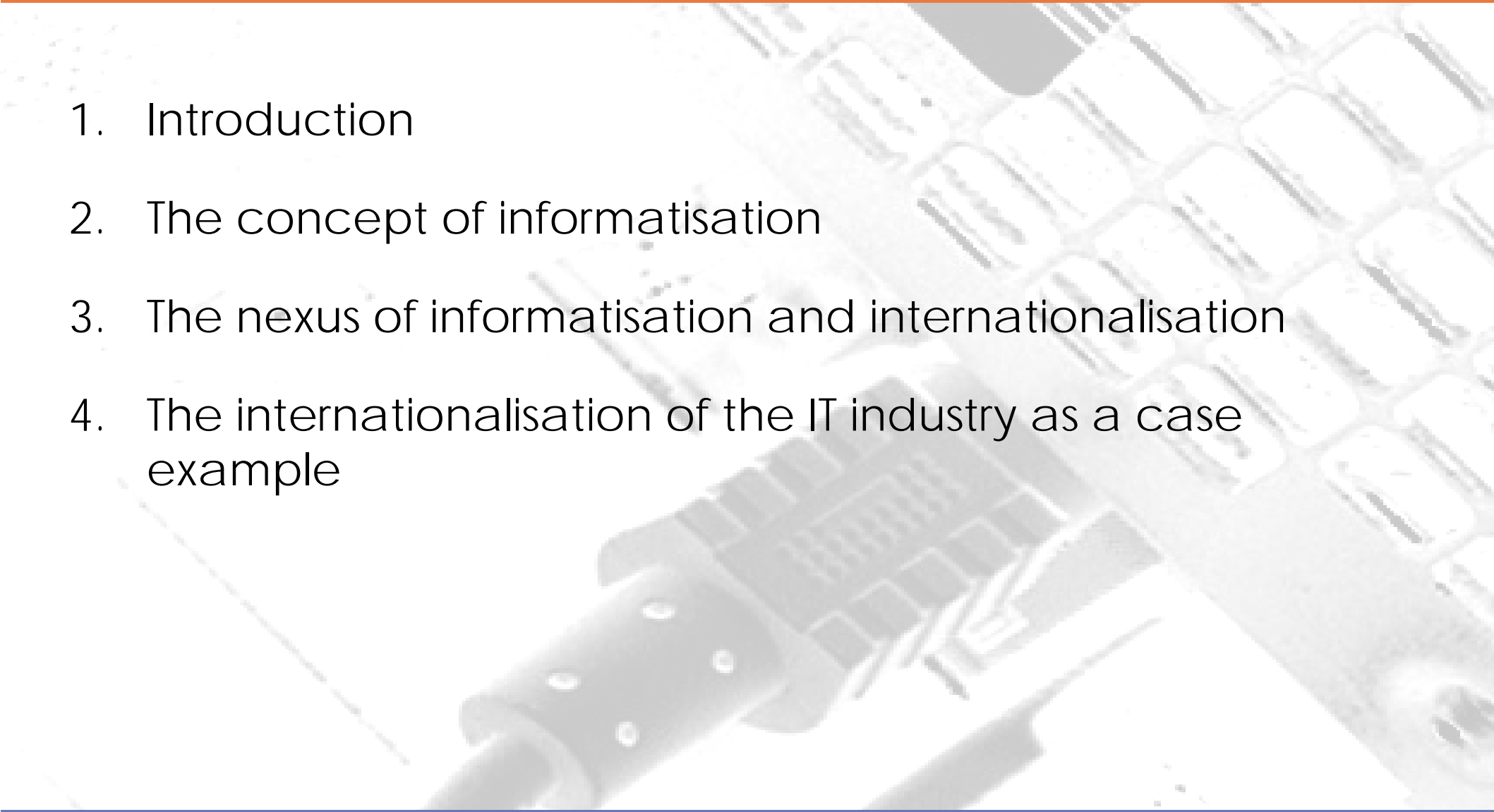Tobias Kämpf, Andreas Boes, Kira Marrs, Katrin Trinks

