

# **JOURNAL FÜR ENTWICKLUNGSPOLITIK**

vol. XXX 4–2014

## **CAPITALIST PERIPHERIES: PERSPECTIVES ON PRECARISATION FROM THE GLOBAL SOUTH AND NORTH**

Schwerpunktredaktion: Martina Sproll, Ingrid Wehr

Herausgegeben von:  
Mattersburger Kreis für Entwicklungspolitik  
an den österreichischen Universitäten

## Inhalt

- 4 Capitalist Peripheries: Perspectives on Precarisation from the  
Global South and North  
MARTINA SPROLL, INGRID WEHR
- 14 Work, Development and Inequalities in Brazil  
MARCIA DE PAULA LEITE, CARLOS SALAS
- 46 The Social Precarisation of Labour in Brazil  
GRAÇA DRUCK
- 69 Precarity and Social Disintegration: A Relational Concept  
KLAUS DÖRRE
- 90 Informality in German Parcel Delivery  
INGO SINGE
- 111 Precarisation and New Class Formations: The Case of Call  
Centres in the Brazilian Banking Sector  
MARTINA SPROLL
- 133 Migrant Domestic Work: From Precarious to Precarisation  
NADYA ARAUJO GUIMARÃES, DIDIER DEMAZIÈRE,  
HELENA HIRATA, KURUMI SUGITA
- 155 Facing Labour Market Insecurity: Structural Constraints and  
Individual Interpretations – São Paulo, Paris and Tokyo  
STUART ROSEWARNE
- 179 Editors and Authors of the Special Issue
- 183 Impressum

## **Capitalist Peripheries: Perspectives on Precarisation from the Global South and North**

**MARTINA SPROLL, INGRID WEHR**

Precarity and precarisation can certainly be considered key concepts in sociological analysis of current transformations in capitalist societies. Financialisation and flexibilisation –combined with major adjustments in welfare state regulations in the North – have led to the increasing insecurity and vulnerability of a growing part of the global population. It has long been clear that precarisation is not limited to a new group of ‘working poor’ but also points to new modes of (precarious) reproduction of other segments and social classes of society. However, there is intense debate over who exactly is affected by precarisation and in what way. Is this a new phenomenon linked to transnational dynamics of financial capitalism and thus a new mode of (neoliberal) domination? Does it mainly affect an underclass, a superfluous mass of unemployed and excluded persons, say a new *precariat*, or rather different classes, and in what way? Is it specific to countries of the Global North with historically strong forms of welfare provision exposed to deregulation or rather an encompassing global development? Can the concept thus be used in the context of highly segmented and precarious labour markets marked by structural heterogeneity, seen as typical for the Global South?

Debates are certainly not limited to the countries of the Global North; nevertheless, little has been said so far about the shape and scope of precarisation in different regions of the world and their possible interrelation. Do precarisation and the related reconfiguration of social inequalities mean the same in Europe, Latin America or other regions? How can we compare and evaluate processes of precarisation in different regions? Among others, these questions have been discussed in a workshop on *Precarity and Precarisation: European and Latin American Perspectives on Changes in the*

*Regulation of Labour and Labour Markets.* This workshop, which took place on 25 October 2013 in Berlin, was organised by the research network on interdependent inequalities in Latin America (desiguALdades.net). Most of the articles of this special issue are based on presentations and discussions held during this workshop.

The articles discuss different theoretical approaches and debates about precarity/ precarisation of labour and labour markets as well as empirical cases from both Germany and Brazil, with the exception of the article by Stuart Rosewarne, which gives some insights from Asia and moreover discusses precarisation not only concerning labour markets but also in relation to 'reproduction' (in the case of migrant domestic workers).

In the German context, the terms 'precarity' and 'precarisation' generally refer to the profound labour market reforms having taken place since the 1980/90s which led to a marked increase of atypical forms of employment, such as temporary, part-time, subcontracted, self-employed work, etc. These changes point to the end of the dominance of a Fordist mode of regulation of labour and the Fordist standard employment relationship, together with a marked debilitation of welfare state structures. Some scholars have criticised this reference point as being overly normative and too limited to provide an adequate understanding of processes of precarisation, as debates on precarity and precarisation have often been based on narrow definitions of work, excluding reproductive and care work and focusing on white male skilled workers. At the same time, the longstanding precarious reality endured by unskilled workers, women, migrants or young/elderly workers has been widely ignored.

For these reasons, precarity and precarisation remain highly contested concepts which require further theoretical precision. Furthermore, it is unclear whether German or European debates and definitions of precarisation can be transferred to a non-European context and vice versa. Furthermore, within certain countries there is no objective measure of what is precarious/precarised. We understand precarisation as a phenomenon which can only be conceived and adequately analysed in a relational perspective. This means considering its historicities and embeddedness within specific contexts, which are shaped through social struggles like processes of negotiation and contestation, depending on the strength and organising capacity of social actors.

