

IS 101

Week 12: Labour, transnationalism and the gig economy



Thinking Globally

A Global Studies Reader
edited by Mark Juergensmeyer

Main textbook
that your reading
is from

What is “modernity”? How does it affect the way in which we see and analyze the world?

Modern refers to a set of characteristics and norms.

It is also a historical time period. A time in which new ideas were accompanied by new formats in which those ideas were spread and “captured” (no real consensus but generally dated between 15th and 19th centuries).

New division of labour

New technologies which changed everyday life

New art forms which changed leisure

Example: street lighting. How does this change everyday life?

New forms of governance: the nation-state (think back to the session on political globalization as well as the first lecture).

Rapid communication and exchange (think back to lecture on economic globalization and our discussion of “scale”)

So the “modern” can be explained by a list of things (technology, innovation), a set of ways of thinking and living...so what is the “hidden story” here?

- Modernity is also located in a particular place in our minds. We tend to visualize it as belonging to some groups of people and not to others.
- It therefore affects our analysis of global challenges and history...

I. The Origins of the Modern State

Man is a community-building animal: it is by reverent contact with Aristotle's fundamental observation that every political discussion must now begin. We start with the one compulsory form of human association—the state—as the centre of analysis. Yet there are few subjects upon which enquiry is so greatly needed as upon the mechanisms by which it lives. Outside our state-context we are, after all, largely unintelligible, must be, as Aristotle so scornfully proclaimed, beasts or gods who defy interpretation. Even in birth we inherit the qualities of unnumbered generations so that a bias is present before ever it has obtained expression. This emphasis upon state-life has become more vital as the scale of existence has become progressively greater. To the unity of interdependence, at least, the world has been reduced, so that, today, the whim of a New York millionaire may well affect the lives of thousands in the cotton-mills of Bombay.¹

Not that state-history can in any adequate sense be made the biography of great men. We can even less today accept the epic-theory of Carlyle than that so characteristically contributed by Bolingbroke to Voltaire when he found in the interplay of personal fantasy the true source of events. Not, of course, that history will ever be

For instance: let us compare the analysis of the origins of the modern state by two scholars. One is Harold Laski (1893-1950) writing in 1919...



According to the standard narrative of decolonization, international society expanded to include postcolonial states, and sovereign equality was extended to them. This inclusion narrative prepares the ground for stories of failed states that could not successfully operate on an independent basis and, consequently, provides justification for foreign intervention in postcolonial territories. Nation-building in postcolonial states is thus painted as a naïve project. Taking inspiration from Partha Chatterjee, Adom Getachew rejects the notion that anticolonial nationalism was merely ‘an imitation doomed to failure’ (p. 27). Instead, she immerses herself in the distinct intellectual formations that attended a multiplicity of postcolonial projects. As *Worldmaking after Empire* convincingly displays, the struggle for self-determination took shape as a project not merely of nation-building but of *worldmaking*, in which postcolonial state sovereignty is ultimately not achievable without a parallel reconstruction of international society.



Adom Getachew whose book “Worldmaking after Empire” argues something completely different about the rise of the modern nation-state...

So there are two different views of one "modern" thing – the state. How do we analyze this? Which one is describing the correct view of modernity? Or in this case of the modern nation state?

Both. We can say that Easiri is correct for some states in Europe, but we learn something else from Getachew. In other words, "modernity" created different types of modern across the

- (a) The global context is important. We can not look at the development of modernity in one area in isolation from the rest.
- (b) Power and how it operates is also important. We must be aware of our own assumptions and how they are shaped by what we have read, what we have been told is "canonical" literature and what we may not have had access to.
- (c) Side-point: it is also important to think about how research has been done and what its limits are. To be wary and critical of everything we read. Including what we are told in the classroom.

Now let us begin with your main reading. Chapter 13 in the textbook Thinking Globally on Transnational Economy and Global Labour

The reading begins with a discussion of globalization. It says most of us assume that “globalization” is the same thing as global corporate capitalism and its spread (i.e. the spread of transnational corporations). However, it involves a lot more than that. It involves the spread of goods and services, the globalization of financial instruments and investments and so on.



Your reading then goes on to give an example of the transition to globalization and how widespread its impact is...



