Producing ‘the firm’ in industrial geography III: industrial restructuring and labour markets

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1 Introduction: production without labour?

Traditionally, industrial geography has been primarily concerned with the location of industrial firms. However, production simply cannot take place without human actors, whether they are represented by shop-floor workers and supervisors, white-collar managers and executives, or corporate strategists and boardroom commanders. By the same token, we can never fully understand ‘the firm’ in industrial geography without probing into the intricate relations between capital and labour (and space, of course). Although, as Walker (2000: 119) argues, ‘firms are key players in the geography of industry’, the very raison d’être of firms is to serve as an organizational device to manage divisions of labour. In other words, firms exist to organize labour and work. This organization sometimes takes place within a specific territorial ensemble (e.g. the location of an automobile plant in an industrial district). Sometimes, firms are ‘produced’ through accessing different networks of social divisions of labour. The geographies of labour (and labour markets) become a critical component in the locational calculus of modern firms, whether they engage in industrial or knowledge-based activities. However, what makes the study of labour in industrial geography particularly interesting is not its spatial fixity per se, but rather, as noted by Peck (2000a: 147), its ‘persistent state of remaking’ in the wake of the more restless geographies of capital accumulation.

In this final progress report on industrial geography, I aim to explore labour geographies – one research area in which very significant progress in theory development and empirical analysis was made during the 1980s and the 1990s (see also Wills, 1999; 2000a; 2002). As a very rough estimation of this progress, the number of
journal articles in the SSCI containing such key words increased dramatically from 0 in 1988 to 14 in 1991, 32 in 1995 and 53 in 2000. During the same period, several highly influential books were published in economic geography that have varying degrees of relevance for understanding labour geographies (Massey, 1984; Scott and Storper, 1986; Clark, 1989; Sayer and Walker, 1992; Martin et al., 1996; Peck, 1996; 2000b; Herod, 1998; Hudson, 2001; Waterman and Wills, 2001). The range of substantive topics and policy issues examined in labour geographies is diverse. This report focuses on recent geographical studies of the construction and regulation of labour markets. The next section reviews recent geographical studies of the social regulation of industrial restructuring through labour markets. As we investigate the complex operations of labour markets at varying spatial scales, we have to come to terms with sociocultural practices differentiated by ethnicity, gender and identity in these labour markets and in the wider economy. These practices constitute the third section of this report. The conclusion examines some broader issues for future research in industrial geography.

II Industrial restructuring and labour market studies

Industrial restructuring has been a key theme in previous progress reports (e.g., ÓhUallacháin, 1991; 1992; Malmberg, 1994) and will not be repeated in detail here. The primary concern in these reports was the interrelationships between industrial restructuring and the flexibility of labour markets and production systems. Recent empirical studies have continued to shed light on these interrelationships (Appold, 1998; Sabel and Zeitlin, 1996; Zabin, 1997; Leslie and Butz, 1998; Beyers and Lindahl, 1999; Bristow et al., 2000; cf. Lee, 1999; Lowder, 1999). Sinden’s (1996) study, for example, shows that the general employment decline and the rise of ‘flexible’ employment in British retail banks in the early 1990s resulted from financial liberalization and competitive restructuring in the British banking industry. Recent special issues of Urban Geography (Bagchi-Sen, 1997), The Canadian Geographer (MacKenzie and Norcliffe, 1997) and Environment and Planning A (Wills et al., 2000) are also devoted to analysing the impact of industrial restructuring on labour processes at the national, metropolitan and community levels. Other authors have critically examined the multiple trajectories of local development in response to industrial restructuring (Hart, 1998; Ettlinger, 1999).

Since the mid-1990s, however, we have begun to witness the emergence of geographical studies on the social regulation of labour markets as a separate and important subject within industrial geography. There is thus a significant movement away from geographies of labour to labour geographies (Herod, 1997; 1998; Wills, 1999). Whereas the former strand of literature conceives geographies of labour as a passive territorial outcome of industrial restructuring, labour geographies ascribe causal power to workers as active geographical agents, and to labour relations as a key set of forces transforming contemporary industrial landscapes. To Herod (1997: 3), we need to conceptualize labour ‘not merely in terms of “factors” of location or the exchange value of “abstract labor” but to treat working class people as sentient social beings who both intentionally and unintentionally produce economic geographies through their actions’. In conceptual terms, labour has therefore become a key force in the production of modern industrial firms.