Working place in the information space – the nexus of informatisation and the internationalisation of service work
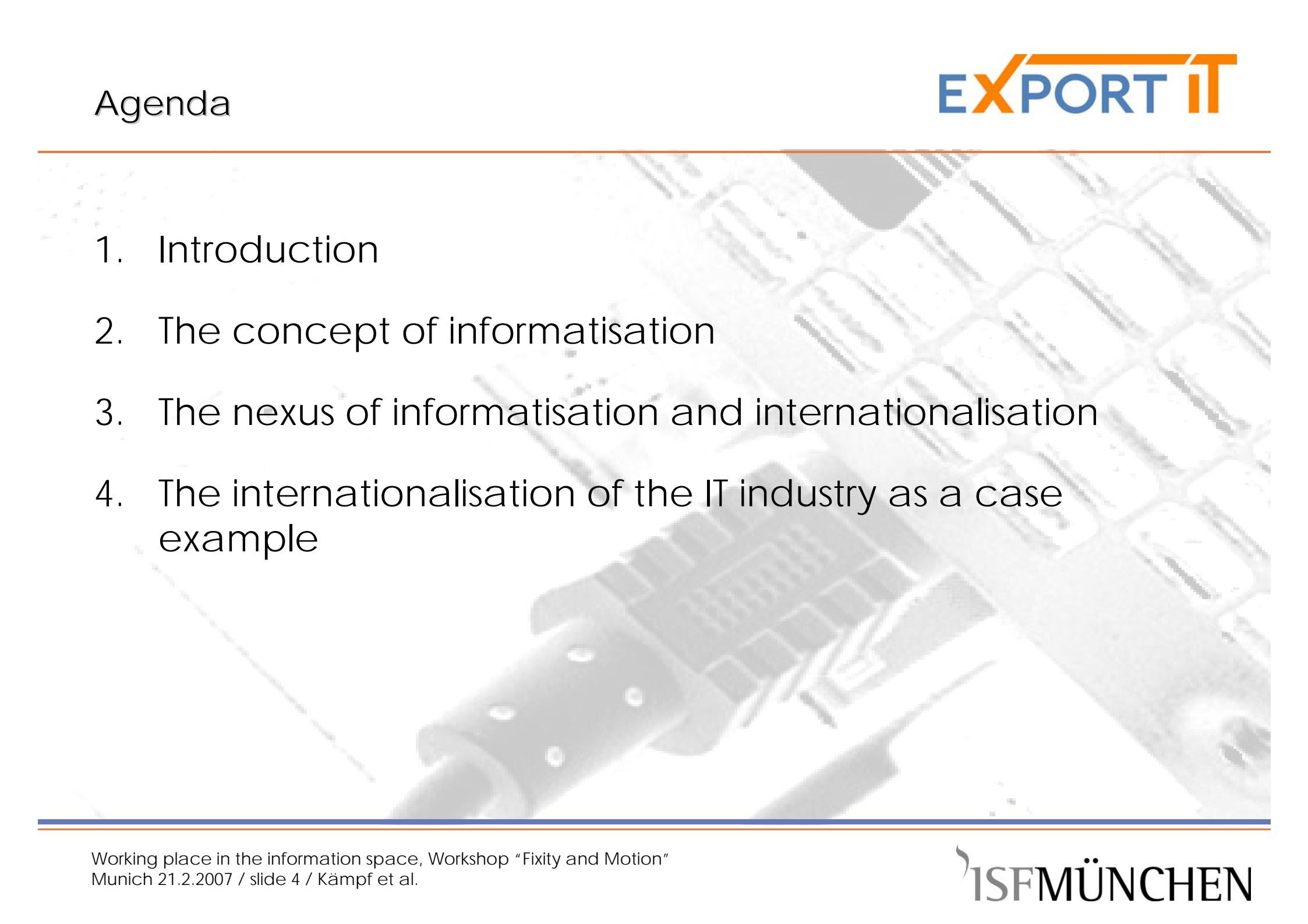
Presentation held at the workshop "Fixity and Motion" (SFB 536)

Munich, February 21th 2007

EXPORT IT

Bundesministerium für Bildung und Forschung

DLR

Innovative Dienstleistungen

ISFMÜNCHEN

1. Introduction

2. The concept of informatisation

3. The nexus of informatisation and internationalisation

4. The internationalisation of the IT industry as a case example

Introduction: Offshoring – the globalisation of services?

