Labour in Globalised Agricultural Value Chains

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ABSTRACT

This paper develops a theoretically informed explanation of control, representation and recruitment of workers at the beginning of agricultural value chains and of income and social insecurities embedded in them. Its focus is on asparagus farming in the Philippines, tomato production in Brazil and cotton cultivation in Pakistan. The case studies analyse processes of risk allocation and representation, the delegation and removal of skilful tasks or changing management models for remuneration and employment security. They also include socio-demographic characteristics that pre-existed workers' recruitment to explain the persistence of poverty and insecurity of workers after inclusion into global value chains.

1 INTRODUCTION: WAGE LABOUR AS A BLIND SPOT IN AGRICULTURAL VALUE CHAINS

Some academic writings as well as agency and practitioners' discourse assume that insertion into global value chains (GVCs) creates development benefits (e.g. UNIDO 2006). In terms of labour outcomes and the development debate, the phrase "trickle

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down" may have been replaced by arguments from authors who argue that social pressures on practices of transnational corporations (TNCs) may lead to "ratcheting up" of labour standards or "cascading down" of norms of good production behaviour towards ones which are more "responsible" (Sabel et al. 2000; Knorringa 2008). Yet, thus far, such an optimistic view rarely takes the conditions of workers explicitly into account (Coe et al 2008).

Where empirical studies focus on workers in GVCs, on the other hand, they often reveal that insertion and the guarantee of labour rights are not necessarily associated (Knorringa and Pegler 2006). A number of studies of inclusion and upgrading in globalised production networks reveal low labour standards and rising uncertainties concerning livelihood conditions at the beginning of a diverse range of chains ranging from horticulture to sport goods to textiles and clothing (e.g. Barrientos et al 2003; Barrientos 2008; Dolan 2004; Nadvi 2004; Pegler 2009; Riisgaard 2008; Siegmann 2006; Siegmann 2008). While Knorringa and Pegler (2006) list general conditions for insertion and upgrading which may be expected to also generate benefits for labour, the mechanisms leading to such outcomes remain unclear. This chapter strives to develop a theoretically informed explanation of three cases of agricultural value chains from complementary theoretical perspectives, largely inspired by historical materialism, in order to locate the role of labour in the logic of global chain governance.

Historically, agricultural production for subsistence has chiefly been based on the use of family labour. Besides, under colonialisation, slave and later waged indentured labour was employed in plantations for the cultivation of cash crops for the colonising powers'

markets. These structures of labour organisation are reflected in modern cultivation of horticultural and non-food crops. Contract farming is a more recent form of internationalised agricultural production that spread to developing countries after World War II. This chapter refers to examples of agricultural labour organisation that correspond to important modern hybrids of the aforementioned forms of cultivation based on family, waged and contract farming. For example, studies in Southeast Asia confirm that smallholdings in contract farming schemes are not actually family farms, but rather small or medium-scale enterprises hiring wage labour (Vellema 2002; White 1997). For Latin America, Kay (2008) relates the increase and feminisation of agricultural wage labour to the greater importance of such export-oriented agriculture, something also noted by others for parts of Africa (Dolan 2004). Despite the significance of wage employment in agricultural value chains, their dispersal and general informality means that work and livelihoods in these chains are less visible than in the case of manufacturing to relevant stakeholders such as trade unions, labour-related non-governmental organisations (NGOs) and their respective countries' governments. The cases of the authors' own research outlined in section 3 may not represent the full range of varieties of labour organisation in internationalised agricultural production. They do, however, underscore our argument that a similar logic of accumulation in agricultural value chains results in agricultural workers' marginalisation, despite diversity in labour arrangements.

By taking a theoretical approach informed by Labour process Theory (LPT) and Social Structures of Accumulation (SSA) perspectives, the chapter includes the intrinsic conflict over labour costs and control in labour-intensive production (Blowfield 2005).

Labour process theory (LPT) explains our focus on how control, workers' bargaining power and the politics of production are related to developments such as the segmentation of tasks and prevalence of uncertain, piece rate pay systems. The second approach concerns social structures of accumulation (SSA), ones which expose 'quasi-bonding' of particular socio-demographic groups to specific tasks, hence creating an artificial oversupply of labour and competition amongst workers. Combined, these approaches show how dynamics in local labour markets become part and parcel of work at the beginning of GVCs and offer an explanation for meagre wage levels, informalisation and insecure working conditions. Our observations suggest that they continue to be useful as frameworks as they are capable of illustrating realistic, but not deterministic, patterns in capital-labour relations within a global panorama of organisational complexity in agricultural production.

Both perspectives also contribute to the overall themes addressed in this volume; with a stronger focus on the inner workings of chain governance from Labour Process Theory and an employment focused lens on of embeddedness and endogenous development from social structures of accumulation. We aim to contextualise the organisational forms of work places, labour processes and workforces in GVCs, which can be partially explained from the internal logic of GVC's functional to production and marketing, in socially differentiated labour markets embedded in the historical processes of accumulation.

