

Chapter 9

'Union busting is disgusting': labour conflicts at LG corporation in Poland

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1. Introduction

The case of the electronics industry in Poland, as a part of global production chain, provides the ground for an analysis of a new power dynamic between global capital and workers in Poland. Investigation of this process points to the emergence of new labour conflicts within the framework of the expansion of international investments in Poland and opens up a more general reflection on the relations between very flexible production, as found in the electronics sector, and its consequences for work organization, working conditions and workers' scope for organizing themselves.

As indicated in many studies on the electronics industry (Chan et al. 2008; Ho et al. 2009; Os and Theuws 2009; Haan and Schipper 2009; Perényi et al. 2012; Overeem 2012; Pun et al. 2013; Chan et al. 2013), global production and the supply chain have two intertwined characteristics: due to the extent of the links in the chain and their inter-relations, it is as complex (or even complicated) as it is flexible. The intricate relations between suppliers, main producers and the brand company have been well described by Esther de Haan and Irene Schipper (2009: 2): 'We are no longer looking at a classic example of supply chain responsibility, with one company at the top of the pyramid working down the tiers, but it more resembles a web with spiders weaving from different knots.' The spider's web metaphor refers to the fact that the electronics industry, with its multi-layered supply system, has increased competition between the numerous companies involved in the production of a particular electronic consumer good. This is now one of the key mechanisms of profit-making in the sector.

This mechanism has very direct consequences for the health and lives of electronics industry assembly workers. To increase their competitiveness, the brand company and the main producer(s) impose financial and time

pressure on the suppliers, who, in order to counterbalance their costs during downtimes or to keep up with the schedule of orders and still extract profits, shift the costs of production onto the workers by increasing labour productivity, introducing changes in work organization and new technologies but without raising wages (Palpacuer 2008). The intensification of work in such flexible production also requires flexible employment. The assembly plants – especially those at the bottom end of the particular section of the supply chain or those that have only one customer – use flexible forms of employment that can be easily increased or reduced depending on the annual production cycle. This enables them to stay ahead in the market (Maciejewska 2012).

Apart from adjustments of or improvements in the work process and the introduction of new technologies, the profitability of the major electronics corporations can also be attributed to their relatively high mobility. The ‘spider’s web’ supply chain enables major producers to either offshore or move production to places where operating costs are lower. In other words, transnational electronics corporations have the ability to shift their costs of production in various ways, either by partially downloading them lower down the production chain – contracting some of their assembly processes to other, cheaper companies (providing the same or better technologies for lower prices) – or by moving their plants where conditions are more favourable (such as a cheaper labour force or tax incentives). To use Beverly Silver’s (2003) terms, in electronics we can observe both rapid spatial and technological fixes. The industry, as a very flexible and relatively mobile one, can thus well adapt itself to changing economic conditions and global competition.

The findings of this chapter and its analytical framework¹ are influenced by a number of key studies of how the flexibility and complexity of electronics supply chains impact on workers’ lives. For example, this

1. Most of the data presented in this paper were collected for the author’s PhD research project on transition and the development of Special Economic Zones in Poland, carried out between 2011 and 2013. Part of the research project was grounded in participant observation at one of the electronics assembly plants in Poland, where the author was employed as a temporary worker and worked on the production line from October until December 2011. The analyses included in this chapter are partly derived from the author’s previous publications: Maciejewska (2012), *Exhausted bodies and precious products: women’s work in a Special Economic Zone for the electronics industry in Poland*; Mrozowicki and Maciejewska (2013), *Conflicts at work in Poland’s new capitalism: worker resistance in a flexible work regime*. For the full report on working conditions in Special Economic Zones at LG see: Maciejewska (2013) *Zmęczone ciała i bezcenne produkty. Warunki pracy kobiet w specjalnej strefie ekonomicznej przemysłu elektronicznego*.

