Introduction to the special theme:
theorizing transnational labour markets

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Abstract  In this introduction to the special themed section, 'Theorizing transnational labour markets: economic-sociological approaches', I introduce the reader to the topic and give an overview of the four contributions. The terms 'global labour market' and 'transnational labour market' are broadly used to account for contemporary social phenomena as diverse as the ever-closer integration of China or India, with their huge labour forces, into the world economy, the off-shoring of specific operations of MNCs to countries with cheap labour, or cross-border labour migration. In most of these cases, the existence of global or transnational labour markets is taken for granted by the media, consulting agencies and other economic actors. However, scholars in labour market research and cross-border migration alike have largely ignored the categories of global or transnational labour markets. Thus far, it remains unclear what these terms really mean and how we should address them theoretically. The aim of this themed section, therefore, is to view cross-border labour migration through an economic-sociological lens and thus bring into dialogue migration and labour market scholarship. By introducing a transnational perspective into labour market research, we hope to make a useful contribution towards theorizing on cross-border labour markets and thereby overcome the methodological nationalism that seems to have crept into this area of scholarship.

Keywords  CHINA, GLOBAL LABOUR MARKET, GLOBALIZATION, INDIA, LABOUR MIGRATION, TRANSGNAL LABOUR MARKET

The term ‘globalization’ has shaped the public and social science debates of the past three decades like no other. Globalization is considered a cipher for the most important political, economic and social changes on both the national and global scales. In addition, labour in this context is a theme of paramount importance for people’s identities, social integration and economic welfare. At present, more people than ever migrate in search of work, and labour is increasingly organized in pluri-local forms that cross national borders (Pries 2010: 740).
In fact, the terms ‘global labour market’ and ‘transnational labour market’ are broadly used in attempts to account for contemporary social phenomena as diverse as the ever-closer integration of China or India, with their huge labour forces, into the world economy, the off-shoring of specific operations of MNCs to countries with cheap labour, or cross-border labour migration, for example, in the care, maritime, domestic work, or construction sectors, to name but a few.

In most of these cases, the media, consulting agencies and other economic actors take the existence of global or transnational markets for granted. However, scholars in labour market research and cross-border migration alike have largely ignored the categories of global or transnational labour markets. Thus far, it remains unclear what these terms really mean and how we should address them in theoretical terms.

In fact, the sociology of work and labour-market research have hitherto been guilty of methodological nationalism, that is equating the labour society with the nation-state (Beck et al. 2010). Statistics are national and, at the very least, quantitative research has suffered from the constraints of this limitation. Sociological labour market research has primarily addressed (1) conceptions of labour markets, (2) labour market outcomes, and (3) social changes in labour market structures (Kalleberg and Sørensen 1979: 353ff.). Research on labour market outcomes, for example, has addressed social inequalities (Weeden and Grusky 2012, 2014), job insecurities (Kalleberg 2018), and precarious work more generally (Kalleberg and Vallas 2017). Recent work on structural changes in labour markets has primarily concentrated on technological change (Autor et al. 2017; Frey and Osbourne 2013). However, all these studies explicitly or implicitly presuppose a national labour market. Mense-Petermann’s contribution shows that sociological and politico-economic approaches are dominated by conceptions that link labour markets to the national institutional settings in which they are embedded, so they therefore lack the conceptual tools that allow us to grasp cross-border labour markets. Hence, so far, labour economics, politico-economic approaches, and the sociology of labour markets have failed to investigate the phenomena that are denominated with the terms ‘global’ or ‘transnational’ labour markets. Instead, interdisciplinary migration research has addressed these issues. However, migration research can be divided into two strands of literature according to how and to what extent such works adopt a labour market lens on cross-border labour migration – these strands are (1) migration and development economics and (2) migration studies from a sociological, anthropological or socio-geographic background.

In migration and development economics, the concept of the labour market takes centre stage: Most studies are conducted within a neo-classical framework, which assumes a competitive labour market. The focus of this approach is on the effects of emigration and immigration on local and national labour markets in home and host countries. These studies scrutinize who those who emigrate are, what the consequences of their emigration are, or whether emigration has to be regarded as a ‘brain drain’ (Beine et al. 2001) or an exodus of the ‘relative surplus population’ (Foster et al. 2011). The effects of immigration on the wages of native workers have also been scrutinized.