In the new system (think back to your tutorial where I had you discuss a business concept and how to make it more profitable) things are quite different....

Company A (instead of a factory operates out of a high rise building in LA). A global team designs the tennis shoes.

Instead of approaching local department stores, Company A will try and get a contract from a major marketer like Wal-Mart Stores (your reading is using the old term it is now called Walmart Inc and has its headquarters in the US), but operates in over 30 countries.

Walmart may tell company A what kind of shoes it wants and how much its customers would be willing to spend on it. This will affect how Company A thinks of its product. Company A may use a factory in its own country, but may also choose to use a factory in a country which cheaper labour to cut costs.

It will then have to decide how it will ship its products and where it will register its company (for tax purposes for instance).

This introduces a whole series of complications. Company A will want its tennis shoes protected from tariffs introduced anywhere in this global chain, be able to consistently sell its goods, have access to a constant supply of labour....how will this be made possible?

Understanding how Company A will make this happen -

- Can company A reach out to a single government?

No. This is because no one government has jurisdiction over all the processes that will affect a shoe (or any product) whose sale and production crosses multiple borders.

- Can company A establish relationships with multiple governments?

Yes. Can you think of what the risk with this will be?

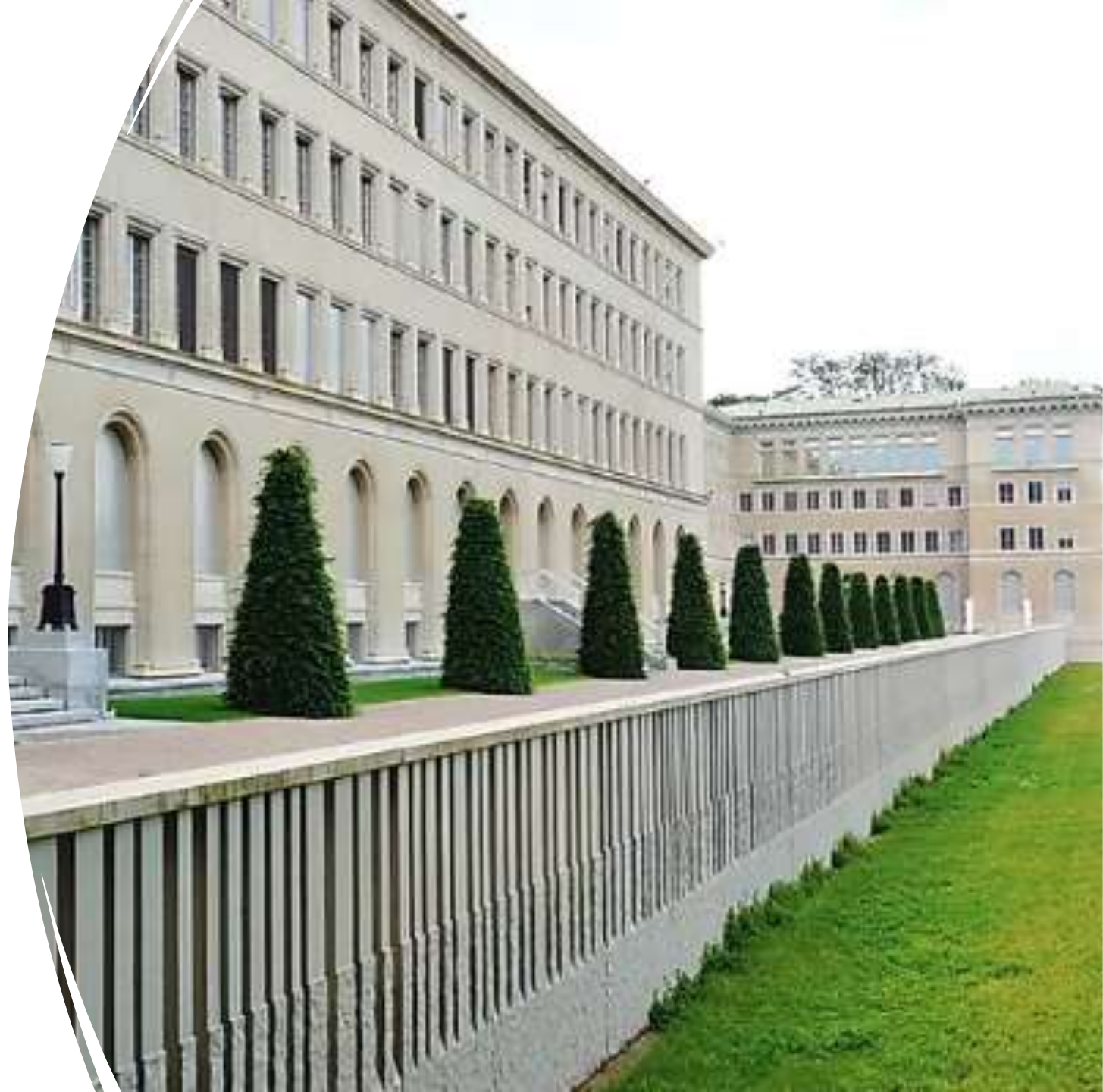
The risk: One company may not be able to deliver after taking the money. The government may collapse. The government may not be able or willing to make the producers or sellers hold up their end of the bargain.

