

# **Beyond Global Uniformity: Managerial Strategies in Romania's Industrial Sector**

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## Table of Contents

<b>Introduction</b> .....	3
1. The Post-Socialist Transition and its Effects on Labour Organizing in Romania: Toward Another Competition State? .....	6
<i>The Post-Socialist Reconfiguration</i> .....	7
<i>Neo-Institutionalism and Post-Socialist Romania</i> .....	8
<i>Romania, a Competition State?</i> .....	13
2. Debates on Neoliberal Globalization .....	17
3. Despotism and Hegemonic Factory Regimes .....	20
<i>Despotic Regimes</i> .....	20
<i>Hegemonic Regimes</i> .....	21
<i>Lean Production and Quality Management</i> .....	23
<b>Methodology</b> .....	26
4. The Plastics Factory – A Hegemonic Shop Floor .....	28
<i>The Production Process</i> .....	28
<i>The Social Relations in Production</i> .....	32
<i>The Recruitment Process</i> .....	35
<i>Employment Status and Wages</i> .....	37
<i>The Internal Discourse</i> .....	39
<i>Work Conflicts</i> .....	40
5. The Nokia Factory – A Despotic Shop Floor .....	42
<i>Working Relations Under Tension</i> .....	44
<i>The Security Firm</i> .....	45
<b>Conclusion</b> .....	48
<b>References</b> .....	48

## Introduction

During a ‘bar meeting’, an acquaintance of mine once characterized his workplace in an intriguing manner, stating that „everything is very nice about this firm it is the fairest place I’ve been to so far in my career”. Taking into account that it is a production facility, not a service provider, this description was surprising. He continued to praise his workplace and concluded that „it is the best you can hope for currently”. Suffice to say that his last statement sparked my curiosity. Considering that I worked in what I consider a rough, anxiety ridden shop floor – in Nokia’s factory in Jucu, Cluj County – I wanted to know more about this supposed respectful and fair workplace and was curious of how a „nice” factory would look like. Therefore I started asking my former Nokia colleagues about „good places to work”. Two of them told me that smaller firms are better than large multinationals where you are easily overlooked. I turned my attention to smaller firms occupying Cluj’s periphery and narrowed my search to a plastics factory. It relocated to Cluj in 2007 and is the subsidiary of French company. On the shop floor, the Administrator is the „mother firms” representative. The factory produces automobile parts, mainly dashboards and various other plastic pieces belonging to these: transparent lenses for speed-o-meters, gauges, clocks etc. Turnover rate in 2013 was situated at 25 million lei, along with a 10 million lei profit. Approximately 130 workers are currently employed at the factory.

By focusing on two manufacturing plants – a plastics factory and the Nokia factory – which are located in Cluj County Romania, my research aims to describe the diverse modes of organizing which reflect capital's adaptation strategies to specific localities. Both production units relocated to Cluj in 2007, starting their activities during a period of political and economic reconfiguration in the region. In spite of these convergences, the two companies operate in distinct ways from a management point of view. As a result, this paper seeks to answer two questions: how do organizational management strategies vary in the case of Cluj? How do workers experience, respond and possibly resist these organizational practices?

I start by describing the global mechanisms which characterize the global economy’s network and the specific processes which transform newly acquired localities in order to suit global accumulation imperatives. Following this, I delve into Cluj’s case. The County has recently embraced the neoliberal ideology with all its characteristics, leading to

significant socio-economic changes which include the reconfiguration of labour conditions among numerous other aspects. The specificity of Cluj lies in a number of changes that led to acceptance of neoliberalism: a drastic shift in the political context in 2004, along with an equally dramatic economic policy change largely resembling competition state-like reforms.

The conceptual framework continues with a stance against homogenizing views on globalization. Recent globalization theories describe the neoliberal global economy as a far reaching homogenous economic rationality that engulfs large territories and transforms them into capital accumulation machines. Identifying the global economic network as a consistent and inflexible entity fails to acknowledge the full spectrum of changes generated by neoliberalism and its adjacent economic policies. Instead, diversity focused accounts – which place emphasis on the heterogeneous character (through cultural diversity or ‘lumpy’ capital) of neoliberal policies – are favored.

The despotic and hegemonic factory regimes serve to frame my analysis, providing the initial evidence for diversity. Despotic regimes are based on economic coercion, the tyranny of the wage (Burawoy, 1985; Lee, 1998), while hegemonic ones rely on more diffuse, indirect organizational procedures in order to secure workforce cooperation (Huxley, 2015; Glover and Noon, 2005; Lee, 1998; Rees, 2001; Webb, 1996). On the one hand, the Nokia factory constituted a despotic workplace, with directly exploitative working relations and visible punitive procedures – intrusive controls, scolding, threats, mass dismissals – carried out by management with the help of security agents. On the other hand, the plastics factory resembles a hegemonic regime, where management is on seemingly equal ground with employees, with cordial relations alongside familialism: encouraging workers to have family members as colleagues. An effort is made to actively maintain an internalized, ‘hidden’ type of domination which obscures wage relations. Even though I reduce my analysis to only two general (yet broad) concepts, I consider that this framework is useful to further expand the existing body of research referring to industrial relations in Romania.

Subsequently, I link the structural changes with the local context by narrowing the scale of analysis to the production units in question. I present the specific ways in which organizational strategies and discourses shape social relations in production on the shop floor. Different managerial practices maintain workforce compliance by using various

procedures during the production process, procedures which all contribute to the diversity present within the global economy. I argue that the two factories constitute manifestations of the global economy in Cluj. Transnational capital's shifting adaptation strategies to specific political and economic contexts are visible at the intersection between capital and labour: production facilities.

The diversity present in the inner workings of these two factories brings evidence to the fact that capital embeds itself in a heterogeneous manner even within a specific locality. Following Tsing's (2009) account of cultural diversity in contemporary global capitalism, I emphasize diversity not only in different areas but also within a specific locality. Global capital's adaptation strategies also vary within the same locality, not just according to larger area specific cultural traits.

Furthermore, the presented evidence seeks to extend Burawoy's factory regimes. The latter, I argue, have sustained significant developments, mainly due to the shift from fordist to post-fordist production which moved away from assembly line centered production processes to flexible, modular technological operations. Specific discourses – basing themselves on hegemonic and despotic social relations in production – further shaped the values and aspirations present on contemporary shop floors, leading to the development of new work ethics and concrete production philosophies. Lean Production and its later variants – Lean-and-Dual and Lean-and-Mean – along with the Quality Management discourse constitute the main pillars of these developments. Emphasizing worker empowerment, teamwork and productive efficiency, these discourses define contemporary work environments. The two factories studied here are no exception.

## **1. The Post-Socialist Transition and its Effects on Labour Organizing in Romania: Toward Another Competition State?**

Cluj-Napoca is considered one of Romania's rising stars. In a recent statement, the long standing mayor of the city, Emil Boc, declared that Cluj's main goal is to rival and even supersede the capital Bucharest in terms of 'quality of life'. Of course, quality of life is an ambiguous term in this context, but Boc bases his statement on an online article (Monitorul de Cluj, August 3<sup>rd</sup> 2015)<sup>1</sup> which compares the Romanian case with other western European city rivalries: Milano versus Rome, Barcelona versus Madrid and Frankfurt versus Berlin. When comparing Cluj with Bucharest, the authors of the article include demographic and economic factors. According to them, Cluj's population is on the rise, although it is still vastly inferior to Bucharest (325 thousand versus 1.8 million inhabitants). In economic terms, the article interestingly shows that the number of wage-labourers has increased by 5.8% since October 2014, currently sitting at 220 thousand, while Bucharest's employee count rose only by 0.7%. The average net income per capita also increased to 2060 lei (roughly 460 euros) in Cluj, while Bucharest's is situated at 2556 lei (roughly 572 euros), although it would be interesting to see how cities like Timișoara or Sibiu fare in terms of income per capita, knowing that these cities rivaled Cluj in the past.

Cluj is significantly more competitive economically due to its IT and industrial production sector. It is acknowledged nation-wide that Cluj is Romania's largest IT hub, encompassing technological parks such as Liberty Technology Park (with Siemens at its core) and a number of recently built, large office buildings adjacent to the city center. While the service sector is located at the core, the industrial sector is operating at the periphery. The local administration directly funded the construction of three (a fourth one is underway) industrial parks, Tetarom I, II and III, as part of its plan to increase the region's

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<sup>1</sup> <http://www.monitorulcj.ro/social/47607-calitatea-vietii-in-cluj-mai-buna-decat-in-new-york-sau-londra#sthash.rs2a87fX.dpbs> (accessed May 31<sup>st</sup> 2016)

competitiveness for transnational capital investments. Tetarom III is the largest of the three, currently housing companies such as Bosch, DeLonghi or Henschel. The history of Tetarom III revolves around the enthusiasm of Nokia's arrival in 2007. The park was meant to house Nokia's production facilities and it was initially referred to as 'Nokia Village', until Nokia was no more in December 2011.

This chapter will firstly focus on the post-socialist transformation of Romania, highlighting its economic and political reconfiguration with a heavy emphasis placed on Cluj. Secondly, the focus will shift toward a neo-institutionalist approach, describing how Romanian industrial relations changed and how the balance of power between capital and labour has tipped significantly in favor of the former. This is evidenced by legislative changes which happened primarily in 2011, with severe repercussions for trade union bargaining with transnational companies. And finally, arguments are put forth regarding the possible emergence of the Romanian competition state.

### ***The Post-Socialist Reconfiguration***

From a historical standpoint, mayor Boc's seemingly exaggerated laudatory stance is a response to Cluj and Romania's socialist backwardness imagery, which still haunts collective memory to a large extent. The need to equalize with the west, to be like the developed western countries, is the ultimate goal which needs to be reached by any means necessary. In this sense, the west is considered a modern standard retaining an element of 'newness', a promise to aspire to, or an expectation to live up to. The west as the core of the global economy becomes a 'focus of identification' for peripheral countries (Friedman, 2008), with an attached 'claim-making device' (Cooper, 2005) which serves as a hegemonic discourse, a dominant 'grand narrative' put forth by 'ruling monetarists' and financial advisors (Kalb, 2007). Therefore, the best way to 'catch up' is by following the doctrines prescribed by the World Bank and International Monetary Fund: neoliberal policies.

Having an 'actually existing' socialist past, Romania is widely considered a post-socialist country, part of the Second World, thus subjected to 'anticommunist modernization theory' emerging from 'post-war US liberalism' (Chari and Verdery, 2009:15). In this narrative, socialist eastern countries are depicted as suffering from 'inefficiencies', thus

unable to match western capitalist countries. Interpreting modernization theory as ‘western propaganda’, Chari and Verdery (2009) go on to show that socialist states often used competitive measures resembling those from the west: bailing out companies with state funds or erasing property costs using non-ownership reasons. Another goal for western modernizers was the accumulation of capital by relocating to post-socialist countries, with low cost labour power, government support and untouched capitalist commodity consuming populations.