But what is the connecting factor, if there is one, which explains precarisation beyond national evidence? Although nation states are still relevant in defining the contexts of labour markets via labour market regulation and other public policies, current changes concerning precarity and precarisation can only be adequately understood if we take inter- and transnational factors into consideration. First of all, processes of precarisation (or formalisation) of labour markets are closely connected to overall changes in capitalist accumulation models. Although states or groups of states might be affected differently due to their different forms of social organisation and state structures, transnational changes in capitalist production and global markets do have repercussions on both labour markets and the forms of organising labour and capital. The current phase of expansion of financialised capitalism has fostered a new wave of labour flexibilisation, which has triggered a new phase of precarisation processes on a global level. Whereas in many parts of the so-called Global North this has increasingly challenged post-war welfare state arrangements, which guaranteed high standards of social rights to workers and employees (although with a bias against women and migrants), in Latin America precarisation has gone hand in hand with a certain level of welfare regime expansion and post-neoliberal labour market and social regulations. As pointed out by several of the articles in this volume, the growing formalisation of employment in the last decade has simultaneously created new forms of precarisation and social inequalities. It is certainly the case that in Latin America, as elsewhere in the Global South (and also beyond), heterogeneity has always been a structural characteristic of labour markets. Even in Brazil, the majority of the labour force has been historically excluded from so-called 'regular' and/or stable employment conditions. On the other hand, some researchers point to the profound restructuring of labour markets since the 1980s, which has given rise to an increase in and new forms of precarisation. These processes have been reinforced within the context of the commodity boom, which has led to a growing reprimarisation of Latin America's economies, leading to a considerable de-industrialisation and strengthening of export models, which have been characteristic since colonial times.

Since the 1990s, these dynamics have been fueled by the ongoing transnationalisation of production and value chains, which in Europe as well as in Latin America has caused changes in the organisation of work and

production and has led to a weakening of sector boundaries, particularly through outsourcing. At the same time, a global trend towards the deregulation of labour rights can be observed. This implies a debilitation of traditional frameworks of labour market regulation (i.e. collective bargaining and actors like trade unions) especially, but not only in Europe, and goes along with a massive deregulation in traditional sectors, such as the automotive, chemical, banking and/or public sectors. On a large scale, qualified and highly regulated employment is being replaced by temporary or subcontracted work. The same is true for less regulated sectors like agriculture. Outsourcing and a growing dependence on migrant workers, often suffering from a lack of access to quality employment, equal pay and social rights, have become overall tendencies in the current phase of capitalist expansion.

Nevertheless, it is still to be discussed whether and how far concepts like ‘structural heterogeneity’, ‘precarisation’, ‘precarity’, and ‘formal vs. informal work’ are valuable as analytical tools, transferable, and applicable in diverse societies, and how far the widespread use of the term ‘precarisation’ should be viewed as an adoption of hegemonic Eurocentric discourses. Different historical, economic, political, social and cultural contexts have shaped specific arrangements of welfare states and of labour market regulation. These arrangements include corresponding forms of social inclusion and exclusion such as rights, social protection, citizenship, and so on. In the course of a profound and transnationally entangled restructuring of such arrangements, new forms of social inclusion and exclusion, respectively social inequality (in relation to categories like class, race, gender, age, qualification, etc.) may also vary according to their national/regional conditions and historical embeddedness. The Brazilian case, for instance, shows that the partial inclusion of formerly excluded social groups (i.e. as temporary workers) in the formal labour market engenders contradictory processes. The experience of (even restricted) upward mobility gave room to the official discourse on the emergence of a ‘middle class society’, which exemplifies a new narrative on this process. Nevertheless, it is accompanied by a tendency towards increasing social segmentation of access to rights and the emergence of new forms of inequality in the context of further erosion of labour rights of established workers and decreasing mobilisation capacities of trade unions.

The articles compiled in this special issue attempt to define the core concepts ('structural heterogeneity', 'formality/informality', 'precarity' and 'precarisation') and to reveal the ambivalent processes of precarisation of labour on a local and (trans-)national scale which are closely related to and the result of the ongoing transformation of capitalist accumulation models on a global scale. Unlike other comparative studies or research on 'varieties of capitalism' which are still very much caught within methodological nationalism, we try to emphasise the interrelatedness of local, (trans-)national and global factors in shaping national labour market regulations and forms of organising labour. Going beyond simplified binary juxtapositions, we trace contradictory processes of formalisation and precarisation and varieties of precarity and precarisation within financialised capitalism as a global system. This calls for a differentiated reflection of aggregated labour market data and additional empirical in-depth studies of particular sectors of the economy. In order to understand reconfigurations of social inequalities and new segmentations in labour markets and in social structures of society as a whole, which are linked to – and a result of – processes of precarisation, we need to systematically take account of diverse social categories such as gender, class, race, age and sexual orientation, among others.

