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Models and Their Effects on Development Paths:
An Ethnographic and Comparative Approach

PUBLISHABLE SUMMARY

MEDEA – MODELS AND THEIR EFFECTS ON DEVELOPMENT PATHS: AN
ETHNOGRAPHIC AND COMPARATIVE APPROACH TO KNOWLEDGE
TRANSMISSION AND LIVELIHOOD STRATEGIES

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EC Scientific Adviser: Marie Ramot

Administrative coordinator

Goldsmiths (GOLD) (1)

Professor Victoria Goddard

Scientific coordinator

Universitat de Barcelona (UB) (2)

Professor Susana Narotzky

Partners

University of Bologna, Italy (UniBo) (3)

Instituto de Desarrollo Economico y Social, Argentina (IDES) (4)

Comenius University, Slovakia (UK) (5)

University of Brasilia, Brazil (UnB) (6)

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MEDEA is an interdisciplinary research project developed under the auspices of the 7th Framework Programme. The main objective of MEDEA is to produce an empirically informed theoretical approach that will take account of current research and make substantive policy recommendations.

The project offers a historically sensitive and multi-scalar approach to development paths and the effects of these on livelihoods. It does so through tracing the contours and effects of development models and the global flows through which they are transmitted in four empirical cases (Argentina, Brazil, Slovakia and Spain), and the manipulation of research data through qualitative modelling. Combining a range of qualitative and quantitative methodologies, the project explores the dynamic effects of models and their context-bound implementations, as well as local and global responses to these effects. Taking into account local trajectories and complexities, the project engages in an ongoing process of comparison that takes into account the potential tensions between hegemonic models and practices and the highly specific social and historical conditions of their implementation.

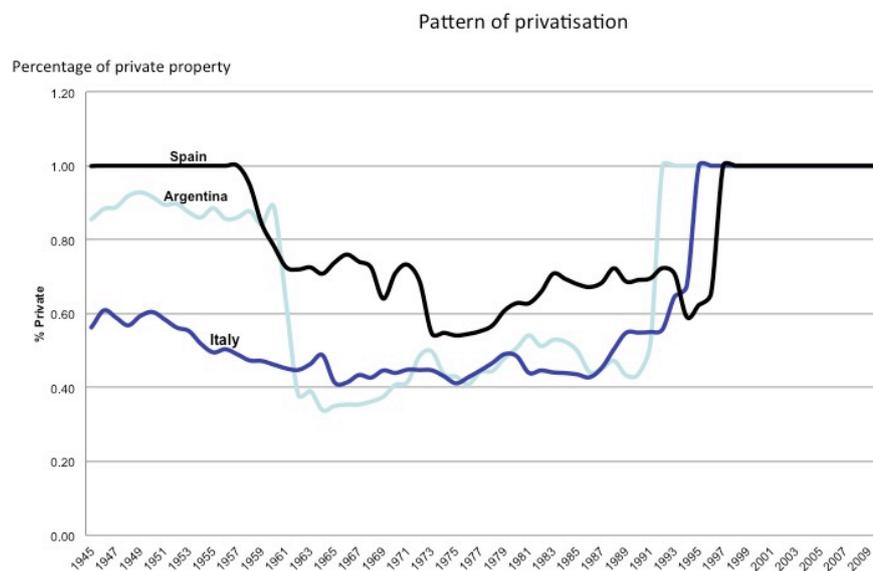
The project is based on the premise that the analysis of theoretical development models and global policies must be situated within the complexities of historically unfolding conditions and relationships on the ground. We are particularly concerned with the concrete outcomes of historical processes, of global flows and the implementation of economic models within specific locations. As different models and policies succeed one another and as different sectors of the economy gain or lose prominence within the overall economic structure (nationally, regionally and globally), other industries, forms and relations of production and distribution emerge, shaped and reshaped in complex networks of mutual dependencies. Thus, the livelihoods and strategies of relevant actors and stakeholders in the steel industry are at the centre of the analysis. By focusing on the steel industry, which has played a significant role in national and regional development in Europe (for example via the European Coal and Steel Community treaty -ECSC) and beyond, the project tracks the relationship between employment, skills and economic models.

