

Use and Regulation of Brazilian Territory in Platform Capitalism

Technical-Financial Subordination of the Popular Economy and the Production of New Social-Spatial Inequalities

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Abstract The paper analyzes the impact of platform capitalism on the Brazilian popular economy, focusing on the precarization of work for app-based delivery drivers. It examines the relationship between labor platforms, algorithms, and territorial regulation, showing how these companies exploit regulatory gaps and socio-spatial inequalities. The research draws on Milton Santos' critical geography to understand the interaction between systems of objects, actions, and norms in urban space, highlighting the tension between the global logic of platforms and local logic of territories. It concludes by emphasizing the need for regulation that protects workers and addresses the territorial dimension, aiming to prevent the perpetuation of inequalities.

Keywords Labor platforms. Regulation of territory. Popular economy. Delivery workers. Socio-spatial inequalities.

Summary 1 Introduction. – 2 Geographical Space: A Hybrid. – 3 Platform Capitalism and the Current Historical Period. – 4 Territorial Regulation. – 5 The Perverse Effects on the Popular Economy. – 6 Conclusions .



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1 Introduction

The social normalization of precarious working conditions for app-based delivery workers has become increasingly pervasive. This acceptance is reflected in the alarming rise in fatal accidents involving delivery workers in São Paulo, Brazil, in recent years –¹ a trend that has gone largely unaddressed in public policy discussions. The trivialization of these deaths highlights the invisibility and vulnerability of this new service precariat (Antunes 2018), caught within the technical-financial complex that defines platform capitalism (Srnicek 2016).

Such a reality of labor coercion by capital could only emerge through the confluence of several factors, including decades of neo-liberal policy implementation, the digitization of urban spaces, the financialization of the economy, and intense lobbying by app-based companies, often referred to as platform companies or labor platforms. These businesses operate on a model that commodifies labor, reducing it to a standardized and interchangeable good that can be deployed not only just in time but also in precisely the right location. To enforce this model, platforms rely on sophisticated algorithmic systems that impose a rigid logistical rationale on workers, aligning their actions with the demands of capital while stripping them of agency and security.

Although platforms publicly present themselves as technology companies, in reality, the product offered in the market is labor. For this reason, they have been referred to as labor platforms since their operation is conditioned to a service performed by geographically circumscribed workers controlled by the rhythm of algorithms. Since labor is their true commodity, platforms are compelled to maintain tight control over how and where it is made available, while attempting to distance themselves from any employment link.

Platform capitalism operates on a model where companies minimize the operational autonomy of workers while maximizing their legal autonomy. The logistical system used to manage the workforce, although highly informational, remains labor-intensive and depends on an extensive social network of logistics. In the case of labor platforms, particularly in meal delivery services, profit margins are notoriously small, and last-mile logistics represents the most expensive segment of the production chain.

In light of the new geopolitical and economic situation of the 2020s, particularly after the COVID-19 health emergency and armed conflicts in Eastern Europe, labor platforms have made significant efforts to demonstrate their financial viability, especially in the face

¹ Available at: <https://outraspalavras.net/trabalhoeprecariado/sangue-lucros-no-capitalismo-de-plataformas/>.

of reduced venture capital investments. To a large extent, the biggest companies in the sector have been operating for over a decade without achieving sufficient profitability levels. As a sort of platform fix (Van Doorn 2022), the high costs of logistics have been passed on to their workforce.

The scenario is one of worsening labor conditions and subsequent resistance from delivery workers in various parts of the world, through strikes and mobilizations, in search of solutions to central issues of platformization, such as automatic bans, uncertain remuneration, long working hours, and opacity of algorithms (Gonsales, Roncato, van der Laan 2024). In some cases, pressure from the streets has led governments and parliaments to take a stand on proposals for regulating the sector, as occurred in the European Union in 2024 through the Platform Workers Directive, considered an important milestone by experts.

