



**The politics of labour relations in global
production networks:
Collective action, industrial parks, and local
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The politics of labour relations in global production networks: 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. 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. We ask which factors contribute to drive and constrain labour agency and shape the specific forms it takes in firms tied into leading global production networks. Drawing on a large-N quantitative survey of factory workers and in-depth qualitative interviews with managers, workers, trade union representatives and government officials, we show how the quality of industrial relations depends not just on state action and the business strategies of lead firms in production networks, but also on variegated forms of labour agency used both by organised and unorganised Ethiopian workers. We find that many industrial conflicts result from the collision of the productivity imperatives of manufacturing firms tied into demanding, but low value-added, segments of global production networks with the expectations of workers with limited prior experience in industrial jobs, but are compounded by the contradictory actions of different state agencies, a lack of formal unionisation, and the contingent interactions of factory-based grievances with local political conflicts. Industrial parks emerge as spaces of particular contestation. Our findings highlight the need to adopt an understanding of labour regimes grounded in local political realities. These findings have implications for the design of industrial policies and labour market institutions aiming to support firms and workers in emerging manufacturing clusters.

Keywords: employment, labour regimes, labour conflict, Ethiopia, apparel industry, global production networks

1 Introduction

Contemporary global manufacturing activity is increasingly organised via relationships between supplier firms and the transnational corporations that act as lead firms in organising when, where, and under what conditions production takes. These relationships, variously described as global value chains or global production networks (Hess 2009), create both opportunities and challenges for firms and workers in low-income countries. Firms might benefit from access to overseas markets by specialising in technologically simple assembly operations, while workers might benefit from increased employment opportunities. The World Development Report (WDR) 2020 documents how participation in global production networks (GPNs) is linked to higher levels of employment, more productive manufacturing firms, and higher incomes at the national level (World Bank 2020). However, these networks are characterised by asymmetric power relations between lead firms and their suppliers which constrain their developmental potential (Gereffi et al. 2005, Yeung & Coe 2015). Supplier firms in many low- and middle-income countries, including Ethiopia, are seeing their mark-ups squeezed as lead firms capture the benefits resulting from lower production costs, resulting in unequal outcomes along the value chain (World Bank 2020).

The outcomes for workers engaged in production for markets in high-income countries therefore depend on the conditions of their inclusion into global production networks. The individual and collective agency of workers plays an important role in shaping the conditions of production and employment in supplier firms (Coe 2013, Coe & Jordhus-Lier 2011, Selwyn 2013). Such agency comprises both compliance with and resistance to management strategies (Taylor et al. 2015). We illustrate the dynamics of such encounters and the contingent nature of outcomes for workers with an analysis of the apparel sector in Ethiopia. The country offers a case study into the establishment of a new export-oriented manufacturing sector. In the past ten years Ethiopia has embarked on an ambitious industrialisation strategy centred around an 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 (Whitfield et al. 2020). Building an industrial workforce is, however, an uneven, conflictive and slow process (Thompson 1967).

Understanding labour relations at the factory level requires a combination of different layers of analysis, from the macro-political economy of growth in the country, through the sector and global production network level, to the micro-level of capital-labour encounters in the workplace. 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 show how labour relations are not simply determined by the strategies of lead firms and their suppliers, but also depend on state-level regulations and responses by organised and unorganised labour. We find that labour conflict, particularly in the form of wildcat strikes, was more common in industrial parks, which host mostly foreign firms and have low levels of unionisation. The incidence of conflict varied significantly among firms within parks, with internationally recognised companies being

more affected than smaller and less visible firms. This variation is driven in part by national-level and localised political conflicts. The acceleration of strikes and mobilisation around labour grievances coincided with a tumultuous period of political tensions and protests, that began in 2014 and continued into 2019. The targeting of high-profile factories appears to reflect tactics to boost the visibility of regional and local opposition groups. However, despite these entanglements of factors, genuine labour grievances were at the heart of labour conflicts. Local political mobilisation provided an opportunity to make these strikes more viable and effective. Our analysis further suggests that, although strikes are common, ‘exit’ is a far more widespread form of resistance. Exit manifested in high rates of absenteeism and turnover, particularly for workers in their first three months into the job.

