

CLGP

Centre on Labour and Global Production

Why workers' determination is not enough: A case study of
workers' struggles in Swiss machinery GVCs

Working Paper 1/2020

Aris Martinelli

PhD Student at the Geneva School of Social Science and Visiting PhD Student at
the Centre on Labour and Global Production, Queen Mary University of London¹

¹ This is work in progress and I very much welcome comments and suggestions. Please contact me at aris.martinelli@unige.ch

Why workers' determination is not enough

A case study of workers' struggles in Swiss machinery GVCs

Aris Martinelli²

Abstract

Global value chains (GVCs) affect the capacity of workers to defend and to improve their working conditions. The Swiss economy is deeply integrated into GVCs, especially export sectors such as the machinery industry. The purpose of this paper is to understand how GVCs shape working conditions in this sector and what possibilities exist for workers to improve them. To address this issue, we focus on two workers' struggles in two lead firms following GVCs restructuring. Based on a class-relational approach, this paper highlights how : (1) the participation in GVCs further strengthens the labour-capital balance of power in favor of capital; (2) despite workers' determination, the mismatch of collective structures and unions' strategies largely explains their powerlessness to resist GVCs restructuring; (3) the collective action and the solidarity emerging during the conflict pave the way for individual resistance and divisions among workers respectively once the conflict ends. Finally, the paper questions current labour strategies and imagines new ones in order to contrast employers' power in GVCs.

Keywords: GVCs, Workers' struggles, industrial relations, Swiss industry, qualitative study.

² PhD Student at the Geneva School of Social Science and Visiting PhD Student at the Centre on Labour and Global Production, Queen Mary University of London. This is work in progress and I very much welcome comments and suggestions. Please contact me at aris.martinelli@unige.ch

Introduction

Global value chains (GVCs), which embody the spatial fragmentation and the functional integration of the production, are a major issue in contemporary capitalism. The production of a good, from the design, through the manufacturing, sales and after-sales services, is no longer limited to a country or region, but is organized across the world with the participation of several actors (categories of workers and types of firms) and institutions. GVCs represent a 'new wave' of globalization that affect international trade (Baldwin, 2013; Lanz and Miroudot, 2011; UNCTAD, 2019), firms' capital value-capturing strategies (Gereffi, 1994; Gereffi et al., 2005; Mayer and Gereffi, 2010), employment and labour process (Newsome et al., 2013; Shepherd, 2013).

Despite the importance of GVCs in the global economy, little attention has been paid to labour issues, particularly the ability of workers to act to defend their rights and working conditions in the chain. The mainstream approach is rooted in a 'firm-centric paradigm', which considers economic development only through inter-firm relations (Selwyn, 2012; Campling and Selwyn, 2018). The analysis focuses on 'governance issues', notably lead firm forms of control over suppliers in the production process and the impact of the participation in GVCs on subordinate firms' performance. Thus, labour is not an object of analysis. In so far as 'workers' are analyzed in the literature, they appear not as agents but as 'passive victims' or 'dependent variables' of lead firm strategies (Smith et al., 2002; Hammer and Riisgaard, 2015).

More recent research falls within the mainstream approach and points out that the lead firms' operations can have a negative impact on workers in suppliers (Barrientos et al., 2011; Gereffi and Lee, 2016). If a 'win-win' effect between increased firm-level competitiveness (the so-called 'industrial upgrading' in the literature) and the implementation of workers' rights (the 'social upgrading') is not automatic, scholars continue to postulate and to problematize this relation as an intrinsic mechanism of the functioning of the chain (Selwyn, 2013). In this vein, other research highlights the positive role of institutions in regulating GVCs and promoting social upgrading (Milberg and Winkler, 2011).

If those approaches emphasize the role of labour in GVCs, this latter continues not to be considered as an object of analysis per se, and workers are still presented as passive actors in GVCs. Moreover, this research promoted a 'top-down' regulation of labour in GVCs in which the action of government should guarantee the combination between industrial and social upgrading. Thus, little attention is paid to a 'bottom-up' perspective, especially about workers' resistance. However, critical research focused on labour issues in GVCs has emerged in recent years, which considers GVCs as a new form of industrial organization through which capital captures the value created by a global and fragmented workforce (Baglioni et al., 2017; Campling and Selwyn, 2018; Selwyn, 2019).

Among this critical literature, the issue of workers' agency or resistance is addressed in different (but non-exclusive) ways. On the one hand, research points out how GVCs reinforce work subordination and involve poor working conditions (Hale and Wills, 2005; Raworth and Kidder, 2009; Selwyn, 2019). In this vein, GVCs affect workers' ability to improve their working conditions. On the other, without denying the negative impact on labour, other research highlights that GVCs increase the vulnerability of capital and can reinforce and encourage new forms of workers' action and solidarity (Quan, 2008; Coe, 2015; Fichter, 2015; Mosley, 2017).

These studies opened up a research field on the 'contested governance' in GVCs that considers the constitutive role of labour in the creation, development and restructuring of such chains. In this perspective this paper aims precisely to investigate the issue of workers' agency or resistance in the Swiss machinery industry. This latter is an important export-oriented sector in Swiss economy deeply integrated in GVCs that has undergone important restructuring since 1990, involving an increase in the quality of their production and a strengthening of the power of Swiss lead firms in GVCs. Furthermore, this sector has played an important role in the building of decentralized and consensual industrial relations in Switzerland (Widmer, 2012). In a liberal labour market, this sector has allowed relatively good social standards for workers. Thus, this analysis aims to understand how GVCs shape working conditions in this sector and what limits and possibilities exist for workers to enhance them.

Three research questions are addressed:

1. What is the impact of GVCs on the Swiss machinery industry?
2. How do GVCs affect workers' ability to implement their working conditions in the workplace and along the chain?
3. What lessons can be learned from the analysis of workers' struggles in terms of proposals to regulate Swiss machinery GVCs in favor of workers' well-being?

To address these issues, the paper focuses on two work conflicts that emerged in two Swiss lead firms controlling railway and machine tools GVCs following a management GVCs' restructuring plan. This research is grounded in an inquiry based on some 60 interviews with management and workers in two lead firms and two strategic subcontractors, trade unions, and members of employers' associations in the sector. Empirical data are interpreted through a class-relational framework inspired by Ernest Mandel's approach of the long waves of capitalism development (Mandel, 1985, 1995).

Starting from the analysis of two workers' struggles, this paper highlights how: (1) the participation in GVCs further strengthens the labour-capital balance of power in favor of capital; (2) despite workers' determination, the mismatch of collective structures and unions' strategies largely explains their powerlessness to resist GVCs restructuring; (3) the collective action and the solidarity

emerging during the conflict pave the way for individual resistance and divisions among workers respectively once the conflict ends. The paper also questions current labour strategies and imagines new ones to contrast employers' power in GVCs.

The paper begins with a short literature review about the ambivalent impact of GVCs on labour (section I) and the presentation of a theoretical framework to analyze the issue of workers' resistance (section II). Following the presentation of the research model and methods (section III), the paper analyzes the main transformation in Swiss industrial relations (section IV) and covers two case studies of work conflicts in two lead firms in the Swiss machinery industry (section V).

I. The ambivalent impact of GVCs on labour: a short critical literature review

Critical research has highlighted that GVCs involve a reorganization in the lead firms' supply basis that allows capital to diversify production locations and reduce the risks related to a relationship based on a limited number of suppliers (Sayeed and Balakrishnan, 2004). Furthermore, lead firms transfer competitive pressures and market risks to suppliers, which in turn translates them towards their workers (Raworth and Kidder, 2009; Pickels, 2012; Lillie and Wagner, 2015). The lead firm value-capturing strategy is often based on the search of 'cheap labour' (Mezzadri, 2016; Baglioni, 2018) and on 'super exploitation', in which workers receive wages that do not satisfy their subsistence requirements (Palpacuer, 2008; Cross, 2010; Gunawardana, 2016; Selwyn, 2019). Far from being a 'residual effect', this trend is related to the capital accumulation based on an 'adverse incorporation' dynamic where the integration of workers in GVCs involves an increase in in-work poverty (Phillips and Sakamoto, 2011).

The creation of a cheap labour pool in the global south has long-term consequences for workers in the global north. Pradella (2015) highlights how, following the 2008 economic crisis, offshoring and outsourcing in the United Kingdom, Germany and Italy affect the national labour market by increasing the number of working poor. Selwyn (2016) argues that the import of cheap goods from exporting countries in the south reduces the costs of reproduction of labour power and contributes to pushing wages down, while production offshore allows capital to impose restructuring in the labour market in the north. In the automotive, electronic, and telecommunication sectors in Europe and in the United States, for example, employers frequently use the gap in working conditions between in-house and outsourced workers to reduce wages in lead firms (Lambert and Ouedraogo, 2010; Doellgast and Pannini, 2015; Greer and Hauptmeier, 2016).

In this context, the ability of workers to improve working conditions is affected in at least three ways. First, GVCs affect the traditional collective workers' organization. While the reorganization of the suppliers network through offshore and outsourcing strategies involves a de-unionization of the

workforce in developed countries (Freyssinet, 1993; Visser and Checchi, 2009; Lehndorff et al., 2018), the expansion of GVCs goes hand in hand with the search of a non-unionized workforce (Milberg, 2004; Mosley, 2017). Furthermore, GVCs challenge the capacity of unions to organize different categories of workers (self-employed, home-based, cross-border or posted workers) who are, at the same time, dispatched across the world but submitted to a common lead firm strategy (Taylor and Bain, 2001).

Second, compared with capital, unions are largely 'immobile' and remain predominantly organized at national level and are no longer able to fulfil tasks across borders (Bieler et al., 2008; Bieler, 2012). While it is difficult for precarious workers to become involved in collective resistance, in many countries unions have abandoned direct workplace interventions in favor of a social dialogue and bureaucratization (Antunes, 2015; Amable, 2016). Moreover, instead of alliances with social movements, unions tend to adopt a conservative attitude to defend a threatened privileged status and often regard such movements as competitors (Bieler, 2012).

Third, the expansion of GVCs goes hand in hand with the decrease in collective forms of conflicts in some countries, especially strikes (Upchurch, 2000; Bryson et al., 2011). The reduction in collective actions paves the way for the emergence of individual forms of resistance in the workplace (Bouquin, 2008; Latteur, 2013). In countries such as Switzerland, we observe a move from 'collectivism' to 'individualism' in the industrial relations systems. Labor laws and the collective agreement framework, for example, have shifted from supporting collectivism in capital-labour relations towards individualism (Bacon and Storey, 1993; Oesch, 2007).

This triple impact of GVCs affects the ability of workers to act along the chain to improve their working conditions. Indeed, the solidarity between workers is tough in a context in which firms benefit from a fragmented workforce. The spatial fragmentation of production implies that workers are isolated from their ultimate employers, colleagues and consumers alike. Many workers hoping to access a better position in GVCs must therefore accept having bad working conditions and do not necessarily take part in resistance (Altreiter et al., 2015).