The chapter is structured as follows. Section 2 summarises the above-mentioned strands of theory that aim to understand the role of labour in the logic of capitalist production.

Section 3 outlines the three case studies of agricultural value chains, namely asparagus farming in the Philippines, tomato production in Brazil, and cotton cultivation in Pakistan, and zooms in on outcomes for workers at the beginning of the chain. The emerging image these case studies suggest is discussed, in the light of the theoretical perspectives, in section 4. We conclude that the rise in flexible work arrangements and the resulting income and social insecurity of workers in the global South are outcomes of shifts in the risks of production coordination to marginalized actors, within global value chains. This process also underpins capital accumulation within the chain.

2 THEORETICAL PERSPECTIVES: LABOUR IN THE LOGIC OF CAPITALIST PRODUCTION

2.1. The work place: labour process theory (LPT)

Value chains represent a separation of production control and the execution of that production, an issue that has been an important conceptualisation in labour studies. The basic tenets of a modern labour process approach are that the continuing separation of ownership/design and execution leaves a social division between workers and management as well as an underlying structure of control which may never be totally ameliorated. Moreover, these pressures will be felt at the workplace via the division of labour by groups, organisation of work processes and in how work is experienced. The organisation of work and changes to it is strongly related to the nature of control – one that is included in the management models within value chains.

Questions concerning labour control and the existence and efficiency of action and re-action to control have fuelled much debate in labour studies, especially since the early publications of Braverman (1974). The main thesis of his seminal "Labor and Monopoly Capital" was that de-skilling of occupations in Fordist production is used as a means to control, that this weakens the bargaining power of the workforce and hence is an instrument for capital accumulation.

Prominent structuralists (e.g. Edwards 1979; Friedman 1977) helped a movement towards a less deterministic evaluative message concerning possible trends for labour use in industry. These authors placed a renewed emphasis on the impact of structures for ameliorating control, in respect to the limits (both efficiency based and in terms of managerial intent) to the division of labour and to instances of (responsible) autonomy (less control) open to workers and their representatives. The subsequent works of authors such as Burawoy (1985) made the point of production, i.e. the workplace where goods are produced, the analytical locus for investigating uncertainties concerning profitability and the personal nature of production. Yet the focus on the factory/workplace was complemented with an interest in other determinants of the labour process, such as state policies, market changes or quality imperatives.

These frameworks opened up more room to consider subjectivity and actions and reactions – an ambiguous scenario within which instances of control, conflict, resistance and consent could quite easily co-exist (Tilly and Tilly 1998). The "politics of production" highlighted these ambiguities, ones whereby more space could be created for labour participation but where greater labour division and control could also occur

(Harris 1987; Vellema 2002). These more nuanced visions of control and managerial strategies thus confronted and engaged with emerging, normative visions of more subtle and "softer" managerial intent within the Human Resource Management (HRM) and Total Quality Management (TQM) movements evident from the 1990s. Critical labour process writers debated the "dark side" of these subtler models of control, as well as resistance to such control and its effect on representative agencies (e.g. Delbridge 1998; Elgar and Smith 1994; Pegler 2001, 2003).

Yet, the down-side of this detailed, critical, nuanced and less deterministic vision of labour processes may have been that labour process theory has not engaged sufficiently with the need to provide a wider and more "systematic description of the relations between the labour process and structural trends in capitalist political economy" (Thompson and Smith 2009: 256). It is in this context that this chapter chooses to use case studies to consider how critical theory, such as LPT, may be expanded to help us explain the nature and locus of control (often "at a distance") which appears evident within the GVC strategies of international firms and their local production networks – ones which generally entail a further separation of design/ownership from the execution of production itself. Moreover, these value chain structures connect less with factory work and more with dispersed, informal labour at the local level. The ambiguities that this growth in cross border production organisation has created for labour conditions, *voice* and any sense of security for this expanding informal sector, need careful analysis as well as considered conceptualisation by LPT and other such critical theories.

2.2. The labour market and beyond: social structures of accumulation (SSA)

The case studies also investigate the constructed association of particular tasks with specific segments of the labour force, ones with particular socio-demographic features. The embedded nature of value chains in existing forms of accumulation integrates local work forces into globalised operations. This interaction has implications for bargaining processes, representation, and the composition of the work force along the lines of, for instance, gender, migratory status and religion. The SSA approach is another way to analyse the structure and development of capitalist economies and societies from a perspective that goes beyond the point of production to include a complex web of institutions which support the process of capital accumulation, including political and cultural institutions as well as economic ones (Kotz, McDonnough and Reich 1994).

Domestic institutions include the state of labour-management relations, the organization of the work process, the character of industrial organization, the state of race and gender relations and the character of the dominant culture and ideology. While SSA approaches were developed in economics, they have entered sociology quickly. For example, building on Braverman's de-skilling thesis, McDonough (2008) observed that, within sociology, SSA theory has catalysed the emergence of a literature on "spatialization" as a new form of labour control. This process centres on employers' use of threats of relocation and actual relocations as a key strategy of labour control from the 1970s onwards. This new strategy of labour discipline became viable due to the increased fragmentation of work tasks into simpler components and a highly integrated division of labour that allows different work tasks to be performed in different locations – much as is noted within value chain discourse.