EXPORT IT

- Internationalisation of labour intensified in the last years – however, so far mainly industrial manufacturing processes were concerned

- Offshoring → Now service industries become an object of a new international division of labour

- What happens with the "spatial fix" of services?
  - Uno-actu principle
  - Knowledge-intensive services

- The term „services" proves to be diffuse and analytically weak
  - Wide range of heterogeneous activities, which are …
  - … not equally accessible to internationalisation

- Information work → activities, whose key tools and objects are information and information systems

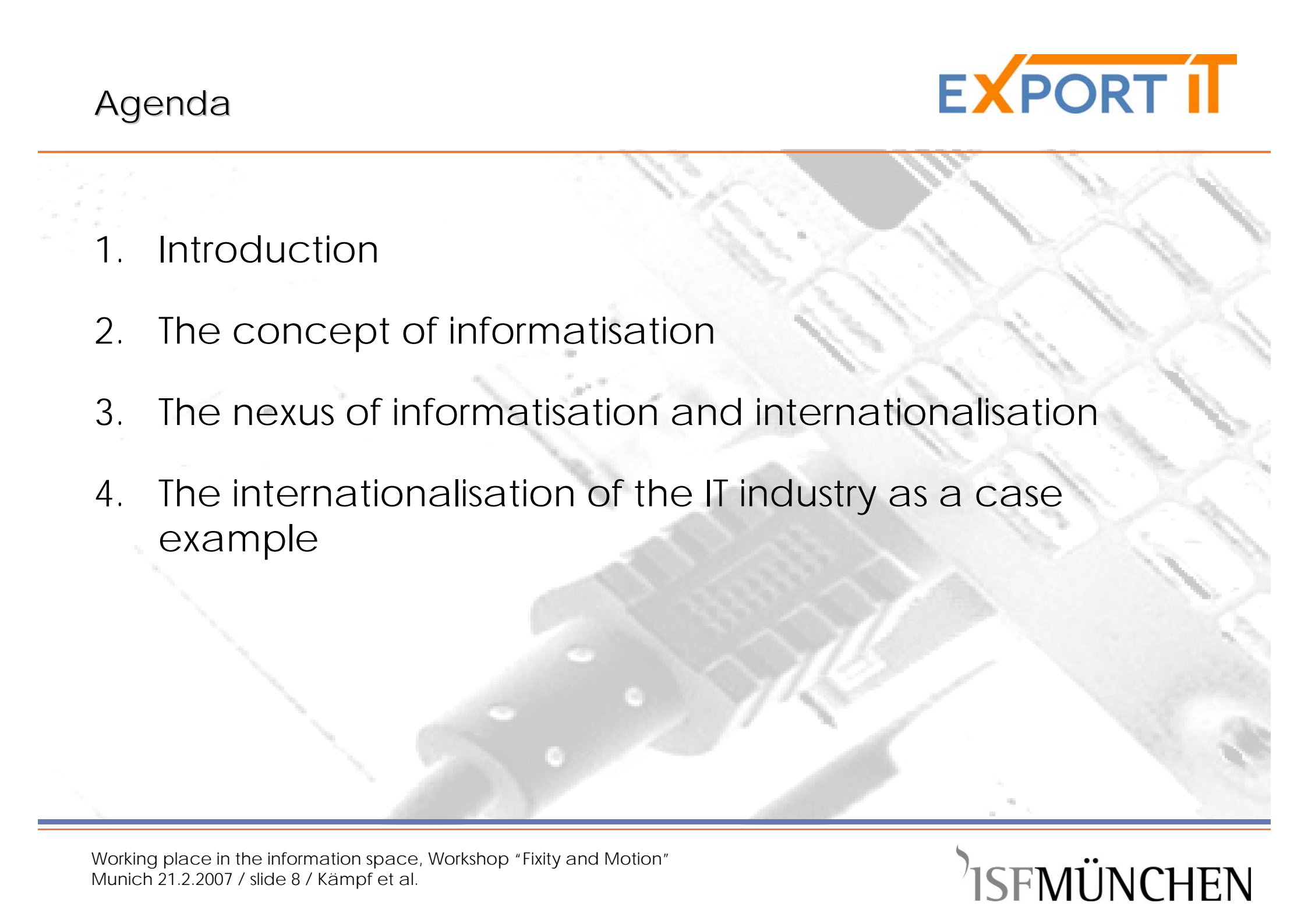- Informatisation ←→ internationalisation of information work

