017), particular buyer-supplier relations (Amengual et al. 2019), government regulations, and specific firm-level corporate ethos, factors that pertain to the micro- and macro-levels of this multi-scalar framework.

The final level is the national and subnational political economy. Here we focus particularly on the macroeconomic dynamics shaping economic transformations and structural change, alongside the macro-level politics of production, and state–society relations which shape labour supply dynamics and the arenas of different struggles, whether over the extent of commodification, the limits to labour reproduction, or claims over representation. The national-level politics of production works horizontally in terms of the national and

subnational relations between state, capital, and labour. The institutions that underpin these relations, including labour legislation and its enforcement, trade unions, employer organisations, and social protection systems, are critical to understanding labour outcomes in any given sector across countries (Lee 2017, Anner 2015).

Figure 1 - A multi-scalar labour regime configuration



Source: Schaefer and Oya (2019)

To capture these various scales, we draw on a mixture of quantitative and qualitative data collected during extended fieldwork in Ethiopia in 2017 and 2018. Our quantitative data comes from survey of 531 manufacturing workers across 25 apparel companies in Ethiopia, mostly in garment and footwear, 17 of which were foreign-owned. We purposively selected companies to target the most successful enterprises in terms of employment creation and export performance. Our sample includes leading firms both inside and outside of the new industrial parks. Within each company we constructed a stratified random sample of

production workers. Following our main survey in 2017 we conducted a follow-up phone survey with 120 workers in 2018 to capture developments in employment status and take-home pay. We also administered a separate firm survey to each sampled enterprise to collect firm-level data. In parallel, we conducted 150 in-depth qualitative interviews with managers, workers, trade union representatives, government officials, NGO officials, and members of international organisations.⁴ Our sampling and data collection methodology is discussed in detail in Schaefer and Oya (2019).

3 Capital, labour and the state in Ethiopia's emerging apparel sector

3.1 *Unpacking the state*

The Ethiopian state has played a central role in managing foreign direct investment and the subsequent interaction of foreign firms and domestic workers. State officials, aiming to generate foreign exchange, create jobs, and drive broader structural transformation, have expended considerable effort to attract international companies involved in leading light manufacturing global production networks, especially in apparel. The state has adopted a space-based strategy of industrial agglomeration by concentrating incoming FDI in a series of new industrial parks. Most parks are government-owned and managed, while other parks are owned and managed by foreign firms. The most important parks in terms of employment are the government-owned Bole Lemi and Hawassa Industrial Parks, operational since 2015 and

⁴ Throughout this paper we will refer to interview sources with a simple coding system. The first two letters of each code indicate the profile of the respondent and the numbers show the order of interviews (e.g. CM01). All interviews were conducted between 2017 and 2018. The letter codes have the following interpretations: CM = company manager, usually factory GM or deputy managers; GO = government official in different departments and agencies, mainly middle-to-high level officials; TU = trade union representative, either at federal level or from factory-level basic unions; WI = worker interview, specifically qualitative work/life histories conducted with a sub-sample of workers extracted from the initial quantitative survey; Oth = Other such as NGOs, or other key informants (e.g. researchers). This system is designed to preserve the anonymity of respondents, as promised in our consent form.

2016, respectively, and the privately-owned Eastern Industrial Zone (now Eastern Industrial Park), which opened in 2012. Smaller government-owned parks opened in Mekelle and Adama in 2017 and 2018. In December 2019 total employment in the industrial parks stood at around 82,000 (EIC, unpublished).

To understand the policy developments that impact the politics of production in the country we must unpack the Ethiopian state institutions dealing with FDI management, industrial development and labour control. As part of an active industrial policy, a network of government institutions has taken the lead in managing FDI, industrial parks, and coordinating interventions with other government units. The Ethiopian Investment Commission (EIC), the state-owned Industrial Parks Development Corporation, the Ministry of Trade and Industry, and the team advising the prime minister on industrial policy are at the apex of this structure, with the EIC acting as the key coordinating hub. Interventions form a continuous learning process, leading to differences in physical and institutional design across the different ‘generations’ of industrial parks. Units dealing with public infrastructure, especially power and transport, have played a significant role in ensuring adequate infrastructure needs for new foreign investors. Labour management is, however, much less coherent. The Ministry of Labour and Social Affairs (MoLSA), which is charged with making the labour market attractive to foreign investors, plays a contradictory role: on the one hand officials seek to avoid potential deterrents to the arrival of investors, such the enforcement of labour regulations and the promotion of trade unions, but on the other hand officials sometimes act to protect workers in cases of disputes. Regional and municipal authorities, including the regional Bureaus of Labour and Social Affairs (BOLSAs) play important role in labour mobilisation: directly, by supporting recruitment efforts in industrial parks and, indirectly, by managing local services and housing around parks. Moreover, sub-national authorities also have an important role to play in relation to housing, local transport, and the movement of people within the different regions. Therefore, although Ethiopia’s industrial policy has been remarkably coherent and ambitious by sub-Saharan African standards, a major challenge for the industrial policy eco-system is the effective coordination across these different levels of government and the potential contradictions that may arise between the priorities of these different institutions. This coordination is made more difficult by the fragmented nature of the Ethiopian polity, which is characterised by political conflict increasingly fought along ethnic lines.