Most importantly, from a micro-perspective, it is workers' social profile that determines entitlements (or lack thereof) to participate in given segments of the labour market. It is again their social profile that helps to determine the conditions of their employment, in particular how much they will be paid. This not only explains the social regulation of labour, but also informs our discussion on labour processes and GVCs. As GVCs depend on the localised supply of labour, they also include the ways in which local capitalists provide solutions to exert labour discipline and control. To illustrate, Mezzadri's (2008) analysis of the Delhi garment industry shows the ways in which labour is priced and 'bonded' to specific production segments before entering the labour market. Different lines of social differentiation mediate a particular process of commodification of labour, which exploits characteristics of the individual, such as gender, mobility, provenience and age. If social differentiation pre-exists the advent of global value chains, the incorporation of workers into the logic of transnational production thus provides it with new meanings within the current capitalist design. This conclusion parallels insights provided by the feminist literature, namely that labour is disciplined not only through its gendering, but through its geographical location, age, type of livelihood, and so forth (Chalcraft 2007).

In this perspective, labour processes show an interplay of firm and commercial logic with social and demographic dynamics (Barrientos 2008). This approach also makes it possible to move beyond the individual wage earner conceived as a free labourer and to address the contribution of various types of workers in the provision of labour-power. Contemporary capitalist accumulation patterns involve the exploitation of different

degrees of (free) wage labour and the integration of the family into the capitalist production process. In these senses, SSA provides important conceptual and analytical complements to the elements of LPT discussed above.

3 CASE STUDIES: WORKING CONDITIONS AT THE BEGINNING OF AGRICULTURAL VALUE CHAINS

This section provides three case studies from Asia and Latin America of labour management and working conditions in agricultural value chains. The case studies show variety in the manifestation of control as well as in the terms under which a segmented work force is inserted into GVCs. The case studies locate GVCs in the histories of labour relations and agricultural labour, where capitalist logics of accumulation and competition importantly determine how and what kind of workers are recruited.

The case studies have a special interest in the practice of sub-contracting, which creates work places outside the boundaries of direct management control by the firm and relates strongly to governance modalities in GVCs. This implies that we investigate the policing behaviour of sub-contractors, practices of workers' control and modes of representation of workers. The elasticity of subcontracting as a form of organising work implies its ability to serve as a technique for solving various problems concerning the recruitment and supervision of labour in different historical and social contexts. By contracting out, brand companies or final producers often evade labour management problems and minimum wages, but, in turn, rely on a combination of direct and indirect measures to reach satisfactory productivity, cost and quality levels.

The Philippine case study shows how Dole Food delegated recruitment, remuneration and motivation of hired workers to contracted asparagus growers. It also demonstrates that the manifestation of labour management at farm level involves the recruitment of temporary workers from other regions and piece rate remuneration mechanisms in a context of tightening labour markets. This case study has a stronger emphasis on the construction of the work place and pays brief attention to the alignment with labour market dynamics. The Brazil case study relates insecure livelihoods of workers, especially informal pickers', to hiring practices and threats of mechanisation of the tomato harvest on Unilever-contracted farms for tomato cultivation in Brazil. The case study also shows how the combination of contracted tomato suppliers (selected farms), intermediary truckers/labour force coordinators, and service delivery by Unilever's corporate social responsibility (CSR) programmes, challenge rural trade unions ability to organise and represent poor and seasonal workers. Lastly, the case of cotton cultivation from Pakistan brings out how social norms that marginalise women in the rural society are being instrumentalised to 'bond' them to work in cotton cultivation, leading to an oversupply of labour for the cotton harvest and to the acceptance of poor and insecure working conditions. This case study places focus on the inclusion of a segmented work force into cotton picking at nodes very remote from the lead firms within the global value chain. Nonetheless, the labour control connection is vital to keeping prices of cotton-based textiles and clothing low. Thus, whilst different in form, each study highlights how various levels of labour control operate within a coordinated value chain process.

3.1. Contract farming of asparagus in the Philippines

This case study centres on labour management in the fields of Philippine contract farmers growing fresh asparagus for a division of Dole Food in the Philippines (Vellema 2002, 2005). Contract farming is common in this sector and is related to labour intensity and the need for careful monitoring of the crop. The delegation of production fits into corporate strategies strongly focused on marketing and branding. The asparagus contract-farming scheme was an essential part of a buyer-driven chain serving the competitive Japanese market. The contracting company, managing large scale production of pineapples and bananas, expanded into a diverse package of high value crops largely marketed in Japan in the 1990s. The main focus of the company became distribution and marketing, but it still had to organise its access to suitable production areas. Due to the absence of vacant land, the company had to introduce the "unknown" high-value crop to some 6-800 established farms that were mainly based on corn and coconut production. The diversity in form and intensity of labour management that emerged on these farms contrasted sharply with the company's wish to have a uniform and predictable operation.