However, neo-classical theory reaches its limits when it confronts the empirical observation that the poorest in a country are not the ones who tend to migrate, even
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although they would profit most from the wage differentials, but the middle classes. In addition, migration studies also show that, in the aggregate, migration flows do not go from the poorest to the richest countries. Economic approaches to cross-border labour markets thus fail to explain the structure of empirically observable migration flows (cf. Pries 2010: 732).

Moreover, a closer examination of this strand of literature reveals that, although cross-border migration is at the centre of this research, the national frame of reference prevails. Cross-border labour migration is either conceived of as immigration, the focus then being on the impact on receiving countries' national labour markets, or as emigration and its effects on the economy and labour market of the sending country. Hence, in these accounts, the transnational dimensions of cross-border labour markets are not at all addressed, as has been convincingly criticized from the migration systems (Kritz et al. 1992; Massey et al. 2008) and migration transformation (Castles et al. 2014) approaches (Mense-Petermann and Schwenken, forthcoming).

A politico-economic approach to cross-border labour migration issues is represented by Michael Piore’s (1979) seminal book *Birds of Passage*. He suggests that labour power is extracted from labour surplus countries by employer demand in the receiving countries, where the labour market is segmented, and migrants occupy the less desirable sectors and positions. While Piore addresses a series of transnational issues related to migrant labour markets, such as what jobs migrants are prepared to accept, which is contingent on the labour market in which they are participating, he still conceptualizes the segmentation of the labour market within a single nation. However, building on Piore’s foundational work, an ‘international labour market segmentation’ approach has been developed to address the different scales on which segmentation processes take place and to identify the role of international and national policies, such as visa regimes and the role of citizenship statuses (Samers and Collyer 2016: 262ff; see also Mense-Petermann and Schwenken, forthcoming). Aspers and Sandberg, in their contribution to this special theme, therefore, emphasize that segmentation theory makes an important contribution to theorizing cross-border labour markets, which has, however, to be complemented by theoretical concepts derived from the sociology of markets.

Sociological, anthropological, and socio-geographical migration studies, on the other hand, have delivered numerous in-depth empirical studies on cross-border labour migration in specific sectors such as care workers from the Philippines or Central and Eastern Europe working in Western European or other wealthy countries (Bludau 2015; Choy 2003; Connell 2010; Jaehrling 2008; Kingma 2006; Trubek 2003), seafarers (Galam 2018; McKay 2007; Swift 2011), meat cutters from Central and Eastern Europe working in the German meat industry (Czommer 2008; Reifsland and Wagner 2018; Wagner 2015), or construction workers (Lillie et al. 2014; Staples et al. 2013), to provide but a few examples.

Since there is relatively little research on the cross-border migration of highly skilled workers, the arguments surrounding it are rather prescriptive. This is especially true of the development of a transnational, cosmopolitan and mobile knowledge elite (Kanter 1995; Sklair 2001; for a critical account, see Spiegel et al. 2018). Another related theme within this body of literature is that of the ‘boundaryless career’ (Arthur
suggesting the emergence of new career patterns that cross both organizational and national borders and lead to the development of transnational labour markets for the highly qualified. In most cases, however, these ‘strong’ assertions lack empirical backing. Pohlmann (2009), for example, has shown that the ‘battle for talent’ is largely fought within MNCs and only to a very small extent in transnational labour markets.

Nevertheless, sociological, anthropological, and socio-geographic migration studies have delivered important contributions. They have done this by explicitly adopting a transnational perspective on cross-border labour migration and developing theoretical concepts, such as migration chains or networks, migration industries and infrastructures (McCollum and Findlay 2017; Shire, this issue), or border and migration regimes, that are able to grasp important dimensions of the phenomena in question.

