

Locating economic action: projects, networks, localities, institutions

Joint ventures, strategic alliances, franchising, and collaborative supplier relations during the 1980s increasingly blurred the lucidity of the market-and-hierarchy dichotomy à la Williamson. Initially conceptually disposed of as ‘transactions in the medium range’, these hybrid organisational arrangements more and more became theoretically anchored in the notion of networks. Interfirm networks were seen as an increasingly relevant unit of economic action and, consequently, an appropriate unit of analysis. Although firm boundaries were no longer taken for granted but conceived of as a strategic parameter, firms were still regarded as key actors in making (and breaking) collaborative network agreements.

Projects: transience

More recently, the search for evermore fluid and market-responsive organisational forms has directed attention towards projects. The debate on projects as ‘temporary systems’ with ‘institutionalised termination’ (Lundin and Söderholm, 1995) seems to suggest a further shift (or widening) of focus from the interfirm to the interpersonal level. In fact, some authors (Boltanski and Chiapello, 1999) see project teams, whose success is measured in part precisely in their transience, as the new unit of economic action. Is this the end of the firm—yet again?

Indeed, as an organisational form, projects challenge some of the key assumptions of organising which also inform much current debate in economic geography. Projects often entail high-risk and high-stake outcomes, yet they seem to lack the normative structures and institutional safeguards that minimise the likelihood of failure. They depend on an elaborate body of collective knowledge and diverse skills, yet there is mostly not sufficient time to clarify abilities and competences of members in order to plan for a detailed division of labour. Most importantly, there is no time to engage in the usual forms of confidence-building activities that contribute to the development of trust in more traditional, enduring forms of organisation (Meyerson et al, 1996).

These paradoxes can be resolved, in part, by extending the view from the isolated project to the societal context in which projects operate. As the subsequent sketch is intended to show, networks, localities, and institutions feed essential sources of information, legitimation, and trust that provide the very preconditions for the ‘projectification’ of economic organisation.

Networks: latency, pools

Projects appear to operate in a milieu of recurrent collaboration that generates latent networks and pools of resources. In this perspective, projects are the actual realisation of a potential that is generated and reproduced by the practice of drawing on core members of (successful) previous projects to serve on derivative successor projects (see, for example, DeFillippi and Arthur, 1998, page 126; Jones, 1996). Such chains of repeated cooperation are held together (or cut off) by the reputation members gain (or lose) in previous collaborations. Project business is reputation business.

Reputation in project organisation refers, on the one hand, to the techniques of the trade, particularly in industrial settings in which crucial skills are hardly codified in certificates. On the other hand, the success of projects, more generally, depends on a cooperative attitude, reliability, and other interpersonal skills that, rather than being

objectivised in formal degrees, are linked to experience. Human capital and social capital thus appear inextricably linked and determine whether an actor occupies a central or a peripheral position in the pool of potential cooperation partners. The smaller this pool and the thinner the talent, the quicker information on performance diffuses and, hence, the more vulnerable reputation becomes (Meyerson et al, 1996, page 171).

The practice of recurrent project cooperation, crucially, implies that the logic of collaborative behaviour cannot be disclosed by narrowly focusing on the actual project (see also Ekstedt et al, 1999, pages 58–59). Rather it is, at the same time, shaped by past experience and affected by the shadow of future (potential) collaboration. It is this recursive interrelation between activities and relations which are geared towards the current project and those that are enduring the focal project that constitute latent project-networks.

Localities: noise, habitus, redundancy

Repeated project collaboration quite often, though not necessarily, takes place in densely knit clusters. At first glance, the logic of colocation is driven by the more or less obvious benefits of spatial proximity around which much current economic geographical reasoning revolves. First, the colocation of project partners allows for significant savings on different variants of transaction costs, such as search costs, and the costs of supervising and enforcing contractual agreements. Second, it provides favourable preconditions for rapid face-to-face interaction. The tighter the project schedule and the less a clear separation of specific tasks can be preprogrammed, the stronger are the imperatives for face-to-face interaction. Third, spatial proximity facilitates the continuous ‘monitoring’ of the relevant pool of resources and potential collaborators. Performance of potential partners in other projects, their reliability, and availability are key parameters in such monitoring.