3.2 *Unpacking capital*

Government industrial policy has largely been successful in attracting new capital from abroad. There has been a rapid expansion of foreign direct investment (FDI) into Ethiopia's light manufacturing since 2012. Between 2012 and 2018 FDI stocks into Ethiopia expanded from less than 6 billion USD to over 22 billion USD in nominal terms (UNCTADSTAT 2020) and by 2017 foreign firms had created close to 100,000 jobs (Cheru and Oqubay 2019). A significant proportion of these investments originate in Asia, with Chinese investors being the largest group (Staritz and Whitfield 2017). There are different 'varieties' of private industrial capital comprising three broad waves of industrial investors into Ethiopia. The first wave included mostly Turkish textile and apparel investors who arrived before 2010 when industrial parks were not yet a core part of the government industrialization strategy. Most of these investors were aiming for the domestic market, but some of the most prominent Turkish firms in textile and garment were export-oriented. The second wave consisted of first-generation Chinese investments clustered in the EIP and again included many firms producing for the domestic market.⁵ Finally, the most recent wave, which began in 2014, is dominated by suppliers integrated into well-known textile and garment GPNs moving to government industrial parks, such as Bole Lemi, Mekelle and especially Hawassa. These parks currently host only foreign companies. Despite their particularities, these three waves are partly connected because some of the first large-scale export oriented firms to settle acted as prime movers and thus catalysts of subsequent waves of investors that saw their initial success as a sign of investment potential in Ethiopia (Lin and Xu 2019).

These different waves map, albeit crudely, onto different accumulation strategies and market orientations. A key question is whether firms use their investment in Ethiopia to relocate or expand their production. Firms coming from Asia, and especially China, appear to be moving into Ethiopia to grow rather than relocate their businesses. Such companies maintain, and in

⁵ According to our informants, a number of firms with initial trading ties with Ethiopia invested to take advantage of domestic market opportunities, especially in construction materials, while Huajian, the well-known shoemaker acted as a pioneer among Chinese light manufacturing investors who joined the EIP initiative. See also Chen (2019).

some cases even expand, their operations in other countries. Garment firms producing goods of varying sophistication may move the low technology production segments overseas, in this case to Ethiopia, whereas those only producing CMT garments or mid-range leather products are more likely to engage in relocation. Many of the former firms reported to be ‘testing’ Ethiopia and other African locations before committing to any more significant restructuring of production away from their core bases. In the case of Turkish investors, the logic of relocation seemed to dominate, driven by a combination of production cost considerations, instability in Egypt (where they had operations) and financial difficulties (CM01). By contrast, Ethiopian-owned apparel firms are distinguished from foreign-owned firms by two characteristics. First, while some domestic firms do export their goods, they are more likely to focus on the domestic market. The Ethiopian-owned firms that do export are not normally part of GPNs organised by leading global brands and are not sited in industrial parks. Second, while many foreign firms have only recently set up operation in Ethiopia, domestic firms are on average much older.

Foreign capital with deep immersion in apparel GPNs is subject to structural patterns that affect most suppliers in these GPNs with implications for their prevailing labour regimes. Anner (2020) provides compelling evidence of how labour conditions in Bangladesh have been structurally determined by a double ‘squeeze’: a persistent prize squeeze that leads to intense competition and very narrow margins for suppliers; and a sourcing squeeze manifested in fluctuations in orders which add to uncertainty and compel manufacturers to meet orders by any means. Both lead to pressures to make labour forces more ‘flexible’ and tighten mechanisms to manage work effort. At the same time, there is variation in conditions across production locations and firms, driven in part by how different GPN lead firms reacted to historical accidents like the Rana Plaza disaster. Better alignment between sourcing and social sustainability practices, combined with longer-term supply relations can lead to more sustained compliance with labour rights (Amengual and Distelhorst 2019; TU02).

3.3 Unpacking labour

There are four basic characteristics that are found in the emerging manufacturing workforce: most workers are young, female, have migrated internally, and have relatively high levels of education for the comparatively low-skilled jobs they fill (see Table 1). In our sample of 534 manufacturing workers the mean age was 25 years and 75% were women. Disaggregating the

data shows by skill group shows segmentation by gender and origin of firm. While most so-called low-skilled workers are young women, especially in foreign firms, male workers dominate in semi-skilled jobs. Workers in Ethiopian firms are significantly older than their counterparts in foreign-owned factories.

The labour force in sampled factories, especially in recently established foreign ones, is substantially more educated than the national average. Among so-called low-skilled workers 52.8% had completed at least year 10 and another 17.4% had additionally completed a technical and vocational training (TVET) course. For comparison, at national level, (primary) grade-8 completion rate was 54% in 2015/16 and gross enrolment rate in secondary education barely reached 30% (Rekiso, 2019). However, workers employed by sampled Ethiopian firms are significantly less educated than the employees of foreign firms.