In this context, labour issues are embraced more and more by other actors, mainly lead firms through different tools such as ethical codes of conduct and social responsibly programs or by new actors such as social movements, non-governmental organizations and actors of the civil society at national, local or international level. While some authors pointed out that the 'private labour regulation' by lead firms allow capital to overlook labour exploitation, the emergence of new actors is considered as an opportunity for labour to develop new tools for action and build useful alliances within GVCs (Herod, 2001; Greco, 2011; Mosley, 2017). In this vein, GVCs do not constitute only a limit but also an opportunity for labour in order to improve workers' rights and working conditions.

Some research points out that the capacity of workers to improve their working conditions is related to their ability to exploit the vulnerability of capital (Alimahomed-Wilson and Ness, 2018). Indeed, if GVCs shape the capital–labour relations in favor of employers it also makes lead firms more vulnerable. The control of the production process becomes more difficult and the risks of a delay and a dysfunction in the flow of inputs can translate into a loss of money for employers. In this context, workers can have a stronger ‘positional power’, which denote a ‘varying amount of “disruptive potential” endowed on workers by virtue of their different positions in systems of economic interdependencies’ (Perrone et al., 1984: 231).

In other words, GVCs imply that the positional power can be exercised on a large scale beyond the workplace (Sowers et al., 2018). This is why, for some authors, the understanding of GVCs’ structure is a strategic tool for unions and workers because it allows an overview of the work environment and the labour process beyond a particular workplace (Quan, 2008; Fichter, 2015). Thus, understanding and organizing actions through GVCs favors the identification of ‘choke points’ where workers can gain the leverage necessary to disrupt lead firms’ strategy and raise consciousness among workers about their position in social relations of production. The central idea is that unions do not limit their actions to the workplace or on core labour issues, but embrace other struggles related to social and environmental justice that often emerge from social movements that allow workers to regulate GVCs.

In summary, despite the intrinsic negative effect of GVCs on labour, this literature stresses the opportunities of GVCs for improving working conditions in relation to the workers’ positional power and the opportunity of transnational actions and alliances. Although transnational initiatives in which traditional labour movement and other actors are involved are still limited, the existing experience reveals the potential of an inclusive action along GVCs to implement workers’ rights (Herod, 2001; Quan, 2008). However, a correct understanding of this ambivalent impact of GVCs on the imbalance of power between capital and labour should consider the historical context in which class relationships were forged and progress. This is crucial to highlight the limits and opportunities alike of implementing working conditions in GVCs.

II. A class-relational framework for studying workers’ resistance in GVCs

Ernest Mandel’s works about the long waves of capitalist development (Mandel, 1992, 1995, 2014) offers a valuable framework to understand the ambivalent effect on GVCs on labour in a concrete matter. Following Trotsky’s, Kondratieff’s and Schumpeter’s ‘long run’ analysis of capitalism, Mandel underlines how beyond normal fluctuations based on business cycles (3–7 years) there are, in capitalism, ‘long waves’ (about 50 years) that are composed of alternating periods of growth of economic activities (long upswings) and their relative stagnation or decline (long downswings).

Mandel rejects Kondratieff's and Schumpeter's 'technical' explanations for the long waves based only on the fluctuation of economic indicators (price, investment, etc.), in which technology plays a causal role to explain the 'turning point' between upswings and downswings or vice versa. In Mandel's perspective, although this approach is useful to explain the shift from an expansive to a depressive phase of capitalism following the inner contradictions of the capitalist economy, traditional theories are unable to explain the 'turning point' from a depressive into an expansionist wave. This lack of explanation is due to the misunderstanding of the capitalist process and the inability to link economic data with 'a general theory of how capitalism operates as a system' (Mandel, 1981: 333).

Following Mandel, the economic dynamic should be linked with the historical development of capitalism and its understanding as a social class system, based primarily upon the surplus value generation through the exploitation of labour by capital. According to Mandel:

'[...] the long waves are much more than just rhythmic ups and downs in the rate of growth of the capitalist economies. They are distinct historical period in a real sense.'

(Mandel, 1995: 82)

An 'historical period' is characterized by what Mandel call the dialectic of 'objective' and 'subjective' factors. While the former denotes economic variables related to the dynamic of capital accumulation (profits, productivity, investment, crisis, etc.), subjective factors express the balance of power between capital and labour at one point in time—namely the ability to assure (and increase) the rate of profit and the capacity to achieve better working conditions.

In this perspective, each long wave expresses a specific configuration in class–labour relations, and each 'turning point' is associated with a shift in capital–labour balance of power. Thus, the explanation of the 'turning point' is related to class dynamics—the way in which capital organizes the conditions for generating and capturing surplus value and labour counteract capital value-capturing strategy—as well as 'exogenous' factors such as wars, revolutions, etc. (or pandemics, recently). The result is a 'new' balance of power between labour and capital:

'When we try to demonstrate that the long-term fluctuations in the average rate of profit determine the long waves of capitalist development, we can also solve a parallel problem which remains an enigma to many "model-builders"—the largely decisive influence of exogenous factors (wars, revolutions, counter-revolutions, the outcome of sharpened class struggles, the sudden discovery of important new gold fields, etc.) on the turning point from a depressive into an expansionist long wave.'

(Mandel, 1981: 335)

For Mandel, the 'subjective factor' is a 'partially independent variable'. This means that the outcome of the class struggle cannot be predicted and is not necessarily correlated with the objective variables (Mandel, 1985, 1992). This latter depends on factors such as the situation on the labour market (unemployment, wages, workers' status, etc.), the degree of working-class organization (unions, workers' collectives, labour-focused political parties, etc.), and employers' power (associations, institutional influence, etc.) (Mandel, 1995: 63 and 118). This does not mean that deep tendencies related to the cycle of class struggles in long waves cannot be observed in the principal advanced capitalism countries. Indeed, as Kelly points out:

'[...] each turning point between upswing and downswing is associated with an upsurge of worker mobilization, epitomized by heightened strike activity. This in turn triggers off a period of counter-mobilization by employers and the state, and out of this intensified period of class struggle emerges a more or less far-reaching reconstruction of the relations between labour, capital and the state.' (Kelly, 1998: 86)

Despite this general trend, the nature of the characterization of 'subjective factors' as a partial independent variable means that we can observe cases (at national, regional and even at the firm level), in which the 'turning point' is not associated with a strong or a weak workers' struggle. Because it is a theory of social sciences, this approach rejects any positivist methodology that still dominates the social sciences (Burawoy, 2008). Thus, the dialectic between objective and subjective factors does not express an 'absolute law' (in the sense of natural sciences) of capitalist development, but a 'relative law' that allows us to interpret economic facts as social facts in a specific context (Löwy, 2012).

In short, the 'long waves' analysis is important to analyze possibilities and limits for workers' resistance in a concrete matter, as it situates workers' struggles in the workplace in a social and institutional context, as well as in the space-time dynamic of capital accumulation. Following this framework, the analysis of workers' resistance in GVCs should consider this latter as the main objective factor in the 'turning point' from a depressive to an expansionist phase of capitalist development in the post-war-long-wave, which started in 1968–75 in advanced capitalist countries, but only in the 1990s in Switzerland. Concerning subjective factors, as Kelly (1998: 97–102) underlines, long waves correspond to different patterns of industrial relations which analysis must take into account class dynamics at the international and national level.

III. Research design and methods

The analysis of the sequence and the outcome of two conflicts that emerged in two lead firms in the Swiss machinery industry against the GVC restructuring through this theoretical framework

allow us to understand how the GVCs dynamic shape the labour-capital relations in this sector and how workers (can) act to implement their working conditions. To deal with this issue, we have conducted 60 in-depth interviews with management and workers in two lead firms and two strategic subcontractors, as well as trade unions and members of employers' associations at the national and regional level. Interviews allowed us in-depth discussions on four blocks linked to specific research-based questions: the mapping of GVC; technical and institutional determinants of GVCs restructuring; the impact of GVCs on the labour process and employment relations; and workers' resistance experiences in the sector and the workplace. For this paper, only interviews and documents collected in the two lead firms and interviews with workers and unions are exploited for the analysis.

Furthermore, documentary analysis of the sector and companies were carried out by reference to a wide-ranging corpus of texts includes press releases and e-mail exchanges between actors involved in the conflicts, journal articles about industrial disputes and the restructuring process, annual reports, and institutional documents published by public and private institutions about the economic situation of the sector. Finally, a range of statistical data is exploited for situating the Swiss economy (and Swiss machinery industry when possible) in the analysis of the long waves. In particular, following recent research of the long waves in the contemporary economy (Basu, 2016, 2017), we use the average annual rate of per capita gross domestic product (GDP) as an indicator of the 'objective factor', while data on collective conflicts and unions' membership is used to underline changes in the 'subjective factor'. Secondary sources such as historical monographic are finally used to complete these data.

IV. GVCs and class dynamics in Switzerland

The characteristics of class relations in Switzerland are the result of historical development in Switzerland. The labour movement was early integrated as a 'junior partner' in the 'management' of the capitalist economy and the bourgeoisie state. This historical trajectory is essential to understand the emergence and the impact of GVCs on the class dynamics in this country and can be analyzed through four long waves: 1848–1890s; 1890s–1940s; 1940s–1980s; 1980s–? (see Table 1).

From class struggle to class compromise

The upswing of the first long wave is characterized by a low level of growth of average annual per capita GDP between 1848 and 1873 (0.6%) compared with the downswing phase, from 1874 and 1893 (3.1%) (see Table 1) and denote late industrialization in Switzerland (Bergier, 1984; Bairoch, 1989). Thus, the periodization of the first long wave contrasts with other countries. The expansion of the industry, notably watchmaking, high value-added textile products, and machine tools, occurred in the downswings. It remains fragmented across the country, but is already characterized by high value-

added and export-oriented products as a result of employers' strategies to enter in the global market as a direct competitor of the dominant British economy (Bairoch and Körner, 1990).

Owing to the absence of a factory system and the presence of domestic work, children, women, foreigners and peasant workers, the working class is atomized (Masnata and Rubattel, 1995: 73–76). Despite the introduction of the right of free association in 1848, the foundation of the Swiss Confederation of Trade Unions (SCTU) in 1880 and the SDP in 1888, unions remained weak and divided compared to a high degree of organization of the employers' association in the Swiss Union of Commerce and Industry (*Vorort*) in 1870 and the Swiss Union of Arts and Crafts in 1879. Thus, the regulation of the labour market was first introduced by employers and authorities (Rappard, 2003: 190–92; 217) and was not an achievement of the labour movement (Abenroth, 1967: 17–30).

This 'semi-proletarianization' does not mean that there was no longer any social conflict. Indeed, available data shows a relative high level of strikes (compared with the Swiss average) during the downswing of the long wave. Indeed, between 1880 and 1893, we count 259 strikes (19 per year) and an increase in trade unions' membership by 23% a year during the downswing of the first long wave.