This paper aims to contribute to the literature in three ways. First, as this paper focuses on these early stages of operation for international suppliers in Ethiopia, we provide new empirical evidence on labour outcomes and worker agency in a country which only recently entered apparel GPNs controlled by global buyers. With the partial exception of Bangladesh (see Anner 2020, Saxena 2019, Kabeer et al. 2020), empirical evidence on labour dynamics within GPNs is still thin, and especially so for ‘late-late comers’ like Ethiopia. Second, while research on labour agency in GPNs tends to focus on formal organisations such as trade unions (Cumbers et al. 2008), we offer evidence on a range of forms of resistance not mediated by unions, such as wildcat strikes and high turnover, which are important features of the Ethiopian context (Hardy and Hauge 2019). Third, we demonstrate the importance of considering local politics and political conflicts for both the timing and targeting of labour resistance. Dominant narratives about low-income countries stress how plentiful supplies of labour, a supposedly docile labour force comprised of rural women with limited employment experience, and the stability that industrial jobs offer should dampen industrial strife. However, workplace encounters are expected to eventually produce new waves and spaces of resistance in these new centres of production (Silver 2003, Qi and Pringle 2019). The Ethiopian case is of particular interest in this regard as conflict and resistance arose in the very early stages of global capital penetration, albeit with significant variation across firms. Understanding this variation requires taking local political dynamics into account.

The remainder of this article is organised as follows. Section 2 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 background to understand capital, the state and labour in the emerging apparel industry in Ethiopia. We unpack the roles played by these key actors according to their contingent manifestations, in order to grasp central contextual elements for the analysis. Section 4 contains the primary empirical material on the dynamics of labour conflict and resistance with regard to strikes and constraints on collective action, the role played by localised political conflict, and struggles over effort and mobility. Finally, Section 5 concludes.

2 Analysing labour conflict and variegated labour regimes: theory and data

The labour relations in the emerging apparel export sector in Ethiopia have undergone rapid transformations with the arrival of new foreign investments linked into global production networks organised by global buyers. To analyse these dynamics, we draw on labour process theory, mobilisation theory and GPN analysis. From global labour studies we take the concept of labour regimes 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 build on labour process theory to frame the interrelations of labour market segmentation and workforce mobilisation, conditions of employment, and forms of enterprise authority and control for the appropriation of surplus value (Bernstein 2007; Thompson 1989). Employers and managers are under permanent tension between (a) manufacturing consent, i.e. creating internal labour markets that provide some stability to their workforce and (b) 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). In this sense, 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. 2018, Coe 2015).

In order to understand the central research problem of this article, i.e. labour conflict and resistance in the emerging apparel sector, we conceptualise labour regimes in the dialectic of structure and agency (Silver 2003, Van der Linden 2008, Wright 2000, Atzeni 2009). Particularly relevant to this line of inquiry are Ohlin-Wright’s concepts of structural power and associational power (Ohlin-Wright 2000), which have influenced work on labour relations in a wide range of contexts (see for instance Atzeni and Rizzo 2020). Associational power flows from the organisation of workers into collective bodies. Structural power can be subdivided into workplace and marketplace power. The former describes power resulting from workers’ strategic place in particular production processes or value chains and their ability to disrupt activities further along the chain, while the latter stems from tight labour markets which impede the ability of firms to replace workers. There are different forms of labour mobilisation and resistance, and their occurrence relates to different combinations of workplace and marketplace structural power, as theorized by Ohlin-Wright, as well as different perceptions of ‘injustice’ and ‘opportunity’, following Kelly’s work on mobilisation theory (Kelly 1998). These concepts help explain what triggers workers’ action, whether such

mobilisations reflect labour-process-generated solidarity (Atzeni 2009), and how (contingent) opportunity factors enhance workers' structural power.¹ In cases where there is no open conflict, such as strikes, workers can still exert pressure that may impact on working conditions and aspects of the dominant labour regime. Smith (2006) has stressed the importance of workers' mobility or 'exit' and 'mobility-effort struggles' in shaping labour relations and suggested that work contracts contain two types of labour indeterminacy. By labour indeterminacy Smith (2006: 390) means that labour power, i.e. a person's capacity to work over a given period of time or '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 the 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. We argue that these manifestations of workers' resistance can be as important and disruptive as strikes.