Table 1 – Labour force characteristics by skill group and company ownership, 2017

	Low-skilled manufacturing		Semi-skilled manufacturing		Manufacturing Total
	Foreign owned	Ethiopian owned	Foreign owned	Ethiopian owned	
<i>Mean age (years)</i>	22	30	24	37	25
<i>Female (%)</i>	82	72	50	54	76
<i>Never married (%)</i>	77	49	73	40	67
<i>Migrated for current job (%)</i>	82	60	67	45	73
<i>Education (%)</i>					
<i>None or primary incomplete</i>	12	34	4	5	17
<i>Primary (year 8) completed</i>	7	17	4	15	10
<i>Year 10 completed</i>	54	33	35	20	45
<i>Year 12, TVET or university</i>	27	16	57	60	28

Source: Own survey, 2017

The other key characteristic is mobility. Persistent un- and underemployment in many parts of the country make labour migration a common feature among young jobseekers in Ethiopia, both internally and overseas.⁶ Unsurprisingly, most workers in our sample are internal migrants. However, not all workers moved into factory jobs through the same mechanisms. Workers in industrial parks were more likely to have migrated than workers outside of parks. There are also differences across industrial parks. For example, in the case of Hawassa, workers' mobility was partly induced by a government policy of far-flung catchment areas, while in the Eastern Industrial Park most migrants came from surrounding areas. Across the whole sample workers, the majority (58%) of workers just got their first factory job, and 46% of workers had no formal work experience. Among workers in industrial parks 65% had no previous experience in manufacturing and 47% had no work experience outside of the household.

4 The politics of labour relations in a fast-moving scenario

According to the narrative put forward by the government and foreign investors Ethiopia has a large pool of trainable workers in need of stable jobs and – crucially – ready to work for ‘competitive’ wages (EIC 2017). By implication, Ethiopia can draw upon a vast reserve army of labour of the kind found in China in the 1980s and 1990s to support its bid to industrialize by attracting apparel suppliers from Asia. Large numbers of eager workers, many from rural areas, were expected to flock the gates of industrial parks seeking work. Such an excess supply of labour would raise employers' bargaining power and should limit conflict, at least in the early stages of manufacturing growth. As in some Asian settings, managerial expectations were further conditioned by racist and sexist discourses concerning the supposed docility Ethiopians in general and of young women, the main recruitment target, in particular.

However, capital-labour relations in Ethiopian's apparel export sector have proven much more fractious than anticipated. Workers in new manufacturing firms, particularly the ones supplying the GPNs of global buyers, have used both direct and indirect forms of labour

⁶ In addition to job seekers, recent violent conflict in some parts of Ethiopia has led to large numbers of internally displaced people.

resistance. Direct forms of resistance entail a confrontation with the employer and include collective mobilisation and work stoppages, especially in the form of wildcat strikes. By contrast, indirect forms of resistance avoid collective confrontation with employers. These include ‘exit’ strategies, i.e. workers voting with their feet by leaving the factories or not being available for recruitment. Alternatively, workers who remain may employ ‘everyday’ resistance strategies such as absenteeism, resistance to overtime, and foot dragging, which can have a detrimental effect on productivity.

Our study found that these forms of collective and individual resistance were common, but often unanticipated by many foreign managers. Not all firms or parks suffer in equal intensity, though. An examination of the drivers and main contextual conditions increasing the likelihood of such problems reveals a complex interplay of mismatched expectations between workers and employers and the crucial role of local political conflicts. This section therefore explores the dynamics and politics of labour relations in relation to three key themes. First are the instances of direct labour conflict, in the form of strikes as well as open and disguised collective action. Here our focus is the limited role by formal trade unions. Second, we look at less open forms of worker resistance, in particular around turnover, i.e. workers voting with their feet. Third, we argue that labour relations are not simply shaped by GPN dynamics and the import of prevailing labour regimes in light manufacturing. The observed patterns of labour conflict cannot be understood with considering the interaction with local politics, as political conflict between central and sub-regional political actors affects all forms of labour conflict in Ethiopian manufacturing.

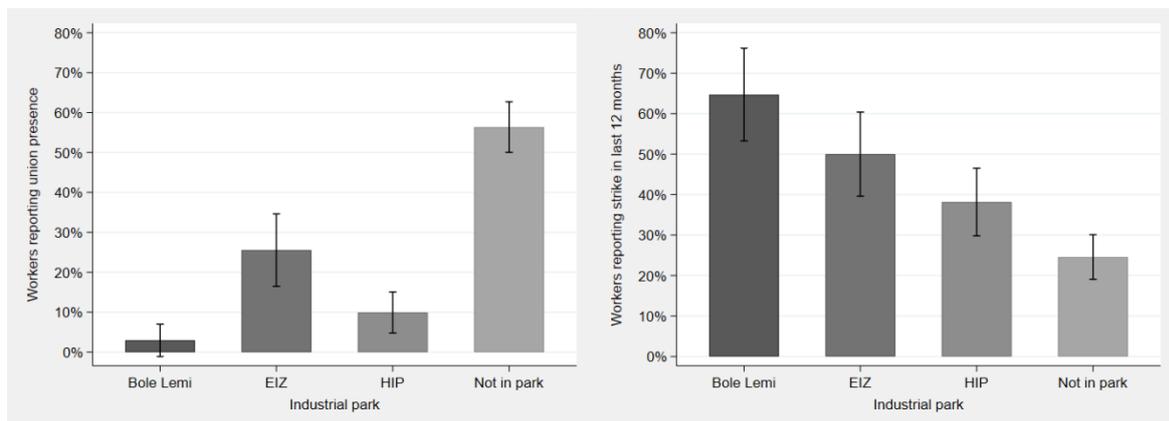
4.1 Conflict in action: strikes and constraints on collective mobilisation

