

## Advance Praise

Just as the dynamics of capitalism shuts down opportunities for labour organizing, it can also open up new possibilities. In this important book Ashok Kumar traces the history and geographical spread of the garment industry, how retailers have secured ever more power that has led to the restructuring of the global production chain and increased the structural power of the most exploited workers. Exemplary engaged research that challenges the fatalism accompanying neoliberalism.

**Michael Burawoy**, University of California, Berkeley

With surgical precision, Ashok Kumar opens up key sites in global supply chains to rigorous investigation and offers urgent insights about how sweatshops work, and how they might work differently. Powerful and profoundly illuminating, this book is a must-read for all those concerned with labour and its movements, and supply chain capitalism and its alternatives.

**Deborah Cowen**, University of Toronto

A major theoretical and empirical contribution to our understanding of the evolving state of contemporary global industrial capitalism.

**David Harvey**, City University of New York

The sweatshop economy is pervasive in today's global capitalism. Ashok Kumar charts its evolution, shows how market power is becoming concentrated, and also charts the rise of worker resistance which exploits vulnerabilities in the new production systems.

**Richard Hyman**, London School of Economics and Political Science

Unlike many a book on capitalism and labour, Ashok Kumar not only goes global, but also, most significantly, moves into the innards of the most labour-intensive sectors. Thus, beyond the familiar narratives of exploitation, he proposes a theory of monopsony power in global value chains which brings together the inner logics of capital and the collective power of workers in analysing the evolution of the sweatshop.

**Saskia Sassen**, Columbia University

## Monopsony Capitalism

*Monopsony Capitalism* explores the combination of capital's changing composition and labour's subjective agency to examine whether the waning days of the 'sweatshop' have indeed begun. Focused on the garment and footwear sectors – which epitomize the leading edges in the advance of globalization and the spread of vertically disintegrated value chains – the book introduces a universal logic that governs competition and reshapes the chain. Simply put, deregulation produces high degrees of monopsony power, increasing the value share for the lead firm. This intensifies competition, exerts downward pressure, and winnows the number of suppliers able to compete. The result is supplier-end consolidation. Consolidation increases the surviving suppliers' share of value, which expands access to finance, facilitates self-investment, and raises entry barriers. In 2005, the *regulatory* regime that had once enforced a degree of spatial inflexibility finally dwindled to nothing with the phase-out of the Multi-Fibre Agreement (MFA). The subsequent emergence of *market* spatial inflexibility, which gives labour new openings, occurs with free, unrestricted flows between supplier and buyer.

This book analyses workers' collective action at various sites of production primarily in China, India, Honduras, and United States, and secondarily in Vietnam, Cambodia, Bangladesh, and Indonesia. It observes how this internal logic plays out for labour who are testing the limits of the social order, stretching it until the seams show, and making it possible for bosses to come to the proverbial table, hat in hand, to hash out agreements with those who assemble their goods. By examining the most valorized parts of underdeveloped sectors, one can see where capital is going and how it is getting there. The findings contribute to ongoing strategies to bolster workers' bargaining power in sectors plagued by poverty, powerlessness, and perilous workplaces. Indeed, with these changes in global capitalism and a capable labour movement, there's hope yet that workers may close the gap.

**Ashok Kumar** is Lecturer in International Political Economy at the School of Business, Economics and Informatics at Birkbeck, University of London.

## Development Trajectories in Global Value Chains

A feature of the current phase of globalization is the outsourcing of production tasks and services across borders, and the increasing organization of production and trade through global value chains (GVCs), global commodity chains (GCCs), and global production networks (GPNs). With a large and growing literature on GVCs, GCCs, and GPNs, this series is distinguished by its focus on the implications of these new production systems for economic, social, and regional development.

This series publishes a wide range of theoretical, methodological, and empirical works, both research monographs and edited volumes, dealing with crucial issues of transformation in the global economy. How do GVCs change the ways in which lead and supplier firms shape regional and international economies? How do they affect local and regional development trajectories, and what implications do they have for workers and their communities? How is the organization of value chains changing and how are these emerging forms contested as more traditional structures of North–South trade complemented and transformed by emerging South–South lead firms, investments, and trading links? How does the large-scale entry of women into value-chain production impact on gender relations? What opportunities and limits do GVCs create for economic and social upgrading and innovation? In what ways are GVCs changing the nature of work and the role of labor in the global economy? And how might the increasing focus on logistics management, financialization, or social standards and compliance portend important developments in the structure of regional economies?

This series includes contributions from all disciplines and interdisciplinary fields and approaches related to GVC analysis, including GCCs and GPNs, and is particularly focused on theoretically innovative and informed works that are grounded in the empirics of development related to these approaches. Through their focus on changing organizational forms, governance systems, and production relations, volumes in this series contribute to on-going conversations about theories of development and development policy in the contemporary era of globalization.

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# Monopsony Capitalism

## Power and Production in the Twilight of the Sweatshop Age

Ashok Kumar



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*To Amma & Appaji for everything*

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