approach was embedded and developed in research projects carried out in Shenzhen electronics assembly plants in China (Pun et al. 2010), in factories in Silicon Valley in the United States (Pellow and Park 2002) and in so-called 'maquiladoras' in Mexico (Fernandez-Kelly 1983; Ruiz and Tiano 1987). Those analyses are inscribed in a research tradition that aims at social and political intervention in public and academic discourse by bringing to light bottom-up perspectives on working conditions in what Pun Ngai (2005) calls 'global workplaces'. In this tradition the objective of intervention is not solely to write an article and expand knowledge, but – most importantly – to take part in a networking process to help workers to organize. Along with this goal comes the methodology of direct and engaged participation by the researchers in the lives, work and struggles of the communities or groups exposed to different mechanisms of oppression. The premises underlying such methodology embody a claim that the knowledge production process is inextricably linked with collective action in those communities or groups. In other words, the knowledge produced in such research is both an outcome of and a tool for social struggles.²

Drawing on the above-described analytical framework, in this chapter we investigate how the characteristics of electronics manufacturing in (a part of) LG's supply chain shape labour relations and influence the collective actions in the industry. I will first briefly describe the conditions in the electronics industry in Poland and, by pointing to the history of its new greenfield investments, analyse Poland's role in the global production and supply chain. Second, by exploring the case of LG Corporation, I try to explain how flexible production, flexible working conditions and organizing strategies are intertwined, presenting a close-up view of three examples of union activities in one of LG's locations in Poland.

The main goal of this chapter is not only to point to the similarities between the different locations of global electronic production and Poland's role in it, but also to study the underlying micro-processes in order to understand workers' options when it comes to organizing and struggle in such global workplaces as LG's electronic assembly plants.

2. See, for example, Stewart, Garvey and McKearney (2013) and the publications of the Friends of Gongchao (<http://www.gongchao.org/>) and SACOM – Students and Scholars against Corporate Misbehaviour (<http://sacom.hk>).

2. Poland in the electronics industry's global supply chain

At the beginning of 2014 the mainstream media hailed Poland as the European 'tycoon of electronics' when the predicted value of production – both household goods and personal electronics – reached nearly 14 billion euros (the highest among EU countries).³ From the perspective of long-term macroeconomic indicators, the statement has a kernel of truth. In fact, from 2005 to 2010 total revenues in the industry increased by 126 per cent, the value of sold production doubled (Table 1) and between 2000 and 2012 exports increased ninefold.⁴ This 'success story', however, has its dark underside, expressed explicitly by one of the state's information agencies: 'Poland has become the European leader in household goods production ... and European empire of LCD TV production ... due to low labour costs ... the acquisition of Polish enterprises by foreign investors [and] public aid' (Garbacz 2010: 2, 4). At present, all electronics producers are located in Poland's Special Economic Zones, where they make use of such incentives as income and property tax exemptions and EU funds. Located mainly in rural areas, the Zones draw their workforce from local communities with high unemployment. Thus, having created a 'business-friendly' environment by privatizing state-owned enterprises and land, providing cheap labour and offering generous incentives for the private sector, Poland has become part of the global electronics supply chain.

Since the late 1990s the electronics industry in Poland, similarly to the retail industry, has developed quite rapidly. The process was embedded in the economic crisis of the early 1990s in the aftermath of the systemic shift from a state planned economy towards capitalism. Poland's major state-owned electronics enterprises underwent radical restructuring, which first led to huge indebtedness and then to bankruptcy. As in other branches, the changes were the result of both new macroeconomic policies and the shift in the geopolitical situation. Together they brought about the collapse of the electronics sales market (as electronics in Poland were produced mainly for the army) and an influx of cheap duty-free Western products. The economic crisis of the early 1990s triggered the creation of new business incentives, such as tax exemptions provided by

3. According to press releases (Mazurkiewicz 2014).

4. According to the information of the Institute of the Electronics Market export value grew from USD 1.4 billion in 2000 to USD 12.6 billion in 2012 (retrieved from: <http://www.ire.pl/index.php?module=htmlpages&func=display&pid=21, 6.03.2015>).

the Polish government in the form of Special Economic Zones (legally established in 1994 along with ratification of the agreement establishing the World Trade Organization). However, the real development of new greenfield investments in the electronics sector speeded up in the mid-2000s, when major corporations such as LG, Sharp, Dell, Toshiba, Funai and TCL decided to locate their assembly plants in Polish Special Economic Zones (which happened between 2006 and 2007). With them came their subcontractors – mostly Chinese, Taiwanese and Korean companies, such as TPV, Flextronics, Dong Yung, Heesung, LG Innotek, LG Chem and Chung Hong.