As many of the new emerging apparel factories in Ethiopia are part of GPNs with a strong manufacturing base in Asia, the characteristics of labour regimes found in manufacturers can be linked to GPN-specific dynamics of labour relations cutting across countries (Anner 2020). These are relevant because they introduce practices that 'travel' across the geography of GPNs. The GPN framework has generally focused on the 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 (Coe and Yeung 2015). Although labour remains a significant gap in the empirical GPN literature, there have been important 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 incorporation of the aforementioned concept of labour regime, which combines some of these categories of analysis (Coe and Yeung 2019).

Based on these conceptual insights and empirical applications, we adopt a framework that combines three sets of categories of analysis. First is the analysis of micro-level workplace dynamics and 'raw' encounters between employers and workers over wages, productivity, safety, effort, and labour time, considering the notions of structural and associational power and drivers of mobilisation at factory level. The concept of 'labour indeterminacy' and its manifestations in struggles over effort and mobility is deployed at this level of analysis.

Second, we consider the characteristics and dynamics of a particular sector or set of global production networks, which cut across national boundaries and generate specific imperatives of labour control, thereby shaping the dynamics of existing labour regimes and differentiating labour practices between and within sectors. The apparel sector has become increasingly

¹ Opportunity factors may include conditions that alter the labour-capital balance of power, the costs of repressions, ongoing contestation of state power. Admasie (2019) provides a very useful analysis of the dialectics of opportunity and collective action in Ethiopia.

concentrated since the phasing out of the multi-fibre arrangement (Gereffi and Fredrick 2010). Highly concentrated global buyers have been able to reduce the unit prices they pay to their suppliers. At the same time, as a result of the increasing dominance of ‘fast fashion’, suppliers are expected to help lead firms reduce the ‘time to market’. In consequence, suppliers operating in these GPNs are often subject to a double profit and sourcing squeeze, and face pressures to make labour forces more ‘flexible’ and tighten mechanisms to manage work effort (Anner 2020). They may therefore impose mechanisms of labour control that are harsher and more intrusive than those found in firms not subject to these squeezes, which has implications for the incidence and nature of labour conflict at workplace level. However, within this type of ‘global’ labour regime variation remains possible and is shaped by ‘varieties of capital’ (Lee 2017), particular buyer-supplier relations (Amengual et al. 2020), government regulations and their enforcement (Anner 2015), and specific firm-level corporate ethos and management discourses (Goger 2013).

Finally, we incorporate key aspects of 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 institutions that underpin these relations, including labour legislation and its enforcement, trade unions and their power of representation, employer organisations, and social protection systems, are critical to understanding workers’ structural and associational power and their effects on labour outcomes in any given sector across countries (Lee 2017, Anner 2015; Silver 2003).

To capture these combinations of context, mechanisms and outcomes, 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 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 random sample of production workers, stratified by skill group. 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.² Our sampling and data collection methodology is discussed in detail in Schaefer and Oya (2019).

² 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 in Ethiopia 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

3 The state, capital and labour 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 helped 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 (HIP), operational since 2015 and 2016, respectively, and the privately-owned Eastern Industrial Zone (now Eastern Industrial Park, EIP), 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 Ethiopia's active industrial policy, a network of government institutions has taken the lead in managing FDI and industrial parks, coordinating interventions with other government units where necessary. 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 form 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. Labour management is, however, much less coherent. The Ministry of Labour and Social Affairs (MoLSA), which is charged with regulating the labour market, 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 do sometimes act to protect workers in cases of disputes. Regional and municipal authorities, including the regional Bureaus of Labour and Social Affairs (BOLSAs) play an important role in labour mobilisation: directly, by supporting recruitment efforts in industrial parks and, indirectly, by managing local services and housing around parks. Regional line bureaus answer to regional governments and are not directly accountable to federal authorities. Therefore, a major challenge for the industrial policy eco-system is the effective coordination across these levels of government and the contradictions that arise from differing political

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.

priorities. 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 *Varieties of capital*

Government industrial policy has been successful in attracting new capital from abroad. Between 2012 and 2019 nominal FDI stocks in Ethiopia expanded from 5.1 billion USD to 24.9 billion USD (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, and Chinese investors constitute the largest group. These investments take place within the larger context of shifts in the production locations and modalities of the global apparel sector. Large buyers in the US and EU are converging on buying practices that enforce low-costs, consistent quality, and flexibility from manufacturers, leading them to focus on a smaller number of large-scale suppliers. In turn, some suppliers are moving from offering simple assembly operations toward acting 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 (Kumar 2020). In search of new spaces of low-cost production these firms are moving beyond their production bases in Asia. Concentration among buyers and increasingly 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).

