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Some reflections on Transnational Corporations and Labour in Europe.

Since the beginning of the debate about Europeanization and Globalization we experience an overweight of analyses in Political Economy and about transnational corporations in particular, without paying the same categorical attention to understand processes and dynamic's on the side of labour. Concerning Europe, some authors even state that we experience the development of a transnational European capitalist class. Bastiaan van Apeldoorn for instance provide the analysis of the formation of a *transnational* European capitalist class, emphasizing the crucial role of the so called "European Round Table of Industrialists", where Top-Leaders of more or less all important transnational corporations organize, in particular to ensure a very effective and – in their sense – successful lobbying vis-à-vis the EU.

I totally agree with this particular analyses, and an approach in Political Economy of course is important.

But if capitalist exploitation is a *relationship* the question arises: what does all this mean for labour? What does it mean for the organisation of the working process, the forms and methods of exploitation, the acceptance – or not –, the resistance – or not – by labour? What about the relation of labour to "their" production sites, and what about the relation to other sites, nearby, but also in other European countries and to people working there?

In the following I will sketch very briefly four (4) ideas which I consider important for the capital-labour-*relationship* and its analysis in the process of contemporary Europeanization. The aim is to approximate important findings in critical sociology of work with debates about transnationalisation of economy and Europeanization.

*1. Transnational Disintegration of production chains and permanent comparing of working results.*

Transnational Corporations (TNCs) are highly *disintegrated* enterprises which are run by a "market-centred modus of control": Instead of the highly integrated Fordist enterprise (where the whole chain of production was aimed to get under

one roof to control it from a bureaucratic centre), we now face a huge variation of "*production networks-relationships*": between the focal enterprise and its suppliers, between different production sites, between cost-centres within one production site but also between "teams" or departments within a very specific production line. This form of disintegrated enterprise is *neither* less hierarchic nor less bureaucratic, as it was often stated in literature, but the modus of control has changed: it goes via *the result* of the very specific task of each supplier (cost-center, department, team etc.) in the whole network of production. Each entity (teams, departments, production sites...) has to perform given margins. They have to achieve certain targets, given by the management. And of course: they are permanently controlled if they can fulfil them or not. This modus of control via the result was called "market centered control modus", a name which is a bit confusing because this control modus is as political as the "fordist" one before; what has changed is in fact the installation of *control via competition* between all units on all scales of production.

As one important result of this process we observe a remarkable *rise of bureaucracy*, due to permanent documentation and reporting. In fact, many workers complain about this, because it often means less time for the work they have to do anyway. (This is one of the reasons for massive *intensification of work* in many areas, and a widespread feeling of exhaustion and unhappiness, or even: *suffering* at work, how it is discussed in the French debate.)

But even more important is: As this "market centred modus of control" is a modus of *control* the aim and meaning of that disintegration of production on one hand and reporting, documentation and accounting on the other is: to *compare the reported results!*

TNCs implemented a permanent process of comparing results of living labour, and this of course not just for fun, but to *change, to adapt* production along the results: to replace suppliers, to outsource production, to relocate production etc. This is true for *all scales of production*: locally, as well as regionally, nationally, but also transnationally, within Europe and beyond. Since the

beginning of the 90thies, we experience fundamental processes of relocation of production which are not stopped in Eastern Europa, but continue as a competition with China, Vietnam etc.

*So, the result of this permanent comparing is permanent competition of the workforce, which takes place on all these scales as well: the question in which person, region, country a certain TNC does invest is permanently present for those, who work in TNCs. (And those, who are the winner of today, because they "got" investment and production, do very well know, as our research shows, that this is nothing they can count on: permanent comparing and permanent restructuring continuous, enterprises relocate from France to Hungary, from Hungary to the Ukraine or directly to China etc.).*

So, to repeat and conclude the first point: as a result of highly *disintegrated* enterprises and a "market-centred modus of control" we find sharp competition of workforce, on all scales of production, regionally, locally and among nation-states in Europe and beyond.