At present, all major electronics companies in Poland are part of transnational corporations and the industry itself is dominated by the production of liquid-crystal-display television sets (LCD TVs). More than 20 million TV sets are produced every year and the biggest player on the market is LG, producing 13 million TV sets: 5 million in Mława in north-eastern Poland by LG Electronics and 8 million in Biskupice Podgórne in south-western Poland by LG Display.⁵

The production of LCD TVs mainly involves assembling semi-finished products (mounted mainly by the subcontractors of the main producers), including monitors, printed circuit boards, back light units and finished products, such as TV sets. The basic parts (such as cables, plastic frames, different kinds of ports and connectors and other small electronic components, such as antennas) come to Poland mainly from South Asia. Thus, much like in other places that are part of the global economy, the Polish industry is characterized by a very thick and complicated production and supply web, which makes it hard to track down all the relationships between brands and their subcontractors. However, the spatial trend in this chain can be observed. As calculated by the Polish Ministry of the Treasury, 90 per cent of LCD TVs and monitors assembled in Poland are sold abroad and production constitutes more than half of total sales in the EU. This points to the role played in the chain by the Polish market, looking in particular at the LCD TV market. Hence, the electronics industry in Poland could be defined as a kind of 'intermediate

5. All data, if not stated otherwise, are derived from the Statistical Yearbook of Industry (2007–2014) published by the Central Statistical Office of Poland (GUS), and the author's own calculations based on these data. The data concern only the production of electronics (excluding household goods), defined by GUS as 'manufacture of computer, electronic and optical products'. The data on the volume of LG's production come from company press releases.

binder' in the production process, where finished and semi-finished products are assembled from Asian parts and exported to western Europe. In other words, Poland in the global supply chain could be defined as an assembly stopover between the transnational corporation based in Asia and western European markets.

3. LG case study

The Special Economic Zone for LG (LG Zone) in Biskupice Podgórne was established in 2005 and together with LG in Mława (established in 1999 in the Warmińsko-Mazurska SEZ) it became the European centre for LCD TV production. Since the beginning of LG's operations in Poland, the company has been among the 100 biggest enterprises, usually occupying a position in the top 25⁶. In the two locations, excluding suppliers, LG employs 4,200 workers (8.2 per cent of total employment in electronics) and, as stated earlier, it produces 13 million TV sets a year.

Coming to Poland was a strategic decision for LG to expand its sales market and increase its competitiveness in the electronics industry, especially against the other major Korean corporation, Samsung. It could be argued that the process of off-shoring production to eastern Europe simultaneously lowered distribution costs, brought operational savings (thanks to tax exemptions and government grants) and enabled LG to use the relatively cheap Polish labour force. In effect, the strategy secured the interests of South Asian capital in Europe.⁷ Another reason for coming to eastern Europe could be connected to the waves of strikes that hit the LG group in Korea between 2000 and 2002. Although it was mainly the LG-Caltex oil workers who went on strike, the LG group (which owned 50 per cent of LG-Caltex) was threatened with severe financial losses.⁸ Another possible reason for coming to Poland was the slow process of decreasing the production of LCD TVs in Newport, Wales, between 2004 and 2006, as reported by the *The Daily Telegraph*, because of an 'increasingly competitive market [and] falling prices for computer

6. According to the 2012 *Polityka* ranking of the top 500 enterprises in Poland, accessible at: <http://www.lista500.polityka.pl/rankings/show>, 5.03.2015.

7. In 2011 the minimum wage of a production worker in Samsung's plants in Korea was 600 euros, while in Poland it was 340 euros before tax.

8. The information is derived from *Corporate Research Project*, retrieved from: <http://www.corp-research.org/LG>, and from *The Wall Street Journal*, retrieved from <http://online.wsj.com/public/resources/documents/info-skstrikes04.html>, 5.03.2015.

products'.⁹ Indeed LG's 'equilibrium' could be sustained by moving to the much cheaper Poland. In comparison to the United Kingdom's minimum wage, which in 2006 was 5.35 GBP per hour,¹⁰ the Polish minimum wage at that time was 0.98 GBP per hour. Apart from that, the Polish government agreed to establish a new Special Economic Zone expressly for LG, with long-term tax exemptions.

