Changing the rules of participation? Worker organising in the context of development

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Research Context: Theoretical Reference Points

- Comparing Capitalisms Project at Cardiff Business School
- Revisiting Gereffi’s discussion of industrialization strategies in Latin America and Asia in 1990s.
- Critical examination of recent trends in the VoC literature in relation to Latin America and Asia

CLIO approach:
- Comparisons between countries/forms of capitalism
- Links between countries
- Influences common on countries
- Outcomes – growth, inequality, sustainability
Schneider’s Hierarchical Market Economies

Characteristics:

- Predominance of hierarchical business groups and MNCs
- Oligopolistic firm relations within sectors
- Supplier relations predominantly via vertical integration
- Atomized labour relations
- ‘Low skill trap’
- Leading to comparative institutional advantage in commodities and simple manufacturing

(see also Horwitz 2013, Anner and Veiga 2013, Boschi 2014)
The Steel context

- Last decades of 20th century: Phase of restructuring in the steel industry:
  - “international in form but national in substance”
  - attempts at product diversification and specialization
  - export-orientation

- from 2000 onwards: two trends
  - industry consolidation leads to heightened M&A activity
  - Increasing importance of Global Production Networks
The cases
Understanding the Territory

- Early development in both states based on coffee export, moves towards industrialization in RJ already in 1930s/40s, in ES only in 1960s/70s

- Maturation of industrial projects through the 1980s (Petrobras)

- Privatization in 1990s

- Arrival of MNCs and national champion policies – RJ development of automotive and supplier industry around CSN, ES development of oil complex, importance of state financial support

- Strong anchoring in Global Production Network – Dominating trend: vertical integration, in particular, link between mining and steel
Worker organization and mobilization

**Rio de Janeiro**
- Area previously characterized by low mobilization and lack of social capital
- Lack of mobilization opportunities at plant level due to recruitment strategies and legal framework
- Organization of occupational groups through community channels and through social movement networks (RJ, GER)
- Tactics: protests, raising awareness, arts and academic collaboration

**Espírito Santo**
- Area similarly characterized by artisan workers/ fishery
- Context of disenfranchised local government
- Mobilization of workers through local networks with local government as driver
- Tactics: active participation in consultations, public pressure, raising awareness, LG collaboration
Corporate Response

Rio de Janeiro
- In context of licensing process: focus on mandated CSR through investment in local facilities
- Building of local networks via education – bypassing existing unions
- Emphasis on need for education
- Tactics: consultations, investment, training

Espírito Santo
- Focus on ‘social license’ through organizing and mobilizing workers and community in support of development
- Building of networks in rural areas – away from production sites (but potential recruitment sites)
- Involvement in collective employer action – building the state
- Tactics: consultations, training activism
Patterns: Coalition Building

- Seemingly weak actors organize coalitions
  - Use of networks and scaling up of mobilization efforts: across region, across countries
- Shifting arenas: workplace conflicts and tensions become environmental conflicts and vice versa
- Creating new spaces for participation beyond the workplace – in response to structural distribution of power and institutional frameworks

See also Veiga and Martin 2009, Ramalho et al 2013, Frangi 2014
Organizing across borders and arenas
Patterns: “Educating Citizens”

- Social co-responsibility: understanding the company in the local social tissue
  - Pathologizing discourse: communities and workers need education as (docile) citizens

- Governance via the normalization of the need for development discourse

- Varying relations with the state – hierarchical but in which direction?

- Specificity of extractive industries: resource (access) imperative and ecological imperative

- The ecological imperative becomes a social imperative.
Concluding Thoughts: Institutional Change?

- Institutional arrangements need to be seen as dynamic rather than stable: shifting coalitions within the system of the HME

- Opportunities for a reconfiguration of employment actors – as an expression of existing weaknesses as well as response to attempts at innovation and experimentation

- BUT constant threat of strength of institutional complementarities of low-skill trap and extractionist development paradigm which either marginalizes local needs or can incorporate alternative methods of worker mobilization into legitimizing development