

***Homo Economicus* as the ideal new EU citizen: hyper-mobile migrant workers in a pan-European labour market**

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Who is Homo Economicus?

Economic Orthodoxy and Homo Economicus

- Persky (1995) economists “See economic man as virtually the only civilized species in all the social science”
- He is a myth
 - massive multi-country survey by Heinrich et al. (2001), the authors note: “the canonical model is not supported in any society studied.”
- Homo Economicus is an ideal type, an analytical place holder, a guinea pig for what could be accomplished
 - Who economists adulate but pretend not to

Under some conditions, (i.e. Anarchy) taking goods by force is more rational than producing them; thus investment in guns pays off more than gains from trade

“There’s a caveat, however, to the whole approach [of Ricardian trade theory]. What would prevent Xena – who is a warrior princess – from just using some coconuts to bang Robinson’s head and take away all the fish from him? Then, if Robinson were to take that into consideration, he would have to take appropriate countermeasures by shifting his production to defensive goods or other goods that are less easily appropriable by Xena” (Skaperdas 2003: 139).



Tilly (1995) *Coercion, Capital and European States*
- "War made the states and the states made war"



"I don't know what you mean by 'glory'," Alice said.

Humpty Dumpty smiled contemptuously. "Of course you don't- till I tell you. I meant 'there's a nice knock-down argument for you!'"

"But 'glory' doesn't mean 'a nice knock-down argument'," Alice objected.

"When I use a word," Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean- neither more nor less."

"The question is," said Alice, "whether you *can* make words mean so many different things."

"The question is," said Humpty Dumpty, "which is to be master-that's all."

Sociologists, Lawyers: Homo Economicus is a thief and a bandit

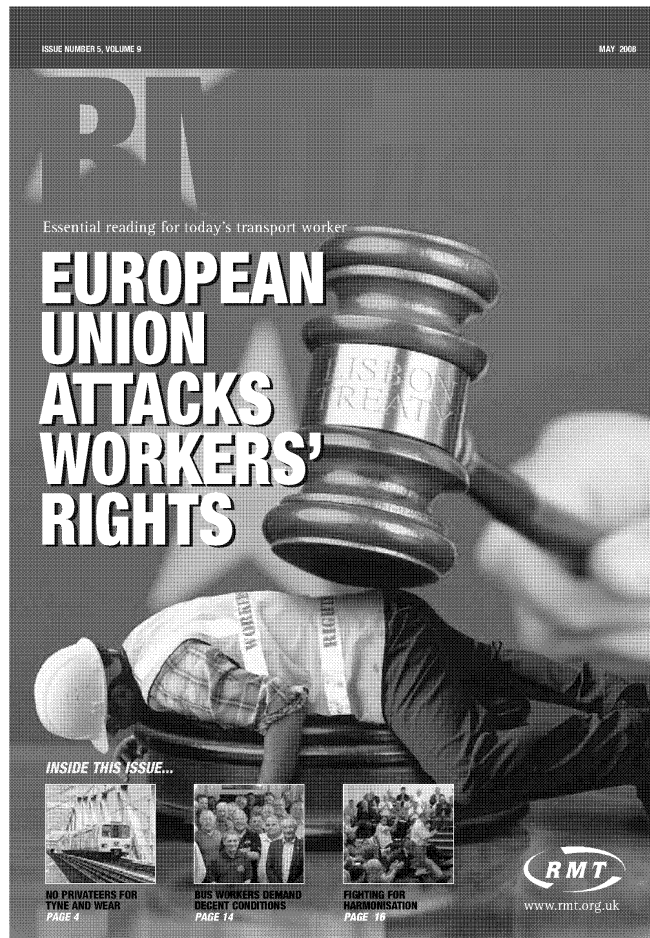
- “In this tale [of Homo Economicus’ moral turpitude], free markets are responsible for moral decline, anomie and loneliness, and eat away at their own foundations...” (Anderson 2000)
- Homo Economicus undermines markets by lying, cheating and stealing.
 - bad behavior is recognized as “destructive when encouraged in the boardroom or corner office” (Stout 2003)