Market ‘civilization’ was steadily imposed in Romania by local elites after 1989 in order to replace the flawed socialist conception. Although, the market economy was not accepted precisely from the beginning of the 1990’s: Iliescu and Constantinescu’s presidential mandates saw the implementation of a national neo-developmental model (Ban, 2014), favoring domestic capital and local oligarchs. Only at the end of the 1990’s neoliberalism was invoked as a necessary reform, a sure way to economic prosperity and development through transnational capital flows in the form of foreign investments that assure localized growth. Romania's transition to neoliberalism started simultaneously with its inclusion into the European Union in 2000. In this regard, Marin (2006) argues that Romania was included into the global division of labour by showing how the country and Eastern Europe in general are used as offshoring sites by Austrian and German capitals. A possible mechanism selected to implement this change is ‘dynamic path-dependency’, entailing spatial inter-linkages of the local with wider contexts which shape the former (Kalb, 2007).

### ***Neo-Institutionalism and Post-Socialist Romania***

The focus on the neo-institutionalist paradigm serves to locate Romania’s economic policies after its inclusion into the world economy within a global setting. It departs from the general ‘varieties of capitalism’ framework and progressively narrows to a country specific analysis which led to the 2011 Romanian Labour Code deregulation, which is one of the main effects induced by neoliberal policies.

Neo-institutionalist theories focus on institutions as rational actors who pursue their goals strategically and in interactions with other institutions, often following profit oriented



endeavors in broadly defined capitalist economies. The paradigm purposefully operates on an inter-institutional mezo level, commonly regarded as in between micro and macro. In generic terms, these institutional relations occur amidst companies, trade unions and the state. Among others, emphasis is placed on industrial relations, entailing inter-institutional bargaining between companies and trade unions for better wages and working conditions for the latter while. Institutional theories attempt to categorize or typify these relations within different countries. One such attempt is made by Thelen (2001) who describes two types market economies present in Europe and the USA: liberal market economies and coordinated market economies.

Liberal market economies (LME) are located in Britain and the USA. They are characterized by deregulation and ‘managerial freedom’ oriented toward productive efficiency, following the dismantling of welfare states and the weakening of labour rights. Traditional collective bargaining practices shifted in favor of employers, thus the latter gained the freedom of organizing labour power according to flexibility standards necessary for constantly changing market conditions. LME labour deregulation is visible at factory or individual levels where companies make use of strict internal controls meant to pacify the workforce. Employer strategies can vary in LME’s from despotic ‘hire and fire’ techniques to more lenient long-term employment practices ‘enlisting worker involvement’. Typically, employer/employee cooperation is assured via human resources management at plant or company level, as union representation is bypassed, thus absent in LME’s.

Coordinated market economies (CME) are found in Germany, Sweden and Italy. The main difference compared to LME’s is the strength of unions in these countries. National trade unions resisted flexibilization attempts and reoriented efforts toward stable cooperation between labour and capital. In CME’s negotiations are significantly more centralized via union coordination, national bargaining structures are connected with factory based, local unions. In addition to collective negotiations, employers rely on trade unions to regulate the workforce according to aspects agreed upon during bargaining.

A further developed analysis in this sense is given by Bohle and Greskovits (2007) who depict three variations of market economies found in Central and Eastern Europe (CEE): neoliberal, embedded neoliberal and neocorporatist. The neoliberal model characterizes the Baltic states, where an aggressive form of neoliberal market economy has

been implemented. These states started marketization ‘from scratch’, as state socialism persisted until 1991. Also, uncontrolled deregulation, deindustrialization and unskilled labour based production are more persistent elements here, when compared to the other models. The Visegrad region is characterized by an ‘embedded neoliberal’ model of market economy. This model is described as a less radical neoliberal market economy, where ‘social protection’ is seemingly balanced with neoliberal policies, even though the former finds itself in a disadvantaged position. ‘Market shock’ is dampened through regulatory procedures, although ‘foreign capital infusion’ was facilitated via ‘investment support funds’ or ‘tax exemption regimes’ (2009:447). The third model, neocorporatist, is visible only in Slovenia and represents a ‘firmly institutionalized balance’ where capital and labour are considered equal actors in the economy. When referring to post-socialist countries, it is important to mention the crucial role the European Union and transnational companies had in the formation of market based economies in this region.

Referring strictly to Romanian industrial relations, Cernat (2006) proposes the term ‘cocktail capitalism’. ‘Cocktail’ in this context describes the unevenness of economic restructuring in Romania: the failure of privatization incentives and unsatisfactory institutional interaction between trade unions, private managers and the state. The term was developed in light of Romania political and economic restructuring indicated by ‘increased openness’: unrestricted import-export (export mainly toward the west) and ‘large-scale privatization programmes’ (2006:31). Mass privatization in Romania started in 1992, when ownership vouchers were first handed out for 30% of 6300 state owned (mostly industrial) enterprises. The remaining 70% continued under state tutelage and was progressively privatized by share acquisition (typically by various factory managers) or state organized auctions.

On a general level, industrial relations in Romania were not convergent with other economic models: the actors typically participating in collective bargaining (labour, capital and the state) did not perceive themselves as valid actors on equal grounds, thus efficient cooperation between them did not occur. Transition hardships in the form of low productivity and exports were supported by workers. The unemployment rate increased and wages plummeted following the 1990’s. Trade union leaders pursued personal agendas, guaranteeing union support for certain politicians, thus industrial relations were increasingly

politicized. Similar to some Baltic countries (i.e. Lithuania and Latvia), collective bargaining was realized at a national level, with no coordination between localized, factory specific (where they existed) and national trade unions, leading to a relative absence of representation on labour's side. Also, this aspect converges with the neoliberal model described by Bohle and Greskovits (2009) earlier, characterized by radical marketization.

In line with LME specifics and neoliberal along with embedded neoliberal models, union organizing is a rare occurrence in Romania. As I mentioned elsewhere (Mihály, 2015) Romania's government proposed a so called „deregulation of work relations” necessary for foreign investments. In other words, a „flexibilization” of labor power was deemed appropriate for solving the „rigidity problem” present within the country's post-socialist workforce. Labour Code changes achieved this by allowing unlimited short-term work contracts, equivalent to probation periods. Therefore, employers were granted the right for individual or collective dismissals without any legal burdens (Stoiciu, 2010). Also, companies were permitted to impose so called „internal performance standards” as they saw fit. Unions or any other type of worker coalitions were discouraged with a clause stating that during collective strikes the work contract is suspended. Initially, collective contracts were to be discarded entirely, but union negotiations stopped this from happening. To justify Labor Code changes, the government invoked a need to increase the competitiveness of Romania at an international level. The plan to achieve this task was by generating cheap labor power with the hope of attracting foreign investments. These measures of flexibilization decreased the legal protection workers had, raising their level of subordination in front of employers even further. In sum, these reforms were negotiated in 2010 and implemented in 2011 by modifying the Labor Code thus leading to the „defeat of worker unions”. (Guga, 2014).

In a country where the socialist past is transposed unto worker solidarity and collective organizing, deregulation was further legitimized and accepted thus the bargaining power of trade unions significantly dwindled. National level organizations largely failed to represent worker interests by siding with different political actors advocating for neoliberal reforms. In these circumstances, plant-level bargaining became the only viable solution for workers (Adăscăliței and Guga, 2015). Romania's legislation states that every firm with at least 20 employees can have a worker council (it is clearly stated that this is optional, not

mandatory) needs to have a worker council, which is meant to replace collective bargaining at larger levels. What makes worker organizing in individual companies a strenuous task is the ease with which management can subvert worker representation. There is no legal clause that forbids management to involve itself in worker affairs, cases where managers are the actual leaders of company worker councils are not unheard of. Although, on a wider scale workers do not believe that unions can represent their interests and collective bargaining initiatives are completely absent in the majority of workplaces.

Labour-side deregulation represents a dominant trend in ‘developing’ countries, and the CEE region is not an exception. In Hungary, state induced flexibilization is a fundamental feature of economic policies. Not only was Hungary the first to open its borders for FDI, but the country’s economy is largely dependent on FDI. Compared to other countries in Central Europe, Hungary’s Gross Domestic Product (GDP) bears the highest percentage of these investments. The new labour law implemented in 2012 consolidated the country’s ‘race to the bottom’ strategy which consisted of lowering taxes for foreign investors and reducing wages along with working conditions. These legal prerogatives are clearly to the advantage of employers: overtime can be calculated for up to 12 months, risks associated with production are delegated to employees, vacation periods are set exclusively by employers, 3 month probation period is permitted, and employment protection is severely reduced, not including outsourced workers with short-term contracts (Schipper, 2016). Deregulation was induced in order to make Hungary competitive on a global scale, similarly to Romania.

In Poland, Maciejewska, Mrozowski and Piasna (2016) document a situation which follows an identical trend. The ‘inflow of FDI’ is considered one of the economy’s main pillars, while ‘high labour costs are diagnosed as a weakness’ (2016:230). During the 2008 economic crisis, state competitiveness measures entailing ‘liberalisation and deregulation in the labour market’ were depicted as the adequate solution for economic stagnation. The labour law implemented then is presently still in place, although it represents a further development of deregulation. These measures date back to 2002, when the minimum wage was frozen and corporation taxes were severely reduced: from 40% in 1989 to 19% in 2004 (2016:234). The need for ‘employment flexibility’ led to the implementation of 4 legislative elements: support for temporary work contracts via agencies, the number of fixed-term

contracts went from 3 to an unlimited number per company (identical with Romania), small and medium firms no longer needed to provide a social fund, and employers were permitted to annul collective agreements – including mass dismissals – ‘in a difficult economic situation’ (2016:237). Unemployment benefits were also reduced to 120 euro’s per month, and a ‘profiling’ system was introduced in order to reduce labour-side state expenditures and supposedly increase the employment rate.

### ***The Politics and Effects of a Competition State***

Becoming internationally competitive presupposes a reconfiguration of the economic functions of the state (Jessop, 1994). Supply and demand regulation at a national level is replaced by the need to ensure international competitiveness. National production and domestic capital are disregarded in favor of transnational investments. According to Jessop (1993, 1994, 2003) state intervention consists of increasing the competitiveness of a certain area in order to entice transnational companies’ investments, the main agents of the global economy. This model is viewed as one which ensures stable development and prosperity at the local level. The purpose of the „competition state” is to „secure economic growth within its borders and/or to secure competitive advantages for capitals based in its borders” (Jessop, 2003:96).

Harvey (2006) from a more analytical standpoint, argues that that an already built environment or „embedded capital” in the form of investments is advantageous to capital’s circulation of „an independent kind”. States use taxes to build infrastructure, improve spatial competitiveness and thus facilitate circulation, creating „physical conditions favorable to accumulation” (Harvey, 2006:398). It is easier for transnational capital to relocate in „welcoming” areas due to the fact that no development or building is involved. In this scheme, capital assumes a „hegemonic role” and can resort to „organized abandonment”, leading to „uneven geographical development”. This concept refers to differentiated physical and radical social relations transformation around the globe. „Formal”, political, ideological subordination of human activity in front of capital is dictated by the global market and „real”, effective subordination is achieved by transmuting – with a continuous process of dispossession, through primitive accumulation – labor into

commodity labor power.