During the upswing of the second wave, from 1894 to 1913, export and foreign direct investment (FDI) grew, and Switzerland occupied the first place in international comparisons in terms of per capita FDI (Bairoch, 1976: 115). The industrialization involved a radicalization of the working class with an increase in unions' (+7% per year), in SDP's membership (AA.VV., 1975: 401), and an increase in strikes (62 a year), notably in 1905–07 (Hirter, 1988). Thus, employers introduced in some sectors and cantons a system of collective agreements (CAs), with the aim of negotiating wages between employers and workers without the intervention of the state. In 1911 this system entered into the force at federal level and Switzerland become the first country in the world to introduce a system of CAs in the law, even if CAs remained limited in this period (Aubert, 1989).

The radicalization of the Swiss labour movement continues during the WWI. In a context characterized by revolutionary movements in Germany and Russia, class conflicts escalated in the Swiss General Strike of 12–14 November 1918 (Koller, 2015). The consequences of the war (high inflation and unemployment) and the political instability (Farquet, 2019) pushed the bourgeoisie to make concessions, among them proportional representation of the Parliament's lower house and the reduction of the normal working day to eight hours in 1919. The goal of the bourgeoisie is to integrate the working class in a 'social dialogue' and in institutions (Zimmermann, 2012). Thus, following the economic crisis of 1929 and the increase in international instability, the government introduce some measures in support of employers, among them a compulsory arbitration of wages and disputes in sectors such as watchmaking, machinery, engineering and large-scale construction (Humbel, 1987: 42).

A 'neo-corporatist' approach to regulate industrial relations was installed in which stable and lasting CAs were reached between employers and workers at sectoral or firm level without the state intervention (Zimmermann, 2012). On 19 July 1937 a new step in this direction was made when employers' associations and unions of the machinery industry adopted the so-called 'labour peace agreement'—a private system of conflict resolution by conciliation and arbitration based on the prohibition of any means of the struggle (strike or lockout). Employers and unions exchanged the collective regulation of minimum working standards, which are often higher than standards offered by the law, for peaceful labour relations and a climate of co-operation in which strike became the 'last resort solution' after long negotiations.

This agreement gave employers business stability and deeply affected the labour movement (Aubert, 1989). From the 1920s the unions abandoned any reference to the 'class struggle'. Meanwhile, the SDP's left wing left the party and created the Communist Party in 1921, which remained marginal in the political landscape. In 1943 the first socialist and former leader of the 1917 General Strike joined the executive government. Although membership of unions increased during this period (by 5% per year), there was a decrease in strikes in the downswing (52 strikes per year), despite strikes in 1920–27 and 1944–48 in which workers claimed the extension of CAs (Alleva and Rieger, 2017: 150).

The Golden Age of 'peace at work'

As a 'neutral' country, Switzerland was not affected by WWII, and its industry was ideally placed to meet the growing demand for economic recovery emanating from European countries. Thus, the Swiss economy underwent a rapid expansion during the upswing phase, from 1949 to 1967. Owing to the extension of CAs, which quadrupled from the 1930s to the 1960s (Aubert, 1989: 414), this period is characterized by a low number of strikes (just two per year) and a low level of radicalization of the labour movement (union memberships grew by just 0.8% per year). The integration of the SDP's and unions' leaders as a 'junior partner' in the Swiss parliament and government was reinforced. Despite their strategy to improve social standards through the intervention in the political arena, their impact on social issues remained small (Masnata and Rubattel, 1995: 246).

Switzerland was not affected in the same way as other countries during the downswing of the third wave, from 1968 to 1982, characterized by the international oil crisis of the 1970s. The mild impact of the crisis was due to the composition of the working and the migration policy promoted by the state. From the mid-1960s foreign workers represented 20–26% of the workforce, whose size could be adjusted to the stage of the business cycle: during the upswing of the third long wave, the number of work permits grew considerably, while during the downswing it was limited (Merrien and Becker,

2005). During the downturn in 1974–76, not only foreign workers but also women workers retired from the labour market in huge numbers, allowing to contain unemployment (Flückiger, 1998).

This evolution in the objective factors explains the late adoption of a neoliberal agenda in Switzerland and the very low level of social struggles in international comparison. Owing to stagnation in new membership (which grew by just 0.3% per year), the rate of unionization remained stable at about 26% of the workforce, and there was only a small increase of strikes (six per year), which was primarily against plant closure without the support of unions (Alleva and Rieger, 2017).

The emergence of GVCs and the further decentralization of Swiss industrial relations

The international recession of 1982–83 was relatively mild in Switzerland. The upswing of the fourth long wave started in the following year and was characterized by an economic boom (GDP per capita grew by an annual average of 1.2%). At the same time, union membership decreased (by 0.8% per year), and the level of unionization fell from 31% in 1980 to 24% in 1990 (Oesch, 2008: 27). The number of working days lost through strikes in the 1970s, 1980s and 1990s was lower than in any other Western European countries (Oesch, 2007). Thus, this period was also characterized by ‘peace at work’.

The economic crisis of the 1990s opened a decade of deep transformations. Following the introduction of a compulsory national unemployment insurance scheme and modifications in immigration policy under the pressure of the European Union, it was no longer possible to use the foreign and female workforce as a cyclical buffer (Afonso and Visser, 2014). Thus, the bourgeoisie adopted a neoliberal agenda to deregulate the economy (Leutwiler and Stephan, 1991; De Pury et al., 1996). This latter was largely adopted in the 1990s and 2000s, and was based on layoffs, the intensification of work and the growth of exports and FDI (Marquis and Udry, 1996).

The industrial sector was particularly affected, notably the machinery industry, which lost about 33,000 jobs (out of a total of some 220,000) (Widmer, 2012: 165–68). The recession accelerated the integration of the Swiss economy into GVCs. Between 1985 and 2007 the stock of FDI rose 12-fold and eight-fold in the machinery industry (Swiss National Bank, 2019b). Between 1985 and 1995 jobs in the national machinery industry decreased by 13%, while the number of employees hired by Swiss companies abroad increase by 21% (Widmer, 2012: 170). This trend expressed the value-capture strategies implemented by Swiss firms in GVCs based on the outsourcing and offshore of low value-added components and the in-house production of high-value-added parts (OFS, 2008: 17–18).

Despite the ‘dot.com’ bubble of 1995–2000, economic growth continued in 2000–08 (Afonso and Visser, 2014: 16). But the crisis of the 1990s deeply affected industrial relations. In 1993, the system was further decentralized, from sectoral to company level, by the adoption of a new employee

participation act by the Parliament, which introduced the right for workers to be informed about the impact of business strategies on employment; to be consulted in cases of collective dismissal; and to co-decision over pension funds issues. In firms with more than 50 employees, workers had to elect works councils (the collective structure of representation at the firm level), which became a central edifice in industrial relations (Ziltener and Gabathuler, 2019).

Between 1992 and 1996 the automatic adjustment of salaries to inflation disappeared from all major sectoral CAs. Some companies implemented working time flexibility by introducing annualized time schemes, and in key industries wage negotiations shifted from branch to company level (Oesch, 2007). In 1993, for example, the introduction of a 'crisis' article' in the CA of the machinery industry allowed employers to increase the weekly working time without pay in case of economic difficulties.

CAs at the firm level increased at the expense of sectors. The level of unionization decreased from 30% in 1976 to 18.5% in 2007, and the internationalization of the economy affected unions' and employers' cohesion (Eichenberg and Mach, 2011). The impact of the crisis and the neoliberal policies of the 1990s also involved a change in unions' strategies, which abandoned direct actions in the workplace in favor of intervention in the political arena through direct democracy tools (initiatives and referendums) and media campaigns (Oesch, 2011). Works councils, which promotes an 'associational unionism', remained unions' principal 'channel' of recruitment.

The transformation of industrial relations during the upswing of the fourth wave was reinforced during the downswing. The 2007–08 financial crisis translated into a recession in 2009, but, compared with the oil shocks of the 1970s and the crisis of the 1990s, it affected the Swiss economy only mildly (Matthey, 2011). The impact was more important for sectors such as banks and the machinery industry, in which the fall of demand for goods and the appreciation of the Swiss francs vis-à-vis the euro involved a reduction in orders, production and investment (Martinelli, 2014).

The strategy adopted by employers in the machinery industry consisted of increasing the flexibilization of work, investment in R&D, exports and FDI towards the 'BRICS' countries (Ibid. 2014). This strategy strengthened the participation in GVCs in line with the national trend in which, between 1990 and 2017, the FDI/GDP ratio increased from 40.5% to 183.6%, and the number of workers employed in foreign subsidiaries of Swiss multinationals increased from 610,044 in 1986 to 2,089,506 in 2017 (Swiss National Bank, 2019a). FDI in the machinery industry followed the same trend, and since 2010 the number of employees employed abroad has been much higher than workers in Swiss firms.

The 'backward participation' of Swiss firms—i.e. the share of importing foreign inputs to the goods and export goods—doubled between 1995 and 2008 and, despite a decrease following the crisis, is still particularly high in the machinery industry, at 33% (Nathani et al., 2014). Under the fourth long

wave, Swiss firms reinforced their leading role in the chain by integrating and co-ordinating intermediate foreign inputs. In this context, there was an increase in the skills of workers at the national level. In the machinery industry, for example, the number of workers employed in complex 'tertiary tasks' increased, while workers in basic production tasks decreased (Widmer, 2012: 296).

The state supported employers through an extension of the 'partial unemployment' in which the state covered up to 80% of the wages of a worker (without any break in the employment contract) (Lutiger and Weber, 2010) and two 'anti-crisis packages' in 2008–09 and 2011–12 to support export sectors. The Swiss National Bank (SNB) also introduced, on 6 September 2011, a floor rate of €1:CHF1.20 to avoid excessive currency fluctuations in the context of a Eurozone economic crisis (Feuz, 2012). In the meantime, employers implemented restructuring and made dismissals. Between 2008 and 2017, for instance, around 33,000 jobs were lost in the machinery industry (10% of the jobs in the sector). In 2014, the introduction of a social plan obligation for mass layoffs in the law reinforced the role of works councils in firms instead of the respective contractual partners (unions) as negotiating partners for the conclusion of a social plan (Ziltener and Gabathuler, 2019: 218).

In this context, there was a slow increase in strike activities (to about seven per year), but a decrease in union membership (by 0.2% per year) to unionization of around 18% of the workforce during this period. The 2008 economic crisis accelerated the restructuring in industry, but also affected the service sector. Indeed, strikes emerged as a reaction to employers' downsizing both in services and in the secondary sector. In particular, employers in the machinery industry adopted restructuring plans in the context of the 'Swiss franc shock', when on 15 January 2015 the SNB abandoned the floor rate of €1: CHF1.20, which affects the price of Swiss exported goods and the export competitiveness.