Anthropologists: Homo Economicus is a victim of capitalist oppression



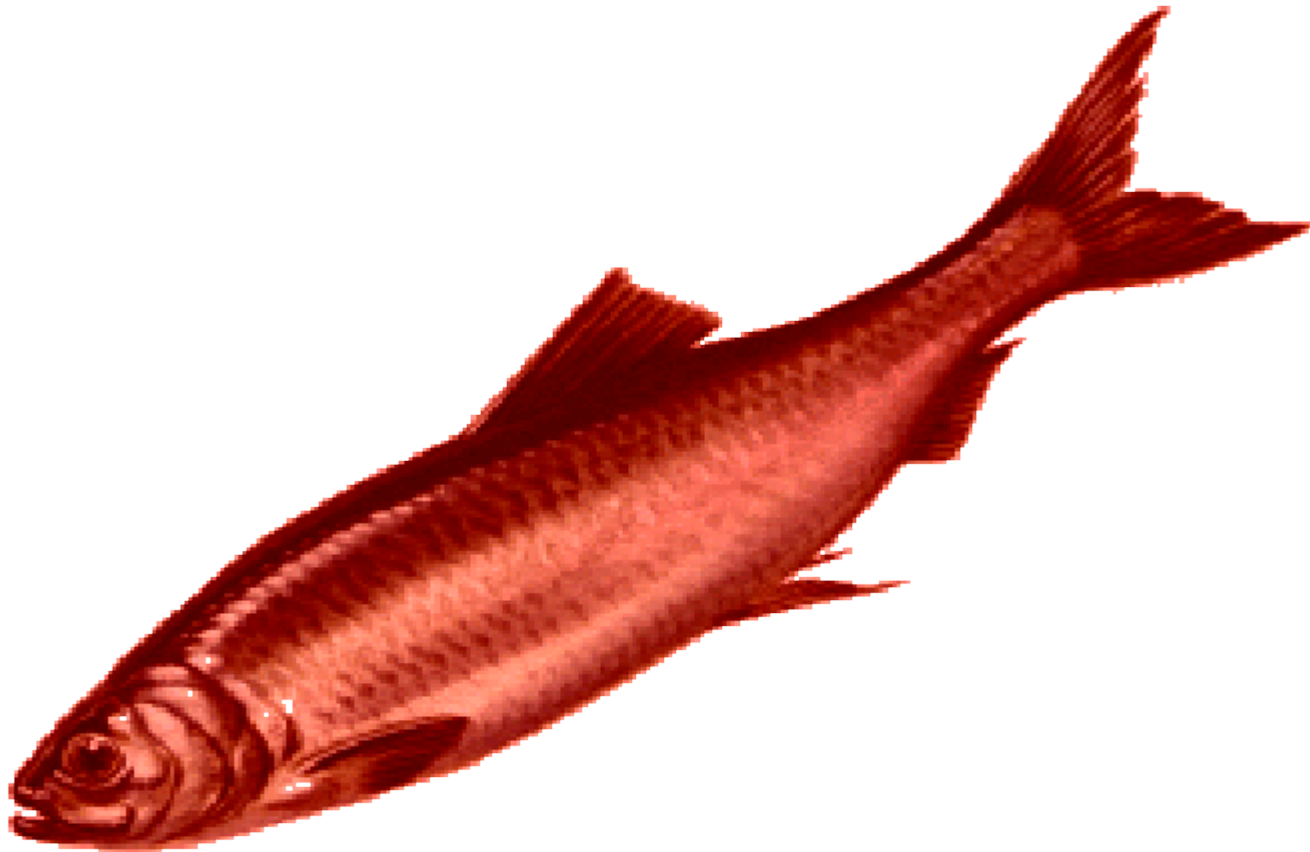
- Ong (2006) shows those with social capital protect themselves from markets with structures: internal labour markets, social security
 - Those without are compeled to live uncertainty, like Homo Economicus

Policy Problem of Posted Work



- Posted work: company sends an employee abroad to work
- Home country conditions - EU free movement
- Workers have different rights based on nationality of employer
- EU and national rule system

Posted Work is a Red Herring



Current and Proposed Regulation of Posted Work



"These new regulations will fundamentally change the way we get around them."

New Labour Supply System

- Not all migrant workers are posted workers
 - not even all posted workers are posted workers
 - but posted work makes regulation impossible
- Workers brought from other countries – most commonly Eastern Europe or Portugal
- Wage expectations and legally required wages in most cases lower than domestic workers
- Pay rates, benefits, social payments, travel costs
 - usually unclear as to who pays
- Posted work regime not always (not usually?) followed
 - but its existence makes regulation impossible

Evasion of regulation through “sovereignty at bay”: Relationship between sovereignty, national systems and national class compromises

- “Embedded liberalism” (Ruggie 1982) 1946-1980s?
- Capitalist world order based on incorporation of working classes through trade unions embedded in national “systems” of industrial relations – i.e. national class compromises.
- Class compromises treated with sensitivity in international politics – i.e. core to national sovereignty
- National systems: “mediating” between domestic class compromise and world system –
 - mediation extends to domestic collective bargaining down to workplace level (as per “varieties of capitalism”)

OLD MODEL of territorial sovereignty

International Economic System (risk)



National Economic Management



Worker

OLD MODEL of territorial sovereignty

International Economic System (risk)



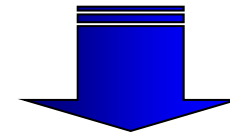
National Economic Management



Worker

NEW MODEL of deterritorialized sovereignty

International Economic System



Worker

Palan, Ong and the spatialization of exception

- Ronen Palan: “spaces of exception”.
Territorial sovereignty a figleaf.
- Aihwa Ong – “latitudes” of citizenship; the logic of exception in transnational production
“permits the institutionalization of ethnic discipline and biopolitical technologies in the same lateral spaces.”