We identify the issue of skills and education as a central theme that provides insights into the interface between policy, entrepreneurial strategies and local contexts and populations. There is an entanglement of skills, knowledge, education, and economic models, which has implications for the ability of individuals and groups to respond to changing circumstances. For individuals and households, this relates directly to their ability to find employment and secure stable livelihoods; for the industry, its capacity to respond to global challenges. In particular, this relates to the extent to which different skills and forms of knowledge are valued and may or may not be transferable across different productive sectors. Therefore, the effects of economic models must be understood both in relation to the complexities of local and global economic processes.

National Trajectories

Comparison of the four cases indicates that there are parallel processes across the cases, relating to the implementation of models on a macro-level.

The comparison and modeling focused on the process of **privatization** in Argentina, Italy and Spain shows that there are broad similarities in relation to the time frame within which privatization took place in each instance: increasing state intervention from 1945-mid-1970s, sporadic or temporary increases in the role of private production between 1969-1971 and again in the second half of the 1970s is followed by a sharp increase in the centrality of private capital.



This relates to the hypothesis put forward by the Bologna team regarding privatization patterns, that is to say that economic models advocating privatization of state-owned firms develop at the global scale. In a similar way, models advocating the centrality of full employment are also developed (in different political frameworks) at the global scale.

Re-affirming the key role of global processes are the differences in the **'orientation'** of the political regimes in power at the time of privatization. In other words, the local political agents, as in parties in national governments, are not the principal factor determining the timing or the depth of the privatization drives in each country.

Instead, global political institutions play a key role in the formulation and dissemination of ideas and practices or models of economic organization.

Moreover, global political institutions are co-opted by the interests and objectives of particular economic elites operating transnationally.

Global flows of economic models

Two broadly defined models emerge in the two periods arising from the privatization data. The first corresponds to the period of higher state investment in the industry, reflecting industry-led production strategies with high employment levels. The second follows industrial restructuring after the 1970s oil crises and corresponds to the period of dominance of private capital where market-led strategies prevail, associated with lower levels of employment in the sector and declining commitments by governmental bodies to sustaining employment as a political priority.

Both models seem to operate broadly at the global scale, and are disseminated through various processes of hegemony, institutionalized through international agents, thus demanding multiple levels of analysis – local, national, global - in order to trace the flow and context-bound implementation of economic models of development.

The flow of meta-models is best understood as taking place through **webs of discontinuous global spaces** (industrial enterprises, mills and factories, for instance). The connections and flows among loci articulating these webs are structured by two modes of dissemination of development models: the diffuse mode (industrial development as a major value of decision-makers, for example) and by the concentrated mode (specific practices disseminated through individuals such as entrepreneurs, managers and technicians who transfer visions, technologies, models and know-how to a certain place).

- The **diffused mode of dissemination** refers to abstract and relatively enduring models that are espoused by macro-agencies and processes, and are made visible through socio-historical analysis.
- The **concentrated mode** refers to models that obtain over the medium and short-term; typically they are promoted by meso- and micro-agencies. These agencies include the World Bank, the World Trade Organization, the OECD, the UN, the EU, as well as through firms, academic institutions and, civil society organizations.

Both modes may be implemented either through a non-authoritarian mechanism or via authoritarian interventions. The diffuse mode typically takes place through technological innovation, media, infrastructural developments and changes in the structure of capital (for example, from monopoly capital to Fordism and post-Fordism). The concentrated mode typically takes effect through the actions of epistemic, political and interest-based communities.