Although the number of strikes increased, they remained limited compared with the radicalization of the class struggles in the first long waves. Furthermore, data shows that the majority of strikes involved short actions (less than five days) over layoffs or wages rather than 'proactive' strikes (Allewa and Rieger, 2017: 157). In most cases, the strike took the form of a 'symbolic action' to allow work councils to negotiate better exit conditions (a social plan) for dismissed workers.

In short, the fourth long wave affected industrial relations and revealed the gap between the internationalization of the economy and the limited level of organization of the working class. Late industrialization, the early internationalization of the economy and the atomized working class have affected the workers' ability to organize themselves collectively. The unions' attitude in the first and second long waves involved a demobilization of the working class and a preference for decentralized and consensual industrial relations. These elements still characterized the capital-labour relations and affects the ability of workers to challenge GVCs restructuring.

Table I. A long wave analysis of industrial relations in Switzerland (1848–2016)

| Time Period | Long wave 1 (1848–1890s) | Long wave 2 (1890s–1940s) | Long wave 3 (1940s–1980s) | Long wave 4 (1980s–...) |
|---------------------------------------|---|---|---|---|
| Objective factors¹ | Upswing (U): 0.6 Downswing (D): 3.1 Export-oriented economy | U: 1.8 D: 0.7 Importance of FDI | U: 2.6 D: 1.4 Mild effect oil crisis in 1970s | U: 1.2 D: 0.02 Expansion GVCs in 1990s |
| Subjective factors² | Union membership: +23% (D) U - D: 259 strikes (19 per day) | U: +7% / D: +5% U: 2,110 strikes (62 per year) D: 1,668 strikes (52 per year) | U: +0.8% / D: +0.3% U: 84 strikes (2 per year) D: 83 strikes (6 per year) | U: -0.8% / D: -0.2% U: 90 strikes (4 per year) D: 79 strikes (7 per year) |
| National peculiarity | Late industrialization 'Semi-proletarianization' | Internationalization of capital Workers' demobilization | CAs system Peaceful capital-labour relations | Decentralization industrial relations Unions in the political arena |

Source: Author's elaboration from different data sources.

¹ Annual rate of growth of real per capita GDP measured in US\$ based on Maddison Project Database (2018).

² Own calculations on the annual rate of growth of union membership, the total number and the annual rate of strikes (cases) for the upswing (U) and downswing (D) phases of each long wave based on the Historical Statistics of Switzerland Online (HSSO) (2020) and Federal Statistical Office (2018).

V. Workers' struggles in Swiss machinery GVCs: two case studies

How the historical imbalance of power between labour and capital and the specific configuration of the industrial relations following the integration of the Swiss machinery in GVCs affect the ability of workers to implement their working conditions? In this section, we address this question in a concrete matter by detailing two work conflicts that emerged during this period in two lead firms in the Swiss machinery industry against the restructuring railway car and machine tools GVCs.

A collective struggle against the restructuring of the railway car's GVC

The first case study concerns the restructuring of the railway GVCs in Alpha, a family-owned business founded in 1870 in the sector of heavy metal manufacturing. After WWII, railway car production becomes the company's most important activity. Since 1991, the firm has handled gas turbine components. 85 workers employed at the firm (there were about 160 in 1990), 65% of whom cross the border from Italy to work. The unionization rate is very low, and employment relations at the firm level are characterized by a social dialogue tradition in which labour issues are resolved between the director and the work council.

The restructuring of the railway car GVC is rooted in the broadest transformation of the railway market since the early-1990s by the long-lasting transition from state-owned monopolies to competitive market arrangements in Europe and with the break-up of the USSR. This transformation involves an increase of competitiveness following the entry of Eastern European companies into the European railway market. The director of Alpha estimates that at least 40 large firms entered the market as direct competitors.

Thus, at the beginning of the 2000s, the heavy metal production is closed and 60 workers were made redundant. Since then, production has focused on railway cars and turbines. But in 2015, the railway department was also significantly resized: the mass production was outsourced to an eastern European subcontractor, a leader in freight wagons market, with whom Alpha has long-standing commercial relations. The goal of this restructuring is to reduce cost and increase production capacities of large models and focus in-house activities on license sales and the manufacture of small high-value-added wagons (see Annex 1).

To advance the restructuring, the director exploited the context of the 'Swiss franc shock' and announced a wage reduction of 10% for cross-border workers and an increase in the daily working time (by fifteen minutes) for all. Thus, he did not mention the planned outsourcing and justified the measures as a solution to preserve competitiveness, owing to contrast the franc appreciation and offering the same sale prices for European customers. The wage reduction was presented as a 'fair

measure' because the director considered cross-borders as a 'privileged workforce' that benefitted in their home country from increased purchasing power, following the Swiss franc's appreciation. Thus, the acceptance of this measure represented, for the director, a 'fair deal'.

One week after the announcement, workers organize an assembly and voted against the measures and engaged in a one-month conflict. Facing workers' opposition, the director declared the outsourcing project of all railway production in a press release to convince workers to accept the wage cuts. Despite the willingness of workers to find a solution, this director refused to negotiate with them and unions. This 'despotic management' prompted a wave of solidarity on the part of some local actors such as the SDP and radical left-wing organizations, unions and workers of the Swiss Federal Railways (SBB).

While the Socialist party sent a public solidarity letter to workers, left radical parties organized a solidarity action through a 'mail-bombing' campaign that consisted of sending protest mails to the director's address. Meanwhile, a second meeting took place between the director and the work council in which workers suggested a 7% wage cut for cross-border workers and 3% for resident Swiss workers. Thus, the work council assigned a negotiated mandate to trade unions to explore this 'alternative solution'. But the director still refuses to get in touch with unions and to provide documents proving that the firm was in economic difficulties (according to article 57.4, sectoral CA) and try to impose his decision through face-to-face meetings with workers.

In this context, radical left parties organize a sit-in in front of the company, also attended by some workers from the SBB. Meanwhile, a five-month strike started in a firm in the region and a delegation of Alpha's workers visited striking workers. Left-wing parties and unions organized a last demonstration in the region to denounce employers' downsizing practice bases on the 'Swiss franc choc' argument. This action contributes to the mediatization of the conflict and compelled the director to go back to his employees. During a second workers' assembly, he announced the withdrawal of all measures about wages and working time but the implementation of the outsourcing of standard railway cars.

The work council and unions issued a press release in which they presented the director's U-turn as a 'victory'. However, life was not all rosy for workers. The 'factory despotism' continued inside and beyond the company. Indeed, the director issued press releases about the threat of redundancy and the uncertainty of the firm's future development.

A collective conflict against machine tool GVC restructuring

A second work conflict emerged at Beta, an affiliate of a Swiss multinational leader in machine tools. At the time of the investigation, about 50 people were employed at the firm (they were 260 in 2009, before the restructuring), half of whom are cross-border workers from France. They are mostly highly skilled workers in departments such as research and development, innovation, supply chain, applications and sales support. None of the workers is unionized, and the work council no longer meets regularly. The origins of the restructuring had begun many years before in the second half of the 1990s when, in the context of a large restructuring in the sector, the multinational firm that owned Beta bought out another enterprise and created a holding company. Beta is here associated with a firm, which was previously a direct competitor in the production of the same range of machine tools.

The financial crisis of 2008 affected affiliates of the multinational: orders at Beta fell by 35% in 2009 and accelerated the restructuring process. The group implemented a large restructuring plan with the aim of reducing plants in Europe and move the GVCs of this range of machine tools to China. The restructuring provided for 1,300 workers being laid off at affiliated companies around the world, including 280 in Switzerland and 160 at Beta.

The restructuring was implemented in two steps. A first redundancy plan in winter 2009 affected sixty workers. A second step occurs when, five months later, the management announced the transfer of the entire production of the machine tools range from Beta to their holding associate located in a Swiss region where the labour cost has been assessed as 20% cheaper. According to the management, this plan is the first step of a cost-leveraging strategy for acquiring experience and testing the possibility for a future transfer of the production to a Chinese firm, which is already a strategic supplier of the Swiss multinational.

In short, only the research and development department and customers and logistics services remained in Beta. A large part of affected workers was dismissed, and for other pre-retirement plans were implemented. From a technical point of view, the GVC restructuring concerns two aspects related to a short-term advantage for capital. On the one hand, the change of certain strategic and secondary subcontractors and suppliers is related to the geographic location and long-term business relations and allow the management to reduce the cost of intermediate inputs. These concerns firms located within a 500-km radius from the 'new plant'. On the other, this transfer allows the production of a high-value electric component of the business in-house, which also contributes to reduced labour costs (see Annex 2).

While the first phase of the restructuring project does not produce any worker resistance, a six-month collective work conflict emerged against the transfer of the machine tools production.

Following the announce of the restructuring plan, Beta's workers sought alliances with other workers in multinational affiliates also affected by the restructuring project. Thus, a meeting between members of works councils of the four groups' plants located in Switzerland took place. But Beta's workers attempt to co-ordinate the struggle at the group level does not work. Logistical problems and the different effects of the restructuring (for one firm, this meant job creation) were invoked by workers as an explanation for the lack of solidarity along the chain.

In this context, workers organize the protest at the local level. A first press release, in which workers demanded the safeguarding of the production and the development of a particular production process, was issued with the support of unions. Faced with the management's refusal to co-operate, workers organized a sit-in in front of the company to put pressure on the group and local managers. Thus, workers engaged a creative action in which they hung 168 work coats at the factory gates (corresponding to the number of announced redundancies) and planted several crosses on the lawn, symbolizing the funeral of the plant.

In the meantime, a meeting between works council delegation and the local and central management took place on the company's premises. The management refused to speak to workers waiting outside and asking them to leave the company. The bargaining became tenser when a workers' delegation entered the room, and the works council's president closed the door, forcing the director to speak to workers. This impasse continued for almost two hours before the manager finally agreed to meet workers. His speech stressed the economic difficulties and advanced the 'there is no alternative' argument referring to the closure of production. He concluded by advancing a 'concession', a withdrawing redundancy for 30 jobs.

One week later, during the second worker assembly, workers discussed the management's proposal. A new phase of the conflict now commenced. Workers decided to mandate the work council to put efforts into negotiating a 'good social plan'. This decision meant the acceptance of the plant closure. Indeed, no other actions took place and only a small delegation of workers decided to take part in a public demonstration organized by the Socialist Party, radical left parties and unions for claiming the critical situation in the local labour market. This action, which took place on the last day of the social plan negotiations, concluded the mobilization. One week later, a letter of dismissal was sent to 140 workers, who left the company by receiving an 'exit bonus'. In this phase of the conflict, the work council offers psychological and administrative support to dismissed workers.

VI. Three major labour issues in Swiss machinery GVCs

The analysis of the two work conflicts reveals three main issues related to the workers' resistance in GVCs: the mismatch and the weakness of workers' collective structures to challenge lead

firms' value-capturing strategies, the conditions of the solidarity between workers during the conflict, and the emergence of individual resistance and cleavages when conflict is over.

