Defragmenting:

towards a critical understanding of the new global division of labour

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ABSTRACT

This paper provides a short introduction to this volume.

Introduction

Most people who have used a personal computer intensively for any length of time are familiar with the way that things start to slow down as the hard disc becomes clogged with pieces of past work. As old files are opened and closed, saved and resaved, and new files are created, the system finds it harder and harder to find contiguous spaces in which to store files and they are progressively broken up so that their components can be parked separately. Sooner or later, as the machine becomes more and more dilatory, sometimes grinding completely to a halt, someone suggests to the inexperienced user that running a programme called 'defragment' might help. Defragmentation is a curious procedure. On earlier versions of Windows, it was possible to watch, glassy-eyed, the whole slow process on the screen, symbolically at least, as innumerable small green, white, red or blue rectangles were laboriously reshuffled, one tile at a time, from seemingly random points in a larger mosaic to positions where they could be reunited with others of the same colour, thus releasing joined-up areas of emptiness for future use.

The possibility of 'fragmentation', 'defragmentation' and even, in cases where something has gone wrong, a subsequent 'undefragmentation', follow directly from the logic of digitisation – the process whereby information is broken down into small interchangeable standard units which can then be reconfigured in innumerable permutations and combinations. It thus provides an apt metaphor for the new global division of labour whereby units of human skill and knowledge are also broken down into increasingly standardised and increasingly interchangeable units and can also (to the extent that they really are standardised and interchangeable) be reconfigured in new permutations and combinations, spatially and across other dimensions.

These processes have profound consequences. Jobs may disappear in one location and reappear in another continent – and even if they don't, workers have to accommodate to the reality that at any moment they might. And whilst jobs migrate seamlessly from continent to continent over the internet in an incessant search for the

best skills at the cheapest price, in a parallel and contrary motion, multitudes of desperate workers, disembedded from the economies in which they grew up, travel the world in search of a livelihood. Older workers have to learn new skills and come to terms with the reality that their old ones have lost their value on the labour market and find that their job descriptions have become mix-and-match combinations of increasingly standardised 'skills' and 'competences'. Younger ones are joining companies and industries that would have been unrecognisable a generation ago with no expectation of lifelong employment. The daily reality of work for many is dominated by the attempt to resolve multiple tensions – between continuity and change, stability and flexibility, co-operation and competition, repetitiveness and innovation, following protocols and using initiative, responding to the demands of the here-and-now and reacting to those that arrive electronically from a distance, and dealing simultaneously both with the ubiquity of information and with the impossibility of processing it all. These changes at a human and workplace level translate at a higher scale into transformations in the social and economic structures of cities and regions and globally in the relative power positions of nations and companies.

We are witnessing, in short, a simultaneous process of decomposition and recomposition at the level of skills, labour processes, organisations, sectors and industries which is enabled the underlying tendency towards modularisation, in turn an effect of commodification (Huws, 2003). This can be understood as part of the process which Schumpeter (1942) following Marx, called 'creative destruction' and is widely held to characterise the current phase of globalisation. But in order to understand its dynamics it is not good enough to see this development as an inevitable consequence of the capitalist drive to expansion and ongoing technological developments. A cursory glance at the evidence demonstrates that the trends do not follow a single universal pattern. On the contrary, it is clear that they take specific forms in particular places. Not only does each region and nation have its own distinctive history and institutional structure which shapes all subsequent developments there, but human beings are not automata and adapt and react in different ways to the changes they are confronted with, depending on their particular social location and with varying degrees of success. The encounter between global forces on the one hand and individual experience on the other is therefore one of mutual shaping, mediated by an array of intervening influences.

Understanding what is happening now and predicting what might happen next therefore present us with a complex challenge, one which many of the traditional tools of scholarship are ill-equipped to cope with because of the ways in which current trends overstep both national and disciplinary boundaries. It is this challenge that this volume seeks to address.

It begins with an overview of globalisation by Elmar Altvater who draws attention to the way in which the globalisation of labour can only be understood in the context of larger patterns, including the way in which the current phase of economic development relies crucially on a particular use of the earth's finite resources. By drawing attention to the importance of finance capital in putting pressure on companies to increase the rate of profitability he provides a framework within which it is possible to understand the puzzle whereby the growth of globalisation in the formal sector goes

hand in hand with an increase in informalisation and crime in both developed and developing countries.

