

Michael Faust, Ulrich Voskamp, Volker Wittke (eds.)

**European Industrial Restructuring in a
Global Economy: Fragmentation and
Relocation of Value Chains**

SOFI BERICHTE

SOFI Soziologisches Forschungsinstitut
an der Georg-August-Universität Göttingen

The book in hand presents contributions of scholars from different disciplines (sociology, political science, economics, business administration, economic geography) to an international workshop, entitled "European Industrial Restructuring in a Global Economy: Fragmentation and Relocation of Value Chains".

To better understand current industrial restructuring in Europe, the authors focus on the new dynamics of shifting industrial activities across organizational and national boundaries and ask for the effects on national institutional settings of West European societies such as Germany, France, and Italy.

With regard to sectors, the book concentrates on three Industries: automobiles, electronics and textiles/apparel. Regarding new options to locate industrial activities, the contributions focus on Central and Eastern Europe.

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Preface

This volume goes back to a long-standing cooperation and joint discussions between the Soziologisches Forschungsinstitut an der Universität Göttingen (SOFI), the Industrial Performance Center (IPC) at the Massachusetts Institute of Technology (MIT) and the department ‘Regulierung der Arbeit’ at the Wissenschaftszentrum Berlin (WZB). The three institutes cover similar research topics and fields and share a common interest in the impact of globalization on industrial change and the future of national institutional models. In December 2001, the three research groups organized a workshop on “European Industrial Restructuring in a Global Economy: Fragmentation and Relocation of Value Chains” in Berlin, inviting scholars from different European countries and the U.S engaged in state-of-the-art research in this field. The workshop served as a starting point for a joint research project of SOFI and the IPC on “Globalization and the Future of National Systems: Relocation and Reorganization in European Economies”.

To approach the complex interrelation between “Globalization” and “National Systems” there are basically two questions to be answered: first, how is the process of globalization itself affected by the institutional settings that we come to identify as a national system? And second, how are nationally bound institutions affected by a process of globalization that opens up new strategic options for a variety of industrial actors? For a comprehensive understanding of current industrial restructuring in Europe it is necessary to address interdependencies between new strategic options of corporate actors that include shifting industrial activities to locations such as Central and Eastern Europe (CEE) and the institutional settings of West European societies such as Germany, France, and Italy. The workshop and the resulting book in hand give emphasis to one side of this interplay: the new strategic options implying the processes of fragmentation and relocation of value

chains. Before it can be answered how industry and employment structures in Western European countries are affected and whether and in which ways this gives rise to institutional change, it has to be more deeply explored to what extent and how the aforementioned new options of restructuring and relocation are actually used. Although there is increasing evidence for the importance of reorganization and relocation of value chains for current industrial restructuring in Europe, the knowledge and understanding of these processes are at best incomplete. Empirical research so far covers only selected aspects and limited parts of European industries and locations. Furthermore, it is unclear – and sometimes even disputed – to what extent findings already represent generalized patterns of cross-national production networks.

The workshop attempted to push the exploration of these issues by bringing together scholars working in the field of reorganization and relocation of value chains coming from different disciplines (such as sociology, political science, economics, business administration and economic geography) and following different approaches and methodologies. The contributions were based on finished research as well as on work in progress. With regard to sectors, the workshop concentrated on three industries: automobiles, electronics and textiles/apparel, which represent a quite comprehensive sample of different industrial governance structures. Regarding relocation, the contributions focused on Central and Eastern Europe as a new option since the fall of the iron curtain within Europe.

Both the SOFI-MIT research project and the conference are funded by the Volkswagen Foundation in its program “Global Structures and Governance.” We thank all participants at the Berlin workshop for contributions and discussions, the WZB and Ulrich Jürgens for hosting the conference in Berlin, and the contributors to this volume for their efforts in producing the book chapters. Last but not least we gratefully acknowledge the funding by the Volkswagen foundation and owe special thanks to Alfred Schmidt, who is in charge of the research program on “Global Structures and Governance”.

The book starts with a contribution of our own explanation of the conceptual framework of our research and a presentation of interim results exploring patterns of reorganization and relocation in an enlarged Europe. The book is roughly structured according to the industry focus of the contributions, referring to the three industries our own contribution had already addressed. Some chapters concentrate on strategic change and industrial

restructuring, while others clearly focus on the scope and forms of relocation and its effects. Furthermore, some contributions explicitly deal with the interdependence of industrial restructuring and patterns of relocation. Of course, to class the contributions by sectors or industries does not mean that the articles are narrow-minded industry studies. On the contrary, quite a few contributions discuss institutional preconditions and historic contingencies of the sector or industry specific findings, allowing for tentative and conditioned generalizations and/or comparisons referring to industry and national or regional institutional contexts. As intended, regarding the relocation issue the volume shows a special emphasis on CEE gathering both in-depth company and regional case studies and broader designed research either mapping relocation strategies across different Western European countries and/or analyzing CEE-related relocation within global strategies. In combination these contributions help to explore more deeply patterns of corporate restructuring and relocations and the emerging, newly structured European industrial architecture which probably re-positions Europe within a global economy.

Göttingen, in March 2004

Michael Faust, Ulrich Voskamp, Volker Wittke