The potential danger of union intervention was one of the principal reasons (alongside Philippine land reform legislation) that encouraged the company to develop out-grower production. Labour unions had strong bargaining power in the pineapple and banana plantations, but were absent from smaller farms. Through contracts with individual growers the company could also evade minimum wages and other regulations concerning plantation workers. The legalistic orientation of both the Department of Labour and most of the unions excluded temporary and regular farm workers (in

contract farming) from labour regulation and union activities. The union had no presence in the asparagus scheme despite the fact that some of the farmers used to work on the pineapple plantations themselves and were knowledgeable about labour representation and unionism.

Asparagus production was highly labour intensive, partly due to the minimal level of mechanisation of cultivation practices at the beginning of the scheme. Yet, spear harvest and weeding are fundamentally manual operations (Castella et al. 1994). The precision needed in harvesting required skilful workers who knew when and how to cut spears. Missed or wrongly cut spears had a serious impact on the productivity of a farm. The bulk of farm work in the case study was done by hired labour; hence labour costs formed a substantial part of total production costs (56 - 75 percent). The company provided growers with a fixed labour budget, received as advance cash payments that were later deducted from harvest revenues. The fixed daily wage was 60 pesos (approximately US $ 1.50) while the minimum wage in non-plantation agriculture was supposed to be 102.50 pesos.[2]

The use of wage labour made the contract-farming scheme vulnerable to workers' performance. In cases of crop failure, (i.e. declining quality levels) company management decided to take a firmer grip on farm work. When labour costs got out of hand, partly as a result of recruitment problems encountered by growers, the company decided to get directly involved in labour management of contracted farms. As such,

[2] Data from the Department of Labour and Employment in 1998.

control shifted away from a hands-off to an interventionist hands-on management style, including the introduction of cost-efficient and labour saving technologies (Vellema 1999). This process, however, produced a schizophrenic role for growers. On the one hand, they were trained to become better farm managers; that is, to be independent farmers who organised and co-ordinated the production processes. On the other hand, the company considered growers to be a kind of foreman in an agro-industrial operation, with company technicians assigning tasks, supervising work, and controlling payments.

Recruitment of workers became a major problem after a substantial increase in the area planted for asparagus from 770 to 1320 hectares. This required 1650 additional workers. Yet the company had little to no understanding of the social complexities of recruiting labour. In general, low wages in asparagus cultivation did not attract skilled and committed workers. For finding workers, growers relied both on the local and provincial labour market and, especially in the case of Muslim growers, on their kinship links to villages outside the province. More often than not, farm workers used to be either farm workers from inside and outside the province or marginal farmers from other regions who either ran away from violent conflicts or who decided that permanent employment was better than earning irregular incomes from farming on their own farms. Since the 1970s, a long-standing armed conflict between Muslim liberation fronts, striving for more autonomy, and the government hindered development in the provinces in west and south Mindanao. Frequently, eruptions of violence affected the families living in these provinces. Workers stayed permanently (i.e. over two years) on asparagus farms or temporarily, depending on the management practices of growers and on employment opportunities elsewhere (Vellema 2002).

In terms of labour management, problems occurred because of a scarcity of labour, and this resulted in fierce competition between growers about labour, especially with respect to weeding. This situation forced growers to introduce new labour arrangements. For example, around half of the surveyed growers began to use some kind of a piece-rate system for weeding. Unlike previously, weeding came to be considered an additional job (paid between 10 and 30 pesos per row) and was no longer included in the daily fixed wage. The amount paid to workers for weeding depended on the height of the weeds. For this, some growers relied almost entirely on so-called 'strikers'- workers who complemented their daily wages by taking up additional, temporary jobs. Other growers merely hired contractual workers if their regular labour force was no longer able to cope with weeds. Sometimes children were hired to do weeding.

Politically powerful growers were able to recruit workers in their constituency, for example, by exploiting their positions as local politicians or via use of an extensive kinship network. Others realised that building a reputation for being a good employer would attract workers to their farms and that this involved establishing a new social network. One farmer, for example, used a so-called area system, where one worker was responsible for a specified number of rows with labourers working to time schedules. This farmer always paid on time, provided housing, and shared some of the bonuses he received at the end of the year. He also implemented a piece rate system for weeding, in order to allow his workers to supplement their earnings up to the level of a minimum wage. Another grower paid minimum wages to his experienced workers that were almost double regular wages in asparagus cultivation. Growers explicitly discussed the

need for skilled harvesters. Nevertheless, only a few decided to compensate workers in such ways. Accordingly, experienced workers became more selective and many of them decided to transfer to other farms, for example, to the ones paying better and accurately.

3.2. Contract farming of tomatoes in Brazil

This case study covers tomato cultivation for Unilever in the Central-West Region of Brazil[3]. Unilever's Brazilian production centres predominantly supply markets within Latin America with tomato, and other manufactured food products, sold under various brand names. These are produced within factory facilities acquired and upgraded by Unilever. The clustering of production turned Brazil into an important international hub that fitted a regional strategy for capturing the market and local supply base.