Despite the scarcity of stable employment opportunities for the vast number of people entering the labour market every year, collective resistance by workers is common in Ethiopian labour-intensive manufacturing. Coinciding with the rapid growth in manufacturing employment since 2015 (Cheru and Oqubay 2019), the incidence of strikes in the apparel industry seems to have increased. An ILO-led survey of 43 firms in the Ethiopian textile and garment sector reported that 20% of sampled firms had experienced a strike in the previous 12 months (ILO 2016a). According to our survey data, 38% of a sample of 531 workers reported having witnessed a strike in their company in the 12 months prior. Strikes in apparel manufacturing coincided with a wave of strikes in other sectors, especially during the

period September 2017 to June 2018, which saw the ‘greatest wave of labor unrest in Ethiopia since the mid-1970s’ (Admasie 2018: 432). Most of these strikes targeted foreign firms in the flower sector, industrial parks, and other light manufacturing firms outside parks. During the same time political tensions led to the destruction of a number of foreign-owned factories and plantations by protestors.

Strikes in the apparel sector were especially concentrated in industrial parks, as well as in certain politically volatile locations such as the peri-urban rim of Addis Ababa. According to our data, at companies located in industrial parks nearly 50% of workers had been in a strike, while outside of the parks only 25% of workers had. There is substantial variation across industrial parks, with the highest incidence, 65% of workers, reported among workers in Bole Lemi and the lowest, 39% of workers, in the Hawassa park (see Figure 2).⁷ According to company managers in the Bole Lemi park, grievances around living costs in Addis Ababa and the lack of affordable housing were particularly acute and had driven some firms to consider the in-house provision of food, accommodation and other amenities (CM52). After 2017, however, the frequency of strikes declined in Bole Lemi, with most firms finding ways of minimising the strikes (CM52). Meanwhile, strikes increased in the Hawassa park, especially when a major strike erupted in March 2019 (IndustryALL 2019).

Figure 2- Union presence and strike action by industrial park, 2017



Source: Own Survey, 2017

⁷ These data reflect the incidence of strikes among sampled workers, but they underestimate the incidence of strikes at firm level. According to workers’ reports, all but one of the sampled factories had seen strike action.

Overall, we find that low wages and wage setting systems lie at the heart of conflict in many firms, a conclusion that confirms earlier research by the ILO (2016a). However, as with strike incidence, we observe a striking difference between factories in industrial parks and those outside. While outside of industrial parks 95% of strikes were about wages, inside the parks, which host only foreign companies, concerns such as excessive working time, low-quality canteen food and ill-treatment of workers by supervisors accounted for between 26% and 67% of strikes, depending on the park. Food provision and the presence of foreign managers and factory floor supervisors was far more common in foreign firms in industrial parks than in firms outside the parks, increasing the potential for conflict over a wider range of issues. In the case of the Hawassa park, grievances included obstacles to union representation, and issues of safety and harassment outside the industrial park, with young women being particularly vulnerable (IndustryALL 2019; WI01, Oth01). Wage and non-wage grievances are of course linked, as low wages often led to unsafe accommodation and dangerous commutes, and therefore fuelled requests for housing near the park (GO28).

While monthly wages varied substantially across companies, low wages are a common complaint by workers and trade unionists, and in interviews both employers and government officials frequently conceded that wages levels were too low. Wage levels were reported as an issue by workers in all types of companies but were a particular issue in the international companies sited in industrial parks. Our longitudinal evidence also shows that wage growth inside most of the parks was no faster than outside of parks between 2017 and the end of 2018, with the exception of Bole Lemi (see Table 2). The significant rise in nominal wages (40%) experienced in Bole Lemi may be related to the frequent strikes and a shared perception among workers and employers that living costs were rising fast in and around Addis Ababa.

Table 2 – Development of estimated mean take-home wages by industrial park, 2017-2018

<i>Industrial Park</i>	Mean monthly wage (ETB) 2017	Standard error	Mean monthly wage (ETB) 2018	Standard error	Growth in nominal wages (%) 2017-2018	Mean monthly wage (USD) 2018	Mean monthly wage (PPP\$) 2018
Not in park	1,478	30.2	1,790	124.2	21%	64	192
Bole Lemi	1,197	45.1	1,675	180.6	40%	60	180
EIZ	1,365	38.1	1,685	175.4	23%	61	181
Hawassa	1,033	14.0	1241	56.3	20%	45	133

Note: 2018 USD wages were converted to purchasing power parity (PPP) using the 2017 World Bank's conversion factor for Ethiopian private consumption.