Harvey's analysis is enriched with the inclusion of space. Defined as the „fundamental material attribute of human activity” (2006:374) which is also „socially produced”, space is considered the materialization of use values, produced by concrete labor. In other words, space becomes a commodity. The act of commodifying space generates this use value. Considering the fact that capital is created by social relations in production, space also carries „social use value”. The uneven geographical development is created by uneven „spatial integration”. The latter concept is described as a „linkage of commodity production in different locations through exchange” and is „achieved through the circulation of capital over space” (2006:375). Therefore, not producing even, universal spatial integration leads to inequalities in this exchange. Empirically, not commodifying space accordingly equates to not producing competitive or investment friendly areas „variegated to the requirement of capital and labor”. In such cases, the locality in question is abandoned. In other words, if a given space is not competitive, thus useful for capital, then it is excluded from global capital's network.

The politics of state internationalization involve economic policies based on Foreign Direct Investments (FDI). Increasing a country's competitiveness is realized through subsidies given to transnational companies by local authorities, alongside investments in infrastructure and education. The latter is based on the idea that education is important for preparing future labor force. These enticements are provided in order to attract international capital and permit them to exploit the resources of a locality – mainly labour power – but also to create jobs in a specific area, thus raising income and consumption. The underlying mechanisms of internationalization involve a convergence between domestic and international politics, where the ground for an FDI friendly environment is prepared by a shift in domestic politics which are in tune with transnational demands. Local elites successfully promoting politics of internationalization represent the means which shape competition states (Drahokoupil, 2009).

The case of Cluj – to which I return now – bears every aspect that characterizes a competition state, and it is very likely that Romania is concordant with this assumption. Cluj was and is an important academic center, home to a number of well-known universities housing more than 100.000 students. The infrastructure is already built with funds allocated

by the County Council. Their „main function is to provide all the necessary infrastructure and facilities for the companies which have production centers there”. Nokia initially occupied one of these industrial parks. Additionally, disaffected socialist factories from Cluj’s industrial periphery are refurbished and reused by contemporary transnational companies. A significant number of transnational companies make use of such spaces, typically after acquiring them from the City Council.

Apart from a visible spatial aspect in the form of infrastructure, I would argue that the legislative deregulation mentioned above is a second important aspect of state competitiveness in the case of Cluj and Romania. Deregulation involves not only tax exemptions, subsidies and rent reduction given to foreign investors, but also the labour law deregulation. A number of aspects can be included here: various modes of maintaining minimum wages, prevalence of short or limited term work contracts and growing numbers of outsourced workers. In short, competition states need to provide cheap and flexible workforces to suit transnational firms’ dynamic and shifting accumulation strategies. And lastly, labour management practices are also in tune with these legislative changes. This represents the third and final nodal point in Romania’s internationalization scheme. The loosening of the labour law permits managerial strategies ranging from visible despotic and coercive practices to more lenient, hegemonic ones. In practice, managerial strategies depend upon internal organizational strategies, thus companies are permitted to organize and control their labour force in ways suited to their accumulation plans, with little or no trade union interference or worker opposition. As a result, despotic regimes are observable in certain factories, while hegemonic ones are present in others.

The current state of affairs are linked with Cluj’s complex history. Prior to 2004 the city of Cluj-Napoca had a conservative-nationalist administration, opposed to foreign investments. Gheroghe Funar, Cluj’s mayor between 1992 and 2004 was the main voice behind the city’s nationalist politics. His success was attributed to factors from the socialist period as well as the post-socialist one. During the socialist era, Funar’s former popularity was linked to Ceaușescu’s foreign policies and to local tensions derived from forced urbanization procedures. The first factor was justified by Ceaușescu’s anti-Soviet neo-Stalinist nationalism which was already embedded in the general population’s identity. Locally, a more complex set of circumstances were in play. Similarly to most state planned

economies, rigid bureaucratic factory organization was overcome by informal bargaining for supplies and factory specific worker coalitions (Burawoy, 1979, 1985; Pittaway, 1999, 2007).

After the collapse of state socialism, economic restructuring meant that workers no longer had a privileged position. Numerous factories, unable to compete at a transnational level, still relied on state support and many were on the verge of bankruptcy. This meant mass dismissals among workers, rising unemployment rates and a general feeling of discontent. The new liberal state, along with its managers and upper-class individuals, were considered guilty for diminishing production rates and implicitly for working people's troubled existence. Coupling worker anxieties with historical ethnic tensions, Funar was able to construct a nationalist discourse, insisting that Cluj was a Romanian city and promising that he would re-appropriate the city center, thus obscuring the general state of anxiety present amongst workers. Drawing upon these aspects, Funar rose to power due to his fervent opposition to other ethnic groups, mainly Hungarians. The latter comprise 19,75% - roughly 100.000 residents – of Cluj's population, constituting the largest ethnic group in the city. Emphasizing economic protectionism, he also opposed any foreign investment, arguing that he is not a „sell-out” and that we need to keep our dignity and resist „foreign thievery”. Most of Funar's electorate was formed by post-socialist working class people stemming from the city's major socialist working class neighborhoods: Mărăști and Mănăstur. After 12 years of stalling the region's economic reconfiguration, Funar lost the 2004 mayoral elections, partly due to pressure coming from the country's integration into the European Union in 2000. Therefore, after the 2004 mayoral elections Cluj's political context changed dramatically. The newly appointed liberal mayor actively encouraged transnational companies to invest in Cluj, thus the area was included in the global economy network. In this context, Cluj County became a regional center, receiving significant transnational capital flows and numerous foreign investments (Petrovici, 2011, 2012), including the Nokia and the plastics factory studied here.



## 2. Debates on Neoliberal Globalization

A competition state is inevitably situated (or strives to be) within a global accumulation framework which is part of the contemporary type of globalization – neoliberal globalization – thus it is useful to enumerate certain perspectives on globalization and select the ones that better suit the purposes of this paper.

In current debates, globalization is equated with neoliberalism, although globalization in itself is not considered a new term, rather a contemporary type of capitalist world economy, determined by neoliberal policies. A common historical conception is that neoliberalism emerged as a response to the crisis of the welfare state in the West. Keynesian welfare policies lost appeal due to the fiscal crisis and economic stagnation generated by overspending on global welfare aid. This crisis led to the apparent social aid cuts in Western nation-states and the spread of neoliberalism which is still in effect today. After the fall of the Berlin Wall, neoliberalism was considered a necessary reform that would lead to the development of post-socialist states. „Civilization” via the global free market was imposed by local elites to replace the flawed socialist conception.

Neoliberalism in a general sense constitutes a political economy with emphasis on liberalization for the global free market and privatization enabling transnational capital flows in the form of transnational investments, which are regarded as instances of generating universal economic growth (Stiglitz, 2002). In the view of certain authors, globalization is understood as the politics which organize the contemporary economic system, where the national economy becomes dependent on the global one. It is a qualitative transformation of capitalism which led to a new relation of economic interdependence, transcending the nation-states (Bonefeld, 2003). Negri and Hardt (2001) describe the global economy and the global production circuits as integrated elements of a new global order, a new political subject or a „sovereign power that governs the world” (2001:XI).

Described in this manner, it is easy to imagine neoliberal globalization as a far reaching homogeneous economic rationality that uniformly integrates regions into its capital accumulation network, a sort of powerful and unavoidable imperialism. Such a macro-scale definition has little value for research focusing on day-to-day work experiences and adjacent cultural aspects. It is also difficult to apply in studies focusing on detailed descriptions of

economic embeddedness and reshaping of the local. I argue that a more pronounced focus on place – in the sense of particular local processes – rather than space – taken as meaning formal macro-economic processes – is better suited for an ethnographic endeavor on this subject.

For example, the „death of the nation-state” is exaggerated, Cooper (2005) shows that welfare policies are widely still in place and their dissolution fiercely contested (i.e. in France and Germany) (2005:95). Free market prerogatives had various degrees of success, less in Western Europe and more in the East and South America. In other words, „capitalism is lumpy”, uneven in its embedding. Contemporary global capital represents a specific phenomenon in different regions, not a generalized, universalized entity.

Other perspectives define neoliberalism as class struggle to accumulate capital (Harvey, 2006) or as a cultural and political project on a global scale (Clarke, 2008), while others focus on spatial re-structuring via state-side intervention influenced by global pressures (Jessop, 2003, 2004). A case in point is made by Brenner (1999) when he emphasizes the „post-territorial geographies” generated by globalization, which precedes the decline of the „territorial state”. Brenner characterizes de-territorialization as an „accumulation strategy” used by capital in order to bypass „constraints imposed by national territorial boundaries” (1999:64). This implies that the functions of the nation-state are crumbling and that we are witnessing a re-territorialization or re-scaling of the state in order to better suit the emerging globalization process. The notion of re-territorialization does not postulate the „disappearance of the state”, it merely refers to permeability between states illustrated by transnational capital flows.

Of particular interest is the relation between global and local in globalization debates. Cooper (2005) emphasizes the role of conjuncture, of historical factors that are combined in order to generate interconnectedness on different scales, between different regions. He critiques „self-propelled and homogenizing [...] continent hopping” (2005:118) forms of globalization that „sterilize” diversity and have a propensity to universalize or „flatten” history. By not taking into consideration historical processes, these accounts overlook the variety present in specific contexts.

In a similar manner, although from a neo-institutionalist perspective, Thelen (2001) argues that globalization theories focus on dichotomic „formal structures” and thus cannot

move beyond the centralization/decentralization duality. She affirms that specific country wide and regional political economies have different logics, or „behavioral patterns”. While a consensus is reached that global patterns shape local contexts (Kasmir and Carbonella, 2015), the manner in which this re-shaping occurs is not uniform. Capital does not transform every locality according to a rigid recipe. Every working class experience tied to a specific area is different due to its historical background (Kasmir and Carbonella, 2015: 22), resonating with Wolf’s (1982) „hidden histories” which are both „universalizing” and „localizing”. As such, capital's various adaptation strategies visible through different managerial practices shape industrial relations according to local particularities.

In addition, Tsing (2009) states that „diversity structures supply chain capitalism”. By supply chain capitalism she means commodity chains, which are material fluxes of commodities which connect local, national economies to the global one, thus forming a global manufacturing system (Yeates, 2004:375). These commodity chains function under „autonomous enterprises” linked to a mother company and disciplined by it. This in turn enables „diversity within structures of power”, where diversity is granted by different cultural practices revolving around ethnicity, family, gender, religion, nationality, etc. Diversity offers means and responses for overcoming labour rights, it offers solutions for cutting „labour costs and disciplining the workforce” (2009:150). This perspective is opposed to homogeneous „bigness” views of global capitalism, where the latter is formed by a „singular set of structural principles” (2009:152). The example of Wal-Mart is indicative of this diversity. While Wal-Mart regulates certain aspects in all its units (among which pricing from suppliers), it does not intend to regulate „corporate labour practices” in any specific link in the chain.

In extension to Tsing’s thesis, I argue that instead of accentuating global capital’s diversity around the world – from country to country and region to region – we can also apply ideas referring to variety in managerial practices to one locality and frame the diversity present within it. With emphasis on local diversity, the data presented in this thesis sheds light on two distinct managerial practices: despotic and hegemonic regimes, found in two factories present within the same county. While certain authors refer to globalization, neoliberalism or global capital generically, as an abstract entity, the embedding of neoliberal globalization gains specificity – thus variety or diversity – and moves from

abstract to concrete when it is studied locally.

