Andreas Bieler

Global Corporations, Trade and Investment: Free Trade to Fair Trade?

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In liberal economic theory, 'free trade' is considered to be beneficial for everyone involved. There should, consequently, be no tensions over it. And yet, there are deep, sometimes acrimonious divisions over it within the international labour movement. The purpose of this presentation is to outline some of the difficulties of 'free trade' for labour movements and to suggest some elements of an alternative trade regime; elements on which both trade unions from the Global North and labour movements from the Global South may be able to agree. These proposals should be regarded as starting-points for discussion and further re-formulation, not as prescriptive elements of an alternative trade policy.

In the next section, I will first discuss a few assumptions as key starting-points for wider reflections. Then, I turn to the follies of (neo-) liberal 'free trade' theory, before looking at the post-war Bretton Woods system and its implications for labour. The final section will assess the uneven and combined dynamics of capitalist outward expansion and question what more radical alternatives there may be available.

Labour and 'free trade': some key assumptions.

Tensions over 'free trade' within the international labour movement

Most importantly, it has to be acknowledged that there are divisions over 'free trade' policies between Northern trade unions on the one hand, and labour movements in the

Global South on the other. Tensions between European trade unions and unions from the Global South over international 'free trade', for example, developed into an open confrontation during the talks over the revival of the WTO Doha round in 2008. The European Metalworkers' Federation (EMF) co-operated with the European Automobile Manufacturers' Association (ACEA) in the publication of two joint press releases. First, on 22 May 2008 they heavily criticised new NAMA proposals, which would allow emerging markets to restrict European exports by sheltering some of their sectors through so-called 'flexibilities' and non-tariff barriers. 'We are in favour of lowering EU import tariffs', the joint press release states, 'but insist that our industry gets equitable market access in return' (ACEA-EMF 2008a). This position was reaffirmed in a second press release on 29 July 2008. 'Auto industry and metal workers demand a thorough review of the pending Doha compromise in order to achieve reciprocal market access in developed, emerging and developing countries, and a long-term solution to eliminating the so-called "flexibilities" and "non-tariff barriers"' (ACEA-EMF 2008b). These joint statements led to an angry response by Rudi Dicks from the South African union COSATU. He accused the EMF of undermining workers' solidarity, since their co-operation with European employers in demanding equal market access would imply job losses in the Global South and undermine the internal unity of the International Trade Union Confederation (COSATU 2008).

As dramatic as this confrontation looks at first sight, ultimately one should not be surprised. Capitalist social relations have spread across the world in highly uneven and combined ways. National labour movements find themselves in very different positions within the global economy and the international division of labour and, as a result, may adopt very different positions on concrete 'free trade' policy proposals (Bieler 2013). Moreover, it should not be forgotten that there may be tensions over 'free trade' even within national labour movements. A union organizing an export sector of the national economy may be supportive of a new 'free trade' policy, while another union may be opposed, as it fears the impact on its members in a protected sector of the economy. Similarly, there may be divisions between manufacturing trade unions on the one hand, and service sector unions on the other, with the latter having often organized workers in fairly protected public sectors. In short, divisions over 'free trade' policy between trade unions in the Global North and in the Global South should not be a surprise.

Equally, however, these divisions should not imply that co-operation over 'free trade' policy would be impossible. The experience of trade unions in the Americas is illustrative in this respect. When the North American Free Trade Agreement (NAFTA) came into force on 1 January 1994, there was no common trade union position. While the Canadian Labour Congress had been opposed, the main Mexican trade union confederation supported the agreement. The US trade unions presented a mixed picture (Ciccaglione 2009: 2-3). As a result of experiences with NAFTA, however, a common position emerged over time. This new position does not only include a rejection of neo-liberal 'free trade' agreements such as the defeated Free Trade Area of the Americas (FTAA) initiative, but as Bruno Ciccaglione makes clear, it also 'seeks to design a model of integration that is an alternative to 'free trade', not only because it proposes alternative trade rules, but because it aims at moving away from neoliberalism by giving a new centrality to the State, and to a new democratic and participatory process' (Ciccaglione 2009: 30). The related strategies include both cross-border co-operation with trade unions as well as alliances with other social movements and, thus, provide the basis for a common consciousness at the transnational level. Hence, as a result of concrete struggles against 'free trade' initiatives in the Americas, labour has moved towards transnational solidarity.