However, these standard arguments only partially capture the logic of colocation of project partners. First, whereas the notions of ‘monitoring’, ‘scanning’, or ‘supervising’ suggest intentional and strategic activity, I would rather propose the view that actors who are—literally—located in the pool are exposed to ‘noise’. That is, actors are not deliberately ‘scanning’ their environment in search of a specific piece of information but rather are surrounded by a concoction of rumours, impressions, recommendations, trade folklore, and strategic misinformation. The point, in fact, is not the richness and diversity of the ‘noise’ as such. Rather, colocation facilitates the emergence of ‘interpretive communities’ which filter and transform noise into patterns of signals. Phrased differently, it is processes of ‘negotiating meaning’ (Wenger, 1998) rather than the mere availability of information that tie project clusters together (see also Grabher, 2001, pages 16–19).

Second, agglomeration of potential project collaborators provides favourable preconditions for ‘hanging out’ in local communities of practice. These communities of practice serve as a sort of informal educational system for disseminating knowledge that goes far beyond technical competences of the trade but also includes language and dress codes and, more generally, the code of conduct and ‘habitus’ (Bourdieu, 1977) of the particular community of practice. In this sense, learning is not simply about the ‘transfer’ of knowledge; rather it is about becoming an ‘insider’ (Wenger, 1998).

Hanging out is facilitated in project settings in particular in which members alternate between “frenetic activity and enforced idleness” (DeFillippi and Arthur, 1998, page 131). Such periods of idleness are used by senior members, particularly in creative industries, to demonstrate specific craft routines to neophyte members. Viewed through the narrow perspective of productive efficiency, idleness appears as an indulgent squandering of resources that, consequently, has to be minimised. In the

perspective proposed here, tolerance of this redundancy is a basic precondition for learning and reflexivity.

Institutions: swift trust

In addition to the practice of recurrent collaboration in networks and localities, projects are embedded in an institutional context of normative structures that provide the very basis for coordinating complex tasks and the emergence of 'swift trust' (Meyerson et al, 1996). Swift trust, most importantly, is category-driven trust, that is, actors can deal with one another more as roles than as individuals. Consequently, expectations are more standardised and stable and defined more in terms of tasks than of personalities. "We trust engineers because we trust engineering and believe that engineers are trained to apply valid principles of engineering" (Dawes, 1994, page 24). A similar function to that of roles might be played by organisational forms (that is, trusting project organisation as such), organisational cultures, and industries which shape expectations on the basis of a more or less stable body of principles and practices. Additionally, conventions, norms, and regulations accelerate and stabilise the formation of interpersonal, as well as interorganisational, perceptions and expectations.

Hence, the proliferation of projects does not necessarily indicate the end of the firm or other more traditional and stable categories of social organisation (see also Ekstedt et al, 1999). Quite the contrary—to ending with a working hypothesis rather than with conclusions—the operation of projects is dependent on a societal context which is made up of these very categories.

Gernot Grabher

References

- Boltanski L, Chiapello E, 1999 *Le nouvel esprit du capitalisme* [The new spirit of capitalism] (Gallimard, Paris)
- Bourdieu P, 1977 *Outline of a Theory of Practice* (Cambridge University Press, Cambridge)
- Dawes R M, 1994 *House of Cards: Psychology Built on Myth* (Free Press, New York)
- DeFillippi R J, Arthur M B, 1998, "Paradox in project-based enterprise: the case of film making" *California Management Review* **40** 125–138
- Ekstedt E, Lundin R A, Söderholm A, Wirdeus H, 1999 *Neo-industrial Organising: Renewal by Action and Knowledge Formation in a Project-intensive Economy* (Routledge, London)
- Faulkner R R, Andersen A B, 1987, "Short-term projects and emergent careers: evidence from Hollywood" *American Journal of Sociology* **92** 879–909
- Grabher G, 2001, "Ecologies of creativity: the Village, the Group, and the heterarchic organisation of the British advertising industry" *Environment and Planning A* **33** 351–374
- Jones C, 1996, "Careers in project networks: the case of the film industry", in *The Boundaryless Career* Eds M B Arthur, D M Rousseau (Oxford University Press, New York) pp 58–75
- Lundin R A, Söderholm A, 1995, "A theory of the temporary organization" *Scandinavian Journal of Management* **11** 437–455
- Meyerson D, Weick K E, Kramer R M, 1996, "Swift trust and temporary groups", in *Trust in Organizations: Frontiers of Theory and Research* Eds R M Kramer, T R Tyler (Sage, Thousand Oaks, CA) pp 166–195
- Wenger E C, 1998 *Communities of Practice: Learning, Meaning, Identity* (Cambridge University Press, Cambridge)