### **3. Despotic and Hegemonic Factory Regimes**

Within the framework of neoliberal globalization presented above, lie „factory regimes” or „production apparatuses” which politically structure the social relations at work. They encompass managerial practices which ensure workforce cooperation in different forms. Burawoy (1985) focuses on two specific factory regimes: despotic (or „market despotism”) and hegemonic. Despite the fact that these management procedures were problematized many years ago, they are still relevant in describing current relations during production. Various versions of despotic and hegemonic practices are still observable under different forms in the present. Arguably, despotic regimes are still present in competitive states which seek to attract foreign direct investments (FDI), while hegemonic regimes seemingly characterize specific managerial practices including different forms of lean production or Quality Management.

An important remark on Burawoy’s factory regimes is that they were developed in a time (socialist or immediately post-socialist) when fordist production was predominant. Given the current post-fordist environment, despotic and hegemonic management is still prevalent, although it is worth dwelling on more recent developments appertaining to them. Of note are endeavors along the lean production discourse, specifically Silver’s (2003) lean-and-dual and lean-and-mean terms. Lean production itself can be regarded as a hegemonic discourse, meant to ensure a competitive edge by setting certain production standards. On the one hand, lean-and-dual contains both despotic and hegemonic elements, presupposing a hybrid workforce with different social relations in production: a portion of the workforce (formal workers) is managed in a hegemonic manner, while another portion (agency workers) is treated in a despotic manner. On the other hand, lean-and-mean is focused acutely on flexibility, engaging with a specialized workforce for limited time periods only.

#### ***Despotic Regimes***

Despotic regimes are based on economic coercion or „coercive control” determined by „whip of the market” (Burawoy, 1985:123), where workers are „free to work or free to

starve” (Nichols, et al. 2004:664). Deriving from Marx, this regime is built around strict rules, enforced by supervisors or managers often through punitive procedures in the form of scolding or deduction of wages. General distrust between management and workers prevails: „the overseer’s book of penalties replaces the slave-driver’s lash” (Marx cited in Burawoy, 1985). In Lee’s (1998) account, the Chinese term „dagong” meaning „could be fired by the boss” sums up the reality of despotic regimes. Despotism is present in „bosses’ factories”, where workers are at the mercy of management. Furthermore, Lee describes the strict disciplining techniques used in the factory she studied in Shenzhen. Procedures as security checks with metal detectors, „leave seat permits” for going to the bathroom, productive performance monitoring along with punishment for inadequate efficiency are all indicators of despotism on the shop floor. These procedures are also similar with the ones used at the Nokia factory in Cluj, which I studied in the past (see Mihály, 2015). Also, in Hungary’s electronics sector a number of measures associated with despotism are observable: low wages, short-term contracts, mandatory and unpaid overtime, wage deductions through punitive fines, health hazards and ‘harsh treatment by management’ (Schipper, 2016:132). Data collected in 2012 shows that the electronics sector employed 112.184 workers in 8300 enterprises, nearly all of which had export oriented production schemes.

Workforce deregulation and flexibilization from a legislative point of view is certainly adaptable for despotic regimes. Transnational companies can bend the flexible labour law to suit their accumulation strategies, ranging from low-cost unskilled labour-intensive, efficiency oriented strategies to specialized production standards, typically making use of various hegemonic managerial practices, variants of lean production combined with other empowering elements such as familialism or localism.

### ***Hegemonic Regimes***

When the ‘economic whip of the market’ can no longer ensure worker compliance, a different mode of domination appears: hegemonic factory regimes. In its gramscian form, hegemony is present when the dominant classes seemingly equate their interests with the subordinated classes, resulting in an internalized mode of disciplining without any direct

assertion of dominance. In the factory, ‘workers must be persuaded to cooperate with management’ thus ‘their interests must be coordinated with those of capital’ (Burawoy, 1983:590). Hegemonic regimes are predominant where the state legislation protects worker rights, thus preventing coercive managerial treatment (Nichols, et al. 2004). Thus, on the shop floor hegemonic management is based on more lenient practices: it is „a more permissive regime of production” (Lee, 1998:139) – in contrast with the visible, punishment oriented managerial control in despotic regimes. Workforce cooperation is ensured via consent, an „orderly autonomy” predominates, in which employees are supposedly involved and stimulated during production. In order to maintain this order, management constantly renews and reproduces the organizational culture which ensures consent. Managerial control is invisible, „covert”, rules exist inasmuch as they are internalized by workers, a fact that „humanizes the hierarchical authority” (1998:144).

Before shifting the specific discourses, it is important to mention that Human Resources Management plays a key role on the shop floor. HRM is a recent development, replacing negotiations between labour and capital on a broader level (trade unions and investors), with scientific management in specific enterprises (Thelen, 2001). Proponents of Critical Management Studies (CMS) assert that conventional managerial practices limit individual autonomy and assert domination through instrumental rationality (Alvesson, Levy and Willmott, 2003). In this conceptual framework, human resources experts select, develop and reward employees. Organization’s HR departments form a functionalist maintenance system, „an organizational black box” that manages a given resource that is labour power. Also, cataloging every employee’s status is a basic form of exercising disciplinary power over individuals. Management along with HR specialists impose discipline and organize the shop floor as a space in which individual activities can be observed, mapped and governed.

Considered as „organic intellectuals” or „symbolic elites”, HR specialists define the representational system within an organization, controlling the dominant discourse, dictating how things should be done using a disciplinary technology which produces an „invisible type of power” internalized by employees. Inducing normalization, the values and beliefs promoted by dominant discourse – beneficial for the organization – are treated as normal occurrences, thus suppressing resistance along with alternative ways of thinking (Clegg, 1989; Deetz, 2003).

Power, as Foucault (2005) defined it, is a specific type of social relation between individuals, where some people can determine other people's behavior, but never fully or coercively. Power exertion presupposes a form of rationality, not instrumental violence. As such, power is embedded in social relations in a circular manner, determining the effects and causes of these relations. In other words, power is considered as a set of mechanisms and procedures with the purpose of ensuring power exertion. The mechanism or technology of power in question is the so called „disciplinary technology of work” (Foucault, 2009). Disciplinary power is applied to every individual separately in order to transform them into docile bodies. Control is applied in a subtle, yet detailed manner, through monitoring devices (Foucault, 1991). The shop floor is organized in order to permit active surveillance and correction of individual actions.

Organizational culture therefore encompasses discourses which advocate the desired values, beliefs and goals. Described as a system of meanings, this culture is used as an instrument to achieve organizational goals. Additionally, it is also an ideological instrument of control influenced by the political context in which it is present, thus legitimating certain activities and condemning others (Alvesson, 2002; Mateescu, 2009).

### ***Lean Production and Quality Management***

Lean production appeared in the Japanese automobile industry in the 1970's. Not only did it lead to a significant growth in production, but it also determined the ascension of this industry to market domination levels. It was later adopted by U.S. and Western European automobile manufacturers in order to maintain a competitive edge. Also, automotive companies realized that relocation strategies tended to perpetuate conflicts with various working classes, from Brazil, South Africa to South Korea. Thus, a new strategy was needed, one that relied a technological fix rather than a spatial fix: instead of moving production to capital friendly areas, with low labour costs and state support, automobile manufacturers adopted flexible production techniques with afferent managerial strategies.

Lean production is a specific type of cost-cutting, hegemonic labour control regime, which encompasses four elements. Firstly, it emphasizes customer oriented demand production in order to eliminate waste and reduce workload. This is referred to as just-in-time production (JIT). As a result, products are only completed and delivered when needed,

thus lowering storage needs. Secondly, standardization is used in order to adapt to changing productive needs, to achieve flexibility in production. Continuous improvement, entailing „enhancing product quality”, is the third aspect. The fourth is workforce flexibility, which includes discourses of teamwork, increased worker participation and empowerment through „team meetings, job rotation, the promise of skill development and efforts to achieve a more humane work environment” (Huxley, 2015:136).

According to leanproduction.com, the “essential lean tools” include: “andon”, described as a “visual feedback system for the plant floor that...empowers operators to stop the production process”; “gemba”, meant to entice office personnel “to get out of our offices and spend time on the plant floor”; “kaizen”, which focuses on teamwork in order to bring “incremental improvements” to production; “KPI (Key Performance Indicator) metrics” which are “extremely powerful drivers of behavior...that will drive desired behavior” while being aligned with “top-level strategic goals”; “standardized work”, aiming to “capture best practices” (i.e. shortest time needed to complete a routine task).

Further expansions upon Lean Production are made by Silver (2003) who proposes the Lean-and-Dual and Lean-and-Mean terms. Lean-and-Dual is a “multilayered subcontracting system” containing both hegemonic and despotic elements. On the one hand, it provides permanent employment, high wages and good working conditions to “formal workers”, the “core labour force”, but on the other hand, it entails the hiring of outsourced “agency workers” with short-term contracts and low wages (Zhang, 2008). This duality creates a sharp separation in the workforce that is arguably the key for assuring worker cooperation while still retaining flexible production standards. Lean-and-Mean presupposes a highly skilled workforce with relatively high wages, but no employment security and without any outsourced workers. It represents an early adaptation of lean production in Western Europe that proved largely unsuccessful due to job insecurity which in turn sparked worker militancy.

The Quality Management (QM) discourse represents a more practical implementation of Lean Production, a simplification of the latter’s assumptions. QM relates directly to commodities produced in factories. More specifically, it relates to the quality of the products, postulating an “ideology of quality... [that] shapes the values and beliefs of employees” (Tuckman, 1995), that becomes visible during the production process.



According to some authors (Glover and Noon, 2005) the shift toward QM discourse involves a change in “working practices and attitudes” in production facilities. Similar to Lean Production, the aim of this discourse is to achieve worker motivation via empowerment or teamwork, thus enabling workers to directly relate with the needs of customers. It is an attempt to overcome bureaucracy and practice a transparent “open management style” encouraging communication between managers and employees (Rees, 2001). As a result of QM practices, employee problem-solving capabilities and general product quality are expected to improve. But as shown by a number of articles (Tuckman, 1995; Webb, 1996) this is rarely the case. Not only QM procedures fail in limiting standardization and control via surveillance, but work intensifies under the justification of worker empowerment. As such, QM is contradictory in nature, seeking less control and motivation, only to increase the former along with particular workloads. Another problematic aspect of QM is represented by the client’s needs assumption. Customer demands are mostly equivalent with those of managements, therefore consumer requirement represent a means of manipulating employees.

The data presented in this thesis bears resemblance to Burawoy’s despotic and hegemonic factory regimes, although this conceptual framework is applied in a fluid manner. The despotic regime presented here is not only based on economic coercion, it also bears elements of Lean-and-Dual: the Nokia factory – while clearly a despotic workplace – contained a hybrid workforce with formal and agency workers. The hegemonic regime is not based simply on consensual relationship between management and employees, it also contains elements of familialism in addition to specific hegemonic discourses such as Lean Production and Quality Management, while also making use of a hybrid workforce. By applying Burawoy’s factory regimes fluidly, the data shows the recent developments these two factory regimes have sustained in a post-fordist setting.