By doing so, we aim to contribute to a broader comprehension and scope of the terms precarity/precarisation and we want to initiate a debate on precarisation as a global phenomenon with different manifestations in different parts of the world in its possible transnational dimension. Although the majority of the articles concentrate on the ambivalent and simultaneous processes of precarisation and formalisation and the metamorphosis of precarity in Germany and Brazil, the questions raised in this context are also highly relevant in other parts of the world as the article on domestic work in Asia clearly shows.

The issue starts with an analysis of recent trends in the Brazilian labour market by Marcia Leite and Carlos Salas (*Work, development and inequalities in Brazil*), emphasising ambivalent and even contradictory processes of change. Over the past 12 years, Brazil has made important social and economic advances as measured by rising income and diminishing poverty levels, a less inegalitarian income distribution, improved access to education for formerly discriminated groups and more decent jobs as far as social and labour rights enforcement was concerned. Nevertheless, at the same

time new forms of business organisation based on lean production and outsourcing of production have generated precarious work contracts. Based on their analysis of the latest labour market data in Brazil, Leite and Salas come to the conclusion that, despite the ambivalent co-evolution of precarity with a certain level of formalisation of labour, there is no generalised trend of precarisation or casualisation. According to their interpretation, even in the current globalised world of financial capitalism the national state remains of paramount importance in the definition of economic and labour policies and social movements have an important role to play in contesting structural inequalities.

Using the same data as a starting point, Graça Druck (*The social precarisation of labour*) draws different conclusions regarding the central changes and trends within the Brazilian labour market. After analysing the main transformations of financialised capitalism on the restructuring of production processes and labour markets, Druck develops the concept of social precarisation in order to summarise the overall characteristics of labour in the current phase of flexibilisation. The concept of social precarisation points to the fact that the impact of flexibilisation is not constrained to labour markets but affects all fields of labour, such as work organisation, health conditions, and - equally importantly - also the capacities for workers' resistance, collective organisation and contestation. Although precarious labour has always been a crucial component of capitalism, what characterises the current phase of financialised capitalism and flexible accumulation is the fact that precarity has metamorphosed in a way that converted it into a crucial and strategic instrument within the logic of capitalist domination. According to this interpretation, precarity is not something residual or peripheral but is in fact central to the development of global capitalism in all its historic phases. Although forms may differ historically or spatially, precarity remains a constant trait undergoing metamorphoses. Although the nature of the dynamics of precarious work in Brazil might resemble processes in other parts of the world, the Brazilian model is currently shaped by a peripheral, neodevelopmentalist model characterised by outsourcing as a central instrument of domination, conditions of insecurity and risks to health in the workplace and a preoccupying loss of collective and individual rights which leads to a pessimistic reading of the trade unions' capacity for contestation.



Klaus Dörre (*Precarity and social disintegration – a relational concept*) shares this view of precarity as a constant, albeit historically changing characteristic of capitalist accumulation and the interpretation of precarity as a phenomenon reaching far beyond work and labour. Similar to Druck's concept of social precarisation, Dörre develops a definition of precarity as a time-diagnostic and a relational concept. According to Dörre's interpretation, precarity addresses changes at the intersection of employment, everyday life, the welfare state and democracy. Precarity is a regime of power, control and disciplination affecting and changing societies as a whole, including both structural criteria and the subjective modes of processing insecure working and living conditions. In the context of the current crisis of Western welfare states, Dörre develops an extended typology of precarity based on Robert Castel's zone model, differentiating between zones of integration, precarity and detachment and emphasising different types of social control and reproduction of domination patterns. In line with Leite's and Sala's interpretation, Dörre emphasises the fact that the hollowing out of social citizenship by means of precarisation is an uneven process which might be reverted by the persistence of democratic institutions and welfare state structures and by trade union and political opposition.