Source: Own surveys, 2017 and 2018

The level of wages obviously reflect management decisions and calculations of profitability in companies that operate within GPNs with thin profit margins. However, interviews with both trade unions representatives and company managers suggested that the government also played a role by influencing wage-setting systems. At the time of the survey, a few months after most factories in the Hawassa park had started operations, wages there were especially low. Some of the differences may be explained by higher living costs in and around Addis Ababa. However, the firms in the Hawassa park and the Ethiopian government also operated a unique ‘cartel’ system that was established to keep starting wages in Hawassa sufficiently low for firms to commit. According to this wage setting mechanism, factories inside the park agreed on a common base salary but discretion could be used for performance pay, thereby allowing for only limited variation in take home wages across factories. In the early stages of park operations many workers reported wages that were close to their low base salaries, leading to significant differences with respect to other locations. In addition, government park managers appear to have contributed to initial wage repression by recommending out-of-date base wage standards to newly arrived companies. Low base benchmarks were repeatedly reported by managers in Hawassa, where companies assumed acceptable wages levels to be substantially lower than in and around Addis Ababa. Government sources suggested that officials set low benchmarks in the expectation that additional performance-related pay would lead to much higher wages than the recommended base salaries (IO02; GO28). They

also argued that firms should pay higher wages if they could afford them and that benchmarks for base salaries, such as the national poverty line, were only indicative of a bare minimum wage floor. However, the combination of poorly understood benchmarks, limited knowledge of context on the part of newly arrived foreign managers, and the government's fear of discouraging investors led to wage setting systems which drove many of the strikes and part of the high labour turnover analysed in the section below. In the eyes of some senior managers at the park the starter wage level was clearly low, but that reflected extremely low levels of workers' productivity. As one manager put it: 'there is no point in rewarding work if not good enough for the demands of the industry' (CM35). This manager, like many others, expected rapid increases in efficiency and productivity over a three- to five-year period, leading to higher wages via performance-based pay and hence a more stable workforce (CM41).

By contrast, low benchmarks supplied by government officials were not an issue in the first industrial park, the Eastern Industrial Zone, where the government did not play an active role in organising the arrival of companies and managing the park. In this industrial park, operated by Chinese companies, average wages for same jobs were significantly higher than in Bole Lemi and the Hawassa park (see Table 2).

Location within an industrial park was not the only source of heterogeneity across firms. Independent of location, larger-scale flagship firms, which have a higher public profile and greater media visibility, were particularly targeted by strikes. Wages and working conditions were not generally worse in these firms. In fact, a particular factory that suffered a number of strikes in recent years offered the highest wages in its industrial park (CM27 and own survey results). Workers in more visible firms have a greater incentive to strike, as it is reasonable to expect that such companies will be keen to avoid reputational damage. In part, this targeting of particularly visible and noteworthy firms is likely a reflection of the role of local politics in this phenomenon, a point to which we return below.

While collective action remains common in the contemporary Ethiopian light manufacturing sector, the incidence of 'organised voice' in the form of trade union-led mobilisations in the 2016-19 period is quite low. Strikes in this sector were generally wildcat strikes. Officials from the Confederation of Ethiopian Trade Unions, the main trade union body in the country, acknowledged that most of these strikes were 'unorganised' in the sense that they happened

in factories without union representation and were resolved without union intervention. There were some reports of wildcat strikes even in firms with a basic union in place. This is partly due to the low trade union density in Ethiopian manufacturing in general, and in industrial parks in particular. An ILO diagnostic study of decent work in Ethiopia found gross trade union density in 2010, i.e. before the establishment of the main industrial parks, was around 15% and less than 1% of wage workers were covered by a collective bargaining agreement (ILO 2016a). According to our interviews with representatives of the main textile and garment trade union in 2017 and 2018 the proliferation of many small and ‘poor’ enterprises means that trade union density and especially collective bargaining generally remain low in this sector. According to trade union data more than 60% of firms in the sector did not have any union presence and a larger proportion of workers in the sector were not union members (TU03; CCOO Industria 2018). As in many other countries, larger firms are more likely to have a basic union.

Among the larger firms in the sector, foreign firms were much less likely to allow trade unions to form than Ethiopian companies. The aforementioned ILO (2016a) report found that the majority of firms in the Ethiopian apparel sector had union representation, but foreign investors seemed resistant to union presence in their factories.⁸ Our own field research indicated that most of the foreign firms in industrial parks have no formal trade union presence (Figure 2). Trade unions have *de facto* (though not *de iure*) been discouraged in the three largest parks. Several union representatives reported that there was active discouragement of unions by government institutions. This is not new in Ethiopia, where historically the relationship between organized labour and the state has often been fractious (Admasie 2018). According to our interviews with trade unionists, the EIC opted for a hands-off approach to labour matters whereas the MOLSA and BOLSAs seemed reluctant to take the part of workers in cases of conflict unless grievances and management misbehaviour were clear-cut. Different degrees of discouragement across parks partly explain different degrees of trade union presence.

⁸ However, trade union representatives at Ethiopian-owned firms also consistently reported that despite the presence of a trade union collective bargaining agreements were not adhered to.