In an effort to ensure a reliable supply of quality tomatoes, the TNC formed exclusive supply relations with selected farms, which under this agreement received a stable and agreed price. Payments made to farmers were based on volume and quality, net of all other services and inputs provided by Unilever (cf. not farm/harvesting labour) and their suppliers.

Workers in the tomato fields can be divided into two groups – *formal* farm workers and piece rate temporary *informal* tomato pickers. These informal workers also clean fields on other occasions. Formal farm workers formed a minority in farm employment.

[3] See Pegler 2009 (sections 3-4 in particular); Columbia University 2008; *Social Observatory Institute* (IOS) – Unilever Brasil, 2007

However, their tasks were varied and ranged from final tidying of fields in preparation for planting, to machinery use, irrigation maintenance and workforce coordination when the farmer is absent. They also generally lived on farm and usually had (albeit partially) signed work cards and thus formalised access to social security.

In comparison with the formal workers, tomato pickers experienced a different reality, characterised by uncertain employment and low level benefits, i.e. they did not have work cards. These landless labourers waited for transporters at very early hours of the morning on street corners for possible selection to work in the fields that day. Buses of informal workers were brought in to pick tomatoes when the farmer has told the company that the "product" looks ready. These bus/truck drivers were sometimes farm employees, but more frequently independents - termed *gatos*. They paid these temporary workers a piece rate per box on a daily or weekly basis, net of any loans or transport charges. The roles played by these (legal or illegal) truckers contributed to the uncertainty of pickers work and livelihoods. A *gato's* main job was to find temporary workers for farms, which often were their regular clients. They played a pivotal coordinating role in respect to farm work and in the lives of many workers - providing selection, transport, payment and often money lending functions. As such they played a critical function in the control and discipline of labour for the farms and thus for the final client, Unilever.

In terms of (potential) earnings, the two groups of workers do not appear to differ that much. For example, in 2005, farm workers earned about two minimum salaries (600

reais[4]) per month on average. This was about 40 percent of the estimated necessary subsistence wage for the average family at this time (DIEESE 2007: 57) and not a bad individual wage, relative to comparable rural occupations (DIEESE 2006: 125). A good picker on the other hand, can also (potentially) earn this amount for a full months work.[5]

However, pickers - in comparison to farm workers - lacked a place to stay and the registration of their hours. This implies that social security benefits were not part of their remuneration. They also must travel to and from work and had to cope with the daily uncertainty of whether they would be selected for work. These workers were picked up at around 5am and returned in the late afternoon – implying around 11 hours work per day. Many worked in pairs or small subgroups and most noted the physical difficulty of the work plus the fact that long work hours and low pay put enormous strains on their ability to care for their young children or ensure that others go to school. In addition, tomato picking only offered seasonal employment at best. That is, with an average sized farm being harvested within about 30 days this insecurity of work was only partially compensated for by the seasons of similar crop picking/ agricultural work options (e.g. oranges) and was often more pronounced for women than men[6]. Moreover, while some workers, especially women, noted a desire to change to lower paid but more secure service (hotel) work,[7] a further ambiguity was the fact that most of this

[4] In 2005, 1 US $ equalled 2.53 reais.

[5] Based on estimates of average/usual daily loads (fieldwork, 2005)

[6] On the other hand, with a harvest of four months, sugar cane harvesting offered the longest season, often making it (whilst arduous) a preferred place for agricultural work, but mainly for men.

[7] Interviews, Goias region, 2005

temporary work may disappear anyway if Unilever follows through with its suggestion to mechanise field cleaning and picking.

Formally, rural workers' unions represented informal agricultural labourers. They organised both types of workers and tried to put forward an effective agenda and diverse interests within a very difficult context. For example, it was clear that many such unions were actively concerned with key issues such as poverty, pay rates and child labour in agriculture (Columbia University - SIPA 2008: 21). Yet, large-scale agricultural interests and an overriding conservative, patriarchal culture made the unions' task quite difficult to put across to both farm workers and temporary pickers. Combined with a large coverage area, a "moving" clientele and seasonal work patterns, the union was both resource poor and faced with a very small population of active members.

These unions' identities were often defined by broader, political agendas and local unionists sometimes took on political positions, which further complicated their identities and ability to effectively represent the interests of the workforce (Pegler 2009: 23-8). On the other hand, some unions tried to use traditional and new (e.g. Unilever CSR Programmes) mechanisms for taking work concerns (such as on health and safety or child labour) up to the company and with Unilever suppliers. Yet *gatos* provided such an important link between workers and job opportunities that this led to situations where the *gato* effectively replaced the union (Columbia University - SIPA 2008: 21-2).