Placing academic labor: the challenges for unionization

Katharyne Mitchell (2000) clearly and insightfully addresses academic working conditions amid the changing structures of resource access and distribution in the public research universities of the United States. She points out the feelings of alienation and the processes of proletarianization shaping the work experiences of faculty and graduate students as higher education continues to corporatize both in

its organization and its discourse. In this discourse, students are ‘customers’ and the process of education becomes a ‘product’ that is increasingly standardized by quantitative measures.

I am struck by how her experiences mirror those of other working people in the United States. Workers’ real wages—whether of migrant farm workers, mid-level corporate professionals, graduate teaching assistants, or university faculty members—have stagnated since the 1970s, even though rates of pay have increased. In the case of university faculty in the United States, salaries have increased over the past seven years—surpassing the rates of inflation. However, despite these increases, faculty salaries “are actually lower overall than they were in 1972” (*Academe* 2000, page 13). Speed-up, multitasking, stress, pressure, low morale, and competition span diverse occupational categories. Tenured faculty are luckier than most: the majority have job security. The long hours and competitive market-driven labor relations shape our work experiences and professional landscapes. Ironically, this is happening as the corporate sector is moving to more flexible working arrangements and family-friendly policies. According to one of my colleagues, public universities are caught in a time warp, adopting policies and practices reminiscent of 1980s corporate management.

As Mitchell rightly points out, a hierarchical and structurally rigid triple-tiered star system has emerged that is institutionally entrenched and inflexible. This star system is complicated by the mind-boggling salary gap between faculty and administrators who are largely drawn from faculty ranks. For example, deans, associate, and assistant deans may earn two to three times as much as senior faculty. This gap exacerbates the problems and tensions Mitchell points to. I applaud rewarding outstanding and excellent faculty and administrators, but this disparity merits discussion. Why do administrators earn so much more than their colleagues? Although I feel administrative work is extremely important and often thankless, why is the gap so great? One answer may be because of the ways in which universities have followed the corporate model of richly compensating upper tiers of management and vastly widening the salary gap between them and other workers in the organization. Universities have not only increased in the amounts and intensities of corporate partnerships, but have also increasingly come to resemble them in management and in practice. Talented and experienced administrators can command top salaries, further increasing pay disparities within departments.

Too many brilliant, key senior faculty are embittered and cynical after years as excellent academics working in this system. The current situation erodes the relationships of faculty to their departments, institutions, and professions. It poses particular challenges to efforts to organize unions and create and maintain alliances within and across disciplines and communities in particular places.

Despite positive changes since the 1970s, the composition of full-time faculty remains highly skewed toward the upper-class or middle-class white male populations in academia and within geography. Women and minorities remain at the lowest professional rungs within the system. Currently there is a class action on this very issue against Mitchell’s and my university. The ivory tower is not isolated from real-world neoliberal forces but shares many of the labor conditions and values that pertain to other working people. And it is still largely white and patriarchal. The gap between women’s and men’s salaries in public research universities remains the largest of those among all of the higher educational institutions in the United States even though there has been progress on this front (*Academe* 2000). Trends indicate disproportionate numbers of women in lower level appointments. Women represent 54.5% of tenured faculty at institutions of higher education (19.3% of full professors, 35.2% of associate professors) (*Academe* 2000, page 20). In comparison with the USA as a whole, the percentages in geography