In contrast to the first generation of SEZs in Poland (created in the late 1990s), the LG zone was a new project, which meant that the investor, not the government, chose its location. Production in the zone started in 2007; at present there are nine assembly plants, most of which produce parts for LG TVs. The zone itself is on an isolated lot near one of the main highways connecting Poland with Germany. Located 20 km from the biggest city in the region – Wrocław – it can be reached by workers by two city bus-lines (from Wrocław) or by company buses coming from other towns and villages in the Lower Silesia region. While the components are imported from 'all over the world' (mainly China and Indonesia) the workforce is 'imported' from all over the region, mainly its poorer districts where the high rate of unemployment (up to 20 per cent) creates few job opportunities, leaving almost no alternatives to employment in the zone. The majority of workers spend from two to four hours per day commuting to and from work, traversing sometimes more than 160 kilometres each day. Having no alternatives besides working on the production line in the zone, the workers are forced to extend their working day to 12–13 hours. The average wage of a production worker in the zone is approximately EUR 500 net; however, the majority of temporary workers earn the minimum wage of EUR 325 net. Low wages force workers to do overtime up to six days per month, which, coupled with commuting, leaves little time to rest and take care of one's household. During production peaks, the shifts almost never last 8 hours and are usually extended to 10, 12 or even 16 hours. As a result, some working weeks can last up to 60–70 hours.

The work and production dynamic in the zone is ruled by two interrelated regimes: gender and temporary employment. In the LG zone, hiring a feminized work force is a conscious management strategy: young and

9. <http://www.telegraph.co.uk/finance/2945769/Swan-song-for-LG-Electronics-as-Newport-plant-shuts.html>

10. According to information taken from: <https://www.gov.uk/national-minimum-wage-rates>, 5.03.2015.

unskilled women workers are perceived as easily subsumed under the labour regime, subordinate and prepared to work for low wages. They are both a very cheap and a flexible labour force. During the production peaks (in autumn and spring), temporary employment in the LG zone, mainly recruited by temporary work agencies, can reach up to 50 per cent of the workforce. Thus flexible employment is the basic ground for cyclical production (with its peaks and downturns), which could not be performed otherwise. Temporary women workers – needed only for a short time during the production peak in the autumn – are easily replaced or dismissed during production downtimes in the summer, a strategy that sustains the rhythm and fluctuation of production. Temporary workers are assigned to the simplest manual tasks which do not require long training, and they earn the lowest wages in the industry. Thus, as pointed out by many feminist researchers (Elson and Pearson 1981; Mitter 1986; Pun 2005), ‘quick’ and ‘nimble’ female bodies constitute the foundation of arduous, labour-intensive work and profit-making in the flexible chain of electronics production.

4. (Anti)union practices in the LG Zone

Unionization in the zone reveals another side of the ‘flexible’ work regime composed of long hours and low wages. As an effort on the part of labour to gain (some) control over its working and living conditions, unionization inevitably impinges on the assembly process of the electronics industry. To put it simply, flexible production leaves nearly no room for workers’ demands, not only in terms of wages but also in terms of influencing production cycles, especially work schedules and the reference period for calculating working time, including overtime. Nevertheless, however difficult it might be to organize young people with no prior union experience, who originate from many different towns and villages and whose lives are subordinated to a very exacting mode of production, there have been some efforts to do so. The conflicts that arose as a result are quite instructive.

In the Zone under consideration here the outburst of work conflicts culminated in several protests and one strike between 2011 and 2012. The conflicts were preceded by unionization in the Zone, which created a background for the collective expression of workers’ discontent. The first union committee was organized at LG Heesung in 2007, and few years later (between 2009 and 2010) other committees came into existence at

LG Display, LG Electronics and LG Chem. The unionization was due to the efforts of the regional secretariat of NSZZ Solidarność (in Lower Silesia) to organize the greenfield investments in the Zone.¹¹ Another committee of a different union, the All-Poland Trade Union Workers' Initiative (a smaller but more militant union, see Mrozowski and Antoniewicz 2014), was established at the end of 2011 at the Chung Hong plant.¹²

The process of unionization in the Zone overlapped in time with the rapid development of production and an overall good economic situation for the electronics industry in Poland. Following Meardi's (2012) argument about greater labour assertiveness in labour demands when the economy or a business is doing well, the unionization in the Zone in 2010/11 might not be coincidental. The year 2010 was significant for electronics in Poland; all major indicators – such as sales, employment, production volume and revenues – point to constant growth in the industry until 2010 and a substantial fall in the following years. Between 2005 and 2010 sales in electronics grew by 119 per cent, reaching a level of 38.9 billion PLN, while average employment grew by 40 per cent, reaching the highest peak in the industry since transition. Looking from the micro-level of the main player in the Zone – the LG Electronics plant – since 2007 (when actual production started) and up to 2010 net profit increased by 63.1 per cent (from 16.5 million PLN in 2007 to 26.9 million PLN in 2010).