The stronger contractual relations between the TNC and farmers in combination with external CSR programmes in key localities further complicated the ability of rural

union's to represent workers. In Brazil, Unilever decided (in 2002/3) to complement its developing contractual relationship with farmers with various CSR programmes, especially in respect to the issue of child labour. These programmes were mainly educational and external to the workplace, but had direct impacts on livelihoods of farm workers. The TNC launched programmes for business, supplier and other stakeholder education (on child labour) and for improved local services[8]. These programmes also provided snacks and basic safety equipment for workers travelling to "their" fields. Other assistance included crèche, sporting and leisure facilities at the locations where prospective field workers were accustomed to wait for buses to go to the fields[9]. These mainly non-workplace programmes were only carried out in areas where Unilever had exclusive supply relations and did not imply the company had formal responsibility for pickers as employees. Moreover, one of the reasons for the provision of social assistance may have been public pressures to improve working conditions in the fields supplying the TNC, not just company altruism per se[10].

Whatever the case in terms of management's industrial relations stance, there is no doubt that, in the face of competition for worker allegiance, unions already strapped by few resources were hard pressed to effectively demonstrate their commitment to rural workers' conditions. Some unions tried to provide bread and milk sustenance packages at bus "stops" and made efforts to visit workers, distribute leaflets and provide basic

[8] Interviews at Unilever Company Headquarters, Sao Paolo, 2005.

[9] Viewed during Company Factory Visit, Goias, 2005.

[10] i.e. via social movement pressures on the firm in Europe and their Latin American headquarters, as is suggested as more likely in such buyer driven situations (see Anner 2007).

health services to their members.[11] However, as with the potential implications of a few union officers serving such a large area and number of farms, the impact of these efforts was at best modest.

3.3. Picking Cotton in Pakistan

The focus of this case study is on workers in the cotton harvest in Pakistan, based on field research and focus group discussions (FDG) in Pakistan's cotton belt in 2005 (Siegmann and Shaheen 2008). The findings presented in this case study focus on the picking of cotton, in localities spatially and institutionally remote from both the firms producing cotton-based textiles and clothing and from public pressures pushing for decent work conditions.

Cotton is an essential raw material for the industrial production of textiles. In Pakistan, spinning firms lead the organisation of value chain relations with farmers. After cultivating and harvesting cotton, ginning, i.e. the removal of cotton seeds from the seed cotton, is the next stage in cotton processing. The result is raw cotton that is sold to spinning mills. Pakistan's spinning mills supplied 27 percent of world yarn demand in 2004 (APTMA 2006, Finance Division 2006). Cotton yarn is subsequently woven into cloth or knitted into garments. Spinners are well organised in the All Pakistan Textile Mills Association (APTMA), which has considerable market and political power. It represents 360 textile mills out of which the majority are spinning or composite units (APTMA 2007). Their strong bargaining power allowed them, for instance, to resist the

[11] Based on field visits in Goais and Piricacaba Regions, 2005.

move towards a more quality-based pricing of cotton, such as in a premium for the production of contamination-free cotton. According to one key informant, if they do offer incentives to ginners, they do not combine them with procurement guarantees, shifting the risk of unremunerated higher costs to ginners and growers.

In Pakistan, cotton is grown on more than 3 million hectares (Agricultural Census Organization 2003), i.e. 15 percent of the total cropped area. Annual production surpassed 2.4 million tonnes in 2004/05, Pakistan's highest ever cotton production. It was produced by 1.6 million farmers, i.e. about a tenth of all households in the country. Of these, more than two-thirds own some or all of their land, whereas 21 percent are sharecroppers who do not have landownership. Among cotton farmers, 41 percent of landowners and 66 percent of sharecroppers are in the lowest two quintiles of the distribution of per capita consumption expenditure (Orden et al. 2006).

Seasonal cotton-picking represented by far the largest share of employment in cotton cultivation, with more than ten times more female workers than male field workers in the sample studied. In three to five waves from August up to February (Agricultural Prices Commission 2004), an estimated two million cotton pickers harvested the fuel for Pakistan's export engine, most of them women and girls. This is despite the fact that women and girls venturing outside the homestead, where they might mingle with other men, were commonly seen as a threat to family honour (ADB 2000). Hussain (1999) reported that women enjoyed the possibility to meet other women. Sometimes children brought to the field helped picking and thus raised the pickers' meagre earnings (FGD

Khaddal Pull 2005; Hussain 1999). Other agricultural labourers such as sprayers and tractor drivers, on the other hand, were commonly men.

Pickers' lack of education and skills aggravated the socio-cultural constraints to labour market participation faced by women. Whereas many men in the cotton-growing belt migrated for industrial or construction employment to urban areas, women did not have other opportunities for income-generation (Hussain 1999). Women's lack of alternative employment opportunities in the rural economy led to an oversupply of female labour available for the cotton harvest. Combined with their families' poverty, it significantly reduced their bargaining power in negotiations with the growers.

Picking was commonly done in groups of five to 25 workers. They were organised by contractors, who often selected workers who are connected to him or her on the basis of kin or acquaintance. Female cotton pickers were paid by the weight of their harvest, making them piece rate workers. For the growers, it had the advantage of reducing the degree to which labourers had to be monitored. A common mode of payment was the *parchi* (receipt) system. It implied the provision of payment slips for the daily harvest that could be cashed in at the end of the season or exchanged against food items within a particular area (Hussain 1999). Whereas this institution freed the grower from the need to calculate and provide cash on a daily basis, it shifted the problem of daily cash requirements onto the more financially vulnerable pickers. In addition, male family members commonly cashed in these receipts at season's end, hence reducing women workers' access to and control over financial resources.