## Methodology

Burawoy's extended case method is well suited for carrying out a „workplace ethnography". This method requires the researcher to closely observe the activities on the shop floor, preferably from the posture of an employee actively participating in the production process. Practicing „workplace sociology", the researcher during this period performs a focused research phase gaining a detailed overview of the site he studies (Burawoy, 2009). Focusing on reflexivity, this method overcomes ethnography's shortcomings by concentrating on engagement. In opposition to positivist methodologies which seek to distance the researcher from his research subject, reflexive science „embraces not detachment but engagement as the road to knowledge" (Burawoy, 1998:5). Objectivity is not achieved by determining universal laws applicable to every social reality. In this case, research is considered objective if it contributes to the growth of knowledge, conditioned by the fact that fieldwork is done with a theory in mind. Using the extended case method we „extract the general from the unique, move from the micro to the macro, connect the present to the past in anticipation of the future, all by building on preexisting theory" (Burawoy, 2009:21).

The empirical data was collected using ethnographic methods: participant observation on the factory floor with informal discussions and in-depth interviews with employees. Ethnography is fieldwork concerned with studying specific social groups. Observation is defined as an empirical approach in which data is collected by omitting non-verbal communication. It is concerned with describing the environment and social interactions, taking place in the studied phenomenon's environment. The interview is the most widespread research method used in social sciences. Information is obtained via verbal communication concerning a certain subject.

In the case of Nokia, a six month participant observation was carried out in 2010, followed by a number of informal conversations with former colleagues after the factory relocated in 2011. My entrance to the field coincided with applying for a job at the recently opened factory, which proudly advertised that „Nokia is always hiring". I reported to the indicated human resources office at the firm's headquarters. After a long wait, a short interview and one signature, I was hired and told to be present on the next morning at the

bus stop that ensured commuting between the city of Cluj-Napoca and the location of the factory, the Tetarom III industrial park at the nearby village of Jucu.

Research at the plastics factory resulted in eight in-depth interviews in November-December 2015, along with a few follow-up interviews in April 2016. Contacting respondents was facilitated by an acquaintance. He disclosed my first interviewee's phone number and the rest of my respondents were contacted via the first person I interviewed. His help was instrumental as an interviewee and also as interview facilitator. He communicated with future respondents on the shop floor, and helped in gaining trust towards my research goals. The initial interview took place at the respondent's residence. Although he offered the first detailed description, I considered that the data was lacking social aspects. He enumerated numerous technical aspects concerning the production process, but omitted worker participation. The second respondent – also a Technician – provided information concerning the recruitment process and worker's relations with the HR Specialist. He also listed a number of companies that he considered similar to his product wise. The third interview was situated in a coffee house. I consider this the most difficult conversation, mostly due to age difference. The interviewee was a 53 year old Maintenance Technician, who described the means of production in more technical detail, revealing his superior specialization in comparison with Technicians. After his relatively short answers, he began a historic account of his career path, starting from the 1980's when he started work at Carbochim – a factory producing grinding wheels – all the way to the present. This interview was also the first to reveal the gender aspect concerning the factory's 80% female workforce. The fourth interview took place in the factory's offices with the company's HR Specialist. This conversation was significantly more fruitful than most of the other interviews, excepting the first. An ample description of social relations, the recruitment process and production procedures were provided during this interview. The remaining interviews were carried out with Operators, the numerically largest rank on the shop floor. These interviews generated a small amount of data in comparison with the first four. They served mostly to clarify certain aspects, or give a more detailed account regarding specific practices.

#### 4. The Plastics Factory – A Hegemonic Shop Floor

Hegemonic regimes entail a hidden type of domination, a fact evidenced by the plastics factory's relations in production. Workforce compliance is smoothened by a 'worker friendly' attitude, the management relates leniently to employees postulating familial values meant to increase cohesion on the shop floor. Harmonious collaboration on the shop floor is deemed necessary for an efficient workflow, but also for obscuring management's privileged and dominating position in front of employees which serves to exemplify capital's hegemonic nature the degree to which it is internalized. Employment security is high, workers are left to their own devices when it comes to controlling to production process, achieving a certain degree of worker empowerment. Conflicts do occur, although they are resolved by achieving consensus, without any effect on employment status – further supporting the status of a 'nice' workplace.

##### *The Production Process*

As mentioned in the introduction, the factory produces plastic parts for various automobile manufacturers, although it represents only a link in the production chain, delivering pieces to general assembly companies further up the supply chain. The factory in question provides only the 'raw' plastic pieces that compose automobile dashboards and other more complex plastic pieces, shipping these to assembly plants where the electronic and mechanical operations are carried out. These assembled products are then delivered directly to automobile manufacturers – BMW, Ford, Volkswagen, Citroen, Peugeot, etc. The chain of production is revealed during auditing periods, when higher placed assembly companies' representatives enact 'parameter controls' in order to ensure adequate quality standards. Production is project-based, which entails orders from clients passed down from the 'mother firm' located in France. A project is accepted after the automobile manufacturers guide the design models which result in the moulds required for the plastic injection process. These moulds are then sent to the Romanian factory, and production commences.

The path followed by the factory's commodities indicates its position within global

supply chains. Products pass through at least one more intermediary factory that assembles the plastic pieces before sending them to automobile manufacturers. It can be said that the plastic pieces are the first step in the supply chain for certain plastic components that compose the inner workings of a number of automobile models. Acting as an ‘autonomous agent’ embedded in the automobile industry, the factory’s products contribute to the so called ‘material fluxes’ of commodities, circulating irrespective of state borders, which form the global economy.

The means of production are plastic injection machines which are fed with colored or transparent plastic granules. Raw materials are packaged in 25 kilogram sacks which need to be manually shoveled in, or one ton ‘octabins’ – box pallets – which are connected directly to the machine’s intake mechanism. The machine’s primary functions are to melt the plastic granules and inject it into different moulds. A hydraulic arm then places the finished pieces on a conveyor belt. The number of pieces produced is monitored: by estimating the output and subtracting the number of flawed pieces. Output quantity depends on the type of each machine, for example a specific one produces 1200 pieces in 2 hours, while another manages 60 in the same time, although often larger, much heavier pieces.

Work is organized in three 8 hour shifts: 7-14, 14-22 and 22-7. Employees change their shifts every week. Every shift has three breaks, two 10 minute coffee breaks and a 20 minute lunch break. There is a so called program flexibility for needy employees, shift swaps or exceptions are permitted in case of illness or child birth – „we are flexible, in some cases we let women stay on one shift for two weeks or change shifts between them, whereas in other places they are penalized in such cases”. The factory is organized in three sections: production, assembly and warehouse. Smaller, secondary departments include quality, recycling and the upper level offices.

The company evolved significantly in the last six years. Initially, there were six plastic injection machines, now there are 31. This number increased progressively over the years, from 6 to 8, then to 13, etc. A respondent told me that when the 13 mark was reached (in 2009-10), operators were promoted to technicians after a short training period, and new operators were hired. This evolution also determined workforce growth: new operators are constantly being hired, (respecting the company’s female unskilled labour policy), along with four specialized technicians – one per shift, plus one handling cooling systems in

particular. With the workload increasing, operators need to work on two machines at once, although no one is expected to run long distances to operate two machines: workers are assigned machines in close proximity of each other. In the past, when there was ‘no stress’, the administrator was able to ‘shake everyone’s hand in the morning’ and communication in general was lengthier, more colloquial and personal. In comparison, the present is entirely impersonal: communication is increasingly sparse and important news is relayed via a board. For example, if there is an urgent need for a specific item, the administrator writes it on the board and expects everyone to take note.

Space-wise, the growth determined the company to move into a larger space, able to accommodate the newly bought machines. The relocation occurred in 2011, but currently the space is becoming overcrowded again, thus the half of the warehouse has been reconverted into a production area. At the end of 2015, the reconfiguration of the warehouse was announced, three new machines (currently they are six) were to be placed in the area by February 2016, but the operation was finished only at the end of March.

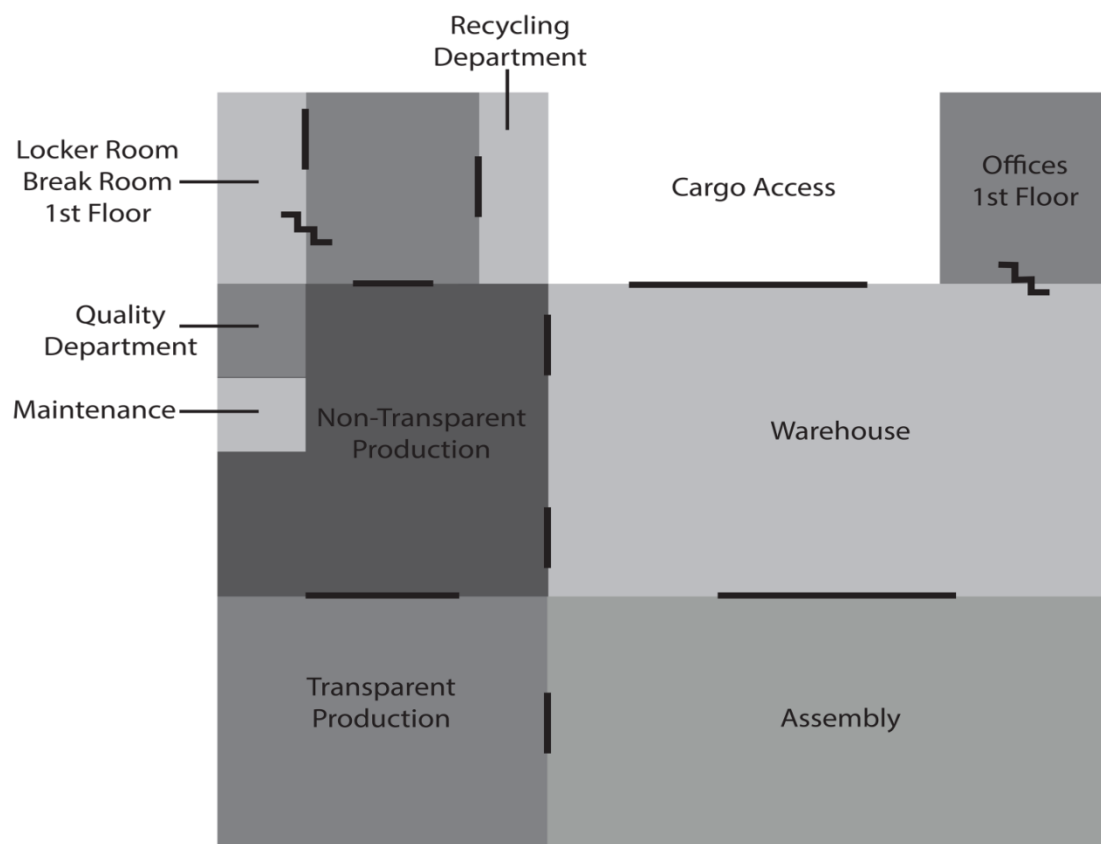


Figure 1. The Plastics Factory's Layout

The production sector houses the injection machines managed by Operators and Technicians. Three Technicians belong to this section, they also work in three shifts, six in total. One of them is the symbolic „shift manager” who discusses the shift’s work tasks with management. Technicians are tasked with changing molds – models in which plastic is injected, for example a certain form of automobile dashboard – and oversee the product quality emerging from the machines. Operators work in 3 shifts, with no exceptions. Their number is determined by the sum of machines present on the shop floor: 31 machines equal roughly 31 operators per shift. They usually have a single task (although one worker can operate two machines at the same time), to manage the quantity of products emerging from the machines via the conveyor belt. Managing includes close inspection of every piece, detection of potential flaws and placement in cardboard or wooden boxes. No one bearing the rank of operator has a fixed workplace, due to rotation between different machines. For example, an operator working on transparent pieces – lenses, which require significantly more attention to detail and a higher work rate as pieces are delivered much faster on the conveyor belt – is moved to a machine producing non-transparent pieces in order to periodically alleviate his workload. Commonly, the rotation is done once a week. Exceptions from this rule are experienced operators, recognized for their skill with sensitive products (typically lenses, ‘similar to magnifying glasses’) based on their past performance. Certain employees are ‘branded’: when a difficult piece is scheduled, management places skilled workers specifically on certain machines in order to decrease error chances.