Table 1 Electronics industry in Poland, 2005–2012 (selected indicators)

	2005	2010	2012
Employment (yearly average in thousands)	46.2	64.7	54.4
Sold production (in billions PLN)	17.7	38.9	34.7
Amount of produced TV sets and computer screens (in millions)	6.7	26.3	20.5
Revenues from total activity (in billions PLN)	19.4	43.9	37.1

Source: GUS, Statistical Yearbook of Industry (2007–2014)

11. As stated in the interviews with Chung Hong workers (where NSZZ Solidarność did not succeed), the main tool used by union organizers from NSZZ Solidarność to convince workers was questionnaires on bullying in the plant. However, the workers from Chung Hong did not consider the bullying issue their most important problem.
12. The author took part in the organizing process and helped the workers to contact union activists from the Workers' Initiative.

Other important factors in unionization in the Zone are the employment and working conditions, as well as the experience (qualification and skills) of the core workforce.¹³ For instance, at LG Electronics, LG Chem and Chung Hong, the most active groups in the union's committees were composed of workers with high qualifications and experience in electronics production. The workers were employed at the beginning of production and also occupied crucial posts for the production process, such as technicians or main machine operators. For example, the union at the Chung Hong plant managed to organize all technicians and main machine operators, who were able to gain control over the pace of work by influencing the speed of the line and the number of PC boards produced each hour. Moreover, at the Chung Hong plant, out of 83 union members 40 per cent were employed on open-ended full-time contracts, 17 of whom started the union.

Although there are many other intertwining factors (which go beyond the scope of the available data), it could be argued that economic developments in the Zone and in the electronics industry in general, coupled with the position, knowledge and experience of the workers, created the basis for better bargaining power and influenced unionization in the plants.

Unionization, although successful at first, soon enough incurred the wrath of the employers. This took the form of repression of union leaders and other anti-union practices, which led to the conflicts in the Zone. In 2010, several months after the establishment of the first union in the Zone, LG Chem dismissed 45 of its workers, 12 of whom happened also to be core union organizers in the plant. The main arguments offered by the company's management focused on the economic downturn in electronics production and the poor performance of the dismissed workers. The dismissals were also the result of annual fluctuations in the production process. They took place right after the production peak (before Christmas) when orders fell nearly to zero and most of the plants were temporarily shut down. However, the downturn and the fluctuation of production also happened to coincide with the expiry of the three-year employment contracts (all dismissed workers had fixed-term contracts with only two weeks' notice, which in the Polish legal context constitutes lower employment stability and Labour Code protection), signed by the majority of the workforce when the plant started the production in 2007.

13. The term 'core workforce' refers to the workers who are directly employed by the companies in the Zone, thus it excludes temporary workers.

Hence from a legal perspective, as well as from the management point of view, the workers were not dismissed; simply, the company did not prolong their contracts. Nevertheless, the union pointed to a deliberate employer strategy of union busting: in their opinion, the expiry of the contracts enabled the company to get rid of the leading company level unionists. The dismissals triggered the first large protest in the Zone. In February 2011 100 union members from both LG Chem locations (in Biskupice Podgórne and in Mława) occupied the gates to the plant. However, the protest was ineffective as the union did not manage to interrupt the production process or encourage other workers to join the picket line.

In 2012 a similar situation developed in the other plant – LG Electronics – where five union organizers were dismissed on the same grounds (their contracts were not prolonged). The new contracts offered to the rest of the employees were also temporary and fixed-term, lasting up to five years. LG Electronics' management argued that the Special Economic Zone provides them only with temporary benefits and time-limited permission to operate, thus it is fully justified to use temporary employment (fixed-term contracts). Here, as well as in the earlier case, the Act on Trade Unions and the Labour Code could not protect the union leaders against such practices, and according to the union, the dismissals were once again an excuse to dismantle the union committee with legal tools. Although there was no direct reaction from other committee members or other workers (perhaps because of the defeat of the previous protest and the lessons learned from it), the regional secretariat of NSZZ Solidarność organized a small picket in a front of the voivodship office (the headquarters of the regional Social Dialogue Committee¹⁴), demanding that the regional government of Lower Silesia take action and limit the scope of fixed-term contracts, which, in the union's view, were deliberately used by employers to weaken trade union organizing. Like the conflict at LG Chem, this case also ended up in the Labour Court, although without success for the union, as the workers did not win their jobs back.