Foreign apparel investors came into Ethiopia in three broad waves, which form different varieties of private industrial capital (Staritz and Whitfield 2017). The first wave comprised mostly Turkish textile and garment 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 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.³ 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 were designed to attract predominantly foreign investors and host almost no domestic companies (Whitfield & Staritz 2020). Despite their particularities, these three waves are connected because some of the first large-scale export-oriented firms to settle acted as catalysts of subsequent waves of investors (Lin and Xu 2019).

³ 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).

3.3 *Labour force characteristics*

The emerging manufacturing workforce in Ethiopia is characterised by four basic features: most workers are young, female, have migrated internally, and have relatively high levels of education for the comparatively low-skilled jobs they fill. In our sample of 534 manufacturing workers the mean age was 25 years and 75% were women. While most so-called low-skilled workers are young women, especially in foreign firms, male workers dominate in semi-skilled jobs.

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).

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. Most workers in our sample are internal migrants, and 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 of workers, the majority (58%) was in 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

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. 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 reduce workers' structural marketplace 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.

⁴ See Schaefer and Oya (2019) for more statistical details on labour force characteristics.

However, capital-labour relations in Ethiopia'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 resistance. Direct forms of resistance entail a confrontation with the employer and include collective mobilisation and work stoppages. These can be highly disruptive for manufacturers selling to global markets, potentially giving workers substantial structural workplace power at least in the short term. By contrast, indirect forms of resistance avoid collective confrontation with employers. These include 'exit' strategies, i.e. workers 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. These actions affect the amount of work effort over which employers and workers bargain (Smith 2006).

We found that these forms of collective and individual resistance were common, but frequently unanticipated by many foreign managers, who counted on Ethiopia's vast potential labour supply. Not all firms or parks suffer in equal intensity, though. An examination of the 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 played by formal trade unions. Second, 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, and especially strikes, 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. Third, we look at less open forms of worker resistance, in particular around turnover, which became a serious short-term problem for many investors but did not lead to significant concessions by employers.

4.1 Conflict in action: strikes and constraints on collective mobilisation

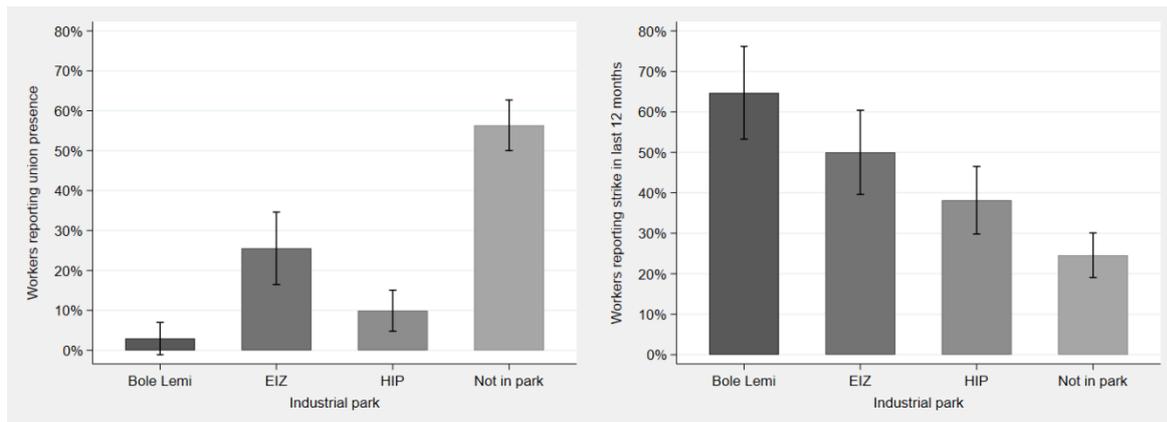
Collective mobilisation in the form of strikes is a common form of labour resistance and, according to labour process theory, it tends to be particularly effective where it builds upon a combination of strong workers' structural and associational power (Ohlin-Wright 2000; Silver 2003; Collinson and Ackroyd 2006). However, with the rise of GPNs and the increasing fragmentation of global manufacturing production across developing countries a phenomenon of 'global quiescence' seems to have taken hold, manifested in lower union densities and fewer opportunities for workers' collective action (Piazza 2005; Taylor and Rioux 2018).