Different types of 'free trade' regimes

'Free trade' policy in practice is constantly evolving and changing. After the Second World War, 'free trade' was mainly pursued within the framework of the General Agreement on Tariffs and Trade (GATT), with a focus on lowering tariff barriers in order to stimulate the trading of goods across borders. Importantly, GATT was part of the post-war regime of 'embedded liberalism' (Ruggie 1982), which combined the goal of international 'free trade' with the right of governments to intervene in their own economies when domestic stability and welfare was at stake. In other words, it was not envisaged that trade should be completely 'free', as escape provisions and protection against policies harmful to domestic stability were included within GATT. For example, quantitative restrictions on trade were prohibited in general, but were allowed in order to protect balance of payments difficulties that resulted from domestic policies intended to ensure full employment. Moreover, countries were allowed to form regional customs unions and 'free trade' areas, and a blanket exemption was allowed for all existing preferential arrangements.

A clear qualitative change in 'free trade' policy can be observed in the GATT Uruguay Round of 1986 to 1994 and the developments ever since. First, the Uruguay Round culminated in the establishment of the World Trade Organisation (WTO) in 1995, including also a strengthened dispute settlement procedure facilitating the monitoring and enforcement of global trade agreements. The Uruguay Round also produced the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), a General Agreement on Trade in Services (GATS), an Agreement on Trade-Related Investment Measures (TRIMs), as well as an Agreement on Agriculture, all of which reached 'behind the border' into the domestic policy space of WTO member countries. While GATS and the Agreement on Agriculture did not imply the immediate deregulation of these areas, it nonetheless constituted a significant change in that it included these areas into international 'free trade' negotiations for the first time. Overall, developments introduced during the Uruguay Round have undermined national sovereignty and challenged the compromise of 'embedded liberalism' in developed countries (Mortensen, 2006: 173-5).

In his book *The Globalization Paradox* (2011), Dani Rodrik distinguishes between deep and shallow integration with the former referring to a system, in which the global economy dictates the requirements of liberalisation and deregulation to national governments as the most important policy, while the latter retains a room of manoeuvre for national governments to decide to some extent on the policies best for a particular country. Equally, one could distinguish a disembedded 'free trade' regime and an 'embedded' 'free trade' regime. On the one hand, a system of disembedded 'free trade' can be identified, in which the exclusive focus is on 'free trade' and the related liberalisation and deregulation of national economies permeates the whole economic political system. A regime of this type aims at 'eradicating all transaction costs', as it is often phrased with an unmistakable capital-biased world-view. In disembedded 'free trade' regimes policy goals like full employment or fair distribution are not considered relevant. At best they are secondary goals, subordinated to the overriding goal of a completely deregulated and liberalised market. Protection of infant industries or demands for joint ventures or regulations on local input are mostly prohibited. Most importantly, in a disembedded 'free trade' regime capital flows are not regulated. Financial capital investors can with immediate effect punish governments that do not behave in the way the investors and 'risk funds' think they should do.

On the other hand, a system of embedded 'free trade' can be identified, in which a focus on 'free trade' is combined with objectives such as full employment, human rights, provision of public services, etc. 'International economic policy would have to be subservient to domestic policy objectives – full employment, economic growth, equity, social insurance, and the welfare state – and not the other way round' (Rodrik 2011: 70). The post-war period of 'embedded liberalism' is a concrete example of embedded 'free trade' in that 'free trade' was combined with the right of states to intervene into their own economy to ensure domestic stability. Below, I will argue that this particular system of embedded 'free trade' was not adequate, when analysed in its implications at the global level. Nevertheless, perhaps the focus should be on what an alternative embedded 'free trade' system should look like, an alternative system, which could be supported by labour movements in both the Global South and North?

Whatever the contents of the alternative trade system, the label is not unimportant. As it was made clear to me by a Northern trade unionist, if the label 'free trade' is dropped altogether, then Northern trade unions will not be interested in engaging with an alternative proposal. 'Free trade' is generally regarded very positively and any alternative would be deemed protectionist, understood in a negative way. Hence, my suggestion to label the alternative to be developed embedded ‘free trade’. On the other hand, could this imply that as long as the label ‘free trade’ is not replaced by perhaps ‘fair trade’, Southern labour movements may not be interested in discussing a potential alternative? In my view, this is ultimately semantics, but semantics which is important. For now, I continue with a focus on embedded ‘free trade’, when reflecting on an alternative trade system, and hope that readers will focus on the contents of the proposal, rather than the label. At the same time, the issue of labelling will require further discussion.