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- The process of informatisation should not be considered as the simple rise of computers and IC technologies

- Informatisation: *socio-historical process of the conscious, systematic handling of information, which especially includes the generation and the use of information and information systems.*
  - Aim → to make knowledge independent from particular subjects
  - Information has to be transferred from its non-material form into a material one

- Informatisation is to be understood as the materialisation of the use of information

- Informatisation as a key driver of the development of human labour

Capitalism and Informatisation – a brief history

- Capitalism: the systematic use of information becomes a key foundation of society

- „Organised capitalism"
    - „Rational regulation" of growing corporations → Rationalisation of the use of information
    - Information systems as tools to control the labour process

- Information systems become „structural duplications" of material labour processes
    - Information systems as main devices of control and regulation of physical production processes
    - The „metabolic interaction" (Marx) of humans and earth is mediated by information systems

- Computerisation, the rise of the PC and new network-concepts
    - Technical foundation for more complex and flexible electronic information systems
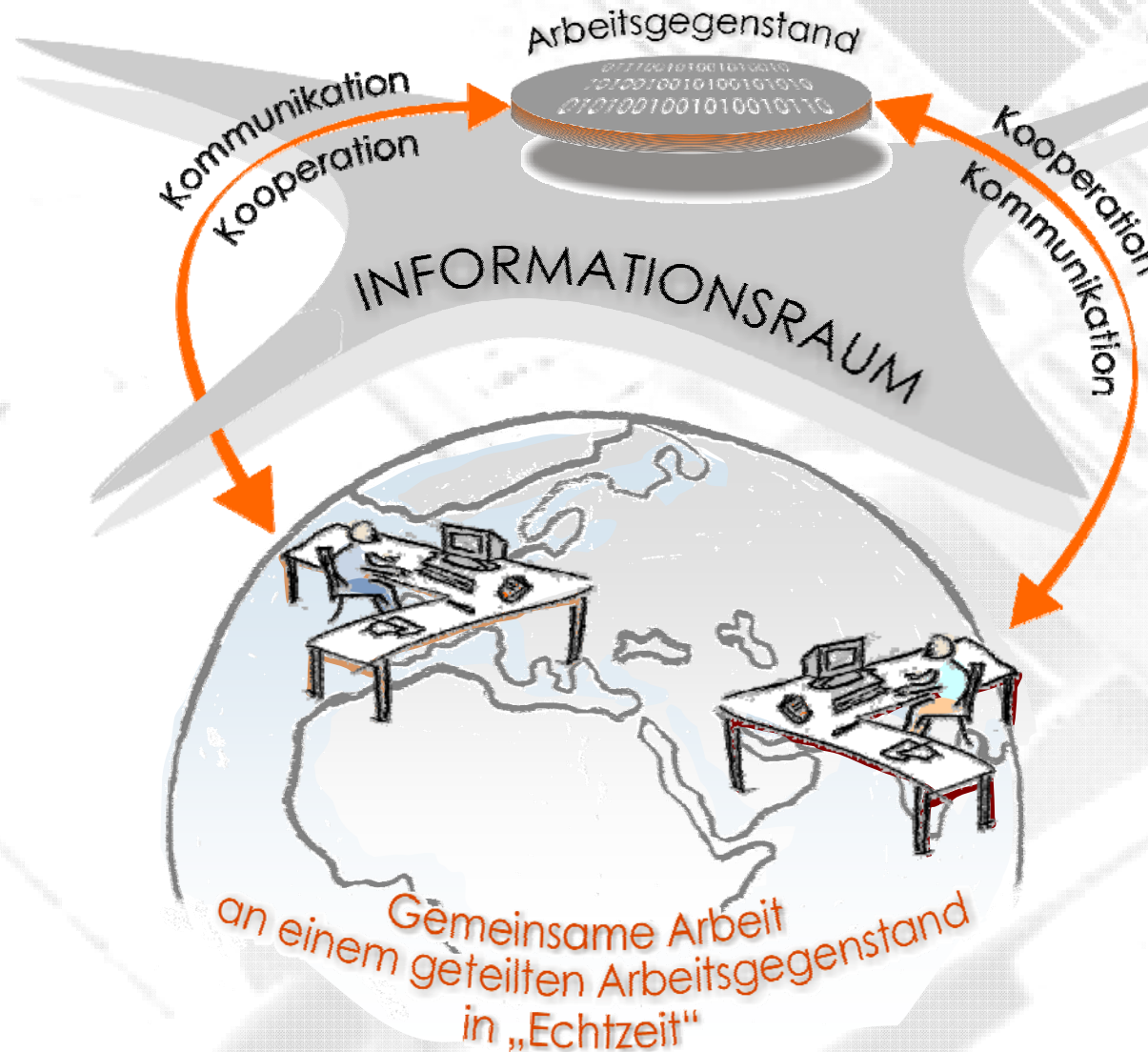
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- The world wide web as a new quality of informatisation