The recent experience of Ethiopia does not conform to this pattern. Despite the scarcity of stable jobs for the vast number of people entering the labour market every year, collective resistance by workers is common in Ethiopian manufacturing. After a period of 25 years of

relative industrial tranquillity (Admasie 2019), and a rapid growth in manufacturing employment since 2015 (Cheru and Oqubay 2019), the incidence of strikes in the apparel industry has 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 2016). 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 strikes in other sectors, especially between September 2017 and June 2018, which saw the ‘greatest wave of labor unrest in Ethiopia since the mid-1970s’ (Admasie 2018: 432). 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 concentrated in industrial parks and 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 witnessed 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 1).⁵ These two parks are the ones with the highest concentration of factories producing for GPNs. After 2017, however, the frequency of strikes declined in Bole Lemi, with most firms finding ways of minimising unrest (CM52; Admasie 2020). Meanwhile, work stoppages increased in the Hawassa park, especially when a major strike erupted in March 2019 (IndustryALL 2019).

Figure 1. Union presence and strike action by industrial park, 2017



Source: Own Survey, 2017

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 (2016). However, as with strike incidence, we observe a significant difference between factories in industrial parks and those outside. While outside of industrial parks 95% of strikes were about wages, inside the parks,

⁵ 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.

which host almost 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; Admasie 2020; TU03; 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; TU03). 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).

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, with the exception of Bole Lemi, wage growth inside the parks was no faster than outside of parks between 2017 and the end of 2018 (see Table 1). The significant rise in nominal wages (40%) experienced in Bole Lemi appears to 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 (Admasie 2020).

Table 1. 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 reflects managerial 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, and ‘above national poverty lines’ (CM35). Government sources suggested that officials set low benchmarks in the expectation that additional performance-related pay would soon 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 levels were low, but justified by 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, from a low initial of 15-15% to more than 60% of the global norms, leading to higher wages via performance-based pay (CM40; CM41).⁶ 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 1). These examples and contrasts show that classic struggles over wages and workers’ effort cannot be simply circumscribed to workplace relations and need to consider the contingent role of actors external to the factory floor.

⁶ These factory managers suggested that low levels of time efficiency were normal in early stages. For reference, they quoted levels of 85% in the best performing factories in China and over 75% in Vietnam (CM41; CM36; CM52). These values are determined by calculating operator’s efficiency in relation to a benchmark of ‘standard allowed minutes’ (or standard minute value) per operation.

Collective action in the contemporary Ethiopian apparel sector is largely organised outside of formal trade union structures, with ‘organised voice’ in the form of union-led mobilisations in the 2016-19 period comparatively rare. Strikes in the 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 the contemporary 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 (TU03). This is not a new phenomenon. The history of labour conflict in Ethiopia since the end of World War II is marked by recurrent wildcat strikes, even when unions existed, partly because of the restrictive provisions of the labour law in relation to legal strikes (Admasie 2019).

Contemporary wildcat strikes are driven both by legal impediments to union-organised strikes and by the low trade union density in Ethiopian manufacturing in general, and in industrial parks in particular. An ILO study found gross trade union density in 2010, i.e. before the establishment of the main industrial parks, was around to 15% and less than 1% of wage workers were covered by a collective bargaining agreement (ILO 2016). According to 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 (TU03). Trade union data show more than 60% of firms in the sector did not have any union presence and most workers in the sector were not union members (TU03; CCOO Industria 2018; Admasie 2020).

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, at least initially. The aforementioned ILO (2016) 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.⁷ Our survey found that most of the foreign firms in industrial parks have no formal trade union presence (see Figure 1 above). Trade unions have *de facto* (though not *de jure*) been discouraged in the three largest parks. Several union representatives reported that there was active discouragement of unions by government institutions, a fact corroborated by other reports (Admasie 2020; ILO 2017). This is again not new in Ethiopia, where historically the relationship between organized labour and the state has often been fractious, and labour has been particularly militant in textile and apparel companies (Admasie 2018 and 2020).⁸ According to our interviews with trade unionists, the EIC opted for a hands-off approach to labour matters, whereas the

⁷ 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.