## *2. Dualisation and Fragmentation of regional and national economies*

TNC-Production-Structures lead to a disintegration (dualization, fragmentation) of regional and national economies, this means a production which is *not* integrated in the region, does *not* build up clusters with local suppliers. In the literature this is called the "cathedrals in the dersert"-phenomen: meaning that there are very modern, technically advanced production sites, also in the so called periphery of Europe, but which *do not* have spill-over effects in the region. In the electronic industry the rate of local supply in Poland and Hungary is something like 5% (most: catering), the rate in the automotive is a bit higher: round about 15%

This disintegration of the national and regional is *one reason* why we observe growth rates, apparently even economic success stories of some European countries (as Estonia, Poland, a time ago Ireland) – but these success stories do not comprehend a whole integrated national / regional economy. It is in fact the success of these cathedrals in the desert, but who are sharply separated from another non-productive, often black-market,

often family-based economy, with a working population often enough living in sharp poverty. Due to that fact we have especially in Eastern Europe, but also in Italy, France and recently even in Germany a debate about the contemporary economy as being a *dual economy*, leading to a *dual structure of society*.

### 3. *Worker's cleavages and unions*

This multiple and multi-scaled splitting of the European workforce (within TNCs, and between them and the “non-modern”, “non-productive” economy) is not *only* an “objective structure”, installed by TNCs, but it is *also* produced and reproduced subjectively by labour: for instance in an every-day distinguishing from other production sites (often Western workforces spoke very pejorative about those “in the East”), but also from unemployed or precarious people (typical argument in both is: “they are not willing / able to perform good work”).

Also unions are not *only* victims of these multiple, multiscaled cleavages of labour. Of course we do have many solidarity networks, campaigns, efforts to overcome this sharp division. But in their every-day business and also because of being involved in the logic of surviving by competing, many unions frame and constitute these cleavages from their side, too: defending one production site against another (being it in the neighbourhood or in another country) has become the day-to-day-business in TNCs, and very often it goes along with strong rhetorical degradation of the other's workforce (as I said above). Furthermore, the *structure* of the unions' landscape changed dramatically in the last 15 years: in many countries we don't find nation-wide-union-activism any longer, but only union's structures which are concentrated in some economic “cores” of the economy. Even worse, the politics of these unions in the “cores” of enterprises and economy often is made on the back of precarious worker, as it was the case in Germany during the first wave of the current crises in the metal branch, where unions fought successfully for an agreement to lay off all the temporary and fixed term working people (500.000 round about), in order to secure the core-workforce. (It is not by chance

that we have a debate about fragmented unions and dual economy also in Germany, since that time, as I mentioned earlier).

#### 4. Conclusion

To conclude: To speak about transnational capital class formation in Europe is to speak about a highly flexibilized, fragmented European workforce, facing sharp competition for investment on all scales of the transnational production and economy: locally, regionally, nationally and beyond. And on all scales there is confrontation with the danger to "fall out" of "modern exploitation", and join the "non-modern", "peripheral" sector of a given economy.

Put it differently: When we consider capitalist exploitation as a *relationship* of labour and capital, than we can see that the creation of a transnational space for capital *includes* the creation of a transnational European space for labour as well.<sup>1</sup> But this labours' transnational space today is to a big extend not marked by solidarity, but by competition and cleavages. TNCs workforce positions and compares itself permanently with other workforces, from the same region and nation, but also from abroad. The logic of permanent comparing, installed with the "market centred modus of control" and the absence of real existing alternatives for a good life outside this modern exploitation makes it very difficult to counter every-day rivalry and competition. To overcome it, to install and enforce functioning structures of solidarity, help and care, we have to take these mechanisms of every-day-competition in the European organisation of production much more into consideration. This is urgent, if the goal of a "Social Europe" shall not become only a voluntary slogan.

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<sup>1</sup>This is true even if I can't write here about migration-processes, especially about the so called transnational care chains of reproduction-work, which is migration namely to Western countries to work in households to ensure child-care, care of elderlies etc.

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