In the wake of these events, the Brazilian government presented to the legislature in 2024 Complementary Bill (PLP) 12,² aiming to create a proposal for the regulation of activities carried out through platforms. Although the focus of the project is on the work of app-requested drivers, exemplified by Uber Technologies, the project is seen as a first version of what could extend to delivery workers and other categories of platform-controlled workers.

For critics, the project represents a political defeat for the working class because it did not address the core issue, namely, the recognition of subordination and wage labor, as well as labor rights. According to what was forwarded, the project not only accepts but also legalizes the legal condition of self-employed workers, placed outside protective labor legislation (Antunes 2024). In reality, the project has been understood as a victory for the platforms, which are accused of actively engaging in intense corporate lobbying, as well as strong advertising campaigns, along with threats to workers and co-opting union leaderships.

Thus, this brief theoretical essay aims to discuss the importance of the dimension of territory regulation as an arena of dispute among different agents of platform capitalism, whose repercussions can exacerbate the social inequality landscape in cities. Initially, we revisit the critical debate on geographical space as a social instance of the highest importance through the conceptual matrix developed by Milton Santos. Then, we focus on the effects of the technical systems of platforms on labor and the popular economy when unregulated, and finally, we briefly discuss in the conclusion the desirable target of regulation.

² Available at: <https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/pl-dos-aplicativos>.

2 Geographical Space: A Hybrid

Geographical space is a social construct that can be understood through the interrelation of three fundamental systems: the system of objects, the system of actions, and the system of norms. Milton Santos (2013 [1994]) proposes that these systems are inseparable, in which the system of objects emerges from the interaction between the system of actions, which are viewed as labor (Marx 1985 [1867]), and geographical space. This relationship is complex because isolated actions are insufficient to generate the materiality of space; they are conditioned by the spatial context and mediated by norms, which influence the formation of specific spatial arrangements.

This means that the material composition of space is influenced by the system of norms that guide how actions should occur. Therefore, the dynamics of space are revealed through two dialectical mediations: the relationship between actions and norms, whose result is the condition for the production of objects, and the relationship between actions and space, which generates materiality. This concatenation between the systems, whose relationship is contradictory and inseparable, is essential to understand geographical space.

Antas Jr. (2005) complements this analysis by seeking to strengthen the relationship between two fundamental elements essential for understanding both the constitution and the very movement of spatial dynamics – techniques and norms – which confer substance to territory and are, at the same time, influenced by it. In the current period of globalization, Silveira (2002) draws attention to the fact that technical, informational, and normative densities vary across territories. According to the author, production is the foundation of this spatial heterogenization as territories become more ‘successful’ – that is, more attractive to companies – the greater their ‘load of modernity’. It is in this sense that geographical space is understood as active (Santos 2023 [1996]), both for economic and social reproduction.

Consequently, one cannot analyze production models, such as the actions of platform companies, without simultaneously investigating the role played by geographical space in the face of this new manifestation of the capitalist mode of production. The case of the fluidity of geographical space is interesting and exemplifies the issue because, now more than ever, it is a factor of spatial competitiveness, the use of which is contested by platform companies. According to Santos (1998), the system of objects, such as transport routes, ports, airports, and storage units, can only interfere with the potential fluidity of space. On the other hand, actions, whether they are norms (legal and technical-productive) or the act of moving people, goods, and information, interfere with effective fluidity.

The challenge for economic agents is to transform potential fluidity into effective fluidity. For platform companies whose surplus value

is produced precisely through circulation, like Uber and iFood, the focus of corporate strategies is shifted to the system of actions to continually improve their services and minimize the capital return time, and to the system of norms, since their productive demands often clash with the legal norms of the territory.

The primary focus of these labor platforms is not the production of technical objects; rather, their operations concentrate on regulating actions within the territory. Geographic accessibility – understood as a set of spatial attributes that confer mobility to agents (Castillo 2017) – cannot be directly altered by these companies, as they depend on existing urban infrastructures. As these companies promote selective uses of the available system of objects in places through new systems of actions mediated by algorithms, this deepens socio-spatial inequalities.