The mismatch of workers collective structures to challenge GVCs restructuring

The weakness of workers' collective structure concerns two aspects. First, the work council action in Alpha provides a limited 'scale of action' to workers to challenge the real outsourcing project, beyond the announcement of the wage cuts measures. Despite the long-standing relation with the East European subcontractor towards which the mass-railcar production is outsourced, unions have never tried to develop contacts with this firm. Thus, workers cannot count on solidarity from workers or unions in this company and do not be able to anticipate the restructuring project. Furthermore, the impossibility to challenge the GVC restructuring project paves the way to management' whipsawing practice,' which consists of imposing to workers a 'fake' choice or a 'trade-off' between wage cuts and increase in the daily working time and the outsourcing of the railway mass production. The representation of the withdrawal of measures as a 'great victory' by trade unions must yet be understood about the limited scales of actions of workers (the workplace) offered by the work council structure.

Second, but more fundamentally, this attitude of trade unions reveals an underestimation about the importance of the GVC structure to challenge firm restructuring plans as well as the effects of the dynamic of GVCs in the workplace. Indeed, this plan has an impact in the workplace in terms of weakness of collective structures and deterioration of the work ambiance. The director also allowed to prepare other restructuring projects in the future and exploit the job insecurity in the workplace to put pressure on workers. Thus, the action focus in the workplace does not allow workers to exploit their 'positional power' in the chain, in terms of opposing a counter-choice to the management that consists, for example, to renounce to produce high-value-added products in-house that required specific skills.

In the case of Beta, however, despite the presence of works councils in all of Swiss affiliates affected by the restructuring project, workers action remained limited at the local level. Likewise, a 'pyrrhic victory' occurs because the collective action achieved the safeguarding of around thirty jobs. In this context, the president of the work council clearly underlined the limits of the work council to challenge the GVC restructuring pointing out the limits of the Swiss industrial relations framework to challenge with this issue:

'It is difficult to be offensive when the offensive has already started. The system in France is different; we can in France, it is often done, go on the offensive before

something happens [...] In Switzerland, it is quite difficult this system. We are always in the 'peace of work' [...] we have to wait until [when restructuring occurs] to find ways to defend ourselves [...] we cannot strike, but we will try to get a good social plan to study practically on a case-by-case basis.' (Work council's president, Beta)

The analysis of conflicts also reveals another element related to the 'social dialogue' practice promoted by the collective structure at the firm level as well as the trade union strategy. Indeed, members of works councils and unions engaged in conflicts based their actions on social dialogue. In a context of a high balance of power in favor of capital, this mean essentially two things. First, every form of protest corresponds to a strategy which consists to put pressing on the management for obtaining certain guarantees in return for the acceptance by workers to restructuring projects. In other words, this kind of unionism 'orient' the workers' protest. Second, the perpetuation of this strategy of acceptance involves a continuous and inexorable weakening of the capacity of workers and unions to anticipate GVCs restructuring and to improve working conditions. A first effect is a 'withdrawal' in the workplace in which workers tend to adopt a short-term view and to focus only on the perpetuation of their job.

This issue is particularly evident in Beta in which only a limited action at the firm level took place, owing to the differentiated impact of the restructuring in multinational affiliates (especially in the firm towards which the production was transferred) which hiring solidarity. The collective struggle here was doomed to obtain a 'good social plan' for dismissal workers, and the work council engaged at the end supporting the restructuring. A similar pattern can be observed in Alpha, where work council members mandate unions to negotiate an alternative solution based on the acceptance of downsizing measures. This latter is grounded in a so-called 'symmetry of sacrifices' that consisted of spreading 10% of the initial overall wage cut for only cross-border workers into a reduction of 7% for cross-border and 3% for resident workers.

This solution is explained by the union's secretary by the traditional attitude of workers to make sacrifices to keep jobs safe from redundancy and denote the difficulty to integrate the GVC framework in a strategy for defending working conditions by anticipating future restructuring:

'At the time, when we made sacrifices, everyone was on the same plane without distinctions [...] workers were available to make a sacrifice to safeguard jobs [...] The workers themselves decided that, including the cross-border workers, that they were available to discuss on this basis to preserve jobs' (Union's secretary, Alpha)

In short, the participation in GVCs and their restructuring shows a double limit from a labour point of view. First, the work council, which emerge as the masterpiece of the Swiss industrial relations in the fourth long wave, does not provide positional power to workers. Thus, the workers action limited on the workplace is unable to challenge with the value-capturing employers' strategies along GVCs. Second, this form of collective structure promotes a social dialogue culture and practice in the workplace, which 'orient' the workers' protest in a defensive and consensual way, leaving them in an unfavorable position to understand and predict further GVC restructuring. Thus, the ability of workers to challenge the GVC dynamic is affected in the long term.

The emergence of solidarity in rough times

A second issue is related to the emergence of strong solidarity among workers during the conflict. This issue must be juxtaposed with two contextual elements: the situation on the regional labour market and the *divided and impera* management's practice. While the 'Swiss franc shock' provide employers legitimacy to increase the daily working time without adequate compensation (based on the 'crisis article' of the sectoral CA), GVCs restructuring projects affect especially cross-border workers.

In a context of pressure on the labour market, divisions between cross-border and resident workers are embraced by employers in the border regions where firms are located and penetrate in the workplace. In particular, workers reproduce arguments against cross-border workers based on the 'privileged workforce'. In spite of this, solidarity between workers emerged against measures announced by the manager of Alpha. As stated by a union secretary, this was an 'exceptional attitude of unity and solidarity' between workers 'in a region in which anti-cross-border worker sentiment is very strong' and 'in which managers succeed in dividing workers through anti-cross-border arguments and imposing downsizing measures'.

In this case, the solidarity between workers can be explained by the importance of the wage issue. 'You can take everything away from us, but not our wage', states the work council's president. This issue is central in a region in which the level of wages is among the lowest in the country, notably around 10–20% less of the national average in the machinery sector (OFS, 2019). Furthermore, workers of this company had always accepted downsizing measures in the past and, since the economic crisis of 2008, the management impose lengthening of the working day without compensation (based on the 'crisis article' of the sectoral CA). Thus, as it were, the measures proposed by the manager represented the straw that broke the camel's back.

Divisions between cross-border and resident workers are, however, less marked in the case of Beta. As a former worker and work council's president underline, this can be explained 'by the high

level of worker organization in the workplace', as well as 'the early collaboration between cross-border and resident workers in the work council and unions' activities since the 1960s'. The unity of action against the closure of machine tools production in the company is here related to the consequence for a majority of workers who simply lost their jobs.

Summarizing, despite the absence of solidarity between different workers in GVCs, a unity of action and solidarity emerged in the workplace following the GVC restructuring in both companies. This is an important issue if related to the situation on the labour market and the use of the anti-cross border sentiment, particularly strong in the region of activity of the two firms, by the management of Alpha in order to divide workers and to implement downsizing measures without opposition.

From collective action and solidarity to individual resistances and divisions

A third and last issue concerns a double change of employment relations in the workplace following the conflict. First, we observe a shift from collective to individual strategies of resistance. Second, there is a transformation in the relationship among workers in which solidarity paves the way to divisions. This is related to three causal causes: the retaliatory measures towards workers; the end of regular work council activities; and the diffusion of the job insecurity in the workplace.

In both companies, individual strategies take the form of 'exit options' and concerns two categories of workers. First, workers that played a leading role in the protest, such as the work council's presidents, adopted a face-to-face negotiation strategy to react to management pressures. At Alpha, the director threatened to dismiss the work council's president if they did not accept signing an agreement based on a company's by-law providing to leave the company in exchange for a 'bridge pension'. This agreement implied resignation from the work council and the trade union to avoid a complaint for wrongful dismissal, owing to his role on the work council. Therefore, under management pressure, the president negotiated an additional year of work before leaving to allow him 'to pay off the mortgage' and 'stop with bullying practices'.

At Beta, the leaving process has taken longer than expected. The management took advantage of the end of the work council activity following the lay-off of a majority of the workers and adopted a strategy for isolating workers on a daily basis. As explained by the work council's president, this consisted of hiring and training a new worker for replacing him:

'He [the director] hired a man who was every day on my side to help me. I saw that it was a bad situation [...] They gave it to me to give me a hand [...] Then, I saw that he was ensconcing himself [in the workplace]. Thus, they put him there in order to take my place. Then, I got to the stage when I said: "well, I'm at an age now, where if I am

laid off I could retire me and stop working now in good and quiet conditions!'" (Works council's president, Beta)

The departure of the two work council's presidents involved, as some workers in both firms said, the end of regular meetings and a substantial weakness of the role of this structure for facing labour issues in the workplace. When the work council's meeting occurs, workers just take note to management decisions. As is pointed out by a 'survivor member' of the work council in Alpha, 'the director has already decided before the session: 'we will keep this here and after we will see!'.

At Beta, however, the consequence of the collective activity is much more evident due to the presence in the past of regular work council meetings and coordination between works councils in the multinational affiliates. The closure of the production implied a substantial reduction of 'blue-collar' workers, which animated the work council activity, and an increase of 'white-collars' following the development of new products. In this context, and as pointed out by the new president, even the advising role of the structure seems to be over:

'We are so small, and we have no more impact than in the past. Now the group makes decisions, and our job is to relay the decision. I was talking about it again yesterday with colleagues. I said we are here to say: "well, the group has decided that and BASTA! [...] Before, we could say more: "that, no, and that, no, and that, yes!"' (Works council's president, Beta)

The deterioration of the work atmosphere and the increase in job insecurity in the workplace involved in the research of an 'exit option' for other categories of workers. While in Alpha, the job insecurity is reinforced by the communication strategy of the director who issued press releases about future restructuring, at Beta the closure of production unsettled workers and did not allow them to sleep soundly. Indeed, job insecurity is linked to firms' development plans, and is a result of day-to-day pressures. Thus, the 'exit option' is a solution for workers under pressure. At Beta, an engineer explains to us that when he speaks with colleagues about the future of the firm, the answer is almost the same: 'anyway we're not going to stay here a long time, and maybe we have to watch elsewhere.' However, for workers that do not (or cannot) opt for this solution, the strategy of resistance concerns to simply 'biting the bullet during working days'.

The weakness of collective structures, management pressure, and job insecurity also implies a switch from solidarity to divisions among workers. While tensions related to the job insecurity emerged in both companies, conflicts between cross-border and resident workers are particularly strong especially in Alpha. Resident workers followed the management's arguments representing cross-border workers as a 'privileged workforce' or as a 'disturbing factor' threatening the smooth running

of the firm concerning the role they played during the conflict. Indeed, in this firm, the work council is now considered as a structure that pursues the interests of cross-border workers, and the role of cross-border workers in the conflict is now stigmatized and considered an obstacle for maintaining 'peaceful' relationships in the workplace:

'I think that a resident is not protected as a cross-border worker. In the work council, we speak only about problems of cross-borders and not yet of resident workers. It is not good if it becomes a war between poor people.' (Steelworker, Alpha)

'The people who "ruined the company" are no longer there. Fortunately, they are not here anymore! [...] I told you: it is better to discuss things face to face [...] The problem is that once you create a bad mood between workers and their employer, it is difficult to fix things after that. People are upset!' (Blacksmith, Alpha)

At the Beta, even if the tensions between cross-border and residential workers are less, in a context in which everyone suffers in the absence of a job perspective cross-border workers appear to be subject to particular stigmatization based on their supposed 'grouchy attitude'. To use the words of a worker in the logistic sector, 'cross-border earn a lot of money, but they complain anyway!'