Despite the social and union protests, the meetings at the regional Social Dialogue Committee and the labour court cases, the companies effectively

14. This is a tripartite committee composed of the regional representatives of employers, government and trade unions at the national and regional levels. The committee, among other things, mediates in labour conflicts.

managed to interrupt further unionization in the Zone. The company enjoyed particular success at LG Chem, where there is no union at present; at LG Electronics the union committee, although weakened, still exists.

Another labour conflict broke out in the Zone in 2012, when 29 workers of the LG supplier Chung Hong went on strike.¹⁵ After 10 days, to put down the protest the management resorted to a lockout and dismissed all the strikers. The direct source of the friction, as in the other cases, was dismissal of the core union organizer. However, as described by the workers themselves, the reasons for social dissent were much more complex. Since 2011 the conditions of work had worsened, wages had decreased by a quarter and the fluctuation of work schedules and workforce had increased. At the same time, the corporation was building a new plant in the same zone and the introduction of new technologies which improved the production lines led to further automation of the assembly process. This new management policy, called 'processing cost innovation', was the basic driver of work intensification. There were job cuts at the manual assembly works and since then the work of six people has been performed by three. In effect, the excessively high piece rates during the production peak were impossible to meet. The side effects of the processing cost innovation policy were: the tightening of control and discipline over the workers, as well as further flexibilization of work schedules and employment conditions. Thus, as claimed by the union, production conditions became unbearable. This situation, coupled with the management policy of 'no negotiations with the union', triggered the strike, the first in the LG Zone's history.

Behind the lockout and its aftermath there was an underlying strategy. The companies in the LG Zone are advised by a law firm contracted at the beginning of production in the Zone. Legal support involves mainly consultancy in investment processes (advising on tax issues and corporate law), but also (as the union soon found out), the firm provides 'comprehensive services in the area of labour law for manufacturing'.¹⁶ The same company advised LG Chem and LG Electronics to dismiss the unionists, using the excuse of collective lay-offs at the end of the year. However, the strategy introduced in Chung Hong was unique, well known

15. For more information on this see: Mrozowicki and Maciejewska, 2013; Friends of Gongchao, 2013.

16. The quotation comes from the firm's website.

in the United States and the United Kingdom as so-called 'SLAPP' (strategic lawsuit against public participation) suits, aimed mainly at causing financial damage to the union. The first 'slap' took place during the strike when all members of the strike committee received a demand for payment to cover the company's losses caused by the strike, amounting to 22,500 euros. Another two 'slaps' were delivered soon after the lockout. The company reported two instances of alleged criminal activity to the local police, the first an illegal strike and the second illegal fund-raising by the union. Without going into details, the union's lawyer stated that the efforts to criminalize the strikers and the union in general, although unprecedented in the context of union busting in Poland, were permissible under Polish law. Fortunately for the union, all cases were dismissed by the courts. Union busting practices in Chung Hong evoked different acts of solidarity with striking workers: there were several protests in the LG Zone and in other locations organized by the union and local groups of activists; the union together with other non-governmental organizations and social media also launched a social campaign against tax exemptions and labour law violation in Poland's Special Economic Zones.¹⁷

Last but not least, the law firm used one more union busting tactic that is quite well known to Polish trade unions, especially to small, militant ones such as Workers' Initiative. Soon after the lockout, a new union was established at the Chung Hong plant. The new committee, organized mainly among office workers, started to cooperate with the management, silencing the previous demands of the production workers. The same sequence of events took place at LG Electronics and LG Display, where the committees fully cooperated with management, having nearly no influence on working conditions. At LG Electronics, after the conflict, the union committee reached agreement with management on 'partnership relations, especially mutual respect for the freedom to unionise'.¹⁸ At LG Display the management promised the union committee it would introduce a 'zero tolerance policy for accidents at work'.¹⁹ Both of these agreements are covered by the Polish Labour Code. Thus paradoxically,

17. The developments during and after the strike were documented in a film titled 'Special Exploitation Zones', produced by one of the union activists (available at: <http://en.labournet.tv/video/6596/special-exploitation-zones>).