However, as Shire elaborates in her contribution to this special theme, contrary to the migration and development economics literature, labour markets, let alone markets in general, are not a key concept in interdisciplinary migration scholarship. Although interdisciplinary labour migration studies have investigated some labour market-related issues, such as skill mismatch (Creese and Wiebe 2012), or ‘ethnic niching’ (McKay 2007), the labour market, as a concept, as Pries (2010: 730) points out, has only marginally been addressed in migration studies (for exceptions, see Bade 2000; Bauder 2006).

In summary, studies conducted within the framework of the sociology of work or of the labour market have hitherto maintained a national focus in migration research. There are now studies that adopt a neo-classical view of the market to look at cross-border migration through a labour-market lens. There are also those that reject such an approach and deliver in-depth investigations into the complex migration regimes that govern cross-border migration. The latter, however, have nearly all refrained from adopting a labour-market perspective. Cross-border labour markets, therefore, remain under-theorized in the sense that the terms ‘global’ or ‘transnational’ labour markets, although broadly used by the public, are under-determined, and conceptual frameworks that are able to instruct empirical research on cross-border labour markets are lacking.

Building on the debate so far, our authors suggest drawing on concepts from the so-called new economic sociology to theorize cross-border labour markets. They argue, in particular, that using the concepts of markets and their institutional and social embeddedness, as developed in the new economic sociology (Aspers 2011; Beckert 2009; Engels 2009; Granovetter 1985; White 2002) can be fruitfully adopted to scrutinize cross-border labour migration. Such an understanding of labour markets has a series of strengths: (1) It sheds light on the problems of commodification and (the lack of) de-commodification of labour power on a transnational scale. Labour markets are very specific (not comparable to other commodity or service markets) because labour is not a ‘normal’, but a ‘fictitious commodity’ (Polanyi 2001) that has to be de-commodified (see the contributions by Shire and Mense-Petermann in this issue). The commodification and decommodification of labour power, however, are not at all discussed (at least not explicitly and using these categories) in migration studies (Shire, this issue). (2) It is able to account for the complex constellations of actors in different roles that are involved in creating cross-border labour markets. Classical labour market concepts
imply a dual structure of buyers and sellers. However, as a glance at empirical cross-border labour markets reveals, most of the examples involve intermediaries of some sort, such as non-profit or for-profit recruiters, temporary agencies (Shire, this issue), or sub-contractors (Aspers and Sandberg; Mense-Petermann, this issue), or they occur within organizations, such as MNCs (Hollinshead, this issue). The involvement of intermediaries transforms the dual structure (buyer–seller) into a three- or more-party relationship. Frequently, market organizers are also involved. (3) It addresses the processes by which such labour markets are socially constructed and, therefore, allows for identifying the conditions under which cross-border labour markets emerge. Finally, (4) it emphasizes the embeddedness of (cross-border labour) markets in institutional, cultural and cognitive macro-structures beyond national institutional settings and allows empirical scrutiny to be applied to the relevant macro-structures in which particular cross-border labour markets are embedded.

The aim of this special themed section, therefore, is to look at cross-border labour migration through an economic-sociological lens and thus to bring migration and labour market scholarship into dialogue. We hope that this will make a contribution towards theorizing on cross-border labour markets by introducing a transnational perspective into labour market research and thus help overcome methodological nationalism in this area of scholarship.

The contributions

This special theme arose from an international and interdisciplinary group of fellow researchers who formed a group they called ‘In Search of the Global Labour Market’ from October 2017 until July 2018 at the Centre for Interdisciplinary Research (ZiF) of Bielefeld University, Germany. The group held a series of workshops where separate dimensions of and perspectives on cross-border labour markets were discussed. All the contributors to this themed section were members of that group with backgrounds in economic sociology, the sociology of work, and management and organization, they have been engaged in theorizing cross-border labour markets while drawing on their respective fields.

Karen Shire’s article on ‘The social order of transnational migration markets’ draws on the categories of the new sociology of markets, particularly on the problems that are inevitably inherent in market exchange, as suggested by Jens Beckert (2009). This sociological theory of markets, however, has to be adjusted to fit the case of labour markets. Shire argues that migration labour markets ‘face the same general sets of problems as other labour markets, in the commodification of labour, the regulation of competition and the coordination of cooperation’, but differ in that ‘specific problems arise from the cross-border scale of exchanges, the solutions to which require capacities for regulating across legal jurisdictions’. The question that arises, therefore, is how social order is achieved in transnational labour markets.