One *maund* (i.e. 40kg) appeared to be what a fast picker could harvest in a day. The Agricultural Price Commission of Pakistan (2004) estimated an average picking rate of Rs. 85 and 80 in Punjab and Sindh for 2004/05, respectively.[12] During the present survey, Rs. 50-80 was reported to be common rates during the 2005/06 season. Pickers stressed that it is their employers who fixed the rates, without any room for bargaining by the pickers. Pickers associated their weaker bargaining power with their gender: 'B.: We never negotiated [about the rates with the landlord, KAS]. – K.: Men might sometimes do, but we, women, never did.' (FGD Rajanpur 1 2005)

FGD Participants were aware of the fact that a "cleaner" harvest may be in the interest of the farmer who can sell at a higher rate but not necessarily in their own: 'S.: They ask to pick clean, and then, why don't they pay more?' (FGD Khaddal Pull 2005). Also, their effort to harvest a maximum of the seed cotton in the time available drew their attention away from avoiding contamination of the produce: 'S.: (…) In a hurry, we can't pick much clean cotton.' (FGD Kooni 2005).

The piece rate system of payment for harvesting translated into meagre daily earnings. Pickers reporting a rate of Rs. 80 per maund and four to five hours in the field reported daily earnings of Rs. 40-60 (FGD Rajanpur 1 2005), whereas others mentioned as little at Rs. 10-25 (FGDs Azizabad, Kooni 2005). Women cotton pickers were highly reluctant to talk to the researchers both during the present study and to Hussain (1999), reflecting the fact that taking time out to talk to the research team meant losing out on

[12] In 2005, 1 US $ equalled 62.12 Rs.

precious earnings. Overall, cotton pickers' earnings were lower than those of male agricultural workers (Sheikh 2004), which seems to legitimise a gender-based differential by the societal perception of men as the household's main 'breadwinner' and women as 'supplementary' income-earner.

Unions or other forms of workers' organisations have not been formed, which can be partly explained by caste divisions (Hussain 1999) and by legal constraints (Ali 2004). The pickers lack of bargaining power was also reflected in the fact that often those in charge of weighing appeared to reduce the harvest's weight. Sometimes the full due earnings were withheld by the growers. Most of the cotton pickers were also unable to check whether their harvest had been weighed correctly. Again, gender-based differences in education played a role. A picker from Rajanpur district summarised: 'K.: One kilogramme [of cotton, KAS] is sold for Rs. 15, out of our earnings the shopkeeper eats up some, who knows how he weighs it? Nowadays, only those are clever who are educated. We know nothing.' (FGD Rajanpur 1 2005)

4 EXAMINING LABOUR PROCESSES IN GLOBALISING AGRICULTURAL VALUE CHAINS

This paper was motivated by observed patterns of marginalisation of workers included in globalised agricultural value chains, such as consistent use of piece rate systems, low levels of job security, cost minimization strategies (based on low remuneration for temporary or informal workers) and, the absence of representation of these same workers. The three case studies indicate similar patterns, which cannot be explained by frameworks focusing solely on the internal logic of governance of value chains. By

using labour process theory and the social structures of accumulation framework this paper focused attention on two domains for detecting mechanisms that may cause the observed outcome patterns, namely the workplace and the (segmented) labour market.

The descriptions of different forms of labour use and organisation in the three agricultural value chain examples bring out that accumulation in agricultural value chains importantly rests upon weakening of workers' bargaining power through de-skilling and segmentation of the workforce as well as through gaining the cooperation of the workforce without the guarantee of better labour standards in return. The possibility of workers' substitution through mechanisation in the tomato harvest or through the use of herbicides rather than of manual weeding in asparagus farming act as labour disciplining practices. Management structures and strategies may, at times, open up space for more autonomy in work whenever threats to accumulation patterns are present, be it in the form of deteriorating product quality and tightening labour markets such as in the Philippines or trade union campaigns like in the Brazilian case. Direct forms of disciplining the workforce may also be linked to labour management that provides (some) workers with greater 'relative autonomy'. Skilled tomato farm workers' loyalty was being guaranteed through permanent status and resulting income stability as well as through other benefits, such as accommodation, opportunities for training and social security. Asparagus growers in the Philippines employed a language of mutual learning and family relations with their harvesters, when skilled labour became scarce. Labour management is directed towards generating the consent of scarce, skilled workers or those 'at risk' of being unionised. In the examples outlined above, this commonly leads to greater stability in their employment and income as well

as non-work related benefits targeted towards selective workers, without necessarily improving their wages.