Since production started, the diversity of items produced increased with the number of machines. Initially, only one transparent lens and a few non-transparent plastic models were made. Presently, there are roughly six types of lenses with different shades. Plastic pieces now come not only in different colors, but also with varying textures requiring distinct types of plastic granules (to withstand different elements – sun, heat, water, gasoline, etc.), heated at various temperatures in order to yield the expected results. The altogether complexity of the production process increased significantly since the start of production.

An important fact is that all „belt” Operators are women between 20 and 40 years of age. The discourses surrounding this fact clearly emphasize gender segregation. For example, one interviewee said that „it is not a job for men, the pieces are small...I don’t

know, this is how the manager decided, women are better suited for this...personally I think that it is a job for women” (M, Maintenance Technician, 53 years old). Another, female respondent, told me that „men have no patience for this kind of work, and they try to advance into more technical positions. There is no discrimination, just the way things are...they get bored, it is repetitive work, meticulous.” (F, HR Specialist, 32 years old).

In the assembly section, production flexibility entails more complex work tasks in the case of certain types of products. While some products require a complex assembly process, others are not assembled, the finished product emerged directly from the machine. Three employees work in the warehouse, their tasks are to receive raw materials and expedite finished products. The quality department encompasses five employees in total, all women: two of them work on three shifts and three only on day shifts. The „quality check” entails measuring, weighing and generally inspecting five finished products every two hours, using guidelines given by the client as a point of reference. The recycling department hosts two „millers” who process flawed pieces by spilling them into a grinder. The resulting plastic granules are sold at a reduced price or reused in the factory if they are non-transparent.

### ***The Social Relations in Production***

The internal hierarchy starts with the Administrator, who is of western origin, and his wife, the Human Resources specialist. She handles recruitment and communicates with workers on the shop floor, giving work orders at the beginning of each shift. The couple has full decision making capabilities. Following in rank are two secretaries and three employees who manage the „all important” work orders from clients, thus determining the production process. For example, the Administrator discloses information regarding a certain order, the allocated for its completion and the number of pieces needed – „the client foresees a certain number of automobiles that will be sold and gives an order accordingly”. This task is then delegated to employees responsible for work orders. They negotiate with the client, who often estimates the number of expected products per month, and these employees represent the factory’s interests and capabilities. Next in line are the two Chief Technicians, two Maintenance Technicians and nine Technicians. The inferior ranks are represented by 11



Warehouse and around 90 „belt” Operators, along with two Millers. Based on this information, the total number of employees stands at roughly 130. They all converge in the locker rooms, men’s is a small, almost personal space with 25 lockers, with the name of each worker inscribed and a few customized with stickers. The women’s locker room is on the first floor, it is a larger area due to the fact that „women form approximately 80% of the company”, as the HR Specialist insistently stated during the interview.

A more recent development is represented by the employment of outsourced workers from a separate human resources company. This practice started occurring as of 2015 due to the increased workload and spontaneous need for extra operators. In case of major errors in production – when certain types of items need to be repackaged or re-made entirely – agency workers are bought in for a short period, ranging from a few days to a few weeks or even months. Their work tasks are similar to formal operators’ – managing plastic pieces from the conveyor belt or packaging products – although one interviewee mentioned that they do ‘auxiliary’ tasks, not part of the technological production process. Production errors rarely occur, but the need for a ready standing, flexible reserve workforce is deemed convenient: ‘it’s better like this, they don’t have contracts with us, you can tell them any day not to come anymore...there are no headaches, you don’t need to fire them’. Approximately 3-4 agency workers are present per shift (about 10 in total), their exact number depending on the workload: ‘in some periods there are 10 per shift...it depends, if some people are sick maybe, then they are more, usually there are a few...at the beginning of the year they were more...but I see they are increasing’. These workers wear distinctive red t-shirts inscribed with the HR company’s name, instead of the white protective equipment worn by formal employees. The gender distribution of this category of workers is equal, young – often students – men and women with very few exceptions. In spite of the visible differences between agency and formal workers, the former are not stigmatized or excluded by the core workforce: ‘we laugh the same, we go to breaks the same’. In certain cases, agency workers are envied for having less responsibilities in front of management, due to their altogether different and seemingly absent employer.

While initially the shop floor was seemingly dominated by familial relations, the recent addition of agency workers shifts focus toward Lean Production and more specifically to lean-and-dual emphasizing a so called hybrid workforce composed of formal

and agency workers. A hybrid workforce guarantees flexibility, a necessity due to constantly shifting and somewhat experimental production requirements. As described further, constant adjustments in tune with product testing, as well as error correction is required. The latter presupposing a lengthy re-packaging operation which urgently requires extra workers for short time periods, and there come in the form of agency labour power. I would argue that this mutation in the composition of labour force is generated by the growth of production, the evolution from a minor, almost family affair to a successful commodity provider integrated into the automobile industry's supply chain. A production output growth created the need for increased flexibility – albeit currently still minor – which in turn triggered the shift from a predominantly familial hegemonic shop floor with certain elements of lean production, to a visibly fragmented workforce characteristic for lean-and-dual.

On the shop floor, Operators rarely interact with each other, every person has a machine in his care at a distance from other machines, and „effectively there is no time to interact, the machines are supplied continuously, there is no downtime” (M, Maintenance Technician, 53 years old). Mostly Technicians and Operators interact during production. The latter are required to signal any defects, and negotiate whether a piece will satisfy or fail the quality inspection with the Technicians. Therefore this duo has to ensure product quality.

During breaks, Technicians and Operators form separate groups which rarely interact. Generally the distinction is made between these two groups. Tight bonds are formed between a limited number of employees due to the fact that there are multiple break periods. If a certain number of employees go on a break, then others will inevitably replace them. There is no singular break where everyone has time off. Instead, there is a break period, a time interval in which different employee groups take their break. Superior ranks spend their breaks in a different area. Worker solidarity is often visible when a work load is too difficult for an employee: „if you see someone struggling then you go over and help”. For example, Warehouse Operators are often helped by Technicians. The latter will take the raw material and pour it into machines, although in theory this task belongs to Warehouse employees.

The administrator keeps in touch with the „mother company” – „he knows what

decisions are made”. Of what I observed from interviews, his interaction with other employees is clearly not punitive. Multiple respondents told me that „the boss” did not dismiss anyone while they worked there. The few employees that left did it on their own because they got „tired of scandals” or „did not find their place in the company”. A clear indicator of hegemonic relations, the highest ranking member’s attitude of complacency seeks to avoid conflictual relations, trying instead to create a friendly and relaxed work environment where the unequal relations in production – subordination of workers in front of management – are obscured. The appearance of equality between the administrator and his subjects demonstrates the internalization of domination, thus the ‘hidden’ character of hegemonic domination, while also corresponding to worker empowerment, a feature emphasized in Lean Production and Quality Management.

### ***The Recruitment Process***

One incentive invoked by the company during the recruitment process is that „we have no norm and the same salary”. No norm in comparison with other similar profile firms from Cluj. The recruitment process was explained by the factory’s HR Specialist. According to her, additional employees are hired when a long term contract (work order) is signed. An estimation is made, and as a result a certain number of needed employees is established. For example: „we have an order and want to hire six operators, but the expected volume is always exceeded, so we end up hiring ten new people”. These new projects are expected in advance: „we know that we will have the project a year in advance”, therefore the recruitment target has to be achieved during this time period. There are cases when the amount of work doubles during a week, calling for a „desperate recruitment target”. Under different circumstances, hiring is triggered when a product is transferred onto a different automobile, thus also leading to an extended workload: „when we hear that a piece we make will be used in six months on another car model, for example Opel, when we produced for Astra and then we heard that Zafira will have the same piece. This of course presupposes a project extension by 20, 40, 50%”.

The actual recruitment process often starts with an ad in local papers, although this method is not efficient due to the fact that in the „plastics domain” there are no other

meaningful firms – „which are there? Napochim or some such, but they did not work for the automobile industry”. Napochim is only comparable in the sense that they too produce plastic parts (domestic, household plastic products – buckets, pots, etc.), but do not have the same quality standards as the factory in question. „Our clients keep telling us that the technology present here can’t really be found elsewhere”. Therefore, no experience is required due to this productive uniqueness. During the hiring interview, this uniqueness is clearly stated for motivation purposes – „I tell them, you might think that it’s only a simple plastic piece, but it’s not, it’s something that has to be made responsibly because no one else in the world does this.” The interviewee visibly sought to accentuate the uniqueness and give me the impression that this represents an important ‘selling point’ of the factory. Considering that the pieces are installed in automobiles, human safety is also brought into question, cars can be sold anywhere and have to endure possibly harsh weather conditions.

A specialized production process entails an instruction period that is considered part of the recruitment process. The main hiring criteria for Operators is „very good eyesight” and distributive attention because „the main activity is one of verification”. There are two vision tests during the recruitment process which are also redone every year for all employees. In addition, operators need to have adequate blood pressure and blood-sugar levels, these aspects are also tested regularly. Their purpose is to ensure that minor details or differences are spotted in small plastic pieces – „to correctly estimate the right size and assess their capacity to detect flaws”. During the tests, candidates are asked to observe different plastic parts, some of which contain minor or major flaws which have to be detected in order to pass. These ophthalmological tests are demanded by the clients. After passing the vision tests, potential employees are put through a „work test” which determines their ability to manage products coming down the conveyor belt.

Another respondent described his recruitment: „I saw an online notice, the employer contacted me. I went to the interview, we agreed and I started work at the factory. The process is the same nowadays too.” Most of the new recruits have different backgrounds, they worked in different industries, there is no observable career pattern among Operators, mostly because „there are no, or are very few automotive firms with the same profile in Cluj, I can think of only one somewhat similar and we did not have any people coming from there”. In contrast, Technicians are required to have experience in mechanics and

knowledge of how the plastic injection machines operate. They worked at different companies in Cluj's industrial production sector.

### ***Employment Status and Wages***

Personnel turnover is very low (excepting agency workers), the company encourages long-term employment and work stability – „we want our employees to feel that they are doing something meaningful, to have them come to work with pleasure every day, an employee has to feel good on the shop floor...the salary cannot be the only motivator”. When asked how many colleagues left in the last year, a respondent counted only 2 or 3 people – their leave was motivated by not having to work night shifts, ‘not everyone wants to work three shifts...night shifts are kind of difficult’. Similarly, during his 8 years as an employee, an interviewee stated that only two colleagues left the firm, both on personal initiatives. Experienced workers are asked to bring relatives and acquaintances to work at the factory. The recruitment process and instruction periods are thus optimized due to the fact that older employees will help rookies learn faster. This philosophy generates solidarity on the shop floor and is deemed beneficial to everyone, company and workers alike. Also, voicing such a discourse obscures the separation between workers and management, although „everyone is aware of hierarchies”.