In short, the ambivalent effect of GVCs on labour shows that, in both firms, GVCs restructuring has not only a long-lasting effect on collective structures but also on forms of resistance as well as on the relationships between workers. Despite the determination of workers to fight, the collective structures and unions do not allow them to challenge employers' value-capturing strategies. In this context, individual resistance and divisions emerged among workers when conflict is over.

Conclusion

This paper examines the ambivalent impact of GVCs on workers' ability to improve working conditions through the analysis of two workers' struggles in two lead firms in the Swiss machinery industry. The relevance of this paper is related to the deep integration of this sector in GVCs and the central role played by the Swiss machinery industry in Swiss industrial relations. The class-relational approach allows us to better understand the limits and possibilities for workers to act along GVCs to defend and improve their working conditions. As a result of a historical process, we observe a gap between the internationalization of the Swiss machinery industry and the way in which labour issues are regulated (sectoral and firm level). Since the 1990s, the integration in GVCs further reinforce this disconnection and shape the balance of power between labour and capital in favor of capital.

Case studies illustrate the consequences of these transformations in a context of GVC restructuring and show that, far from reinforcing workers' positional power, GVCs deeply affect their ability to defend themselves. Three issues are noteworthy in both companies. First, the mismatch of collective structures to face the lead-firm value-capturing strategy largely explains the powerlessness of workers to stop GVCs restructuring. The limited 'scale of action' offered by the works councils and their role in the industrial relations framework reveals that this structure seems to accompany instead of contest management strategies. Workers' struggles lasted only a brief time before consensual unionism took over. The protest also appears to be determined in advance, in which the aim is to avoid the worst outcomes and not to stop GVC restructuring projects.

Second, GVC restructuring affects collective structures and forms of resistance by paving the way for individual resistance, which takes the form of exit strategies. While exit options mainly concern older workers who are close to retirement and often have an institutional role (such as membership of a works council), everyday resilience seems to be the rule for others. Third, the end of the work council activity and job insecurity affects the relations between workers. While solidarity emerges during the struggle, divisions reappear when conflict is over. Workers embraced anti-cross-border workers' arguments based on the 'privileged workforce' and their 'troublemaker attitude'. While the works councils can encourage the displeasure of workers vis-à-vis management projects, it does not allow them to build and maintain workplace solidarity over time.

Finally, our analysis also questions the role of unions as a vector of workers' agency. The characteristics of the Swiss labour movement and the transformation of unions' strategies during the upswing of the fourth long waves deeply affected the ability of workers to improve their working conditions in a moment in which the sector increase their participation in GVCs. In this context, workers' determination is not enough to contrast employers' value-capturing strategies. Thus, a breakdown with the consensual unionism and renewal with a 'struggle unionism' can be the first step to contrast the strong imbalance of power in favor of capital and challenging GVC restructuring. The GVC framework could be integrated into unions' strategy of understanding and anticipating restructuring projects and building alliances with workers and other actors within GVCs.

Bibliography

- AA.VV. (1975) *Le Mouvement Ouvrier Suisse. Documents de 1800 à Nos Jours*. Groupe de travail sur le mouvement ouvrier. Genève : Adversaires.
- Abenroth W (1967) *Histoire Du Mouvement Ouvrier En Europe*. Paris: Maspero.
- Afonso A and Visser J (2014) The Liberal Road to High Employment and Low Inequality? The Dutch and Swiss Social Models in the Crisis. In: Dølvik JE and Martin A (eds) *European Social Models From Crisis to Crisis*. Cambridge: Oxford University Press, pp. 214–245.
- Alimahomed-Wilson J and Ness I (2018) *Choke Points: Logistics Workers Disrupting the Global Supply Chain*. London: Pluto Press.
- Alleva V and Rieger A (eds) (2017) *Grèves Au 21e Siècle*. Zurich: Rotpunktverlag.
- Altreiter C, Fibisch T and Flecker J (2015) Capital and labour on the move: the dynamics of double transnational mobility. In: Jan Drahekoupil (ed) *The Outsourcing Challenge Organizing Workers across Fragmented Production Networks*. Bruxelles: European Trade Union Institute (ETUI), pp. 67–88.
- Amable B (2016) The Political Economy of the Neoliberal Transformation of French Industrial Relations. *ILR Review* 69(3): 523–550.
- Antunes R (2015) *Addio al lavoro? Le trasformazioni e la centralità del lavoro nella globalizzazione*. Venice: Ca' Foscari-Digital Publishing.
- Aubert G (1989) Les conventions collectives et la paix du travail en Suisse. *Revue internationale du Travail* 128(3): 411–26.
- Bacon N and Storey J (1993) Individualization of the Employment Relationship and the Implications for Trade Unions. *Employee Relations* 15(1): 5–17.
- Baglioni E (2018) Labour control and the labour question in global production networks: exploitation and disciplining in Senegalese export horticulture. *Journal of Economic Geography* 18(1): 111–137.
- Baglioni E, Campling L and Havice E (2017) The Nature of the Firm in Global Value Chains. In: Baars G and Spicer A (eds) *The Corporation*. Cambridge: Cambridge University Press, pp. 314–325.
- Bairoch P (1976) *Commerce Extérieur et Développement Économique de l'Europe Au XIXe Siècle*. Paris : Mouton & EHESS.
- Bairoch P (1989) Les spécificités des chemins de fer suisses des origines à nos jours. *Revue suisse d'histoire* 39(1) : 35–57.
- Bairoch P and Körner MH (eds) (1990) *Die Schweiz in der Weltwirtschaft (15.-20. Jh.) = : La Suisse dans l'économie mondiale (15e-20e s.)*. Schweizerische Gesellschaft für Wirtschafts- und Sozialgeschichte ; Société suisse d'histoire économique et sociale. Zürich: Chronos.
- Baldwin R (2013) Global supply chains: why they emerged, why they matter, and where they are going. In: Deborah K. Elms et Patrick Low (eds) *Global Value Chains in a Changing World*. Geneva: WTO, pp. 13–59.
- Barrientos S, Gereffi G and Rossi A (2011) Economic and social upgrading in global production networks: A new paradigm for a changing world. *International Labour Review* 150(3–4): 320–340.

- Basu D (2016) Long Waves of Capitalist Development: An Empirical Investigation. *Department of Economics, University of Massachusetts Amherst Working Paper* 2016-15.
- Basu D (2017) Long Waves of Capitalist Development. In: Paul Cooney, Ann Davis, Julio Huato, Paddy Quick, Geoffrey Schneider, Ramaa Vasudevan, and Matias Vernengo (eds) *Imperiled Economies*. Boston, MA : URPE and Dollar and Sense.
- Bergier J-F (1984) *Histoire Économique de La Suisse*. Lausanne: Payot.
- Bieler A (2012) ‘Workers of the World, Unite’? Globalisation and the Quest for Transnational Solidarity. *Globalizations* 9(3): 365–378.
- Bieler A, Ingemar L and Pillay D (2008) What future strategy for the global working class? The need for a new historical subject’. In: Andreas Bieler and Ingemar Lindberg (ed) *Labour and the Challenges of Globalization: What Prospects for Transnational Solidarity?* London : Pluto Press, pp. 264–285.
- Bouquin S (2008) Les résistances au travail. Entre domination et consentement. In : Stéphane Bouquin (ed) *Résistances Au Travail*. Paris: Syllepse, pp. 19–46.
- Bryson A, Ebbinghaus B and Visser J (2011) Introduction: Causes, consequences and cures of union decline. Bryson A, Ebbinghaus B, and Visser J (eds) *European Journal of Industrial Relations* 17(2): 97–105.
- Burawoy M (2008) Open the social sciences: To whom and for what? *Portugese Journal of Social Sciences* 6(3): 137–146.
- Campling L and Selwyn B (2018) Value chains and the world economy: genealogies and reformulations. In: Andreas Nölke and Christian May (eds) *Handbook of the International Political Economy of the Corporation*. Cheltenham, Northampton: Edward Elgar Publishing, pp. 416–434.
- Coe NM (2015) Labour and Global Production Networks: Mapping Varigated Landscapes of Agency. In: Kirsty Newsome, Phil Taylor, Jennifer Bair and Al Rannie (eds) *‘Putting Labour in Its Place’: Labour Process Analysis and Global Value Chains*. London: Palgrave Macmillan, pp. 171–192.
- Cross J (2010) Neoliberalism as unexceptional: Economic zones and the everyday precariousness of working life in South India. *Critique of Anthropology* 30(4): 355–373.
- De Pury D, Hauser H and Schmid B (eds) (1996) *Ayons Le Courage d’un Nouveau Départ. Un Programme Pour Une Relance de La Politique Économique En Suisse*. Zurich: Orel Füssli.
- Doellgast V and Pannini E (2015) The impact of outsourcing on job quality for call centre workers in the telecommunications and call centre subcontractor industries. In: Jan Drakhoupil (ed) *The Outsourcing Challenge. Organizing Workers across Fragmented Production Networks*. Bruxelles: European Trade Union Institute (ETUI), pp. 117–136.
- Eichenberg P and Mach A (2011) Organized Capital and Coordinated Market Economy: Swiss Business Interest Associations between socio-economic regulation and political influence. In: Christine Trampusch and André Mach (eds) *Switzerland in Europe: Continuity and Change in the Swiss Political Economy*. London, New York : Routledge, pp. 63–81.
- Farquet C (2019) Le retour à l’ordre en Suisse après la Grande Guerre ou l’édification d’un bastion libéral-conservateur au centre de l’Europe. *Revue d’histoire* 143(20–21) : 113–128.
- Feuz A (2012) La politique de stabilisation menée par la Confédération en 2008–2010 : pourquoi la Suisse a rapidement surmonté la crise. *La Vie économique* 85(5): 3–6.
- Fichter M (2015) *Organising In and Along Value Chains. What Does It Mean for Trade Unions?* August. Berlin: Friedrich-Ebert-Stiftung.