⁸ Admasie (2019) in dialogue with Kelly’s framework, suggests that labour conflict in Ethiopia has followed a series of cycles since the 1960s. These ‘proletarian insurgencies’ in the late 1960s, early 70s, then early 1990s, were followed by periods of calm, partly driven by repression and partly by consent, depending on the configuration of organised labour and the relationship between trade unions and the state. The recent wave of strikes documented in this article can be viewed as part of this long history of labour mobilisation in the country.

MOLSA and BOLSA seemed reluctant to take the part of workers in cases of conflict unless management misbehaviour was clear-cut.

Different degrees of government discouragement across parks partly explain different degrees of trade union presence. 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 2016).⁹ 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 preference for union substitution over real union representation in the Hawassa park reflected 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's stance vis-à-vis trade unions has contributed to a predominance of 'low wage' workplace patterns with hierarchical work relations and significant managerial discretion over working conditions. These, in turn, fuel grievances and perceptions of injustice that can result in unorganised strikes, as suggested by labour mobilisation theory.

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 managerial tactic, especially in non-unionised firms, was to fire organisers to prevent future mobilisation. This is a common method designed to counterbalance collective action and demobilise workers (Kelly 1998), and it was clearly the approach followed by several 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

⁹ These are also well-known labour control mechanisms as suggested by the industrial relations literature (Collinson and Ackroyd 2006).

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 was key for better management of a restive labour force. They also admitted problems in adequately transmitting the industrial corporate culture of the firm to workers, and an excessive tendency to attribute problems to ‘lack of work ethic’ (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. Managing such differences and troubleshooting production line problems was seen as critical to improving workers’ attitude to production targets and avoiding widespread discontent.

At the same time there is a growing divergence of attitudes towards unions among foreign firms. For instance, in Bole Lemi and the Eastern Industrial Park 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 realized that having adequate worker’s representation at factory level may help them manage and respond to labour conflicts, a point often repeated by union leaders (Admasie 2020). One of the pioneering firms in accepting formal union representation in Bole Lemi indeed suffered no labour conflict thereafter and other factories in the same park took note (CM44). 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, as each strike came with different representatives (CM27; CM51). This factory eventually called in the sectoral 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, but 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 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, as Kelly (1998) argues, the antagonistic capital-labour relation does not necessarily generate conflictual behaviour. In Ethiopia the interpretation of drivers of labour conflict is complicated by the fact that the recent acceleration of strikes coincided with a tumultuous period of political tensions and protests, that began in 2014 and escalated further in 2016 (see Fisher & Gebrewahd 2019 for

an overview).¹⁰ We must stress that our own research, along with various other studies, 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 parts 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, with protesters demanding greater political rights and the administrative recognition of regional and sub-regional identities.

Large foreign flagship firms, which have a high public profile, were particularly targeted by strikes.¹¹ Wages and working conditions were *not* generally worse in these firms. For instance, 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). Two factors are behind this targeting of high-visibility enterprises. On the one hand, workers in such firms have a greater incentive to strike, as it is reasonable to expect that such companies will be keen to avoid reputational damage. On the other hand, this targeting reflects the interests of local political actors. Some company managers in parks in the affected areas reported that their informants linked several wildcat strikes to local opposition groups pushing workers to strike as part of the political mobilisation against the federal government (CM51) and suggested that high-profile factories and industrial parks were seen as strategic targets to boost the visibility of regional and local opposition groups. The claim was that while grievances had previously 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). In fact, some of the strikes in 2018-19 spared medium-sized factories and instead focused on the largest factories inside the parks, especially in the Eastern Industrial Park (CM51). The presence of flagship firms and their importance to the Ethiopian government, which is eager to use them as catalysts of more FDI, are a contingent opportunity factor in Kelly's (1998) framework and, given the potential vulnerability of these firms, enhance workers' structural power.