18. Information retrieved from: <http://www.solidarnosc.org.pl/stara/pl/aktualnosci/porozumienie-z-lg-electronics.html>, 5.03.2015.

19. Information retrieved from: <http://solidarnosc.wroc.pl/zero-wypadkow-w-lg-display/>, 5.03.2015.

though initially very hostile to unions, the management in the LG Zone found a way to make use of the unions and appropriate them for the sake of uninterrupted production and social peace.

At first glance one could conclude that the action undertaken by the unions was a complete failure. But this picture of a weak union and a strong employer is far too simplistic. The union's bargaining position was too weak not only against the employers collaborating with the regional government and the law firm, but also in the face of flexible production and employment. Finally, it was too weak with regard to the location of the Zone, which is completely detached from social surroundings. The unions' strategies were maladapted mainly because they could not foresee or overcome many obstacles. We can only assume that a strike would be more successful if it was organized during the production peak (when workers' bargaining position is more powerful than during downtimes) or if the union used more resources to build up a coalition with workers in other plants.

If we consider that a trade union is a tool for balancing unequal power relations in the workplace, we clearly see that in the context of the complex organizational and political machinery created in the Zone, the tool no longer works. However, the conflicts also unveiled that machinery and exposed its instruments and tactics. Since the outbreak of labour conflicts in the LG Zone, the discourse on Special Economic Zones in Poland has changed. Thanks to the protests, strike and social campaign, the homogeneous and consistent success story of the Zones presented in the public debate and academic analyses was broken, creating a space for new critiques of such facilities. The experience of the resistance and the new critiques could constitute a toolbox for the future. Nevertheless, new forms of union activism and union organizing that could go beyond the legalistic approach and workplaces are needed.

5. Conclusions

The electronics industry all over the globe is characterized by flexibilization of production and working conditions (on many different levels). As I have argued, the history of greenfield investments in electronics in Poland confirms its similarities with other sites in the industry's global production and supply chain. The evidence points to the broad scope of its flexibility in terms of its mobility and organizational adaptation. The

above investigation of the LG case study reveals the mechanisms of flexible production with its 'spider's web' supply chain and the complex machinery of the Special Economic Zones. The example of the Chung Hong plant also provides an insight into how the almost constant restructuring and shifting of the production process – which involves further flexibilization and intensification of work – can create a basis for turning anger into action that gives workers a voice in the public debate. On the other hand it also indicates on the micro scale just how flexible managerial techniques can be, not only in terms of intensification of work or simply shutting down or selling the plant and moving production to other locations, but also in terms of the suppression of workers' resistance.

Union activism is severely impeded in the modern electronics factories located in the Special Economic Zone. This is mainly the result of the temporary work regime introduced to maximize profits by combining flexible forms of employment and production. Assembly plants in the Zone were initially used as 'laboratories' of modern capitalism, testing new forms of employment and work regimes, relying on the legal and social environment created by the state. They subsequently became common in the Polish economy. The disciplinary and structural work regime – flexible production with its fluctuations, the system of suppliers and low labour costs connected with high unemployment – have created a new workforce which is feminized, strongly subordinated and detached from local communities. Thus the workplace is excluded from locality and from the functioning of the community. Because work is temporary and there are no alternatives to factory work, it is possible to increase forms of oppression by suspending workers' rights. And, as shown in the LG Zone case study, traditional unionism (formal organizing and negotiations in the workplace) no longer meet the needs of such workers and can be easily co-opted and appropriated by the management. The sparks that set off resistance and sharp conflicts between labour and capital, which multiply in the Zones, call for different modes of collective action: on one hand, bottom-up initiatives tailored to the particular workplace, the dynamic of production and employment, and on the other hand, building broad alliances with workers in other workplaces and social movements, which give visibility to conflicts inside factories. The geographical, disciplinary and structural conditions of work in Zone factories call for a rethinking of the strategy of union activism. New industries require new forms of struggle. Poland's young working class, cut off from the work and union experience of older generations, still has to develop its own tools of resistance.

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