The perceived discouragement was particularly strong in the Hawassa park, where unions decried their lack of presence despite this being a flagship government-owned industrial park (TU04). In the Hawassa park the collective preference of company managers was to avoid formal trade union representation and instead operate with more limited, artificial, and undemocratic organisational forms such as workers' councils. Such joint worker-management committees are common in the textile and garment sector, but tend to have a limited mandate, often focused on health and safety issues (ILO 2016a). Moreover, according to interviews with factory-level union representatives such joint committees, along with some of the basic union structures, were dominated by management personnel from human resources departments, particularly in foreign owned firms (TU06; WI02). Workers' councils (or joint worker-management committees) organised by senior management without involving trade unions reflect a combination of two of the four dominant patterns of work practices in contemporary capitalism in developed countries according to the classification proposed by Katz (2006), i.e. a 'low wage' managerial archetype and the HRM model. Anti-union animus prevails in the former while the latter is characterised by union substitution of the kind observed in the Hawassa park. The brand-driven investment pattern observed in Hawassa might explain the tendency towards the HRM model in that park.

The preference for union substitution over real union representation in the Hawassa park reflected a convergence of negative perceptions of trade unions shared by foreign investors and the government agencies managing the park. Managerial bargaining leverage is often enhanced when alternative production sites are perceived to pose a threat to the scaling up or even the continuation of an investment. In Ethiopia, the government seemed particularly sensitive to the mobility of capital in light manufacturing and eager to demonstrate that conflict could be managed, as shown in interviews with officials of the MOLSA. In this regard, the government stance vis-à-vis trade unions and workers may have contributed to a predominance of 'low wage' workplace patterns with hierarchical work relations and significant managerial discretion over working conditions.

Finally, how strikes were resolved also tells us much about the shifting politics of labour relations in these sectors. In the initial stages, a common tactic, especially in non-unionised firms, was to fire organisers to prevent future mobilisation. This was clearly the approach followed by several Chinese firms, but also by some other foreign companies situated in industrial parks. The narrative was two-fold. Some managers argued that most workers would

not have taken action if not for the active intervention of a minority of ‘trouble-makers’, implying that grievances were not widespread (CM27). This is clearly not true considering the ample evidence of complaints over wages and working conditions. The second justification was that the ‘instigators’ were in fact political mobilisers using factory workers to further their local or political agendas (CM63). We will come back to this issue below.

Less belligerent firms attempted to appease workers by attempting to review their own management procedures and communication to better respond to grievances. For example, some managers in Chinese firms argued that the training of staff with managerial responsibilities, especially of specialist workers and supervisors, was key for the better management of a restive labour force. They also admitted problems in communication and adequately transmitting the industrial corporate culture of the firm to workers (CM51; CM63). Better trained staff would be more able to communicate productivity imperatives and organise a heterogenous labour force, which included workers with different levels of efficiency and attention to detail. Managing such differences and troubleshooting production line problems was seen as critical to improving workers’ attitude to targets and avoiding widespread discontent.

At the same time there is a growing divergence of attitudes towards unions on part of different firms. For instance, in Bole Lemi and the Eastern Industrial Zone firms were initially openly opposed to trade unions, as managers associated unions with more labour conflict. Over time, managers at a small number of the firms operating there realized that having adequate worker’s representation at factory level may help them manage and respond to labour conflicts. Similarly, the CEO of one of the largest factories in the sector reported a succession of different wildcat strikes and decried the difficulty in finding consistent interlocutors on the side of workers (CM27; CM51). Each strike came with different representatives. This factory eventually called in the trade union to establish a basic union, but spontaneous mobilisations continued to flare up, especially in connection to local protests. In short, despite initial animosity, some factory managers were able to shift practices and view unions not as a source of trouble but as part of the solution to labour grievances. Their changes in attitude were not directly linked to being part of a particular GPN, rather to the micro-level dynamics of conflict management and the variation in the incidence of such conflicts in a context of low union densities at national and sector level.

4.2 A plentiful pool of disciplined labour? Struggles over effort and mobility

While the labour process literature has rightly devoted much attention to shop floor conflict and bargaining over working conditions, forms of non-organised resistance by individual workers may be equally if not more important than strikes in their impact on labour relations. Collinson and Ackroyd (2006) argue that there is a wide range of forms of resistance and dissent that should be considered when analysing labour relations. Apart from strikes in their different manifestations, sabotage, theft, work limitation such as refusing to accept overtime, absenteeism, and time-wasting, as well as various forms of discursive opposition to management speak, are also part of everyday forms of resistance at the workplace. Smith (2006) has stressed the importance of workers' mobility or 'exit' and 'mobility-effort struggles' in shaping labour relations and suggested a second type of 'labour indeterminacy' in the work contract, manifested in individually-driven worker turnover. In the case of our sample of workers, the three most commonly reported forms of resistance were turnover (i.e. workers leaving the factory), absenteeism, and withholding of work effort, including reluctance to do overtime. A common complaint among foreign managers was that these forms of resistance were far more disruptive (and therefore effective from a workers' point of view) than strikes. The various forms of resistance all affect firms' competitiveness and even engender the risk of being left out of global production networks if orders are consistently missed for these reasons, especially in value chains where the 'sourcing squeeze' makes manufacturers particularly vulnerable.