This trend towards labour geographies signifies an increasing interest among
Industrial geographers examining the social restructuring and regulation of labour markets in their own right. Four major threads in the literature on labour geographies can be identified. First, recent empirical studies have examined the restructuring of labour markets and its consequences for firms and industries. Ettlinger (2000) finds that the changing composition of labour markets in Japan, Germany and Sweden in favour of new entrants (e.g., women and immigrants) has significant impacts on national production systems and their competitiveness. The emergence of diversity in previously homogeneous labour markets and workplaces has created a serious challenge that may disrupt the socially progressive character of industrial production in these countries. Firms are increasingly confronted with different needs and constraints of different types of workers that contradict existing social relations of production. For example, Mullings (1999) observes that female data-entry operators in Jamaica are not always the victims of industrial restructuring. Instead, they may use everyday social practices to resist work demands that threaten to reduce their welfare (e.g., demand for efficient, docile and disciplined workers). These challenges may therefore represent a crisis of labour diversity in capitalist production systems. This crisis of labour diversity requires certain ‘institutional fixes’ that can be delivered at varying spatial scales of social regulation.

This brings me to the second thread of the literature that focuses on the social regulation of labour markets and its distinctive geographies of governance (Haughton and Peck, 1996; Peck, 1996; 2000b; Huggins, 1998; MacLeod and Goodwin, 1999; MacLeod and Jones, 1999; Yeung, 1999; Park, 2001). This influential body of theoretical and empirical literature attempts to demonstrate that the workplace, particularly at the local scale, has become a key site of social struggle and institutional governance. Peck (1998a; 2000b) argues that workfare, a national work-based welfare reform (popularly known as the New Deal), is discursively adopted by the crumbling welfare state and delivered by local authorities in advanced capitalist economies. This rise of workfare has significant implications for the dynamics and geographies of labour markets.

The workfare reform has been relatively successful in driving down production costs and accelerating labour market re-entry in the USA (Peck, 1998b; 1998c; Theodore and Peck, 2001) and the UK (Peck and Jones, 1995; Jones, 1998; 1999; cf. O’Donoghue, 1999; 2000). Yet welfare-to-work policies have also created much uncertainty over their potential negative effects on national welfare systems and local labour markets. Allen and Henry (1997), Harvey (1998), Reimer (1998; 1999) and Williams (2001) all argue that the changing nature of employment relationships (e.g., more contract short-term jobs) indicates greater employment risks and job insecurity. The workfare reform is essentially about putting labour into work (i.e. ‘employability’) or, more specifically, any kind of work including ‘socially risky employment’ and ‘contingent work’ (Green and Turok, 2000; Merrifield, 2000a; Peck and Theodore, 2000). It may therefore reinforce or even exacerbate existing uneven access to employment opportunities, economic polarization and social fragmentation in different localities. Other local social economy initiatives to deliver social and economic regeneration, for example in the UK (Wills, 1998a; Amin et al., 1999; Sunley, 1999; cf. Wills and Lincoln, 1999) and New Zealand (Scott and Pawson, 1999), appear to be equally constrained by the excessive retreat of the state from its responsibility for local regeneration and community welfare. The extent to which labour is able to circumvent this spatial entrapment bias inherent in
local workfare reform depends significantly on its organizational capabilities and collective bargaining power.