While it may initially appear excessive to assert that companies exacerbate socio-spatial inequalities merely by utilizing streets and avenues accessible to all, this claim is, in fact, well-founded. Santos (1998) argues that there are differences in the use of territory for production and for living, that is, the same space can become local or global depending on how it is used; while at the local scale, streets serve the social reproduction of the population in an organic relationship with their surroundings, at the global scale they are used under an exogenous and often hegemonic logic.

Regulating territory, therefore, becomes central to understanding how these new forms of exploitation are being inaugurated by platform companies, resulting in a new morphology of labor (Antunes 2018). The relationship between companies and territories is characterized by instability; while companies can quickly change locations due to their ephemeral nature, territories remain more fixed over time. This dynamic generates a ‘war of places’ (Santos, Silveira 2006 [2001]), which can reveal how companies use territories for their reproduction.

Moreover, this territorial instability leads to a reflection on how companies can establish themselves in territories and what strategies they use to maximize their economic efficiency. Platform capitalism brings new contours to these issues, as it allows companies to operate in a highly dynamic and adaptable environment. The development of the technical-scientific-informational milieu (Santos 2013 [1994]) enables not only the production of goods and services but also continuously alters the very action of companies on the territory.

The division of actions proposed by Santos (1998) into two sets – the organic solidarity of society and the actions of large transnational corporations – offers a critical basis for understanding the dialectic of platform capitalism. Organic solidarity is characterized by the interdependence among community members, reflecting a relational system that promotes collective well-being. In contrast, transnational

corporations operate in global networks, whose logic of profit and efficiency often outweighs local needs. This ‘network logic’ frequently generates conflicts with the organic solidarity of local communities, which strive to preserve their identities and ensure dignified living conditions for their members, in a kind of ‘territorial logic’.

3 Platform Capitalism and the Current Historical Period

All historical periods are characterized by new technical systems (ways of doing), with their corresponding systems of objects (Santos 2023). To become hegemonic, the new technical system must seek coherence among its parts, composed of material and social elements (Santos 2023). Thus, it is essential to consider the analysis of the technical system and its internal cohesion for understanding the evolution of the capitalist mode of production, uncovering ‘how’ and ‘where’ global surplus value is extracted.

The speed of geographical diffusion of innovations is one of the characteristics of this technical-scientific-informational period (Santos 2023 [1996]). The accelerated capillary spread of information and communication technologies (ICTs), now accessible to almost all income strata, reveals the material and symbolic strength of the hegemonic agents of the economy, who seek control over all places and bodies. This is a fundamental fact for understanding the inner workings of platform capitalism: the more the number of accesses (‘users’) to the technical-informational systems they own grows, the greater the market value of these companies.

As increasingly larger fractions of the world economy are consumed by platformization and placed in the ‘cloud’, including diverse sectors such as agriculture, industry, and, more recently, services, the top of the social pyramid also reshuffles. Platform companies, more specifically the so-called Big Techs, have become the most powerful corporations in the world. They are the vertical vectors of globalization that seek to become hegemonic not only in abstract terms but deeply concrete ones. The rooting of platform companies’ power in territories has occurred through the imposition of their normative system, combined with the preexisting technical systems in the places.

When it comes to labor platforms, as is the case with individual transportation or delivery of meals and groceries, the normative potential of hard technologies is quite illustrative. Workers must faithfully follow the companies’ app instructions, making themselves available to navigate the urban fabric guided by algorithms, which chart routes, make requests, and compensate, while monitoring and punishing when necessary. The correction of behaviors through the docilization of bodies is carried out gradually, relegating evaluations to consumers or restricting actions on the app interface.