  - Worldwide accessible open network based on non-proprietary standards

  - Fundamentally changed possibilities for communication and the exchange of information

- Acceleration and intensification of informatisation – emergence of a global „information space"

- The web as a global „space of action"

  - People cannot only communicate but exchange and process digitised information in a continuous medium

  - Social space of its own, where certain interaction is possible regardless of the physical place of the users

  - Within this space local distances appear as being bridged in a novel manner and without time losses

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1. Introduction

2. The concept of informatisation

3. The nexus of informatisation and internationalisation

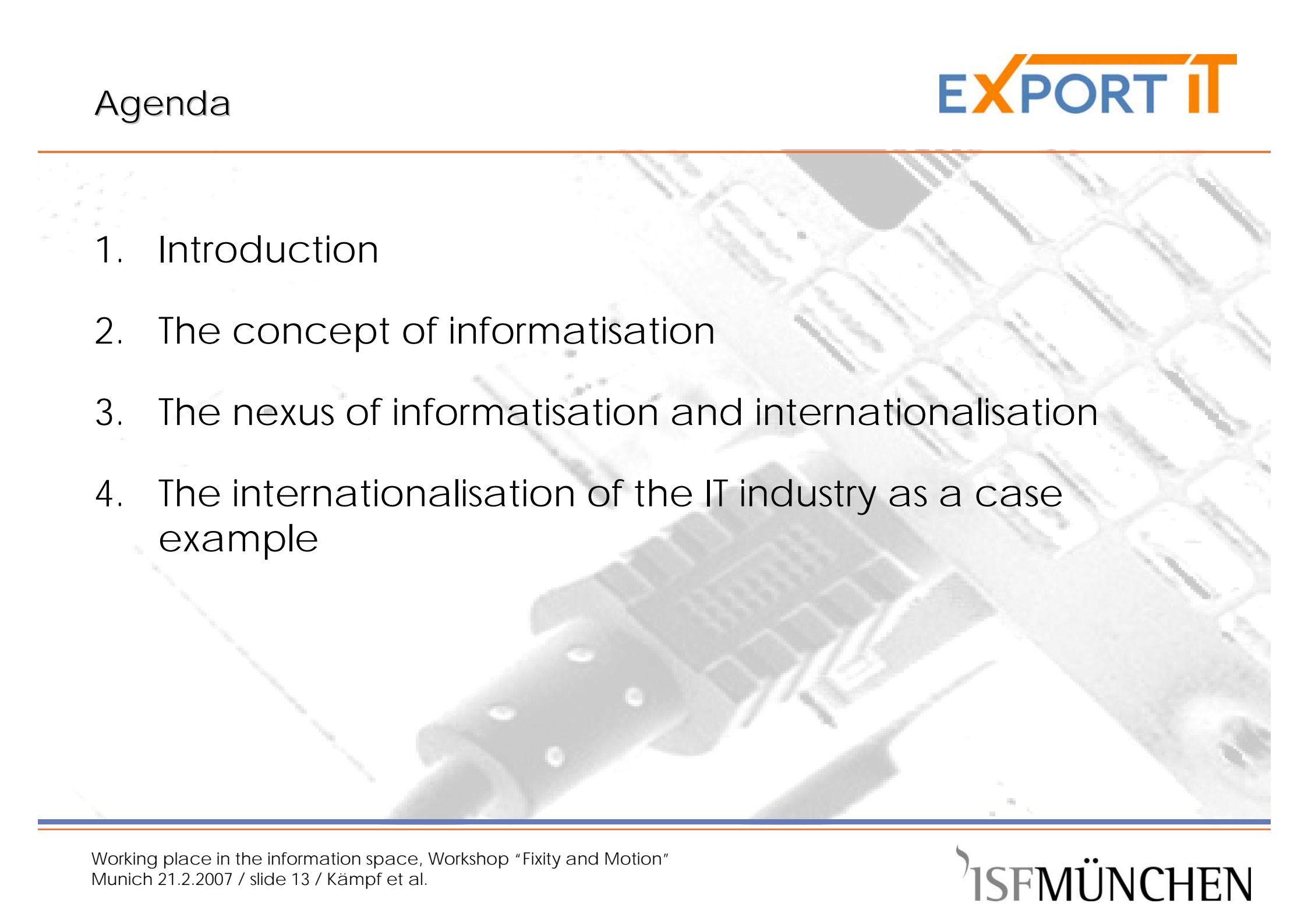4. The internationalisation of the IT industry as a case example