The next contribution by Ingo Singe (*Informality in the German parcel delivery industry*) illustrates how these forms of control work within the context of the German parcel delivery services. In this sector, wage disparities have grown strongly and institutions of worker representation have lost much of their former regulatory impact due to the organisational fragmentation and informalisation of the workforce. Singe's analysis based on his own field work shows how asymmetrical power relations contribute to the active involvement of workers in the reproduction of informality. Informality, according to Singe, is not exclusively upheld by the discipline of the market and coercion but also by the consent of workers within the context of intense inter-worker competition and workforce fragmentation that is framed by racist discourses. His article concludes that a lack of power resources in conjunction with employer strategies of (selected) fraternalism, hierarchical segmentation and related attribution processes support worker's acceptance of informal arrangements. Similar to Druck's interpretation of the ambivalences of trends in the Brazil-

ian labour market, Singe's analysis of the German parcel delivery service shows that informality refers to a changed mode of regulation with a specific recombination of formal and informal regulation that is characterised by interpersonal/individual forms of regulation rather than collective or institutionalised ones.

Martina Sproll's in-depth analysis of the Brazilian banking sector (*Precarisation and new class formations: the case of call centres in the Brazilian banking sector*) based on her own fieldwork also highlights the ambivalences of the Brazilian labour market and how despite the growing formalisation of employment, new forms of precarisation and social inequalities have evolved. Again, outsourcing is identified as a central trend characterising the current phase of capitalist accumulation and production and one of the main drivers for precarisation. Additionally, the case study shows the interrelatedness of both transnational and national factors in the restructuring of this specific sector of services. Neotaylorist work organisation and a specific division of labour between bank internal and outsourced call centres imply the production and reproduction of new forms of social segmentation and identities related to class, gender, race, age and sexual orientation. These strategies also imply segmentations and fragmentation of the social space. In line with Dörre and Druck, the article thus pleads for a broader concept of social precarisation and sheds a light on how neotaylorist work organisation and the current consumerist development model in Brazil reproduce relations of exploitation and discrimination through symbolic violence. Although included within the formal labour market, call centre workers are considered as 'second class citizens' concerning their social position and rights. Precarisation is perceived as a structural element reflecting the effects of flexibilisation on the debilitation of social rights even in highly regulated sectors. Furthermore, it seriously limits the relative strength and negotiation capacity of workers' organisations and the balance of power between capital and labour, reproducing discriminations based on class, race and gender.

Stuart Rosewarne's article (*Migrant domestic work: from precarious to precarisation*) enriches the debate by including a case study from Asia and focussing on a sector of the labour market which – at least until recently – has been largely neglected by mainstream debates on precarity and precarisation: domestic and care work and the building of global care chains.

Rosewarne shows how migrant domestic work as the archetypical manifestation of precarious employment is not only the consequence of an asymmetry in the employment relations but also the outcome of unequal power relations in the global labour supply chain. The making of a new transnational class of domestic workers is framed by a set of norms, including gender, race, ethnicity, religion, age and educational attainments, showing that uncertainty and vulnerability which characterise transnational employment have deeper roots than just the formal contract of employment. Organisational and institutional arrangements also work to the detriment of this segment of mainly female workers. In order to understand the deep-rooted character of precariousness, in Rosewarne's view, we should not only narrowly focus on the employment relationship but also reflect on the different stages of organisation of this global labour supply chain and the role of the various stakeholders that contribute to the reproduction of gendered contracts and power relations.

Finally, the contribution of Guimarães, Demazière, Hirata and Sugita (*Facing labour market insecurity: Structural constraints and individual interpretations. São Paulo, Paris and Tokyo*) offers a comparative analysis of the subjective and relational dimensions in the understanding of the growing insecurity in labour markets' recent dynamics in three metropolitan centres. Based on a common mixed-method research strategy, the article highlights how working life trajectories are currently undergoing profound changes. For a growing number of workers in large metropolitan markets, labour market insecurity has become a problem, especially when unemployment increases during economic crises. The article shows how an ambiguous grey zone between employment and unemployment is expanding and how the border between unemployment and economic inactivity is becoming ever more indistinct. At the same time it shows the differences between individual and subjective responses, which are not only shaped by labour market instability but also by the role of welfare states and enterprises. Unemployment is therefore not an objective phenomenon but rather a social construction, created equally by heterogeneous subjective experiences and institutional settings. The international comparative approach thus gives insights into different patterns of subjective handling and institutional framing of precarity.

Last but not least, we would like to thank the editorial staff of the Austrian Journal for Development Studies for their support and dedication and all referees and authors involved. Special thanks goes to [desiguALdades.net](http://desiguALdades.net), the research network on interdependent inequalities in Latin America, which not only hosted our workshop but also helped to finance printing costs as well as to the Freie Universität Berlin for financing the English language editing.

Martina Sproll

Institute for Latin American Studies, Freie Universität Berlin

[martina.sproll@fu-berlin.de](mailto:martina.sproll@fu-berlin.de)

Ingrid Wehr

Regional Office Cono Sur, Heinrich Böll Foundation,

Santiago de Chile

[ingrid.wehr@cl.boell.org](mailto:ingrid.wehr@cl.boell.org)