But how are these global forces mediated at a national level? Do they really carry all before them in the new neo-liberal global environment? Or do national and regional policies and institutions still have the power to shape the nature of the contract between employers and workers in distinctive ways on the ground? David Coates, in the second essay in this volume, describes how the 'varieties of capitalism' that characterised the second half of the 20th century are in flux and points to some political choices that will have to be made in the future. His message that the national and regional institutional context really does make a difference is strikingly reinforced in several other contributions to this volume, especially, and most explicitly, in Anita Weiss's analysis of the forces shaping working conditions in call centres in Colombia. This can be contrasted with the analysis of the regional impacts of call centre employment in Pittsburgh, in the USA, by Chris Benner, and in Sudbury, in Canada, by Laura Schatz and Laura C. Johnson, as well as Sujata Gothoskar's view of the knowledge economy as seen from the perspective of call centre and business process outsourcing workers in India. The relationship between the national and the global is also addressed in Marcia Leite's analysis of the impact of government policies on the restructuring of the auto industry in Brazil.

As Leite's analysis makes clear, national policies and institutions form only one of the factors that mediate between global forces on the one hand, and the living and working conditions of workers on the other. Another crucial factor is the policies of multinational companies. This topic is addressed by Jörg Flecker who draws on an extensive analysis of case study evidence from Europe and Asia to illuminate company strategies for relocating work internationally, arguing persuasively that the vision of a 'network economy' of agile small firms interacting flexibly with each other, in which so much hope was placed by policymakers in the late 1990s, may have been overstated; what we are currently witnessing can perhaps be better characterised as simply 'a new breed of multinationals'. Flecker also highlights the importance of the concept of the value chain for developing an understanding of corporate strategies. A complementary study of eWork relocation from Canada, by Penny Gurstein, reinforces this point, drawing out the implications both for workers and for regions of companies' quests for 'seamlessness' in organising their work across spatial and cultural divides. Peter Standen presents a quantitative analysis of these practices in Europe and Australia, drawing on the results of a major survey of employers. These results point not only to the extent to which work is already being relocated using information and communications technologies but also to the fact that, contrary to media stereotypes, most of this relocation still takes place within national borders and moves to urban regions which already have a developed office infrastructure. There is clearly an interplay here between dynamism and inertia which has to be taken into account in any future analysis.

We must conclude that global forces do not have it all their own way: corporate practices are shaped at supranational, national and regional levels by the weight of tradition and by political forces in ways that have in the past brought about fundamental

differences in the life-chances of workers in different parts of the world. However the direction of influence is certainly not one way. Corporate policies are also driving major changes which in many cases are too strong for national and regional governments to resist.

The papers by Flecker, Standen and Gurstein all draw on work that was carried out within the framework of the EMERGENCE project¹, a large international interdisciplinary research project that was set up in 2000 to measure and map the international relocation of telemediated employment and to carry out qualitative research on the employment impacts. This was a new challenge at the time, and my article on the 'emergence of EMERGENCE' describes the intellectual origins of this work, the inadequacies of the empirical data that existed at the time, the ways in which concepts were developed and the research designed, and the lessons learned from this exercise for future research. Some of these lessons have been taken on board in the design of the WORKS project² and several of the contributions to this volume (those by Altvater, Coates, Gurstein, Pupo, Gothoskar and Leite) have their origins in papers commissioned for the first WORKS conference, held in Chania, in Greece, in September 2006 and entitled 'the transformation of work in a global knowledge economy: towards a conceptual framework'³.

A particular focus of this conference was on the way in which the restructuring of global value chains impacts on the quality of working life. These impacts are addressed particularly eloquently in this volume by Norene Pupo, who examines the impact on working conditions of the restructuring of public services in Canada and how these impacts are modified by gender and other social variables, but changes in working conditions are also explored by Gothoskar, Gurstein, Flecker and Leite. Their qualitative work, which examines what happens in practice when work is re-structured, sheds welcome light on the complex and mutually shaping inter-relationship between individuals, institutions and global forces.

Like all good research, their results throw up many new questions, as well as answering old ones, both for researchers and for policy makers. Answering these new questions will require further work, both theoretical and empirical. The last essay in this collection makes a start in this direction. Andreas Boes and Tobias Kämpf bring a uniquely German theoretical perspective to the analysis of what they call 'a new stage of the internationalisation of labour'.

It is clear that we are only at the beginning of the development of a critical understanding of the new global division of labour. I hope that this volume will inspire readers to take this work forward.

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Schumpeter, J. (1942) *Capitalism, Socialism and Democracy*, New York: Harper and Brothers.

1 The acronym stands for Estimation and Mapping of Employment Relocation in a Global Economy in the New Communications Environment. For further information, see <http://www.emergence.nu>

2 The acronym stands for Work Organisation Restructuring in the Knowledge Society. For further information see <http://www.worksproject.be>

3 The proceedings are available online on <http://www.worksproject.be/documents/workschani-aconferencereportfinal.pdf>