Worker's contracts are based on work order periods – generally a few years, although no one perceives contracts to be non-permanent. Employees are hired for given projects, for parts appertaining to a specific car model. In theory, contract duration is determined by automobile model manufacturing, the lifespan of a certain model dictates contract continuity. In practice, when a given project is finished, employees are automatically assigned to other projects. Making use of a so called Matrix Scale, employee's level of competence is evaluated: one square means that he/she is a trainee, two squares indicates that he/she manages, three – he/she can almost train others, and four – he/she can surely instruct new employees.

Not only is employment secure, but a familial or acquaintance based cohesion is targeted, seeking to equate leisure time outside working hours with time spent in the factory. Surrounded by a number of family members and friends, the work environment loses its alienating tendencies and gains what is referred to as ‘nice’ workplace which

promotes teamwork concordant with lean production or quality management discourses. Furthermore, moving beyond the wage concretely signals an anti-despotic management style, where wages – the element that indicates that labour power is a commodity that is sold by workers, thus revealing the unequal relations in production between workers and managers – are sidelined and domination obscured in a hegemonic manner.

An Operator's net salary starts from 1000 lei plus food stamps – 28 per month. Experienced Operators – one or two year seniority – are remunerated with 1000 lei and food stamps. Technicians receive 1800 lei per month. Additionally, the Administrator often rewards employees with difficult work tasks – those who manage lens production machines more often than others – with 50 to 100 lei bonuses or „premiums”. Leniency is practiced in the case of experienced but older employees – close to retirement – in regard to their lack of eye sight. Overtime is possible by choice and they are paid double – night shifts and Saturdays are also considered as overtime. The Administrator often goes to the shop floor and personally asks employees whether they are willing to do overtime. The latter mostly agree because they are asked, not commanded. The potential repercussion for refusing to do overtime is severance of the premium mentioned above. Respondents did not describe such an event – partly because no one refuses the Administrator – but they considered it a possibility.

As mentioned before, the Romanian factory is a subsidiary of a French company. The strategic advantage offered by Romanian labour power primarily resides in low wages. When compared, the gross minimum wage in France is approximately 1400 euro, while its counterpart in Romania is roughly 280 euro. As evidenced by wages – not only in the plastics factory, but also in the forthcoming Nokia factory – the competitive advantage of relocating to competition states with low wages is a common strategy used by transnational companies. It is what Wallerstein (2004) calls unequal capital flows from the periphery to the core of global economy. The main factor contributing to this global exploitation scheme is represented by accumulation strategies of off-shoring production facilities to low income states situated at the periphery of the global economy. In this sense, both factories in question have such accumulation strategies, benefitting off low wages with the aid of favorable economic policies adopted by competition states – among which, I argue, Romania is also included.

### *The Internal Discourse*

The company's internal discourse was revealed predominantly by the HR Specialist, specifying that every new employee becomes „part of the team, contributing to the firm's progress or regress". Communication with management is encouraged – „employee proposals are welcome". Emphasis is placed on the client's satisfaction, this is considered the solution to everyone's well-being – „if the client is appeased then he will place more orders and we will expand, hiring even more personnel". Letting down the company is equated with lack of dedication and attention, a weak link in an efficient chain of production. This is exemplified by not spotting a potential production flaw, therefore embarrassing the firm. A second account regarding the organizational discourse: „everyone knows that you have to respect the 8 hour shift, the break periods, be vigilant and so forth...everything is easy to comprehend and this is how you make yourself known". Of course the firm's interests come first, if they can't replace you then they won't let you leave" (i.e. on vacation).

The emphasis on performing efficiently and quickly bears resemblance to the waste elimination philosophy that forms the basis of Lean Production. Attempts at worker empowerment are also visible via the supposed removal of management from the hierarchy. More specifically, as depicted in Lean Production and Quality Management, employee's interests are equated with those of clients (with a passive management, or without managers acting as arbitrators), thus they possess the power to satisfy these needs by working efficiently and responsibly. Of course, this narrative can only function under hegemonic relations, where management's domination is internalized by workers.

A compelling distinction is made between multinationals and the company in question. The HR Specialist does not consider this firm to be a multinational, although it is a clear subsidiary of a western company. She stresses the fact that in multinationals employees are treated disgracefully – „they are only some numbers". In comparison, in this factory everyone knows each other – here they also have numbers but they don't know them, everyone is called on a first name basis" indicating a certain degree of cohesion. In other words, the HR Specialist seemed convinced that despotic regimes are futile and unpleasant, but then goes on to say that things are not that different in the plastics factory either, the only difference being that here the 'numbers' are hidden by referring to workers

on a friendlier first name basis.

### ***Work Conflicts***

Work related conflicts often appear among Operators or employees with similar ranks. They start with grievances and accusations generated by lack of help in resolving work tasks. In other words, conflicts are initiated by the lack of solidarity. „My work task is harder than yours” – reproach that often occurs when the work rhythm is high – or „you don’t make enough boxes”. A compelling example of such conflict was the case of a Technician who attempted to photograph a slacking Operator, thus generating a near violent conflict. After numerous complaints, the former took matters into his own hands and tried to obtain proof by photographing the latter with his mobile phone camera. The Operator in question visibly threatened the Technician afterwards. The Administrator started an inquiry in the matter, questioning both parties, but believing the Operator. Therefore, the Technician willingly resigned after a conversation with the Administrator, blaming the company for not treating its workers with respect. Instead, the manager is known as person who warns and argues if something is not to his liking, but he does so in a cordial manner. His most direct expression is „don’t let this happen again” and the most punitive measure is cutting a certain number of food stamps for „problematic individuals”. Internal problems are „resolved in time” and avoid general discontent.

Workers often complain about their increased workload, blaming each other for lack of involvement or laziness. An interviewee criticized his colleague for being ‘old school’, writing everything down and avoiding complex operations. Certain grievances include even the Administrator: due to his lack of technical expertise, his demands are often ignored, workers preferring to ‘engage with people with at least some awareness toward my [their] branch of expertise’. Conflicts with management are often created by lack of knowledge – in case of errors, Technicians confront and correct management’s flawed assumptions about problems and the latter accept employee opinions (which are ‘most often correct’) when faced with improved results. Technical personnel predominantly ignore the Administrator’s solution, and proceed to remedy problems their own way, often without informing higher ups: ‘they [management] don’t care how the products are made, the machine can be wired up, or patched with duct tape, they care only about quality products to sell’. Similarly,



Operators often complain when Technicians avoid adjusting certain machines – and start insisting – while Technicians justify their absence with their exaggerated workload and Operators’ lack of knowledge. Also, Technicians explained management’s tendency of ‘cutting corners’: not supplying the adequate number of parts needed for the optimal functioning of the machines. For example, the rubber hoses needed for water circulation which is part of every machine’s cooling system: having fewer hoses than machines, Technicians are asked either to botch the cooling system with wires or duct tape, or ‘borrow’ hoses from other, non-functioning machines which exceedingly and frivolously complicates work tasks, creating ‘big turmoil and confusion’.

Another set of complaints appear when the products need adjusting or ‘intervention’: when the client demands a change in their products, the machines need to be adjusted by specialized personnel – mainly Maintenance Technicians. Certain moulds can contain up to 11 modification indexes, as detailed in the work sheets attached to each one. These operations are necessary mainly because no assembly operations are done in the factory, thus in case of design flaws, certain modifications are needed: ‘if a dashboard is made up of three or four pieces and it squeaks, then they will need us to repair it...of course the client does the tests and then they tell us’. In certain cases, mould adjustments are done in house, but in most cases they need specialized laser cutting and soldering which requires transportation to other workplaces.

Along with the „classic” scientific management surveillance devices (surveillance cameras), efficiency monitoring is done intuitively. Taking into account the time and allocated raw materials, superior ranks – mostly the Administrator and employees responsible with work orders – estimate the number of quality pieces produced by subtracting the number of faulty products from the former.

In sum, social relations in production in the plastics factory bear resemblance to Burawoy’s hegemonic regime. With lenient management practices, a certain degree of familialism and clear emphasis on going beyond the wage as a sole motivator, this shop floor is in clear opposition to a despotic regime. The assumption of other hegemonic discourses such as Lean Production and Quality Management, serves to further legitimize consent based cooperation in production.

## **5. The Nokia Factory – A Despotic Shop Floor**

Bringing into question the case of Nokia in Cluj – which I studied in the past – will serve as a point of negative reference in comparison to the factory studied in this paper. Whilst Nokia's shop floor was characterized by often punitive and direct procedures with little or no communication between workers and managers, the plastics factory is quite the opposite, with real communication at all levels, contract longevity, generous compensation for overtime, etc.

First of all, I will emphasize the matter of scale. Nokia's workforce numbered approximately 4000 employees assigned to four 12 hour day and night shifts with no weekends. We are talking about a much larger scale of worker management and interchangeability with outsourced labor via Human Resources companies. For the purposes of the argument presented here – diversity within the embedding of neoliberal global politics – the difference of scale does not affect the usefulness of the comparison. The matter at hand is to provide significant evidence that demonstrates global diversity manifested in a local setting.

Nokia's workforce was divided into two groups: internal, 'Nokia employees' and externals appertaining to HR firms. These firms collaborated with Nokia during the later years of the factory's activity in Cluj. Their main role was to supply outsourced labor power, mainly used as unskilled labor on the shop floor. The primary difference between these two types of workers was that those appertaining to Nokia have been hired directly by the factory's management in the first years of activity. Higher ranks were held predominantly by internal employees, while inferior ones (Operators) were mostly external.