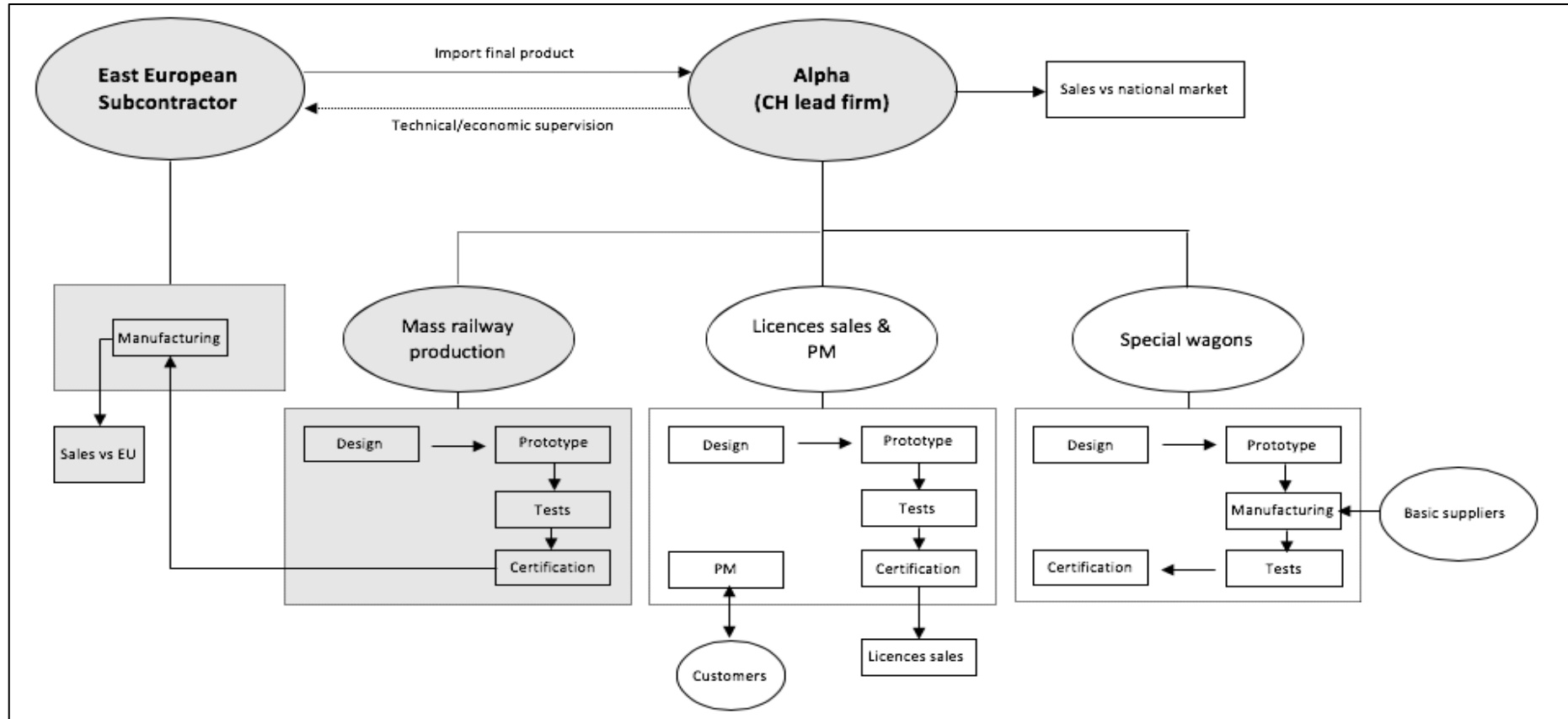
- Flückiger Y (1998) The Labour Market in Switzerland: The End of a Special Case? *International Journal of Manpower* 19(6) : 369–95.
- Freyssinet J (1993) Syndicalismes en Europe. *Le Mouvement social* (162): 3–16.
- Gereffi G (1994) The Organization of Buyer-Driven Global Commodity Chains: How U.S. Retailers Shape Overseas Production Network. In: Gary Gereffi and Miguel Korzeniewicz *Commodity Chains and Global Capitalism*. Westport, London: Praeger, pp. 95–122.
- Gereffi G and Lee J (2016) Economic and Social Upgrading in Global Value Chains and Industrial Clusters: Why Governance Matters. *Journal of Business Ethics* 133(1): 25–38.
- Gereffi G, Humphrey J and Sturgeon T (2005) The governance of global value chains. *Review of International Political Economy* 12(1): 78–104.
- Greco L (2011) Produzione globale, lavoro e strategia sindacale: alcune riflessioni a partire dalla teoria delle catene globali del valore. *Sociologia del lavoro* (123): 49–81.
- Greer I and Hauptmeier M (2016) Management Whipsawing: The Staging of Labor Competition Under Globalization. *ILR Review* 69(1) : 29–52.
- Guex S and Schaufelbuehl JM (2011) Les vertus de l'ignorance. Enjeux et conflits autour des statistiques sociales et économiques en Suisse au XX^e siècle. *Economies et sociétés* (44).
- Gunawardana SJ (2016) 'To Finish, We Must Finish': Everyday Practices of Depletion in Sri Lankan Export-Processing Zones. *Globalizations* 13(6): 861–875.
- Hale A and Wills J (eds) (2005) *Threads of Labour. Garment Industry Supply, Chains from the Workers' Perspective*. Oxford: Blackwell.
- Hammer N and Riisgaard N (2015) Labour and Segmentation in Value Chains. In: Kirsty Newsome, Philip Taylor, Jennifer Bair, Al Rainnie (eds) *Putting Labour in Its Place: Global Value Chains and Labour Process Analysis*. London, New York: Palgrave Macmillan, pp. 83–99.
- Herod A (2001) Labor Internationalism and the Contradictions of Globalization: Or, Why the Local is Sometimes Still Important in a Global Economy. *Antipode* 33(3): 407–426.
- Hirter H (1988) Die Streiks in der Schweiz in den Jahren 1880–1914. Quantitative Streikanalyse. In: *Arbeiterschaft Und Wirtschaft in Der Schweiz 1880-1914*. Erich Gruner. Zurich : Chronos Verlag, pp. 837–1008.
- Humbel K (1987) *En Toute Bonne Foi. Genèse et Évolution de La Convention de Paix Du Travail Dans l'industrie Suisse Des Machines et Des Métaux*. Bern: Fonds de participation ASM, FTMH, FCOM, USSA.
- Kelly JE (1998) *Rethinking Industrial Relations: Mobilization, Collectivism, and Long Waves*. Routledge studies in employment relations. London, New York: Routledge.
- Koller C (2015) Labour, Labour Movements, Trade Unions and Strikes (Switzerland). *1914-1918-Online International Encyclopedia of the First World War*. BSB - Bavarian State Library.
- Lambert G and Ouedraogo N (2010) Normes, routines organisationnelles et apprentissage d'entreprise. *Revue française de gestion* 201(2) : 65–85.
- Lanz R and Miroudot S (2011) *Intra-Firm Trade : Patterns, Determinants and Policy Implications*. 114, Paris : OECD Trade Policy Papers.
- Latteur N (2013) *Le Travail. Une Question Politique*. Bruxelles: ADEN.
- Lehndorff S, Dribbusch H and Schulten T (eds) (2018) *Rough Waters: European Trade Unions in a Time of Crises*. 2nd and updated edition. Brussels: European Trade Union Institute (ETUI).

- Leutwiler F and Stephan S (1991) *La Politique Économique de La Suisse Face à La Concurrence Internationale. Programme Pour Un Ordre plus Libéral*. Zurich: Orell Füssli.
- Lillie N and Wagner I (2015) Subcontracting, insecurity and posted work: evidence from construction, meat processing, and ship building. In: Jan Drahošoupilek *The Outsourcing Challenge Organizing Workers across Fragmented Production Networks*. Bruxelles : European Trade Union Institute (ETUI), pp. 157–174.
- Löwy M (2012) *Les aventures de Karl Marx contre le baron de Münchhausen : introduction à une sociologie critique de la connaissance*. Mille Marxismes. Paris : Syllepse.
- Lutiger S and Weber B (2010) L'indemnité en cas de réduction de l'horaire de travail : un instrument utile lors de la récession de 2009. *La Vie économique* 85(10) : 51–54.
- Mandel E (1981) Explaining long waves of capitalist development. *Futures* 13(4) : 332–338.
- Mandel E (1985) Partially independent variables and internal logic in classical Marxist economic analysis. *Social Science Information* 24(3): 485–505.
- Mandel E (1992) The International Debate on Long Waves of Capitalist Development: An Intermediary Balance Sheet. In: Alfred Kleinknecht, Ernest Mandel, and Immanuel Wallerstein (eds) *New Findings in Long-Wave Research*. London: Palgrave Macmillan, pp. 316–338.
- Mandel E (1995) *Long Waves of Capitalist Development: A Marxist Interpretation: Based on the Marshall Lectures given at the University of Cambridge*. London, New York : Verso.
- Mandel E (2014) *Les Ondes Longues Du Développement Capitaliste*. Paris, Bruxelles, Québec : M éditeur, Formation Leon Lesoil and Syllepse.
- Marquis J-F and Udry C-A (1996) Le renouveau de tous les dangers. In : Yvette Jaggy (ed.) *Le Livre Noir Du Néolibéralisme*. Vevey : Editions de l'Aire, pp. 134–229.
- Martinelli A (2014) La crise économique de 2008 comme levier pour restructurer l'industrie MEM : analyse et conséquences sur les conditions de travail. Master Dissertation. Faculty of Management, Economics and Social Sciences (University of Fribourg).
- Masnata F and Rubattel C (eds) (1995) *Le Pouvoir Suisse*. Vevey : Editions de l'Aire.
- Matthey C (2011) Comptes nationaux 2008. Crise, épargne des ménages et perspectives historiques. Neuchâtel: Office fédérale de la statistique (OFS).
- Mayer F and Gereffi G (2010) Regulation and Economic Globalization: Prospects and Limits of Private Governance. *Business and Politics* 12(03): 1–25.
- Merrien F-X and Becker U (2005) The Swiss Miracle: Low growth and high employment. In: Uwe Becker and Herman Scwhartz (eds) *Employment 'Miracles'*. Amsterdam: Amsterdam University Press, pp. 111–132.
- Mezzadri A (2016) Class, gender and the sweatshop: on the nexus between labour commodification and exploitation. *Third World Quarterly* 37(10): 1877–1900.
- Milberg W (ed) (2004) *Labor and the Globalization of Production. Causes and Consequences of Industrial Upgrading*. New York: Palgrave MacMillan.
- Milberg W and Winkler D (2011) Economic and social upgrading in global production networks: Problems of theory and measurement. *International Labour Review* 150(3–4): 341–365.
- Mosley L (2017) Workers' rights in global value chains: possibilities for protection and for peril. *New Political Economy* 22(2): 153–168.