- What other options are available?

What if multiple governments made an organization (much like the UN) that pushes governments to hold up their ends of such a deal in international trade?

The need for stability and control is what brings in organizations like the World Trade Organization (WTO).

- International organization created to regulate trade and provide monitoring to make sure global agreements work.






However, in spite of these controls, not all groups in these
agreements benefit equally...



Your reading also argues that checks and balances in this exploitative system may be beneficial for all. For instance, the use of global supplier firms may result in the upgrading of those firms. For instance...

To take one example, Yue Yuen, a subsidiary of the Taiwanese company Pou Chen, is the world's largest manufacturer of athletic shoes: its factories in China, Vietnam, and Indonesia produce more than 250 million pairs a year for leading global brands such as Nike, Adidas, Reebok, New Balance, and Puma. Yue Yuen, which accounts for a sixth of the global branded athletic shoe and casual footwear market, has its own research and development facilities, produces many of the chemicals and raw materials used in its shoe components, makes many of its own tools, and even handles logistics for its customers. It has even developed a network of retail outlets throughout China. The company has "learned through doing."



In a global era in general, the problems are those of accountability and control. (Think back to the lecture in which we discussed the reading by Acemoglu and Robinson who argued that institutions are created over a long period of time and they, in turn, create incentives that influence human behaviour. Who can be incentivized to create checks and balances that make workers safer and paid better?)

Its not as simple as saying that “workers” in the 1990s and early 2000s are simple factory workers who are being exploited. Technology brought a lot of changes and a lot of disputes which affected transnational exchange and, in the case you are just about to see, also impacted the idea of property rights. In this case – can you “own” GMO seeds?



The Battle of Seattle, WTO protests against globalization in 1999 and again in 2019. What do you think these protests were about? Do you think they made a difference in the lives of workers?

- They were anti globalization protests that argued that the state was undermined by WTO regulations and the WTO was not sufficiently incentivized to keep the interests of ordinary workers and poorer people in mind.
- Some specific protests were about seed patents that had been discussed.

Successes?

- Some limited success for instance Seattle's chief of police resigned for strong handed tactics used against protestors and it did herald the rise of anti-globalization protests that subsequently used digital technology to mobilize across the world.

Now go to the video of the Battle of Seattle.
Please watch 20 minutes starting at 8:33 to about
29 minutes on the video.

Week 12: Labour, transnationalism and the gig economy		✓	+	⋮
Required Reading		✓		⋮
Read this:	Mark Jeurgensmeyer (ed) "Transnational Economy and Global Labor" in Thinking Globally: A Global Studies Readers (University of California Press, 2013).	✓		⋮
Recommended Reading		✓		⋮
Adam Tooze on Labour and its history in Gaza		✓		⋮
Mark Jeurgensmeyer (ed) "Global Communications and New Media" in Thinking Globally: A Global Studies Readers (University of California Press, 2013).		✓		⋮
Promotion, inclusion and protection of refugees and host communities in the gig economy (ILO)		✓		⋮
Mark Graham, Isis Hjorth and Vili Lehdonvirta. Digital labour and development: impacts of global digital labour platforms and the gig economy on worker livelihoods. etui, 23: 2 (2017): pp. 135-162.		✓		⋮
Source for video that showed the Seattle (1999) protests		✓		⋮
Discussion post Week 12		⊘		⋮