To address this question, Shire discusses different dimensions of the social order of markets and, drawing on the empirical evidence from the rich body of research on migration infrastructures, spells out their specificities in relation to the nature of labour
markets. This reconstruction of the migration industry research seen through the lens of the new sociology of markets serves to ‘re-open the question of whether a less neoliberal and more re-embedding regulatory path to transnational labour exchanges is possible’.

Regarding the specifics of transnational labour markets, compared with solely national ones, Shire demonstrates that the former are as yet ‘under construction’ and suggests several directions for future research. The main contribution of Shire’s article is that it demonstrates the value-added of a market sociological approach to cross-border labour migration. In other words, she puts the market institutions that emerge from actors’ struggles to balance their interests and resolve contradictions centre stage, thus illuminating the specifics of transnational labour markets, as well as the vulnerabilities to which they expose migrant workers and possible ways of dealing with them.

In her article ‘Theorizing transnational labour markets: a research heuristic based on the new economic sociology’, Ursula Mense-Petermann also draws on categories from the new economic sociology of markets, particularly on the social construction of market prerequisites such as the commodification and de-commodification of labour power, the social construction of competition, and the construction of the market-specific orientations of market participants. She suggests that transnational labour markets are characterized by their multi-layered embeddedness, not only in national but also in transnational institutional settings. Hence, the national institutional complexes that have been at the centre of sociological labour market theories insufficiently explain newly emerging transnational labour markets. To account for the full complexity of the latter and their institutional context, she therefore proposes an inductive approach to theorizing transnational labour markets. Drawing on the above-mentioned categories, the author develops a research heuristic intended theoretically to instruct empirical studies of particular transnational labour markets and inductive theory building. The workings of this research heuristic are then demonstrated by drawing on original empirical data on the transnational labour market that matches Eastern European workers to jobs in the German meat industry.

Her article demonstrates that applying the heuristic reveals some preliminary factors about transnational labour markets, compared with national ones, such as the overwhelming importance of ‘market makers’ (Abolafia 1998). Where there are no institutional facilities to match the availability of labour power to the supply of jobs, to set the standards required to assess, evaluate and compare the features of labour power or jobs, where even a sense of where to look for jobs or labour is missing and where culture brokers are needed to bridge the differences in cognitive orientations and ways of behaving, single actors as ‘market makers’ act as institutional entrepreneurs. Like Shire, as well as Aspers and Sandberg, Mense-Petermann emphasizes the multi-layered embeddedness of the transnational labour markets, namely, the entanglement of local, national, and transnational levels of social order and scales of action.

Patrik Aspers and Carl Sandberg, in their article titled ‘Sailing together from different shores: labour markets and inequality on board merchant ships’, address the issue of theorizing global or transnational labour markets by drawing on an in-depth empirical case study that they conducted onboard Swedish vessels mainly manned by Swedish and Filipino seafarers. Maritime labour has been cited as one example of the
very few cases of truly global labour markets (Ruggunan 2011a; 2011b) and, therefore, constitutes an appropriate case for exploring the capacity of economic sociology to theorize such labour markets. Aspers and Sandberg specifically draw on the notion of the embeddedness of markets in other markets (White 2002) and on a thorough analysis of the structures of competition (‘who is competing with whom?’).

Like Shire (this issue), the authors emphasize the vital importance of intermediaries and agencies to the emergence and functioning of transnational labour markets. They show that seafarers from developing countries are not hired directly by shipping companies but are employed by agencies in their home countries that are responsible for providing the appropriate training and that set their wages and conditions. Hence, Filipino seafarers directly compete only with other Filipino seafarers and only indirectly with seafarers from other countries.