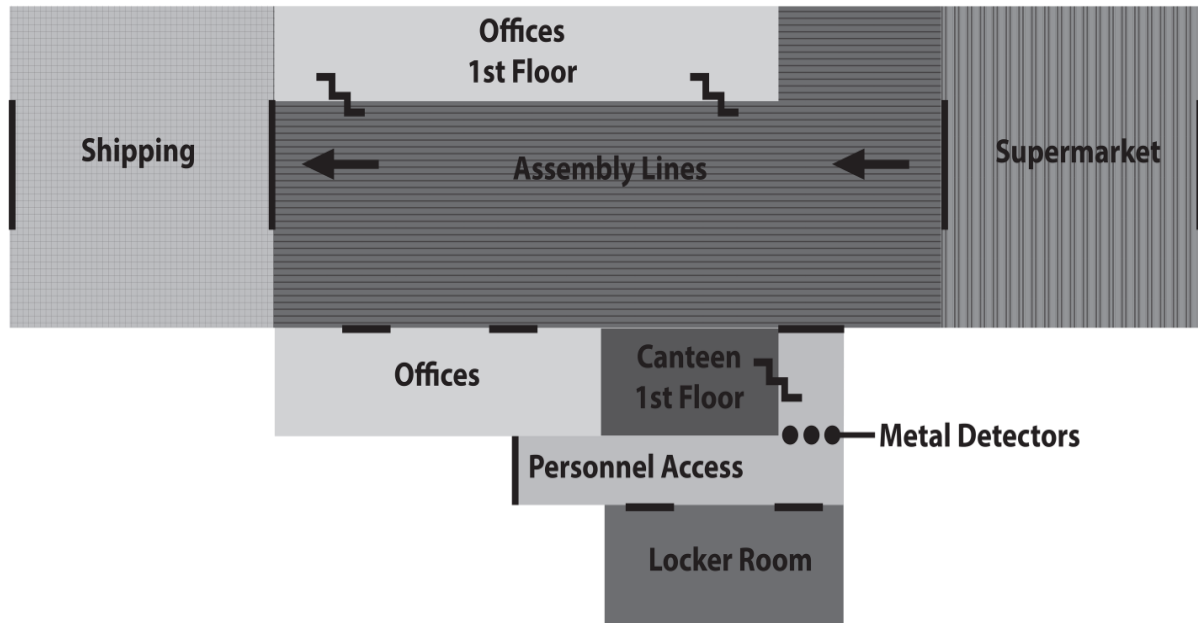


Figure 2. The Nokia Factory's Layout

The production process started from the „supermarket”, went through the assembly lines and ended in the shipping department. Located at the west end of factory, the „supermarket” housed raw materials needed for product assembly: unfolded cardboards, mobile phone batteries, headsets, cases, instruction manuals among others. The assembly lines formed the largest section of the factory. It included a sizeable number of production units, each numbered accordingly: 1A, 2A, ... 9A, 1B and so on. Each unit contained three to six assembly operators, depending on product complexity. Every operator had two tasks: folding the small box and placing the instruction manual, mounting the case and testing the phone or sealing and registering the finished product. The shipping department represented the factory's main storage area. From here, finished products were loaded directly onto trucks and transported to retailers.

The recruitment process took place at the HR firm's headquarters, completely separate from Nokia. From my experience as a former external employee, this process was a simple one, consisting of a basic interview and filling out a form. The only unpleasant aspect was that enthusiastic future employees overcrowded the place. The next morning, most of those people were on the bus to the factory awaiting their first day of work.

### ***Working Relations Under Tension***

Work relations at the Nokia factory were tense. Social relations between workers on the shop floor were limited due to surveillance and harsh efficiency requirements. The only time period which facilitated interactions was the canteen during lunch breaks. Superior ranks often used punitive procedures to ensure production efficiency. Every production unit was connected to the factory's internal monitoring program. A display screen mounted at one end of the unit revealed order status, work rate and other production efficiency indicators. Supervisors used this information to maintain internal performance standards. Usually they never spoke to inferior ranks, but in some cases, Supervisors would warn assembly operators to increase their work pace. Ignoring these warnings often determined the spontaneous dismissal of an entire assembly unit (formed by three to six Operators, each with one or two manual, routine tasks) on account of unsatisfactory work efficiency and lack of dedication.

Wage differences among internal and external employees were also notable. Despite the fact that wages were confidential, interviewees willingly described the financial aspect. As such, Nokia employees had salaries ranging from 1500 to 2000 lei, roughly 350 - 400 euro's, external employees had an initial salary of 700 lei in the first month, which increased to 800 lei in the third month. Of course this comparison is made only between workers holding similar ranks, in this case the lowest possible one: Operators. Also, the gross minimum wage from 2012 in Romania was 700 lei, identical with the external employees starting salary. The internal rules of the factory stipulated that salaries can increase up to 7%, meaning that the approximately 800 lei in the case of external employees was the most they would receive. In addition, this increase was achieved through the so called evaluations, likewise these were made only in the case of external employees. But this has not been the only purpose of these evaluation practices. External employees had short-term contracts: from two weeks to three months. The length of this period was also determined by evaluations.

Evaluations were guided by meritocratic standards, meant to reward dedication and performance at the workplace. Evaluation practices were conducted by employees with superior rank compared to the ones being evaluated. For example, an operator was evaluated

by a key operator who has been responsible for the former's activities, his direct superior. Furthermore, the HR firms representatives had an important role to play in these practices. They used three categories to assess external employee's performance: „improvement”, „on target” and „excellent”. Improvement meant that the worker was underperforming and was in danger of being fired. On target indicated that the contract was going to be extended and excellent suggested that in addition to the extension of the contract a certain bonus was to be expected.

### ***The Security Firm***

To further strengthen management's domination, a security firm was employed. This decision was justified by the alleged thefts and losses registered by the factory in its early years of activity. Security agents wore grey uniforms and were equipped with radios for communication between different security outposts. A number of outposts were placed at key points on the shop floor to ensure the most efficient monitoring possible. Security personnel's assignments consisted of imposing the factory's internal regulations, penalizing certain misconducts and verifying the products – making sure that the bar codes or models correspond with the inscription on the boxes and ensuring that nothing is missing from an order.

By all intents and purposes, security agents formed a separate group compared to the rest of the employees. Whereas all types of workers – belonging to Nokia or external – had the same transportation system – common buses and personnel vans – security agents traveled with one distinct bus designated only for them. They spent their breaks in the dressing room, an area off limits for employees during shift hours. These practices visibly fragmented solidarity between security personnel and workers. Security's interactions with the other employees were confined to short conversations avoiding friendly discussions about anything else except work. A certain level a co-operation was of course necessary for an efficient production process.

Security agents' power was visible from their mode of conduct and their attitude towards other workers. The measures which they could have implemented were well known: the mildest one was a report depicting certain disciplinary violations, performing an alcohol

test and in the worst case, suspension which most likely meant dismissal. In addition to this, a demonstration of power occurred at the exit, when the shift ended. Employees had to pass through metal detectors similar to those found in airports, located in the personnel access corridor. These were situated next to main entrance, opposite the dressing rooms. If someone triggered the detectors three times in a row he was asked to step into a separate compartment where he was undressed and each piece of clothing was scanned manually by a security agent.

Depicting from my own experience, security's display of force was often impressive. Additional guards wearing black riot gear, equipped with police batons and tear gas were brought in, most likely to keep the factory's disorganized mob of workers in order. The surrounding environment during these controls was permeated by general chaos. Shipping employees needed to wear boots with metal insertions, thus they were asked to remove their footwear every time during these control procedures. Also, the risk of losing the bus ride home increased the stress factor. An interviewee accurately described this control routine: „you were checked when you entered, at the gate, to make sure that you don't possess any forbidden items like a phone, weapons, tools, alcohol and at the exit with metal detectors to ensure that you don't take anything. People suspected of stealing goods were taken in a room, stripped and verified" (M, 21 years old, Material Coordinator).

A compelling example of the measures used by security agents has been the suspension of an important, high ranking employee for misconduct. Among other attributions, this particular worker was also a forklift driver. One day, while taking a corner too fast he provoked an accident: the boxes he was transporting fell off, hitting a bystander and injuring him. He was immediately sent home, and penalized: demoted to an inferior rank in addition to a two week suspension. He did not accept this decision and resigned. The following day, security's manager came down and showed the workers the video recording of the incident, stressing, if not threatening, the importance of dedication and attentiveness at the workplace.

As evidenced by data presented above, the Nokia factory was an anxiety ridden workplace where the fear of losing the job was predominant. With no communication between employees and managers, numerous punitive procedures and visible conflictual relations in production, this shop floor is similar with the despotic factory regime described

by Burawoy, among others.

## Conclusion

In this paper I evidenced the diversity present within the embedding of neoliberal policies in Romania and Cluj in particular. As argued by numerous other authors, Central and Eastern Europe is a common place for outsourcing and offshoring for western transnational companies forming the contemporary global economy. In this sense, I argue, Romania has also adopted similar state internationalization policies which emphasize the need for Foreign Direct Investments (FDI).

The case of Cluj is a compelling example for the manifestation of the global economy in Romania. The range of transformations taking place here vary from spatial to legislative and managerial practices. Spatially, the urban landscape of Cluj suffered significant changes: large office buildings emerged in the vicinity of the city center, along with a number of industrial parks on the outskirts. The justification for these constructions clearly emphasize the need to attract transnational investments that ensure economic growth. The legislation changes that took place in 2011 were also thought out as an enticement for foreign capital. Worker rights dwindled and collective bargaining via trade unions largely ceased, the right to manage workers according to internal accumulation strategies was delegated to employers to a large extent. Finally, the managerial practices used to accomplish these internal accumulation goals also mutated in variety of ways. This is the aspect I base my argument around: neoliberal policies create diversity (not uniformity), as evidenced by different managerial strategies adopted by transnational companies.

To demonstrate managerial diversity initially the focus is placed on Burawoy's (1985) despotic and hegemonic factory regimes. While the first is the straightforward marxian inspired regime based on economic coercion, the second one is more complex. Hegemonic regimes are consolidated on consent, an internalized thus invisible type of domination. I argue that since its inception, the hegemonic regime has known a number of developments, particularly because of its fordist origins. Burawoy based his categorization on fordist production, while currently a largely accepted post-fordist regime is prevalent. This in turn led to specific discourses developed from hegemonic management practices. The afferent chapters discuss Lean Production discourse and its adjacent Lean-and-Dual and



Lean-and-Mean variants, along with the similar Quality Management discourse.

Moving to the empirical data, I aim to demonstrate the managerial diversity in a neoliberal context by focusing on two factories from Cluj, Romania. They both relocated in the same year, 2007, and they are both offshoring endeavors of western transnational companies. The first case, which I consider a hegemonic regime, is a plastics factory of french origin, while the second case is represented by the locally well-known Nokia factory. In the case of the plastics factory a number of interviews were carried out with workers holding different ranks, while in the Nokia factory a six month participant observation session was carried out along with interviews.

The plastics factory bears more complexity compared to the hegemonic regime: it started out as a mainly familial shop floor – experienced employees are encouraged to bring relatives or friends to work and train them responsibly – with a cordial atmosphere which partially still persists. With productive capacity growing, management introduced more and more discursive elements resembling Lean Production and Quality Management. Mainly worker empowerment by relating product quality and work efficiency with client (which are well-known automobile brands such as BMW, Volkswagen or Ford) satisfaction, thus symbolically removing the role management plays on the shop floor. In addition, management clearly states that the wage cannot be the only motivator for workers, they have to feel fulfilled on the shop floor – not feel like ‘numbers’ – thus communication with decision-makers is welcomed. Another significant development is represented by the recent addition of agency workers from a separate human resources firm, thus hybridizing the workforce as depicted by Lean-and-Dual’s definition. These friendly and consensual relations in production are visibly similar with the hegemonic regime described by Burawoy. The similarities become even more evident when compared with a despotic regime.

The Nokia factory’s shop floor, I argue, is a despotic factory regime. Although it was a much larger factory and it also encompassed a hybrid workforce, the relations in production are significantly different from a hegemonic regime. Punitive procedures such as threats, scolding, fines or mass dismissals were common occurrences on the shop floor. The primary cause for despotic procedures were security agents (along with Supervisors) tasked with maintaining order during production hours. As power holders, security agents were

able to write reports for disobedience, they could perform ‘breathalyzer’ controls and could suspend employees (which largely meant dismissal). All these elements clearly depict the direct manner of domination present within the factory: the fear of losing the job was the main motivator for employees, thus there is no need for the intricate managerial discourses appertaining to hegemonic regimes.

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