The significance of the balance of class power in society

One of the lessons to be learned from the Northern labour movements is that the balance of class power in society is decisive for advances by workers. The establishment of the welfare state in the post – World War Two period was neither the result of a technocratic government interested in working to the greater good of the whole of society, nor the consequence of benign employers dedicated to the welfare of ‘their’ workers. As Asbjorn Wahl convincingly demonstrates, it was against the background of ‘regime competition’ with Eastern Europe and strong labour movements formed in industrial conflicts that employers felt that they had to make concessions. ‘It was the social confrontations of the preceding period, along with the continued organizational strength of the movement that made it possible for the trade union leaders to achieve what they did via peaceful negotiations and tripartite cooperation’ (Wahl 2011: 35). When discussing potential alternative ways of how to organise ‘free trade’, the implications of these alternatives for the balance of class power need to be kept in mind.

The follies of (neo-) liberal 'free trade' theory

In a liberal understanding of capitalist development, 'free trade' is regarded as a win-win situation, a positive-sum game. As David Ricardo famously argued, developing his example of trade between Portugal and England in wine and cloth, if every country concentrates on producing and exporting what it is best at, i.e. on its comparative advantage, and imports all the other necessities, an optimum outcome with everybody benefiting will be the result (Ricardo 1817). Neo-liberal economic thinking about the extension of 'free trade' in times of globalisation builds on this understanding. States should refrain from intervening into the economy and deregulate and liberalise markets including the labour market in order to facilitate 'free trade'. If developing countries open up to 'free trade' and foreign direct investment, development would follow and allow them to catch up with developed countries.

Conceptually, it has been demonstrated that these claims are highly dubious. According to Ricardo, because Portugal is initially more efficient in the production of both wine and cloth, English gold reserves will flow to Portugal due to better investment opportunities. As a result, English prices would become lower, while Portuguese prices increase with English cloth production over time undercutting Portuguese production. By contrast, however, Anwar Shaikh has demonstrated that the key change is the impact on interest rates. In England, because of the outflow of gold, interest rates will go up hampering further industrial expansion. In Portugal, the inflow of gold will increase bank reserves. 'This last effect will increase the supply of loanable money-capital, lowering interest rates and tending to expand production in general. Thus, in Portugal the inflow of gold will raise bank reserves, expand production, and lower the interest rate' (Shaikh

1980: 38). Rather than being a win-win situation for Portugal and England, Portugal, the advanced country, wins disproportionately at the expense of England in Ricardo's ideal type model of 'free trade'. 'Trade will serve not to eliminate inequality, but to perpetuate it' (Shaikh 1980: 40). As Martin Hart-Landsberg concludes in relation to liberal 'free trade' models, they 'are based on theories and highly artificial simulations that deliberately misrepresent the workings of capitalism' (Hart-Landsberg 2006: 7).

Empirical reality, equally, has unmasked the false promises of liberal economic thinking. In a study by the NGO War on Want, it is illustrated that global economic growth in the 1980s and 1990s, the time of neo-liberal globalisation, was slower than in the 1960s and 1970s. Moreover, 'the number of people unemployed and the number in unstable, insecure jobs has actually increased – from 141 million to 190 million (1993 to 2007) and from 1,338 million to 1,485 million (1997 to 2007) respectively' (War on Want 2009: 4). Developing countries have been the main losers of this period. Trade liberalization often implied deindustrialisation and import dependence for them. An analysis of the consequences of trade liberalisation in Africa and Latin America during the 1980s and 1990s reveals widespread job losses, increasing unemployment and declining wages in both continents (War on Want 2009: 5-13). Especially developing countries lost out during this period. 'Trade liberalization contributed to the deindustrialization of many third world countries, thereby increasing their import dependence' (Hart-Landsberg, 2006: 7).