The theme of labour organization is a third area of research in labour geographies. A large number of empirical studies have now been conducted on the dynamic organization of labour through labour unionism and transnational labour organizations (Martin et al., 1996; Herod, 1998; 2000a; 2000b; Harrison and Weiss, 1998; Tufts, 1998; Sadler, 2000). Earlier studies of labour unions tended to focus on their spatial organization in relation to local conditions and union traditions. The ability of workers to defy capital in a place is seen as dependent on their ‘organizational resources and established “repertoires” of collective action they have built over time’ (Wills, 1996: 354). This local dependence of unionism, nevertheless, can be problematical when capital increasingly operates on a global scale. Crump and Merrett (1998) find that firms in the US Midwest were able to break the national system of wage bargaining by reconfiguring the scale of labour relations towards the local level. This rescaling process forced local labour unions to engage independently in concessionary bargaining, costing many workers their economic security and social livelihood (see also the case of Philips in Theodore and Salmon, 1999). Similar experience is also found among Canada’s labour unions in that they have been relegated to an advisory role in national labour market policy (Rutherford, 1998; see also Peck, 1998d; Coe, 2000a).

Geographical scale has thus become an important weapon in the continuous struggle between capital and labour in an era of accelerated global competition. Wills (1996: 354) argues that location and scales matter to labour geographies not only because ‘social relations are specific to particular places, but also because places are interconnected by networks of social relations stretching across space, from the nearest neighbor to the most distant location’. Just as capital has been globalizing, labour too has to ‘go global’. More recent geographical studies shift their analytical focus from local unionism to transnational labour organizations (Herod, 1995; 2001; Wills, 1998b; 2000b; Waterman and Wills, 2001; Wills and Waterman, 2001), and clearly show that globalization does not inevitably lead to the demise of labour organizations. Instead, it opens up opportunities for new forms of labour internationalism and alternative governance institutions (see also Yeung, 1998; Kelly, 1999a; Walker, 1999; Castree, 2000; Merrifield, 2000b).

Fourth, after almost two decades of research in industrial geography (Massey, 1984; Peck, 1989), labour market segmentation continues to receive attention in industrial geography (Eberts and Randall, 1998; Hiebert, 1999; Pratt, 1999; Bauder and Sharpe, 2000; Bauder, 2001). The issues explored in this strand of literature have evolved from demand-side considerations to greater concentration on supply-side problems. Instead of asking why a spatial mismatch of jobs exists in different places (cf. Stoll and Raphael, 2000), industrial geographers are particularly concerned with the role of supply-side labour practices that contribute to uneven and complicated labour geographies in the first place. Fan (2001) shows how institutionally defined resident status can significantly affect labour market returns among migrants in urban China. Researchers have also asked how these complicated labour practices pose a challenge to industrial restructuring and firm competitiveness, rather than how industrial restructuring has led to further segmentation in labour markets. Ettlinger (2000) noted that, in a similar way to the USA, many public and private sectors in developed countries have responded to the challenge of greater diversity in the workforce and, increasingly, the workplace by reinforcing existing production systems via a deepening of labour market segmenta-
Firms have increasingly used non-traditional workers (mostly foreign and illegal workers) as a buffer against fluctuations in demand. This process of regulating the firm’s performance and competitiveness must be understood in relation to specific labour practices differentiated by ethnicity, gender and identities. Bauder (2001) argues that these segmentation practices are represented by the cultural experience of place that helps to produce distinctive labour market identities. There is thus a theoretical link between local structures of feelings and labour market identities because these local structures resemble a collection of employment-related symbols that constitute a peculiar form of cultural capital.

### III Ethnicity, gender and social practices in labour market processes

To explore further sociocultural practices in labour market processes, we have to situate labour markets in their local contexts. The notions of local labour markets (Peck, 1996; Mattingly, 1999; Reimer, 1999; Coe, 2000b; Martin, 2000) and local labour control regimes (Jonas, 1996; Kelly, 1999b; 2000; 2001) become very important here because they enable us to contextualize the practices of labour market segmentation through ethnicity, gender and discourses of labour. These practices are also critical to our understanding of competitive pressures and firm strategies in global markets. They therefore serve as a form of social regulation of firms and their production activities in different (local) economies.