In contrast, cotton picking in Pakistan was based on employing a flexible segment of the work force, characterised by a marginal status in society due to their gender. Besides being seasonal, these flexible workers were often paid piece-rates and sometimes hired via labour contractors, such as in the case of the cotton harvest in Pakistan. Piece rate systems were also used in Brazil and the Philippines for tasks requiring fewer skills. The resulting weak bargaining power of the workforce is underpinned by the employment of a workforce that carries low social status and is poorly protected even outside the labour market.

Segmentation of the agricultural workforce in more or less labour-intensive tasks, which characterises all three present cases, can be highlighted as a second channel for the production and reproduction of workers' insecurity. Tasks requiring more technical skills, education and/or loyalty, such as machinery use and maintenance, irrigation maintenance as well as workforce coordination, were undertaken by a small, relatively privileged group of workers. The most labour-intensive tasks, like weeding or harvesting of the crop, were separated from these tasks and taken over by workers characterised by a marginal status in society, e.g. based on their gender, migratory status, education or age. Social norms operating outside the labour market so provided an ideological underpinning for the reproduction of these unskilled workers' subordinate position in the labour market. In addition, those recruited on a preferential basis for labour-intensive tasks had a relatively weak economic fall-back position.

Many agricultural labourers belong to landless families; others do not perceive alternative employment options. This reduces resistance against insecure employment relations, such as the pervasive piece rate arrangements.

The articulation of global value chains with conditions and labour markets in rural areas reveals the immense difficulties in improving working conditions for labour. The rural workforce is regularly confronted with seasonal and/or slack labour markets. Rarely are workers represented by trade unions. As the Brazilian example shows, if local unions exist their bargaining power, too, is weak. The case also showed that, while formal forms of social security are regularly absent in the global South, this is even truer in rural areas. In the wake of increasing landlessness, even traditional rural cushions for economic shocks are unavailable. Dole's delegation of asparagus cultivation in the Philippines to small and medium contract farmers rather than the establishment of a large-scale commercial unit served to evade labour regulations concerning plantation workers. The Philippine case study also illustrates that a turning point in workers' marginalised situation in globalised accumulation can be achieved when local labour markets provide sufficient alternatives. The horizontal segregation of female workers in cotton harvesting is a case in point. Their poorer education in comparison with men in Pakistan's cotton belt, their double burden of market-related and reproductive work in the household and their general marginalised position in the rural society made joint representation of their interests very unlikely. At a macro-economic level, the case study from Pakistan reminds us that decades of cotton cultivation's contribution to Pakistan's GDP and exports have not trickled down to workers in the country's cotton belt. Rather,

the marginalised position of the rural workforce and the resulting low labour costs has been instrumental in securing companies' and macro-economic competitiveness.

5 CONCLUSIONS

In general, GVC analysis has downplayed the role of labour as productive asset. In response, this paper proposes a breakdown of consequences and potential benefits for actors other than producers and a move away from an exclusive focus on company operations and interrelations (Riisgaard, 2009). This paper complements the analytical interest in new governance forms and the behaviour of lead firms with a theory-laden view of the design of the work place and the inclusion of local labour market dynamics into the workings of global value chains.

The paper highlights that agricultural value chains are not analytically different from other buyer-driven value chains when it comes to the role of labour in globalised production. The examples from contract farming in Brazil and the Philippines show that it is not direct control over land, but labour management, which forms the main constraint for value chain governance. Yet, the embedding of GVCs in rural areas creates different conditions for workers. Across the case studies, it can be seen that labour process outcomes are quite locally embedded, specific and often ambiguous. However, prospects of responding to these explicit (the tomato and asparagus cases) and implicit (cotton case) examples of chain production and labour control are also ambiguous. Furthermore, independent opportunities for *voice* and representation for an improved labour process were either politically not allowed (cotton) or were *worked around* due to administrative/legalistic conditions (asparagus). While tomato workers

have a union, distances, poverty, low literacy levels and a very conservative context complicate their role. The presented articulations of GVCs with conditions in rural areas and labour markets seem to systematically disadvantage the rural labour force vis-à-vis workers in other regions and sectors. The SSA lens helps to identify quasi-bonding of labour-intensive processes in crop cultivation to a workforce with specific demographic features. It artificially increases competition amongst the workforce, leading to a greater acceptance of low wages, poor working conditions and employment insecurity. As a policy implication, this implies that diversification of the rural economy and the generation of productive employment, besides being desirable as such, has the potential to change the 'iron law of accumulation'.

The exclusion of the agricultural sector from labour legislation, like in the cases of the Pakistani and Philippine labour law, deprives agricultural workers from basic legal entitlements. In a similar vein, the effectiveness of CSR as voluntary initiatives for the guarantee of labour rights, playing a significant role in the discourse on the situation of labour in global value chains (e.g. Barrientos et al. 2003), can be challenged based on the analysis above. This chapter's linking of theory and three selected case studies of contract agricultural labour in chains, argues for caution to any assumption that chain governance and related corporate policies have any natural link to an improved position for labour. The examples suggest that the efficacy of labour standards depends on specific governance structures and control mechanisms found at the beginning of GVC's and that making labour standards work is even more difficult in cases of subcontracting and seasonal work.

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