For the time of cities – heterogeneous and organic – to align with the time of capital – homogenizing and artificial – each element of geographical space (both actions and objects) must operate at the same frequency. Hence, we return to the concept of hard technologies (Gaudin, 1978), that is, the physical and symbolic inculcation in workers of a unique way of acting in relation to the technique – of algorithms and apps. Companies insist on spreading their ideologies, such as ‘freedom’ and ‘flexibility’, but conceal the true mechanisms of control and power over labor, which are only perceptible during the operationalization of the service offered.

Those who do not adapt to the algorithms’ demands are driven out of the apps, leaving only the more docile workers to the technique, who are consequently more precarious and in need from a financial standpoint. Indeed, this is one of the sharpest contradictions of platform capitalism: the coexistence of a 21st-century technical system with working conditions that hark back to the 18th century, during the Industrial Revolution. At least this is the concrete reality revealed by research in the context of the Global South, where the profile of the platform-controlled worker is predominantly composed of Black, poor, and peripheral men.

Platforms are the expression of this late capitalism that has learned to manage both social ills, such as poverty and unemployment, and all sorts of infrastructural problems left as an anticipated and unresolved legacy of peripheral urbanization in the Global South. However, as Santos (1993) teaches, the metropolitan fact is a ‘smaller totality’ within a ‘larger totality’, which is the socio-spatial formation itself. Hence, although platformization manifests more acutely in metropolitan spaces, it is not through the exclusive lens of metropolitan studies that we will arrive at the answers. On the contrary, we must seek global interpretations, understanding the repercussions of the technical-scientific-informational period on society and territory (Santos 1993).

The preferred areas for this service are precisely those with higher human agglomeration, with a high density of people, as well as engineering systems and objects from different historical periods. The city itself is a palimpsest, whose ‘landscape is historical and frozen’, as discussed by Santos (2023 [1996]), but that ‘participates in living history’. The actions of platform companies on cities, with intentions external to the place, seek to assign new dynamisms and functionalities to preexisting objects – accumulated material results – as well as adjust them to the new objects and technical systems that characterize the current historical period. This is how cell phones and motorcycles articulate; so distant in terms of innovation but very close in terms of the function assigned to them by platform companies.

A new fact is the degree of adaptation of the technical-informational systems of platform companies to the local contexts. The

rigidity of algorithms, for instance, in normative terms is counter-balanced by a flexibility in technical terms, which ‘learns’ from these contexts and becomes more efficient over time. All of this while practicing their conjunctural geographies (Graham 2020), that is, operating on different geographical scales while treating workers as a factor of production, extracting income from the popular economy, reorganizing flows of people and goods, without assuming responsibility.

Platform companies are largely owners of highly sophisticated technological apps with the capacity to issue orders that reach a wide range of people and places, especially in this historical moment in which techniques become miniaturized and highly informational. From their command centers located in selected areas of the territory, companies operate informational networks that find in each smartphone a point where orders are received on one hand and data and financial resources are issued on the other.

In Brazilian territory, in particular, the technical system functional to digital platforms found a free ground for consolidation. Understood as synonymous with modernity, the expansion of telecommunications services and credit for acquiring smartphones quickly reached the hinterlands of the territory and paved the way for the arrival of apps and algorithms. This occurred without any minimum regulations or social control over the transparency of collected data, as well as legal and moral limits on the exploitation of labor power and the consumer market.

It occurs that apps are not mere ahistorical, apolitical, and amorphous technological instruments provided for free by companies. In reality, they constitute the true ‘means of production’ of platform capitalism. Understood this way, it is the product of intense informational and social engineering aimed at converting socially necessary production and work at the local scale into commodities that can be priced in the global financial system.

4 Territorial Regulation

The system of actions is a prerequisite for the implementation of a set of technical objects within a territory. This relationship is not merely functional; it is closely linked to a system of norms that dictates the use of these objects. Legal norms, which include laws and regulations, are essential for the standardization and control of the production of geographical space at an official level. On the other hand, non-legal norms, which reflect conditions imposed by the nature of the objects, also significantly influence how these systems are employed, especially in a context where information and technology have become predominant.