reveal how much farther we have to go to diversify faculty composition within our discipline. Winkler (2000) reports that 17.7% of tenured faculty were women (3.1% of full professors and 9.7% of associate professors) in 1988–89. For 1997–98, of all male tenure stream faculty nearly half (48.5%) were full professors. For women, 47.7% of tenure stream faculty were assistant professors. In 1970, males were more evenly distributed across ranks, but 50% of the women tenure-stream faculty were located at the assistant professor level just as they are today (Winkler, 2000). Thus, within geography, gender (as well as race and ethnicity) makes a difference in how academic labor is valued.

Shrinking public funding of higher education, the prominence of market forces, and the star system erode accountability to specific departments, institutions, communities, and places. It is student mentoring, community service, and teaching that tend to anchor us to our immediate working and living spaces. Ironically, it is also these very activities that are weighted less in decisions of tenure and promotion. This can be especially disadvantageous for minority faculty who act as leaders, mentors, and role models both within and outside academia in their local communities. University policies, for example, may mandate that a woman or person of color serves on all major university committees. However well intended, this sort of practice increases the service burden for many faculty members, thereby undercutting research productivity. Fortunately, however, teaching and service are increasingly being considered as part of the deliberations about promotion and tenure, but the primary yardstick remains numbers of publications. Meanwhile, the debate continues as to methods of evaluation and weighting of research, teaching, and service. Productive alliances and avenues to encourage accountability to communities include alliances with primary, middle, and secondary schools, and alliances with other disciplines, higher educational institutions, nongovernmental and community organizations, and labor unions.

I draw inspiration from graduate students—most recently those of the University of Washington who are members of the Graduate Student Employees Action Coalition (GSEAC). They have successfully organized to work with the university to approach the Washington State Legislature to establish enabling legislation leading to collective bargaining as to working conditions for graduate teaching assistants, graders, readers, and tutors. In spring 2000, 84% of teaching assistants, readers, and tutors of a total of about 1600 signed union cards requesting GSEAC/UAW (United Auto Workers) representation. After seeking voluntary recognition from the administration since autumn 2000, 86% of 1148 teaching assistants voted in November 2000 in favor of a strike should the university decline officially to recognize their union. Several other labor unions, which represent employees who provide vital services to the university, had announced they would not cross GSEAC picket lines. In their affiliation with the UAW and their support of the recent Newspapers Guild strike against the two Seattle newspapers, GSEAC has shown how unionization can work to build accountability to communities and place as well as addressing concerns about the values and conditions of work in higher education. Currently, representatives of GSEAC attend meetings of the King County Labor Council.

I am also struck by the parallels with other workers in the USA for whom unionization and alliances have proven very powerful in sustaining the quality of their working lives. In Washington State, for example, the Society of Professional Engineering Employees in Aerospace waged a successful strike against Boeing in 2000. In agriculture, apple packers organized and affiliated with the AFL–CIO and the United Farm Workers and negotiated a contract with the largest apple warehouse in the state. Currently Starbucks' employees are working on their first contract after joining Operating Engineers 286 (Bender, 2000).

In responding to Mitchell's call to action, I reflect upon the example of graduate student teaching assistants in Washington, California, and Connecticut and ask how might union organizing help us embed the value of our labor within our workplaces and our communities through strategic alliances with other workers and thereby enhance the value of our labor?

Lucy Jarosz

Acknowledgements. Thanks to Kim England, Katharyne Mitchell, and Nick Velluzzi for comments on earlier versions.

References

- Academe* 2000, "More good news, so why the blues?", March–April, pages 12–22
Bender R, 2000, "Revitalized labor movement boosts entire work force" *Seattle Times* 1 September
Mitchell K, 2000, "The value of academic labor: what the market has wrought" *Environment and Planning A* **32** 1713–1718
Winkler J, 2000, "Faculty reappointment, tenure, and promotion: barriers for women" *The Professional Geographer* **52** 737–750