Economic models are also **models of society** (social relations, social categories, production of spatial and temporal forms). This is evident in the period of state intervention in the industry, which was frequently accompanied by government policies in relation to town planning and housing policy, health, education and other interventions. The relation between economy and society is also evident in the case of neoliberalism, where we see a disarticulation and reassembling of social relations, spaces and timeframes.

Models associated with neoliberal reforms promote values that frequently contrast with historical, locally relevant orientations, such as an emphasis on individual achievement and a privileging of the value of the individual over that of collective and community interests.

Work

Since the 1990s and the widespread **privatization** of the industry, there have been striking changes in the size, composition and quality of the workforce.

- These changes are associated with **changing definitions of the worker** and of the skills demanded by the industry (high levels of education and training, flexible and broad competencies, credentialism) on the one hand, and growing levels of job insecurity on the other.
- There are **reduced levels of employment** across the industry responding to restructuring, and technical, technological and organizational innovation.
- Associated with this is the **extension of forms of precarious employment** and subcontracting such that the fragmentation of the workforce is deepened.

This has implications for collective organization and action. Trade unions need to find means and mechanisms for representing permanent workers and temporary workers in subcontracted companies.

In some cases, changes in national legislation appear to support temporary and precarious contracts. Elsewhere there are changes in policy oriented towards increasing levels of employment, but there are nevertheless enduring high rates of precarity and temporary contracts. In all country cases it is important to bear in mind that individual firms undergo different patterns of change and show a different evolution of ratios of permanent/temporary staff.

There are structural factors in the determination of rates of employment, unemployment and precarious employment. These factors are reflected in fragmented workforces; the divisions in the workforce are often represented as corresponding to moral, cultural, or racialised distinctions. As well as these ruptures, there are other significant differentiations in the workforce, notably in terms of gender and age.

In some cases (Argentina, Slovakia) there is a *misrecognition effect* whereby perceptions of moral exclusion emerge among populations targeted by development initiatives, as a result of the systematic assertion that one or several elements of their ways of life are inadequate when compared to narratives of good living conveyed by development agents and agencies.

Skills and the transmission of knowledge

We identify three generational categories:

- **First Generation:** typically of rural origin, with limited formal training.
- **Second generation:** typically experiences stable employment. Family-based generational transmission of jobs is widely practiced. There is a level of stability and continuity in relation to the transmission of knowledge, of skills and of appropriate education and training
- **Third generation:** experiences profound changes both in relation to access to jobs and the experience of work. There is a marked change in the levels and kind of education and training required of this generation, towards an enhanced need for formal training and education. Intra-family transmission of jobs declines and new recruitment mechanisms are set in place.

Generational changes are reflected in widespread notions of ‘the good worker’. In the contemporary context, the good worker has a multiplicity and range of skills, including problem-solving, adapting to changing circumstances, positive disposition towards change and continuous training. However, these notions are contested on a number of different grounds, formally by trade unions and informally by workers themselves.

- There is a tension between older and younger generations of workers in relation to perceived attitudes to work and relationship with the firm.

Subcontracted firms play an important role in some cases, in relation to absorbing redundant workers and/or channeling the recruitment of new workers. Subcontracting processes now encompass production tasks as well as maintenance and ancillary tasks. Consequently, ‘internal’ and ‘subcontracted’ personnel may find themselves working side by side performing same or similar tasks.

Changes in government **education** policy and in particular technical **training**, and the investment of private enterprises in training and career development, contribute to the emergence of a gap in the transmission of skills and of a skills deficit. In some case studies, highly trained workers express a sense of deficit with regard to highly trained workers and their expectations regarding work status, conditions and pay. The entry mechanism via subcontracted firms exacerbates the perceived mismatch between qualification levels and the work experience.

- This **generational gap** in terms of training and preparation is particularly acute at a time of generational turnover in the immediate future. This is a matter of concern raised by trade unions and employers.
- We found **evidence of good practice** in addressing the skills deficit, in initiatives involving trade unions, local governments and firms to develop appropriate education and training schemes.