In this scenario, territorial regulation emerges as a political-ideological battleground, with various actors striving to influence the construction and guidance of the normative system. The involvement of large corporations, representing market interests, is counterbalanced by the actions of the State, which serves as the formal source of law. Additionally, organized civil society, composed of sectorial associations and labor unions, plays a vital role in mediating these relations. This diversity of actors illustrates the complexity of what Antas Jr. (2005) described as the hybrid regulation of territory.

The intersection between 'network logic' and 'territorial logic' (Santos, 2023 [1996]) is essential for understanding the nuances of this regulation. Network logic operates through global interconnectedness and fluid relationships that transcend local boundaries, seeking to impose a universal, standardized order that serves global capital flows. In contrast, territorial logic embodies the concrete manifestations of social life, local practices, and historically constructed relationships. This spatial dialectic becomes particularly evident in how digital platforms attempt to implement standardized operational models across diverse geographical contexts, often colliding with established local socio-spatial arrangements.

The spread of neoliberal policies in the Global South has fundamentally altered this dynamic, broadly benefiting platform companies by creating an environment of reduced state and social control. Platforms leverage their economic and technological power to shape rules in their favor, whether through lobbying or implementing technical-productive norms such as algorithms. This corporate influence over both legal and technical-productive systems has significantly weakened the intervention capacity of unions and civil society organizations, diminishing their ability to protect workers' rights and regulate territorial use.

In this context, Silveira (2020) makes an important distinction between regulation exercised by society over platform companies and that which the companies themselves exert over society. The former refers to the public and collective action on algorithms – the backbone of these companies – through normative and legal mechanisms. Conversely, the latter refers to the impact that algorithms have on individuals, objects, and spaces. This perspective suggests that algorithms should be regulated not only for their economic relevance but also for their social and territorial implications.

Hassan and De Filippi (2017) argue that the codes embedded in algorithms function as a form of law, encapsulating the concept of 'code is law'. These codes act as a regulatory mechanism in which private agents impose their values on technical objects, effectively restricting social actions. Unlike legal rules that define 'what we should or should not do', the norms created by algorithms dictate 'what we can or cannot do'. In this sense, platforms and their algorithmic systems

can be understood as techno-normative forms of control, highlighting these systems' capacity to shape behaviors and social interactions.

The control exercised by platforms occurs through a contractual regulation unilaterally imposed by companies and technically operated by algorithms, often expressed in so-called 'Terms of Service'. According to Belli and Venturini (2016), these contracts represent a type of private law system that regulates relationships between the involved parties. Indeed, these terms can be considered even more influential than traditional governmental laws, which are still largely absent in cyberspace. In this regard, these contracts play a crucial role in determining how data circulates through the internet and territories, in addition to being fundamental for the control of information, capital, and human interactions.

This process is particularly exacerbated in the Global South, where institutional vulnerability and weak labor regulations facilitate the rapid expansion of platformization. Companies manage to transform territory into a space for value extraction with little resistance, taking advantage of regulatory gaps and the historical precariousness of the labor market. Organized civil society, which could act as a counterforce, is weakened, both by the fragmentation of the working class - now predominantly informal and platformized - and by the capture of public power by large corporations.

The power asymmetry enables platform companies to operate within urban territories - particularly in the metropolises of the Global South - as spaces for testing and refining precarious labor models in contexts of weak regulatory enforcement. These companies have demonstrated significant resistance to various regulatory initiatives, often framing them as threats to their business models. Additionally, through strategic communication and user engagement tactics, they have been able to cultivate consumer support, sometimes mobilizing them as informal advocates against restrictive policies. Nonetheless, long-term regulatory challenges persist. If platform companies were to fully evade government oversight, they would risk intensifying social and economic tensions, potentially prompting stronger regulatory interventions in response.