Although the incidence of strikes is significant, 'exit' is a far more widespread form of resistance. Exit manifested in high rates of absenteeism and turnover, the latter particularly for workers in their first three months into the job. According to union officials and many workers, high rates of absenteeism and turnover are direct responses to the low wages they receive. There was a shared view among managers and government officials that turnover rates represented a significant obstacle in the process of take-off of export-oriented light manufacturing in Ethiopia. It is hard to obtain consistent estimates of monthly turnover rates even though this was a generalized concern. One company in the Hawassa park reported that they faced a 6% monthly turnover compared to only a 1% annual turnover in their Chinese factories. According to a report from CCOO (the main trade union in Spain) in 2018, monthly turnover rates could be as high as 15% in many factories in other parks (CCOO Industria 2018). We conducted a targeted longitudinal analysis of short- to medium-term employment

trajectories for a sample of apparel workers with an interval between surveys of 12 to 16 months. We found that the proportion of workers no longer in the original jobs was very high at 41%. This includes workers who have changed to other factories in the same sector and those that have left the sector altogether. While all industrial parks experience similar levels of turnover, there is large variation at the level of the firm. This suggests that turnover is related to the issues workers faced in each particular factory, and not just linked to a particular GPN. Whether turnover persists, according to several managers, is mostly linked to the company's failure to examine the causes and implement corrective measures. Our longitudinal evidence suggests that the primary cause of workers changing jobs was the search for higher wages. Another common source of frustration, according to interviews with workers and union representatives, was the lack of understanding of wage setting systems on part of workers, which led to perceptions of unfairness and bias. This was especially the case in newly established industrial parks like Hawassa and for workers in their first factory job. The complexity of performance-related pay, bonus systems, targets, quality requirements and other variations in take-home pay month after month left many workers disgruntled because their expectation of a stable wage was not met. Wages were not just low and variable, but also insufficient to fund the lifestyles workers expected. The promise of a salary high enough to save money and support their families on a regular basis seemed distant for many of new labour market entrants (Schaefer & Oya 2019). Moreover, turnover and absenteeism were compounded by difficulties in sourcing enough workers when needed, according to a report on HIP. The gap between factory requests for workers and candidates channelled through the Investors Association labour sourcing system widened between 2017 and 2018, provoking unexpected labour shortages for some factories (Butler 2018). Unmet expectations for some new workers thus contributed to the 'exit' (or no entry) option for poorly organised and inexperienced employees, who did not regard the exercise of 'voice' as a realistic option. In the words of a senior manager of a firm in the Hawassa park 'workers' expectations were unrealistic partly because of lack of previous experience, and partly because of misleading word of mouth suggesting salaries would be higher' (CM34).

However, high turnover rates were not uncommon in early stages of similar investments in other countries (Oya 2019). Some managers reported having faced similar rates in their operations in Southeast Asia-based factories, illustrating the frictions that accompany processes of transition to industrial work in contexts where a large proportion of the

workforce lacked any previous factory work experience (CM41). The most experienced suppliers in GPNs, with production sites in more than two countries in Asia, seemed the least concerned by the evidence of high turnover (CM41; CM34). The expectation, they argued, was that, after one or two years, worker turnover would tend to stabilise and eventually decline as the firm was able to retain the best workers after different rounds of hiring.⁹ To a certain extent, and as suggested by the literature on turnover in low-wage classic labour regimes (Smith 2006), high turnover may be a tolerable phenomenon from a managerial perspective if this eventually leads to a process of virtuous selection, whereby the most productive and reliable workers remain in the job. For some firms high turnover in occupations requiring basic skills may even be a strategy to reduce potential workers' resistance and collective action. This may explain why many globally integrated firms in Ethiopia confronted this problem without making significant concession to workers (Hardy and Hauge 2019).

4.3 Local political conflicts and their impact on labour relations

It is tempting, and in fact common in the literature, to read all instances of labour conflict as evidence of class conflict between capital and labour. However, in Ethiopia the interpretation of drivers of labour conflict is complicated by the fact that the acceleration of strikes and mobilisation around labour grievances coincided with a tumultuous period of political tensions and protests, that began in 2014 and escalated in 2016 (see Fisher & Gebrewahd 2019 for an overview). We must stress that our own research, along with various other studies and media reporting, finds a host of genuine labour grievances and in many instances these are clear drivers of conflict. However, it is difficult to disentangle the role played by opposition politics in some areas of the Oromia and SNNP regions of Ethiopia, where three of the sampled industrial parks are located. These areas saw widespread protests against the federal government aiming greater political rights and the recognition for regional and sub-regional identities. Company managers in those parks reported that their local informants linked several wildcat strikes to local opposition groups pushing workers to strike as part of

⁹ Anecdotal evidence from recent conversations with few factory managers in Hawassa suggest that by 2020 the turnover problem was significantly less acute than in the early stages of operation.

the political mobilisation against the federal government (CM51). The claim was that while grievances had usually been resolved on an individual basis or with small groups of workers, once political protests erupted, factories witnessed an escalation of strikes in terms of frequency and intensity (CM50). Some managers suggested that high-profile factories and industrial parks were seen as strategic targets to boost the visibility of regional and local opposition groups. In fact, some of the strikes in 2018-19 spared medium-sized factories and instead focused on the largest factories inside the park, especially in the Eastern Industrial Park (CM51). This targeting appears to indicate the influence of local and regional political protests on labour conflict.