The notion of the embeddedness of markets in other markets makes it possible to demonstrate that there are several markets in the maritime industry. Whereas the producer market for shipping services undoubtedly is a global one, the authors show ‘that there is no one single global labour market for seafarers, but several national, albeit highly globalized, markets’ that are embedded in the global shipping services market. The economic sociological approach adopted by Aspers and Sandberg thus allows them to unpack the notion of global labour markets and to disentangle the different producer and labour markets and the interplay between them. The authors thereby paint a nuanced picture of the interrelated labour markets in the maritime industry and offer a convincing theoretical outlook that goes beyond traditional segmentation theory in that it also sheds light on the role of intermediaries and the different kinds of contracts that bring seafarers from different home countries on board a given ship.

Contrary to the three articles summarized above, which all focus on mobile labour, Graham Hollinshead, discussing ‘Global value chains in international knowledge work: networks, stratifications and labour markets’, considers a different type of cross-border labour market, namely one in which tasks, not labour, are mobile. He emphasizes that cross-border labour markets do not emerge solely from the migration of workers, but ‘that a rather complex interplay of the forces of capital and labour is elemental in the structuring of labour markets and associated patterns of deployment of skills across the global economy’. This applies particularly to knowledge-intensive sectors, such as software development, where offshore outsourcing has gained momentum in recent decades, and knowledge clusters in emerging economies allow Western MNCs to tap into cheap labour forces. This sector has also been drawn upon for suggesting the straightforward thesis of ‘world flatness’, namely, the proposition that ‘information technology may facilitate the connection of all the knowledge centres of the planet into a single global network’ (Friedman 2006: 8). This thesis would suggest a single global labour market for software engineers. For his critical theoretical discussion on global labour markets and the notion of ‘flatness’, Hollinshead draws on the concept of global value chains (GVC) and their institutional and social embeddedness (Granovetter 1985; Polanyi 2001) as primary analytical tools; he then goes on to illustrate his argument with a secondary analysis of an in-depth empirical case study on the outsourcing of software development to Ukraine. He demonstrates that, contrary to the world flatness
proposition, ‘globalization is promoting both integration and differentiation in international labour market structures, with citizenship, ethnicity, age, gender, knowledge and language creating significant differentiators.’ Hollinshead concludes that the contemporary international organization of the software development industry and other knowledge-intensive sectors represents a case in which workers may not physically migrate across geographical boundaries, but capital can still tap into their labour power irrespective of place. Hence, these sectors may be said to epitomize the inception of a global labour market – albeit one characterized by deep social stratification.

Overall, the four contributions to this special theme demonstrate that the analytical tools provided by new economic sociology to analyse cross-border labour migration have a greater capacity to highlight the specific features of cross-border labour markets than the solely national ones. The authors show that cross-border labour markets do not emerge from scratch, but depend on the existence of ‘market makers’, namely recruiting or temporary agencies, states, subcontractors, or MNCs, acting as institutional entrepreneurs and market organizers. Notwithstanding these market makers, however, cross-border labour markets remain relatively unstable because they cannot rely on any one regulatory state. Instead, they are characterized by multi-layered embeddedness. One consequence of this regulatory complexity and ‘fuzzyness’ is the high vulnerability of migrant workers and a lack of de-commodifying institutions. The contributors also dispute the ideas of a single global labour market and of ‘world flatness’, and instead emphasize the great variability of cross-border labour markets across the global economy. Altogether, the economic-sociological approach suggested in this special themed section shows great promise for theorizing cross-border labour markets as a sui generis phenomenon and can thus help labour market theory to incorporate transnational labour markets. However, much empirical and theoretical work is yet to be done to develop robust theories of cross-border labour markets and those transnational institutional settings in which they are embedded on the national, world regional, or global scales.

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Notes

3. Some of the authors here also presented preliminary ideas at the Forum of the International Sociological Association (Research Committee 02: Economy & Society) in July 2016 in Vienna, and at the Annual Conference of the Society for the Advancement of Socioeconomics (SASE) in June 2018 in Kyoto and have profited from the discussions.
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4. This case study originates from a project conducted at the University of Hertfordshire into the institutional effects of offshore outsourcing of business services to Ukraine and other former Soviet bloc economies (Hardy and Hollinshead 2011, 2016; Hollinshead and Hardy 2012).

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