5 The Perverse Effects on the Popular Economy

The financial market, characterized by its expansive and speculative logic, operates by incorporating various economic and social processes into its valuation mechanisms. By assigning future value to present activities, it influences decision-making dynamics and accelerates investment and production cycles. This process reinforces a temporal compression that prioritizes short-term returns and strengthens the integration of economic activities into global

financial circuits. However, while many sectors of goods and services production are deeply entangled with global finance, integrating into its speculative cycles, the popular economy remains largely marginalized. It operates on the fringes of both state tax systems and the rentier market, maintaining a degree of autonomy but also facing structural vulnerabilities.

The volume of wealth produced by the popular economy is difficult to measure due to the lack of formal employment contracts and no official records of small businesses scattered throughout cities. Even the conceptualization of this economy is subject to debate, and there is no term that adequately encompasses all its diversity and inventiveness. The service sector in peripheral countries like Brazil, where its proportion in the Gross Domestic Product (GDP) is predominant, has traditionally been the one in which this popular economy is evident.

These are highly diversified services, such as street vending, domestic services, alternative transportation, delivery of packages and food, among others. As there is no formal regulation, these services operate without business licenses or tax registrations. Low pay and precarious working conditions are also characteristics of this popular service economy. In contrast, its existence is explained by the social consumption needs of a significant portion of the population that does not have access to the offerings of the formal capitalist market.

As a rule, these are forms of existence contested by public power and socially stigmatized. A portion of the popular service economy, such as motorcycle couriers, remains a target of state enforcement actions, competing for public space and consumer attention, despite the frequent threat of legal restrictions and precarious working conditions. However, they constitute not only alternatives for income but also for survival for many who have not been formally incorporated into the job market or the formal economy of large metropolitan centers.

The complex dynamics of peripheral urban economies are most vividly displayed in the major cities of the capitalist system's periphery. These high-density population centers serve as both the epicenter of popular economic innovation and the preferred operational grounds for platform companies. As Magalhães (2022) observes, this spatial convergence is strategic: platform companies actively seek out these areas for their abundant supply of affordable labor, which originates from the popular economy. The interplay between these economic spheres becomes evident as workers frequently navigate between both domains, exemplifying the intricate relationship between the two circuits of urban economy that Santos (1979) theorized.

Taking the example of freight worker, a significant portion of the current food and grocery deliverers requested via apps have already

sold their labor in the popular economy. Some still do so sporadically, while others still experience the routine of the apps to establish comparisons. In both cases, they are exposed to a similar economic and labor precariousness, marked by the lack of labor rights and dependence on their own means, such as bicycles or motorcycles, to make deliveries, which leaves these workers exposed to the risk of accidents and without access to benefits such as health insurance or retirement.

On the other hand, there are some differences [tab. 1]. Deliverers in the popular economy typically establish direct relationships with local businesses and merchants, without the mediation of a platform. They have greater flexibility to adjust their routes, schedules, and prices, and can more easily switch between different businesses. However, this also means they often lack the support structures that platforms provide. In contrast, app-based deliverers are governed by algorithms, with their routes, orders, and even compensation largely determined by the platform. This reliance on automated systems significantly limits their autonomy, as they must adhere to the conditions set by the companies to maintain a minimum income.

Table 1 Key differences between food delivery work in the popular and platform economies

Aspects	Popular Economy	Platform Economy
Control over work	Greater autonomy in choosing schedules, routes, prices, and clients.	Controlled by algorithms that set schedules, routes, payment, and even automatic penalties.
Employment relationship	Generally no formal employment ties, can easily switch between employers.	Treated as self-employed by platforms, with no formal employment relationship.
Use of technology	Typically use simple technologies and establish direct relationships with clients.	Rely on apps and algorithms to receive orders, directions, and payments.
Remuneration	Set their prices based on direct negotiations with clients.	Uncertain remuneration, determined by algorithms, with frequent changes in the rates paid.
Relationship with territory	Use the territory in an organic way, meeting a local and personalized demand.	Guided by apps that maximize logistical efficiency, disregarding local demands.
Relationship with the State	Frequently subject to surveillance and repression by the State, especially in public spaces.	Operate in a regulatory void, with little State intervention in platforms to date, but face similar street-level surveillance and repression as independent workers.
Social perception	Often stigmatized as informal, sometimes even illegal.	Promoted by platforms as ‘entrepreneurs’ or ‘independent partners’.