Exceptional Spaces and Latitudes of Citizenship



Building Homo Econimicus: Components of the Ideal New European Citizen

- What is citizenship?
 - membership and belonging in a polity
- Liberal “market” citizenship confers rights and belonging, so as to enable market behavior; it also demands market behavior
 - Third Way, flexicurity, embracing uncertainty
- Segmented labour markets:
 - Core: decommodified: more traditional (political, social, industrial) citizenship
 - Periphery: exposed to market risks: more market citizenship

Buying into the Myth: realizing citizenship through autonomous market action

- Interviewee: I am a mercenary. Today I am working for Infogesta tomorrow I am working for ---- more money.
- Interviewer: Which countries have you worked in before?
- Interviewee: Columbia, Australia, almost all Europe. Spain, France, Swiss, Germany, never been in Italy. I start to make the collection of the plane tickets. (NL EH Nuon Infogesta – 01 23.6.2012)

More prevalent is a sense of compulsion, or migration as a result of fai

- We come only here because there are no jobs in Portugal. Because what we earn here is almost what we earn there. The only problem is that there are no jobs in our fields. That's the reason we leave to here [the Netherlands], Belgium, all around the world. (Portuguese pipefitter, Eemshaven, NL, 2011)

Exceptional Spaces, 1st Component:

- **Firm practices brought form abroad; no connection to local context**
- **“The ECB is a very ominous site. It is something that our members and we are not happy with. Züblin is known for undercutting wages and is generally tying its subcontractors into adhesion contracts (Knebelvertrag). It is extraterritorial territory and the German rules and law does not apply there. They have barbed wire around the whole site which is already an indication that they want to shut themselves off” (Interview with Employers’ Association Official for Hessen, 25.4.2012).**

Home Country Firm practices

- No social clauses permitted (Rueffert vs. Land Niedersachsen)
- Posted workers employed via home country contracts, by home country firms
- Little control of employment standards in production chain
- Home country wage standards – in some respects
- Cutting workers, sites, work processes off from local ties

2nd component: Restrictions on unions and other representation rights

- “The posted workers are not connected to the works council from the main contractor because they work for a subcontractor.” Works councillor, ECB site, Autumn 2011
- “The employer scares them, that if there is a problem, they be fired and sent straight home, and alot of the time it happens exactly like that. They don’t dare complain about.” Kyösti Suokas, 2nd vice president, Finnish construction workers union, 2008
- “So every time you have to figure out exactly what is the law that applies to this person. You know, does he have a Dutch contract? Does he have a Polish contract or a Romanian contract? Is he even under EU law? And that makes it almost impossible for us to really organize these people” FNV official, Eemshaven construction site, Spring 2011

So, there were you are now sitting, were three Rumanians, they were so beaten up, you would not believe it. And it was because they had at last fought for their rights, they wanted to get their pay, they striked for it and would have wanted to go home, and wouldn't however leave their place. The subcontractor went after them, and got them out and had his people beat them up. And the most difficult thing is the subcontractor wasn't arrested, because he had a gun in his car a loaded gun (NGG 3, Oldenburg, 2013)

Labour rights shell game

- Union rights limited – interactions of EU and national laws produce gaps
- Theoretically available labour rights difficult to determine and realize in practice
- Poor enforcement – good enforcement not possible under current regulatory design

3rd component: Disconnect from national/local social life

- “Here we feel like we are in a prison, as in a concentration camp. And many are not used to that type of life. I, for example, am used to this. I have worked for different companies, i am used to live in the fields and that's what keeps me here. Otherwise I would stay 3/4 months and leave.” Portuguese worker at Eemshaven construction site, NL, 2011
- “In the first month, I lived in Obermarket. There is a monastery there. We went to a church service there , to get to know people, to make friends. But no one was interested in us. Absolutely not.” Serbian worker at airport construction site, Frankfurt, 2012

Social Isolation

- employer involvement in making arrangements to facilitate mobility,
- high degree of dependence by workers on their employers.
- insular social spaces, which are more transnationally and home-country oriented than locally embedded.

Liberating Power of Homo Economicus

Hypermobile workers destabilize existing national citizenship practices, but also emancipate: mobility and freedom from existing institutional constraints.

“the impressionality, anonymity and openness of markets to all comes is favorably contrasted with social orders in which people are tightly constrained by parochial connections and loyalties of family, ethnicity and neighborhood.” (Anderson 2000)

❑ However, the evidence is that there is more disempowerment going on in market arenas:

- ❑ Segmentation, variegated sovereignty: those with power have security, those who don't have markets