The shorter readings in this section discuss:

Outsourcing (Richard Appelbaum)

Walmart's effective use of transnational outsourcing and commodity chains to create very profitable low-price products (Nelson Lichtenstein)

American workers would benefit more from the global economy if American companies used American labour (as opposed to chasing profits using foreign labour by basing their operations in other countries) (Robert Reich)

However, the two that I want you to pay more attention to discuss the big questions of managing the global economic system in a way that does not exploit labour and is more beneficial to society in general....

If the concerns about globalization that proceed from altruism and empathy can be laid to rest, those arising from self-interest and fear are not so easily dismissed, though they are even less grounded in objective reality. As the Russian proverb goes: fear has big eyes. But it also has deaf ears.

The fear of trade and multinationals today particularly afflicts the rich countries, where many are afraid that economic prosperity is imperiled by trade with the poor countries. Additionally, the working classes and the unions typically fear that their wages and standards are in peril from trade with poor countries. But it was only a few decades ago that the fear was rampant among the poor countries that were in such peril from trade with the rich countries: how ironic this seems. A few economists and some cash-rich NGOs have worked hard to renew the fear among the poor countries as well. Let me, therefore, urge the reader to work through the extended analysis and empirical evidence that I have produced, on the benefits of trade for prosperity in the poor countries . . . and on the need to discount

- Jagdish Bhagwati: everyone can benefit from trade (and indeed they do) + the cause of stagnant wages is not trade at all.

Joseph Stiglitz disagrees...

It is clear that there must be a *multipronged* strategy of reform. One should be concerned with reform of the international economic arrangements. But such reforms will be a long time coming. Thus, the second prong should be directed at encouraging reforms that each country can take upon itself. The developed countries have a special responsibility, for instance, to eliminate their trade barriers, to practice what they preach. But while the developed countries' responsibility may be great, their incentives are weak: after all, offshore banking centers and hedge funds serve interests in the developed countries, and the developed countries can withstand well the instability that a failure to reform might bring to the developing world. Indeed, the United States arguably

Can you identify the problem with implementing this solution?

What is needed are policies for sustainable, equitable, and democratic growth. This is the reason for development. Development is not about helping a few people get rich or creating a handful of pointless protected industries that only benefit the country's elite; it is not about bringing in Prada and Benetton, Ralph Lauren or Louis Vuitton, for the urban rich and leaving the rural poor in their misery. Being able to buy Gucci handbags in Moscow department stores did not mean that country had become a market economy. Development is about transforming societies, improving the lives of the poor, enabling everyone to have a chance at success and access to health care and education.

This sort of development won't happen if only a few people dictate the policies a country must follow. Making sure that democratic decisions are made means ensuring that a broad range of economists, officials, and experts from developing countries are actively involved in the debate. It also means that there must be broad participation that goes well beyond the experts and politicians. Developing countries must take charge of their own futures. But we in the West cannot escape our responsibilities.

Thinking about the relationship between the global economy and incentives, now try and answer the following questions...

Main question: Can work in the gig economy be beneficial to workers, particularly displaced or very precarious workers? Explain.

Step 1: Explain whether or not we can make systems of trade more accountable to ordinary people. List two policies (generally formulated) and explain how they would incentivize entrepreneurs and organizations like Company A to think of the rights of workers OR to think of equity.

Step 2: Think about the Harvard Business Review article discussed in the end of the lecture. Do you agree with how its claims that workers can thrive in the global economy?

Step 3: drawing on your discussion in Step 1 and Step 2, try and answer the main question.

Thriving in the Gig Economy

by Gianpiero Petriglieri, Susan (Sue) Ashford, and Amy Wrzesniewski

From the Magazine (March–April 2018)



PROSPECTS by the ILO

At a glance

The PROSPECTS Opportunity Fund project "Promotion, inclusion and protection of refugees and host communities in the gig economy >" is working at the crossroads of policy-oriented research, advocacy and capacity building to foster meaningful social dialogue and to identify prospects for an inclusive access to decent work pathways in the digital economy, in the context of forced displacement.