IC networks as a „backbone" of international production

- Electronic information systems are „keeping together" geographically separated production processes
    - Integration of subprocesses on the informational level
    - Continuous flow of information

- Control over subprocesses can be exerted across spatial and organisational borders
    - Information systems produce transparency in a new quality
    - Control is being mediated by the locally unbound use of information and information systems
    - Independently from its local placement wage labour itself is becoming a global subject to control

- The spatial division of labour itself cannot be suspended sufficiently
    - Different work stages cannot interplay immediately and in real-time
    - Powerful logistics systems remain the main mediator between different sites of production

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- Cooperation in the information space is often based on a rigid division of labour

    - Standardisation of processes

    - Not necessarily taylorist patterns

- Labour is not „footloose" – the „power of the place" stays significant

    - Workers, working places, social conditions etc. are not becoming „virtual" …

    - … while different location of labour can be correlated in a new way

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New opportunities for the internationalisation of information work

- **Rise of global information networks**
  - Fundamentally changed technological basis for the development of the world economy
  - Information networks are becoming a new space of production for information work

- **Informatisation as a driver of internationalisation in the "service industry"**
  - Informatisation of work → new workforces and their labour become the focus of a global division of labour

- **The space of the world economy opens up for "service industries" in a new way**
  - Internationalisation of sales *and* production
  - Accelerated global competition
  - Restructuring of value chains and their „geography"

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1. Introduction

2. The concept of informatisation

3. The nexus of informatisation and internationalisation

4. The internationalisation of the IT industry as a case example

The Internationalisation of the IT Industry

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- Focus of this development ➜ IT software and service sector …
    - … as an enabler
    - … as a forerunner

- From Offshoring …
    - Growing highly qualified labour force in low-wage countries like India
    - Instead of „body-shopping" – division of labour „within the information space"
    - Use of wage differentials, in order to cut costs
    - Offshore production sites as „prolonged workbenches"

- … towards a new global production model
    - Standardisation of processes enables more complex division of labour
    - Maturity process: more sophisticated activities are provided from Offshore
    - Offshore production sites: the former „workbenches" are „moving up the value chain"

➜ Rise of network-like development structures in which different locally separated units interact globally in a distributed working process.

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- **India – from simple low-wage country to one of the most important places for sophisticated IT services**

- **Tremendous success of Indian IT service companies**
  - Tata: 79'000 employees; 8' 900 hired in the 2nd Quarter 2006
  - Infosys: 66'000 employees; 10'800 hired in the 2nd Quarter 2006
  - Wipro: 61'000 employees; 4'700 hired in the 2nd Quarter 2006

- **Secrets of the success story – not only low costs, but quality and excellence**
  - Robust processes
  - Strategic orientation on the new opportunities of internationalisation

- **The rise of India to a „strategic place" is changing the „geography" of the IT services industry fundamentally**

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- Global model of production for IT services comes into being

- New opportunities of internationalisation
  - Informatisation and the rise of global information networks
  - Division of labour within a new global, spatially not bound „space of production"

- Tensions of space and place are becoming evident

- India as a "strategic place" is no coincidence → specific, locally bound business environment
  - State policies encouraging IT services industry
  - Availability of a huge highly skilled workforce
  - Very effective national education system
  - Excellent English skills

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Thank you for your attention

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