Anwar Shaikh looks at the wider historical dimension of development and points out that it is the competitive advantage, not comparative advantage, which has allowed individual countries to develop. 'Unlike in the theory of comparative costs, there are no magic mechanisms that will automatically make all regions (nations) automatically equal. Indeed, persistent trade imbalances covered by foreign capital flows are the "normal" complement of international trade between unequally competitive trade partners. Thus, 'free trade' does not make all nations equally competitive, as is argued within standard trade theory. Rather, it exposes the weak to the competition of the strong. And as in most such cases, the latter devour the former' (Shaikh 2007: 57). Historically, no country developed exclusively through 'free trade'. 'During their own process of development the rich countries relied heavily on trade protection and subsidies, … they did not generally abide by patent laws or so-called intellectual property rights, and … they generally championed 'free trade' only when it was to their economic advantage' (Shaikh 2007: 60). The role of the state in the development of Asian countries such as South Korea, Taiwan or China more recently, for example, was crucial, emphasizing selective trade and industrialization policies. Hence, 'the most appropriate procedure would be to consider trade liberalization in a selective manner, as individual industries become sufficiently competitive in the world market' (Shaikh 2007: 64).

Drawing on this conceptual and historical discussion, state sovereignty emerges as a crucial component of development. It is on this basis that I would put forward the first potential joint demand by Northern and Southern labour movements alike vis-à-vis 'free trade':

Any trade agreement needs to protect national policy space of the participating countries, allowing them to pursue independently additional objectives to 'free trade' and liberalisation.

Clearly, in view of the different types of ‘free trade’ regimes, listed above, this implies that the disembedded ‘free trade’ regime, which has been experienced since the GATT Uruguay Round, is not suitable from a labour movement perspective. Nevertheless, does this then imply that an embedded ‘free trade’ regime of the Bretton Woods type would be the correct way forward?

The embedded ‘free trade’ regime of Bretton Woods and its implications for labour

A return to the arrangements of Bretton Woods is not feasible. The changes in the global economy have simply been too big. Especially the transnationalisation of finance and production has changed the overall structure and shifted the balance of power decisively away from labour and in favour of capital. Labour, which is still mainly organized at the national level, has found it increasingly difficult to counter capital’s threat of moving jobs abroad. As noted above, when thinking about a labour perspective on ‘free trade’, the balance of power within society has to be kept in mind. Clearly, reflecting on the transantionalisation processes including the way the subprime mortgage crisis spread across the integrated global financial market, a second potentially joint demand by trade unions from the Global South and Global North can be identified:

Financial markets need to be re-regulated with putting national governments in charge of controlling financial flows across borders. This will not only empower governments and re-establish national policy space (see the first demand), but it will

also redress the increasing imbalance in power resources between capital and labour.

Nevertheless, a return to Bretton Woods is not only not feasible, but actually may not be as desirable as perceived by Rodrik. His assessment of Bretton Woods is extremely positive. ‘The Bretton Woods compromise was a roaring success: the industrial countries recovered and became prosperous while most developing nations experienced unprecedented levels of economic growth. The world economy flourished as never before’ (Rodrik 2011: XVII). As McMichael makes clear in his assessment, while industrial countries did benefit from the flexibility offered by Bretton Woods, ‘the colonial division of labor’s legacy of “resource bondage” was embedded in Third World social structures, where trading classes of landowners and merchants, enriched by the exports of primary goods, would favour this relationship. And, of course, the First World still desired raw materials and agricultural imports and markets for its industrial products’ (McMichael 2012: 55). In other words, Bretton Woods installed a western-style development project for the newly independent countries, which in many respects continued economic colonial policies within a new institutional setting. As Shaikh makes clear, when industrialized countries developed ‘the policies of the rich countries included not only protectionism and state intervention but also colonization, pillage, slavery, and the deliberate deindustrialization of the Third World’ (Shaikh 2007: 60-1). The attempts of newly independent countries to industrialise around Import Substitution Industrialisation (ISI) programmes based on a developmental state project in the 1950s and 1960s need to be assessed against the background of colonial history.