Many companies failed to anticipate these political developments. Ethiopia had been perceived, perhaps naively, as a haven of comparative political stability. Suddenly, foreign capitalists found themselves in a political climate at odds with their image of a strong state friendly to overseas investors. Over 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 reported facing an alliance between the central state and foreign investors, especially those situated in industrial parks. Indeed, during some strikes and local protests spilling into industrial parks, armed federal police and even military units were deployed to protect factories (CM25; CM50). These divergent perceptions reflect the complexity of centre-periphery relations within the

¹⁰ There are historical precedents of links between industrial contention and political strife such as the period 1974-76 (Admasie 2019: 96).

¹¹ These included high-profile companies located outside industrial parks which were severely hit by waves of strikes first and then local riots linked to political mobilisations.

Ethiopian state (Clapham 2018, Markakis 2013), where local-level actions may not be aligned with broad directives from federal institutions. For example, according to several foreign company managers (CM53), the regional Oromia BOLSA had become much less investor-friendly. This change in attitude was reflected in greater support for workers' grievances, and fewer (or slower) interventions in strikes and other protests affecting the premises of factories. Many factory managers also complained about the 'bias' in local courts, which apparently routinely ruled in favour of workers.¹²

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).

The complex interaction of labour grievances, low union density, national- and local-level politics, and fragmented state-capital and state-labour relations has contributed to uneven manifestations of open labour conflict, despite shared grievances. This evidence underscores the need to account for multiple dimensions of the politics of production, and the variety of factors that underpin labour mobilisation, with the opportunity factor of localised political conflict being a key contributor in this recent wave of wildcat strikes.

4.3 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 can have at least as great an impact on labour relations as strikes. Such resistance and dissent can take a wide range of forms (Collinson and Ackroyd 2006). Sabotage, theft, work limitation such as refusing to accept overtime, absenteeism, time-wasting and various forms of discursive opposition to 'management speak' are all part of everyday forms of resistance at the workplace (Smith 2006). Although the incidence of strikes in Ethiopia is significant, 'exit' is a far more widespread form of resistance. In our sample of workers, the three most common 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 potentially effective from a workers' point of view) than strikes. These forms of resistance all affect firms' competitiveness and even engender the risk of

¹² They, however, also complained about the rigidity of the labour law, implicitly acknowledging that courts were simply applying the law.

being left out of global production networks if orders are consistently missed, especially in value chains where the ‘sourcing squeeze’ makes manufacturers particularly vulnerable.

According to union officials and many workers, high rates of absenteeism and turnover are direct responses to low wages. Despite 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, data are contradictory and it is hard to obtain consistent estimates of monthly turnover rates. One company in the Hawassa park reported that they faced a 6% monthly turnover rate compared to only 1% annual turnover in their Chinese factories. According to a report from CCOO in 2018, monthly turnover rates could be as high as 15% in many factories in other parks (CCOO Industria 2018).¹³ 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 substantial 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 the part of workers, which led to perceptions of unfairness. This was especially the case in newly established industrial parks like Hawassa and for workers in their first factory job. The complexity of 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 the new factory workers (Schaefer & Oya 2019). 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).

Moreover, turnover and absenteeism were compounded by difficulties in sourcing enough workers when needed, according to a report on the HIP. The gap between factory requests for workers and candidates channelled through the park’s labour sourcing system widened between 2017 and 2018, leading to unexpected labour shortages for some factories (Butler 2018). Unmet expectations for some new workers thus contributed to the ‘exit’ (or no entry)

¹³ The CCOO (or *Comisiones Obreras*) is the largest trade union in Spain.

option for poorly organised and inexperienced employees, who did not regard the exercise of ‘voice’ as a realistic option.

However, high turnover rates were not uncommon in early stages of similar investments in other countries (Oya 2019). Some managers reported having faced comparable rates in their operations in Southeast Asia, 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.¹⁴ To a certain extent, 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 it 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).

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, 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. Part of the problem lies in crude characterisations of labour regimes and what they miss: the historical militancy of workers in the sector, the role of opportunity factors, and the resulting variety of drivers of labour conflict (and hence contingency of actions). 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 combination of analytical categories from labour process theory, mobilisation theory and GPN analysis, in order to capture and unpack developments at the level of the country, the sector and the firm. National governments 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

¹⁴ 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.

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.

Our analysis uncovered widespread ‘informal’ 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 particular 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 badly remunerated, 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 expected 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 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 factory-based grievances 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 of 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 is 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.

6 References

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