In the first place, *ethnicity* remains a central discursive category through which (local) labour markets are socially constructed. Some recent geographical studies have revealed that different ethnic economies tend to operate in different metropolitan contexts and location within separate neighbourhoods in a city (Kaplan, 1997; 1998; Zhou and Tseng, 2001; cf. Poulsen and Johnston, 2000). Their distinctive economic geographies contribute to place-specific labour markets based on ethnicity (Fieldhouse and Gould, 1998; Hiebert, 1999; Ihlanfeldt, 1999; Bruegel, 2000; Stoll and Raphael, 2000). Exploring female labour participation in metropolitan Los Angeles, Johnson *et al.* (1999) find that the mix of factors influencing participation varies substantially by ethnicity and that this variation is particularly mediated through bridging social networks (see also Gilbert, 1998; Mattingly, 1999; Mullings, 1999). It must be noted, however, that ethnicity does not operate only in local labour markets. Other recent studies have focused on the role of ethnicity in labour markets with international linkages (Zhou, 1998a; 1998b; Yeung and Olds, 2000; Zhou and Tseng, 2001). Hsu and Saxenian (2000) demonstrate that personalized social ties among Taiwanese engineers in both Silicon Valley and Hsinchu Science-based Industrial Park in Taiwan have contributed to the emergence of a transnational technical community (see also Coe, 2000b). They argue that, while ethnicity plays some role in ‘lubricating’ the job-search process, transnational labour flows between the two high-tech regions are not based exclusively on ethnic networks *per se*, but also on complementary assets.

Second, the intersection of industrial geography and cultural studies is best seen in geographical studies of *gender relations* in labour markets. This strand of literature (e.g., Hanson and Pratt, 1995; Reimer, 1999; Tonkin, 2000) has gone far beyond the analysis of women’s geographies of home-to-work journeys that characterized gender geographies in the 1980s and continued into the late 1990s (Gilbert, 1998; Wyly, 1998; 1999; Kwan,
Instead, the analytical focus of recent empirical studies is predicated on gender inequalities and discrimination in labour markets and geographies of coping strategies. Reimer (1998: 122) poses the question: ‘[i]f degrees of risk at work do in fact closely correspond with gender divisions, how far does a (qualitatively new) “risk society” make sense for women?’ McDowell’s (1997; 2001) study is exemplary here because she shows exactly how gendered power relations are embodied in the peculiar organizational practices of merchant banks in the City of London and how these further reinforce gender stereotypes and power relations in specific labour markets. Other studies of local markets in developing countries have unravelled the negotiation strategies of women workers in response to the harsh realities of gendered workplaces (Wright, 1997; Mutersbaugh, 1998; Raynolds, 1998; Lawson, 1999; Mullings, 1999). In many developing country contexts, women are socially constructed as a homogeneous type of female, uniformly tied to traditional roles and culturally oppressed. The gendering of work in these divisions of labour is clearly tied into historical representations and social discourses of women in relation to their nationality, ethnicity and class identities. Huang (2001) shows that female migrants in China were disadvantaged in urban labour markets because of their gender-stereotyped rural identities and outsider status.

Third, discourses of labour and labour markets are equally important in capitalist accumulation strategies (Harvey, 1998). Labour is not conceived merely as a unit of production in capitalism; its identities and social meanings are often discursively constructed for specific political reasons. Coe and Kelly (2000: 414) argue, for example, that ‘[t]he hegemonic labour market discourse in a locality may be far more influential than grounded “realities”’. There is thus no such thing as a singular unit of labour or, for that matter, an undifferentiated and uncontested labour market. Instead, labour and its socially constructed markets – ranging from highly skilled international business élites to ‘docile’ and ‘submissive’ workers in developing countries – should be seen as embodying multiple identities and discursive practices. In the former contexts, élite executives are perceived to embody high skills and managerial knowledge (Beaverstock, 1996a; 1996b; 1996c; Beaverstock and Smith, 1996; Yeoh and Khoo, 1998; Olds, 2001). They are truly global ‘jet-setters’ and transnational actors who live in a social field which nation states are increasingly less able to control. This social construction of their identities as ‘placeless’ and multicultural has influenced the geographical specificity of their labour markets that remain global in nature and scope. Their discursive power enables them to spearhead the global reach of capital. Their existence represents extra-local linkages that challenge the ‘localness’ of labour markets in the literature on labour geographies (Coe, 2000a; Coe and Kelly, 2000; see also Ball, 1997; Kelly, 1999b; 2000; Tyner, 2000).