- Nathani C, Hellmüller P, Peter M, et al. (2014) *Die volkswirtschaftliche Bedeutung der globalen Wertschöpfungsketten für die Schweiz – Analysen auf Basis einer neuen Datengrundlage*. Strukturberichterstattung 53/1. Bern: SECO.
- Newsome K, Taylor P and Rainnie A (2013) Putting labour in its place: global value chains and labour process analysis. *Competition and Change* 1(17): 1–5.
- Oesch D (2007) Weniger Koordination, mehr Markt? Kollektive Arbeitsbeziehungen und Neokorporatismus in der Schweiz seit 1990. *Swiss Political Science Review* 13(3): 337–68.
- Oesch D (2008) Organisationen im Umbruch: Die Gewerkschaften in der Schweiz von 1990 bis 2006. In: *Gewerkschaften Im Umbruch Eine Analyse Der Fusion Zur Grossgewerkschaft Unia*. Rieger Andreas, Ambrosetti Renzo and Beck Renatus. Zurich: Rüegger, pp. 23–49.
- Oesch D (2011) Swiss trade unions and industrial relations after 1990. A history of decline and renewal. In: *Switzerland in Europe: Continuity and Change in the Swiss Political Economy*. Christine Trampusch, André Mach. London, New York : Routledge, pp. 82–102.
- Office fédéral de la statistique (2008) Analyse structurelle de l'économie suisse. Evolution du secteur manufacturier de 1991 à 2005 - Vers une concentration sur les branches à forte valeur ajoutée. Neuchâtel : Office fédéral de la statistique (OFS).
- Office fédéral de la statistique (2019) *Enquête suisse sur la structure des salaires (ESS)*. Neuchâtel : Office fédéral de la statistique (OFS).
- Palpacuer F (2008) Bringing the social context back in: governance and wealth distribution in global commodity chains. *Economy and Society* 37(3): 393–419.
- Perrone L, Wright EO and Griffin LJ (1984) Positional Power, Strikes and Wages. *American Sociological Review* 49(3): 412.
- Phillips N and Sakamoto L (2011) *The dynamics of adverse incorporation in global production networks: Poverty, vulnerability and 'slave labour' in Brazil*. 175, Working Paper. London: Chronic Poverty Research Centre.
- Pickels J (2012) *Economic and Social Upgrading in Apparel Global Value Chains: Public Governance and Trade Policy*. Working Paper 13. Capturing the gains. University of Manchester.
- Pradella L (2015) The working poor in Western Europe: Labour, poverty and global capitalism. *Comparative European Politics* 13(5): 596–613.
- Quan K (2008) Use of Global Value Chains by Labor Organizers. *Competition & Change* 12(1): 89–104.
- Rappard W (2003) *La Révolution Industrielle et Les Origines de La Protection Légale Du Travail En Suisse*. Genève, Zurich, Bâle: Schulthess.
- Raworth K and Kidder T (2009) Mimicking 'Lean' in Global Value Chains. It's the Workers Who Get Leaned On. In: Jennifer Bair (ed) *Frontiers of Commodity Chain Research*. Stanford : Stanford University Press, pp. 165–189.
- Sayeed A and Balakrishnan R (2004) Why Do Firms Disintegrate? Towards an Understanding of the Firm Level Decision to Subcontract and its Implications for Labor. In William Milberg (ed) *Labor and the Globalization of Production Causes and Consequences of Industrial Upgrading*. New York: Palgrave Macmillan, pp. 104–118.
- Selwyn B (2012) Beyond firm-centrism: re-integrating labour and capitalism into global commodity chain analysis. *Journal of Economic Geography* 12(1): 205–226.
- Selwyn B (2013) Social Upgrading and Labour in Global Production Networks: A Critique and an Alternative Conception. *Competition & Change* 17(1): 75–90.

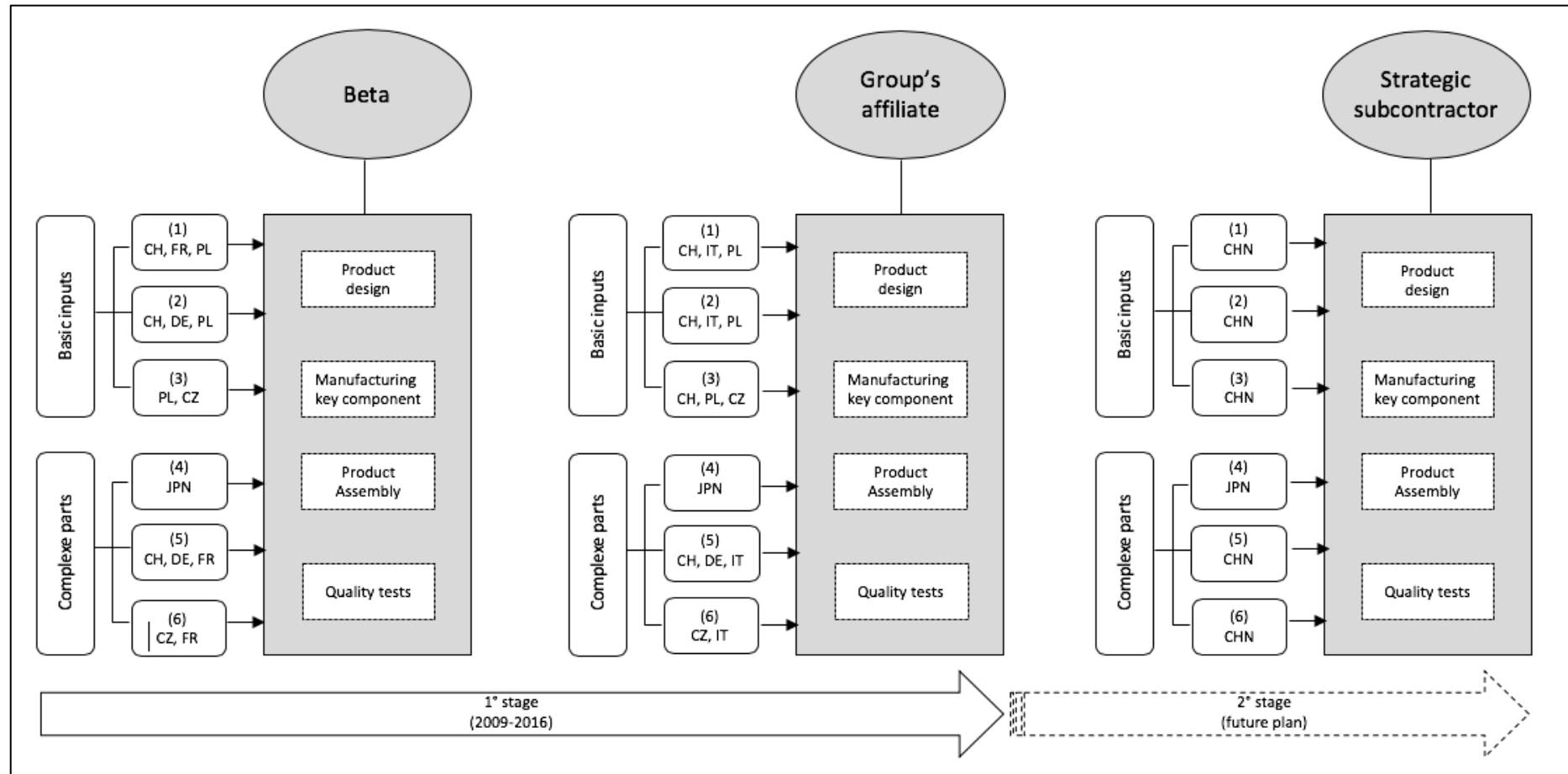
- Selwyn B (2016) Global Value Chains or Global Poverty Chains? A new research agenda. University of Sussex - *Centre for Global Political Economy* (Working Paper No. 10).
- Selwyn B (2019) Poverty chains and global capitalism. *Competition & Change* 23(1): 71–97.
- Shepherd B (2013) Global Value Chains and Developing Country Employment: A Literature Review. *OECD Trade Policy Papers* (156). OECD Publishing.
- Smith A, Rainnie A, Dunford M, et al. (2002) Networks of value, commodities and regions: Reworking divisions of labour in macro-regional economies. *Progress in Human Geography* 26(1): 41–63.
- Swiss National Bank (2019a) *Données Opérationnelles Sur Les Filiales Résidentes d'entreprises Non Résidentes – Secteurs et Branches*. Bern: Swiss National Bank.
- Swiss National Bank (2019b) *Investissements Directs à l'étranger*. Bern: Swiss National Bank.
- Sowers EA, Ciccantel PS and Smith DA (2018) Labor and Social Movements' Strategic Usage of the Global Commodity Chain Structure. In: Wilson Alimahomed and Immanuel Ness (ed) *Choke Points: Logistics Workers Disrupting the Global Supply Chain*. London: Pluto Press.
- Taylor P and Bain P (2001) Trade Unions, Workers' Rights and the Frontier of Control in UK Call Centres. *Economic and Industrial Democracy* 22(1): 39–66.
- United Nations Conference on Trade and Development (2019) *World Investment Report 2019: Special Economic Zones*. Geneva: United Nations
- Upchurch M (2000) The Crisis of Labour Relations in Germany. *Capital & Class* 24(1): 65–93.
- Visser J and Checchi D (2009) Inequality and the Labor Market: Unions. In: Brian Nolan, Wiemer Salverda, and Timothy M. Smeeding (eds) *The Oxford Handbook of Economic Inequality*. Oxford : Oxford University Press, pp. 230–256.
- Widmer F (2012) *La Coordination Patronale Face à La Financiarisation. Les Nouvelles Règles Du Jeu Dans l'industrie Suisse Des Machines*. Zurich et Genève : Seismo.
- Ziltener P and Gabathuler H (2019) Mitwirkung in der Praxis : betriebliche Arbeitnehmervertretungen im schweizerischen Gefüge der Sozialpartnerschaft. *Swiss Journal of Sociology* 45(2): 215–235.
- Zimmermann A (2012) *Klassenkampf Und Klassenkompromiss: Arbeit, Kapital Und Staat in Den Niederlanden Und Der Schweiz, 1914-1950*. PhD Thesis. Lausanne: University of Lausanne.

Annex 1: The mass railway car GVC restructuring at Alpha (2015–18)



Source: Author's elaboration based on interviews with the management. *Interpretation*: white highlighting corresponds to the activities that take part in the lead firm or that are directly coordinated by it. The East European subcontractors are the firm towards which the mass standard production was outsourced and that remains under the control of Alpha as the grey highlighting suggest.

Annex 2: The first step of the offshore of the whole machine tools GVC from Beta to China (2009–16)



Author's elaboration based on interviews with the management. Interpretation: grey highlighting corresponds to in-house activities of the machine tools production, while the numbers correspond to the categories of basic and complex inputs providing by external suppliers which come from different countries: Switzerland (CH), France (FR), Italy (IT), Poland (PL), Japan (JPN), etc. As we can see, the first state of the strategy which corresponds to the transfer of the production from Beta to a Swiss affiliate of the group does not change the structure of the GVC, but only the supply basis. This latter is composed by other firms located in other countries close to the new plant. Through the transfer to China, the GVC will remain the same and the supply basis will be composed of Chinese firms.