Many companies failed to anticipate these political developments. Ethiopia had been perceived, perhaps naively, as a haven of comparative political stability (at least in the central regions of the country). Suddenly, foreign capitalists found themselves in a political climate at odds with their image of a strong state friendly to overseas investors. During that time, a stark contrast emerged between the views of some company managers, who claimed that state institutions, especially at local level, usually took the side of workers, and the perceptions of trade unionists, who often reported an alliance between the central state and foreign investors, especially those situated in industrial parks. Indeed, in some instances of strikes and local protests spilling into industrial parks, federal police were deployed to protect factories (CM25; CM50). These divergent perceptions reflect the complexity of centre-periphery relations within the Ethiopian state (Clapham 2018, Markakis 2013), i.e. how local-level actions may not be aligned with broad directives from the federal institutions, particularly in more conflictual areas such as Oromia. For example, the regional Oromia labour bureaus had become much less investor-friendly, according to several foreign company senior managers. This change in attitude was reflected in greater support for workers' grievances, and fewer (or slower) interventions in wildcat strikes and other protests directly affecting the premises of factories. Many factory managers, especially in Chinese firms, also complained about the 'bias' in local courts, which apparently routinely ruled in favour of workers.¹⁰

¹⁰ They however also complained about the rigidity of the labour law, implicitly acknowledging that courts were simply applying the law.

Several foreign investors seemed confused as to whether the state was ‘on their side’ or not during the more tumultuous months. An important implication is that employers, especially newly arrived foreign investors, are not generally sufficiently tuned into the complexities of national and local political dynamics. Understanding and anticipating these developments and the possible effects on their operations might have helped reduce labour conflict. The troubles facing many of the most affected foreign firms reflect missing organizational capabilities, in the sense of contextual knowledge and the relationships needed to organise collective activities (a production line, managing supplies, transition to export logistics, etc.) in particular social and political contexts they are not so familiar with (Khan 2019).

5 Conclusion

This paper has analysed the dynamics of industrial labour relations during the process of setting up new manufacturing locations serving global production networks in a low-income country setting, using the example of the Ethiopian apparel sector. The worldwide restructuring of production networks by lead firms in the sector and a proactive space-based industrial policy programme in Ethiopia have combined to entice suppliers of leading apparel GPNs to set up factories in a series of new industrial parks in the country. Both investors and the Ethiopian government expected to find a large and pliant labour force willing to work for low wages. However, the new sector has already seen a wave of collective and individual resistance from workers, driven in part by grievances over wages and non-wage working conditions. We have argued that the best way to understand how certain forms of labour agency are produced, and the impacts they have on workers and firms, is via a nested multi-scalar analytical framework, drawing on insights into global capital mobility, production networks and labour processes, to illustrate developments at the level of the country, the sector and the firm. We proceeded by disaggregating the key actors - the state, capital and labour – to show how different parts of government, varieties of capital, and segments of the workforce are affected and respond to GPN pressures and opportunities differently. National government frequently play a contradictory role in regulating labour markets and working conditions as they seek to maintain inflows of FDI while not excessively undermining their own political legitimacy (Smith et al. 2018). Firms, in turn, differ in their target markets, business experience in different contexts, and conditions of integration into global production networks. We use these differentiated sets of actors to provide an analysis of the local politics

of production based on a mixture of large-scale quantitative and in-depth qualitative evidence.

Our analysis uncovered widespread ‘unofficial’ resistance to low wages and strenuous working conditions on part of workers. This activism comprises a variety of forms, from large-scale collective action in form of wildcat strikes to individual struggles over work effort and mobility, resulting in absenteeism and high turnover. Industrial parks emerged as spaces of particularly intense contestation. Many conflicts result from the collision of productivity imperatives on part of manufacturing firms tied into demanding, but low value-added, segments of global production networks with the expectations of workers with limited or no prior experience in industry, who assumed international firms would pay better. Conflicts were sharpened by the suppression of trade union activity in many, but not all, industrial parks and firms, which drove workers to organise outside of union structures and hampered industrial dialogue. The prevailing opinion among government officials and foreign managers, that democratically organised union structures could be substituted for by less democratic organisation forms with more limited mandates such as workers’ councils, is no longer shared by all firms and some have allowed the formation of union branches in their premises. Individual resistance by workers unused to the intense discipline and submission to the demands of the production processes demanded of factory workers frequently took the form of exit. Disgruntled workers would leave the sector altogether, while others would seek to move employer in search of better wages and working conditions. The government reacted, in concert with bi- and multilateral donors, by putting in place programmes to help recruitment by assisting with the sourcing and screening and workers. However, in some cases even the labour sourcing was insufficient, resulting in challenges for some newly establish factories to meet their increasing labour requirements.

Crucially, our approach has highlighted the importance of taking into account local political conflicts when analysing instances and drivers of labour resistance. In Ethiopia, industrial strife resulted from a complex interplay of the factory-based grievances we just discussed and political mobilisation against the national government which coalesced into demands for greater representation of some ethnic groups in the national and sub-national governments. Local political actors sought to capitalise on existing grievances by workers by targeting prominent foreign factories; a political strategy made feasible by the close identification of the national government with FDI-driven industrialisation and the construction of the new

industrial parks. The result are fleeting, unstable, and highly localised politics of production that are structured, but not determined, by the dynamics of global production networks and the strategic aims of national political actors.

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