At the other end of the spectrum, the identities of workers in developing countries may be historically constructed in specific ways to enhance shop-floor control and labour management. Wright (1997; 1999) finds that Mexican women workers in the Mexican maquiladoras are socially constructed as ‘untrainable’ because they have been historically perceived as docile and subordinated. Her story reveals how ‘little management really knows about the labor process and how they resort to universal categories to frame a social context that operates beyond their own comprehension of it’ (Wright, 1997: 281). As a strategy of labour control and counter-resistance, however, this discursive construction of labour is not unique to women in developing countries.
It has also been strategically deployed by the state, capital and labour in such different contexts as just-in-time factories in the USA (Leslie and Butz, 1998), artisanal garment workers in Ecuador (Lawson, 1999; see also Radcliffe, 1999), migrant domestic workers in Vancouver (Pratt, 1999) and in Singapore (Yeoh and Huang, 1998; 1999), the film industry in Vancouver (Coe, 2000a) and ‘foreign talents’ in creating Singapore’s knowledge-based economy (Coe and Kelly, 2000; Yeoh and Chang, 2001).

V  Conclusion: finding a place for economic/industrial geography?

To sum up all three progress reports (see also Yeung, 2000; 2001), I must conclude that research on/in industrial geography has made very significant contributions to our understanding of contemporary capitalist space-economy. To echo John Davey’s (2001: 3) remarks about this journal as ‘a bloody good effort’, the research reviewed in all three reports has brought major progress in industrial geography (and human geography for that matter). Although the political impact and popular reach of this research on/in industrial geography needs to be improved (Martin, 2001a; Massey, 2001), we – industrial/economic geographers – can at least stand firm on the art of our creative thinking and the science of our knowledge production.

Where do we go from here? Notwithstanding the currently favourable position of industrial/economic geography within the discipline, I would like to reiterate two points about the future of industrial/economic geography, both of which are related to ‘reaching out’. In concluding my first progress report, I noted that industrial/economic geographers need to pay more attention to the policy relevance of their work (not necessarily at the expense of their innovative theoretical work or more pressing empirical analysis). Whether we will get the ears of the minister, however, is quite another thing (cf. Peck, 1999; 2000c; Massey, 2000; Martin, 2001b); but, at least, we have got to try to reach out to the actors who are not just at the receiving end of economic changes but equally important also at the beginning of the decision chain that produces those economic changes.

In so doing, I am not really privileging the ‘producers’ of economic changes (e.g., corporate leaders and politicians), but rather I am trying to redress the imbalance of the kind of audience to whom industrial/economic geographers are speaking at the moment. How then do we reach out to the wider audience? I believe we do realistically need some intellectual and political clout (very much like what Gilbert White has done for American flood management and thereby American geography). As Martin (2001a) argued, we perhaps need a few more ‘popularizers’ who can communicate to the public about what industrial/economic geography can do for them. If ‘pop economists’ like Paul Krugman can gain public attention and political recognition through their highly accessible writings available in the mass media and airport bookstores, so I believe can industrial/economic geographers. My optimism is supported by our peculiar ability to marshal empirically grounded evidence to tell a convincing geographical story, whether it is about the rise of an industrial region, the unfolding of a nationwide industrial dispute or just simply global economic change.

This reaching out, however, takes on another dimension as well. We need to connect better our work with ongoing research and activities in other social sciences. I can think of our connections with studies of regional development, labour markets and industrial
change in development studies, economic sociology, international political economy, business and management studies, gender studies and so on. There are also ongoing reflexive debates about the relationships between economic geography and economics (see Amin and Thrift, 2000, and responses in Peck and Wills, 2001). This orientation towards other social sciences not only gets us better recognized in the post-disciplinary era, but also inherently benefits our research and public reach. This two-pronged approach to reach out to the public and other social sciences is likely to be one of the most important strategies to keep industrial/economic geography alive (and perhaps very well alive too!) in this new and exciting millennium.

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