CONCLUSIONS

Labour Arbitrage, Modernity and the Realities of Offshored Labour

The globalisation of production has caused the workforce to be very dependent on the condition of international markets. Regardless of the sector, competition on the global labour market has become fiercer. The central concept that drives offshoring is labour arbitrage, which is based on the savings that an organisation may make by hiring labour in a location abroad where it is cheaper to do so (Hollinshead et al., 2011). Labour arbitrage effectively reduces the bargaining power of employees in favour of their employers. Offshoring practices, the relocations of businesses from one place to another, transform not only organisations but also the way employees engage in work. In the new locations, the introduction of new regimes of production offers lower labour costs, new organisation of work and improved efficiency (Brass, 2011). Factory workers in more advanced economies lose.

Labour arbitrage is a social issue. Offshoring leads to wealth creation for organisations but not necessarily for countries, regions, or foremost employees (Levy, 2005). Nation states, progressively integrating both economically and politically, struggle to control production processes. With offshoring, their sovereignty remains challenged in a vast number of spheres (Sassen, 1996; Krasner, 1999; Cohen, 2012). Complete lack of protection and control over the labour process leads to the intensive cost-competition race between hosting populations (Rudra, 2008; Brass, 2011). No geography is left aside. Advanced Western economies with long industrial pasts face factory closures (Rousseau, 2011; Mollona, 2009; Blyton and Jenkins, 2012), adapt to offshoring (Nadeem, 2009) and try to cope with industry re-structuring. Participating in this competition, the contenders, usually less powerful economies, actively expand their global engagements by offering privileges and lower costs of labour. As this competition has no end, it is known as the "race to the bottom" in labour costs (Rudra, 2008; Collins and Mayer, 2010). The further down the costs go, the bigger the potential net profits. The decrease in costs is proportional to the decrease not only in salary levels and work conditions but also in the scope of labour movements and workers' rights (Clawson, 2003; Silver, 2003).

Grand theories of economic globalisation interpret distant, forgotten geographies as a source of energy for the process of economic development. My research has provided an ethnographic account of the East European periphery

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to convey the meanings, lived experiences and emotions experienced locally by a global production node of a foreign investor. Michael Burawoy argues that the ethnographer has privileged insight into the lived experience of globalisation (Burawoy, 2000). For Burawoy, global ethnography means “releasing fieldwork from solitary confinement, from being bound to a single place and time” (Burawoy, 2000: 4). Similar to classically understood ethnography, the underlying assumption of this research approach is that it is possible to gain an analytical and critical understanding of the described experiences by examining how specific actors reflect on them or call them into question.

In this book I have shown how ethnography can be an important tool for studying the on-the-ground effects of global capitalism, specifically those of a manufacturing plant on a post-socialist population. In the study, I understand the plant as a place of global assemblage (Ong and Collier, 2005), which represents the transformation caused by the interaction of diverse scales of social processes. This notion exposes the specific context and outcomes of the production node’s presence, such as the new arrangements of culture and power. Bridging the perspective of global political economy with context-specific ethnographic data, I have outlined the double meaning of offshoring. On the one hand, it encourages middle-class dreams and fantasies, and on the other, it functions as a source of social problems and tensions resulting from the global arbitrage.

“Rational choice is the heart of the microeconomic model of economic man, who is portrayed as a logical thinker who evaluates options and inputs consistently and coherently, and selects those that maximize his utility” (Oritz, 2005: 63). In this study I have explored the dynamics of the encounter between the global economy and local realities. Neoliberal rationality penetrated the workforce in the region and the local participation in the global production of the investor generated a challenge to the status quo. After more than 20 years of economic turbulence, the Romanian population expected change. In the first decades of the transitions, the country struggled with transitory realities, problems with the legal framework, a disappearing industry and shrinking job market. In the next decade, despite celebrating small steps towards the normalization of life, the system started to open, but at the same time, in trying to ensure competitiveness, it conformed to free market realities by adapting neoliberal policies and reducing the amount of worker protections and welfare benefits. These attempts were strengthened by the global economic crisis, which in Romania resulted in radical austerity measures in the public sector and further legal changes that removed worker protections. One of the most radical changes has been the new labour law, which impacted the labour market with a set of new regulations increasing the flexibility of contracts and reducing the amount of employer responsibilities.