XIII GLOBAL LABOUR UNIVERSITY CONFERENCE
The Future of Work: Democracy, Development and the Role of Labour

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Uneven Development in labour relations

Fragmentation in the Central European automotive industry

Track 2: Trade Union Organization and Strategies

Since the global economic crisis, there has been massive relocation in the automotive industry from Germany to Central and Eastern Europe (CEE). This poses the question of whether CEE can reach the 'high road work model' in which strong labour interest representation is a key component. We analyse the question not only from an industrial relations point of view but also address it from a more global and encompassing perspective by applying the concept of uneven development. We understand uneven development as different forms of rent that MNCs are seeking in their global value chain governance. We posit that the type of rent that appears in this global process can be approximated on the one hand from the value added component in the production and on the other from work that is organized in the particular place of production. Developing our theory from an uneven development and industrial relations approach we are asking why labour is unable to strongly represent its interest in CEE manufacturing, and more concretely, in the Hungarian automotive sector? We chose companies in the Transdanubian region that provide a labour friendly environment to test the limits of the so-called 'high road work model'. Our finding on changes in value-added production and labour relations indicate hybrid rent seeking strategies of multinationals. These strategies then reinforce fragmentation of labour, which then fortifies weak (defensive) interest representation of labour.