Source: the authors

These dynamic highlights the stark divide between the globalized platform economy and the localized popular economy, as regulatory asymmetries and technological disparities exacerbate existing inequalities. Platform companies, with their sophisticated algorithms and capital-intensive operations, strategically exploit urban territories to optimize profit extraction. They leverage their scale and influence to bypass or reshape regulations, using technology to dictate labor practices, routes, and prices, all while branding themselves as champions of innovation and efficiency.

In contrast, the popular economy remains deeply rooted in local contexts, characterized by small-scale, informal, and often precarious activities. Its participants, lacking access to the technological tools and organizational resources of platform companies, navigate a landscape of economic uncertainty and institutional neglect. This exclusion from formal systems not only limits their potential for growth but also reinforces their vulnerability to exploitation and marginalization.

The divergence between these two economies becomes even more pronounced in peripheral regions, where institutional weaknesses amplify the platform economy's dominance. While platforms expand their reach, embedding themselves in the urban fabric as indispensable intermediaries, the popular economy struggles to compete, often operating outside the boundaries of formal markets and regulatory frameworks. This duality creates a fragmented urban economy, where the wealth generated by platformization fails to integrate or uplift the more vulnerable segments of the labor market, perpetuating cycles of inequality and exclusion.

Historically, the Brazilian state has been unable to address the interstices of the popular economy and has neglected the formalization of work in the service sector, whether due to an inability to understand the realities of different places or a certain degree of permissiveness. It is undeniable, however, that many workers in metropolitan centers derive their livelihood through informal work (Telles 2006). What has happened recently is the incorporation of increasing numbers of these workers into the service sector mediated by platform companies, without, however, formalizing the employment relationship.

The Brazilian case aligns with other studies that also highlight the ambiguous role played by informality in Latin American platform capitalism. While it facilitates the business model of platforms, it also acts as a counterbalance to the formalization of the workforce. Analyses by Casilli et al. (2023) in Argentina, Mexico, and Venezuela reveal that, as in Brazil, the incorporation of the informal economy by platforms perpetuates labor relations that are not premodern vestiges but prevalent attributes of peripheral economies.

According to a survey conducted by the Brazilian Institute of Geography and Statistics (IBGE), in 2023 there were approximately 2.1

million active workers in platform companies across the national territory.³ About 47.2% of this total was linked to individual transportation services, followed by food and grocery delivery, at 39.5%. This sample is relatively small compared to the universe of the Brazilian popular economy, but it reveals a bit about this transformation in the labor market and the growth of the phenomenon of platformization in the service sector.

What is crucial to consider is the following hypothesis: the workers themselves are fundamentally the same, but their treatment differs dramatically based on the context. While they are often classified as informal and occasionally even illegal within the popular economy, in the platform economy, they are rebranded as entrepreneurs or independent contractors. This shift in classification raises important questions: What accounts for this stark contrast? Why has the state, despite the significant opportunity presented by its relationship with platform-based work, failed to integrate this workforce into the formal labor system, ensuring protections and rights under labor law?

This discrepancy not only underscores the systemic inequalities in the labor market but also reflects the broader structural dynamics at play, where state power, corporate interests, and labor rights intersect in complex ways. The failure to align platform workers with formal labor protections may be driven by a combination of political inertia, the influence of corporate lobbying, and the continued informalization of labor, which makes it easier for companies to circumvent traditional regulatory frameworks.