Implemented by the International Labour Organization (ILO) and the United Nations High Commissioner for Refugees (UNHCR, the UN Refugee Agency), as part of the Partnership for Improving Prospects for Forcibly Displaced Persons and Host Communities (PROSPECTS) and funded by of the Government of the Netherlands, – the Opportunity Fund project, since January 2022, has been working in eight priority countries that host large numbers of forcibly displaced people: Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan and Uganda.

Setting the scene

Digital technologies are transforming entire economic sectors and societies and reinventing business models. The World Bank estimates that the digital economy contributes to more than 15 per cent of global gross domestic product (GDP), and in the past decade it has been growing 2.5 times faster than the non-digital economy component of GDP >. By the end of 2022, there were an estimated 103 million forcibly displaced people across the world, of which close to 30 million are refugees, many facing difficulties in accessing formal employment.

Promotion, inclusion and protection of refugees and host communities in the gig economy

Digital labour and development: impacts of global digital labour platforms and the gig economy on worker livelihoods

Mark Graham

Oxford Internet Institute, University of Oxford, UK

School of Geography and the Environment, University of Oxford, UK

The Alan Turing Institute, UK

Isis Hjorth

Oxford Internet Institute, University of Oxford, UK

Vili Lehdonvirta

Oxford Internet Institute, University of Oxford, UK

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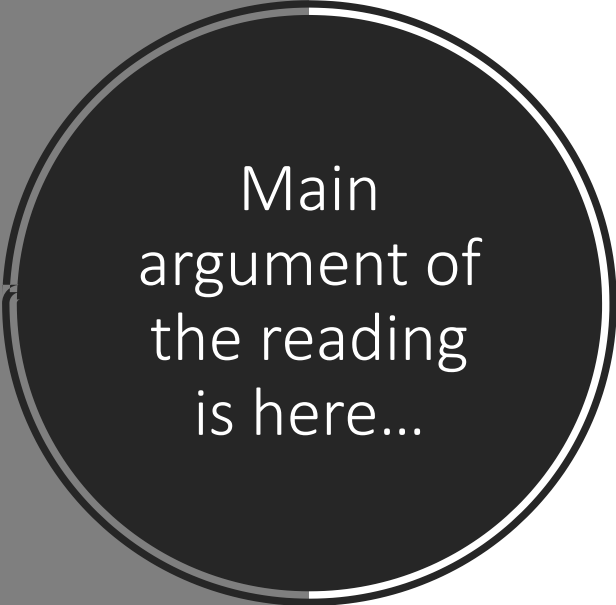
A large orange circle on the left side of the slide, containing the text 'The rise of digital labour platforms and the gig economy is a result of...'.

The rise of
digital labour
platforms
and the gig
economy is a
result of...

1. Rising unemployment
2. Rapidly increasing connectivity

Therefore, there is a need for more jobs in places they do not exist. Your reading argues this is form of outsourcing.





Main
argument of
the reading
is here...

Similarly, Nigeria's Ministry of Communications Technology launched the initiative 'Micro-work for Job Creation – Naijacloud' in the spring of 2013. The explicit aim was to 'reduce unemployment and create wealth through Microwork and Elancing'.³ Backed by the World Bank and the Rockefeller Foundation, the government arranged workshops introducing thousands of individuals to five of the major global online platforms and microwork intermediaries: Sama-source, CrowdFlower, Mobile Works, oDesk and Elance. These and other large-scale interventions demonstrate the high hopes that many have for digital labour in the contexts of development. Underpinning them all is an idea that, in a global market for labour, the actual locations of workers are irrelevant. Anyone can, in theory, do any work from anywhere. An idea that, if true, could bring significant economic benefits to workers in parts of the world where good jobs are hard to come by.

This article challenges that notion by highlighting four key concerns that have been addressed alongside other themes in a multi-year programme of research into digital labour at the world's economic margins, described further below. These concerns – bargaining power, economic inclusion, intermediated value chains, and upgrading – are by no means the only ones affecting digital workers, and our programme also revealed other positive and negative aspects of digital labour platforms. In this article, however, we choose to focus on these four concerns, as they represent important perspectives that have been underrepresented in the policy discussion so far.