This dynamic is particularly concerning in regions where the popular economy plays a fundamental role in supporting communities. By appropriating local value chains and diverting generated wealth away from regions, platforms contribute to the economic depletion of territories. Resources that could be reinvested locally are drained to distant financial markets, increasing the precariousness and vulnerability of local workers and exacerbating inequalities. In this regard, the impact of platforms extends beyond simple service mediation; they reshape the geography of urban spaces, turning them into territories for wealth extraction, thereby undermining the autonomy and resilience of popular economies.

³ Available at: <https://agenciabrasil.ebc.com.br/economia/noticia/2023-10/ibge-pais-tem-21-milhoes-de-trabalhadores-de-plataformas-digitais>.

6 Conclusions

The contribution of Geography to understanding these dynamics lies in analyzing the intersection between systems of objects, actions, and norms. This approach reveals how socio-spatial inequalities are deepened by the logic of global networks in contrast to local needs. Therefore, the study of geographical space becomes essential for understanding the complex relationships between economic production, normative regulation, and territorial structuring in the contemporary era. The advance of platform capitalism in the Global South occurs not only through technological innovation but also through the companies' ability to manipulate and capture precisely the normative and technical systems.

The discussion on regulation in platform capitalism must consider the unique nature of these companies, which use algorithms to control the workforce and urban territory. Although platforms present themselves as mere technological intermediaries, they truly operate as agents of production, transforming labor into a commodity and extracting value from local infrastructure and workforce. In this sense, the target of regulation needs to be carefully discussed, taking into account the interests of workers and the socio-spatial impact of platforms.

Regarding the question of who should be the primary target of regulation – platforms or labor – it is important to remember that algorithms, as the operational codes of platforms, are the tools that mediate and structure working conditions. By regulating only labor, as suggested by some legislative proposals, there is a risk of failing to address the true engine of exploitation: the technological systems that determine conditions of pay, wait times, routes, and even the automated dismissal of workers. Therefore, the regulation of platforms, with a focus on algorithms, is crucial to mitigate the negative effects of this model.

However, the regulation of both platforms and labor must consider the unique characteristics of each space where these dynamics occur. Geographical contexts play a pivotal role in shaping the nature of platform work. The logic of global networks often clashes with local needs and realities, making it imperative that any regulatory approach takes into account the territory itself, rather than focusing solely on labor or the platforms in isolation.

Informality and the legal autonomy of workers have been the justifications used by platforms to evade recognition of basic labor rights, such as health insurance, paid vacations, and retirement. Legislation that brings these workers under social protection is essential to reverse precariousness. However, this regulation should be broad enough to encompass both workers in the popular economy and those incorporated by platforms, in order to avoid inequalities among

individuals performing the same tasks in the same territories, but with distinct interactions with technology. This also applies to small businesses that begin to sell their goods through apps.

Labor platforms are central actors in the process of platformization of the economy, and their algorithms exert normative power over territory and society. At the same time, labor remains the central commodity that these companies use to generate value, and its regulation should protect workers from the new forms of exploitation introduced by platforms. However, any regulatory approach must also center the territorial dimension, recognizing that the effects of platform capitalism are not uniform across space.

The very realization that platform capitalism territorializes itself based on pre-existing technical systems and within social contexts marked by historical contradictions – across different socio-spatial formations, both central and peripheral – serves as evidence that geography must be a fundamental consideration in regulatory frameworks. Only by incorporating geographic context can we understand and address the uneven impacts of platform capitalism, ensuring more equitable and localized regulatory responses.

The hybrid regulation of territory, in a neoliberal context, has proven favorable to platforms, allowing them to exploit the deregulated labor of the popular economy and resist regulation that could protect workers. This dynamic reinforces the need for a broad debate and civil society action to ensure that labor regulation in platforms promotes social justice and worker protection, and not just the interests of large technology companies. Additionally, it should be viewed as an opportunity to correct historical distortions in the Brazilian labor market.

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