One of the ways developing countries were integrated into the global economy around development projects during the Bretton Woods period was around the US Food Aid programme. In order to get rid off agricultural surpluses, the US government subsidised especially exports of wheat, which undercut developing countries' local production of food and indirectly assisted in the industrialisation of labour intensive industries in these countries. The rising consumption of imported wheat led to 'two far-reaching changes: (1) the erosion of peasant agriculture, urban food rations enabled subsidized wage foods to outcompete peasant foods; and (2) the expansion of an industrial labor force, as small producers left the land for low-wage jobs in the rapidly growing cities' (McMichael 2012: 70). Thus, developing countries were pushed into a situation of food dependency. Again, this Bretton Woods policy goes back right to the colonial period. 'Through a combination of food dumping, and institutional support of commercial and export agriculture, the long-term assault on peasant agriculture begun in the colonial era has intensified' (McMichael 2012:78). Hence, the importance put by Samir Amin, for example, on support of subsistence farming in the search for alternative development models (Amin 2014). The discussion of food security versus food sovereignty is of interest in this respect. Food security, pushed by international organisations and the transnational agro businesses, emphasises the importance of 'free trade' for ensuring that everyone has access to sufficient food. The Agreement on Agriculture, part of the 1986 GATT Uruguay Round, was crucial in this respect. It 'was designed to open agricultural markets by imposing minimum import requirements and tariff and producer subsidy reductions' (McMichael 2003: 172). The imposition of the market on agriculture has shifted the provisioning of food 'from a public necessity to a private right in the marketplace' (McMichael 2003: 173). However, this understanding is based on the same faulty assumptions as the neo-liberal understanding of 'free trade' in general. Food sovereignty, by contrast, links food security to the right of people to produce their own food, to control the productive resources and means of production, and to participate in an open and transparent democratic system of decision-making in the area of agricultural and food policies. Food sovereignty emphasises the right of all to appropriate food, it values the diversity of providers, highlights the importance of localised food systems, controlled by the producers themselves. It stresses the importance of local skills and knowledge and works in harmony with nature. In sum, 'food sovereignty is a common struggle against corporate, industrialised food systems and a common determination to achieve socially, ecologically and economically benign models of production, processing and distribution in all societies' (Mulvany 2007: 19). This does not imply that there should be no 'free trade' in agricultural products, but it does signify that it is up to individual people and countries to decide in which areas to trade, and in which to protect the national and local economy. Hence, in relation to 'free trade' policy and agriculture, a potential joint demand by trade unions of the Global South and North could be the following:

All countries should have the right to food sovereignty, i.e. determine themselves what to grow in which way and which crops to trade and which to protect against foreign competition.

Food sovereignty is also crucial in relation to the protection of the environment. In contrast to industrialised agriculture, which exhausts the land and adds significantly to global warming, agriculture according to food sovereignty is in harmony with nature.

As McMichael also indicates, the extraction of raw materials by developed countries from developing countries is a practice, which goes right back to colonial times and was then continued during the post-war period of embedded liberalism and further intensified during the current epoch of neo-liberal globalisation. Materials, essential for industrial production, are shipped from the periphery to the core of the global economy. While the extraction in the periphery itself is based on labour intensive processes, the raw materials are then used in high value-added production processes in the core. As a result, developing countries are often prevented from using these raw materials for their own development. In order to address this problem, similarly to the area of agricultural production, the following potential joint demand of labour movements in the North and South can be formulated:

Countries should have the right to decide independently on the use of their raw materials. They may want to trade with some, but use others for their own industrial development.

The extraction of raw materials often causes havoc to the environment. Establishing national policy space will also offer countries the possibility to include environmental requirements in this area.

Rodrik’s discussion of decision-making processes within countries is based on a rather naïve understanding of the ‘virtues’ of liberal representative democracies. ‘Democracy, after all, is a global norm. It ought to be one of the cornerstone principles of the international trade regime, trumping non-discrimination when necessary’ (Rodrik 2011: 246-7). There is no understanding about the power imbalance within countries between capital and labour and there is no understanding about the power imbalance between countries. Re-affirming national policy space will take care of the latter. Nevertheless, the way trade policy is made at the national level requires further consideration. In general, trade policy is made by high-level officials behind closed doors, often assisted by representatives of (transnational) capital. Inevitably, trade policy is made in the interest of capital. Hence, in order to ensure that society’s wider interests are taken into account, the very process of formulating trade policy-making needs to be democratised. And this not in the sense of liberal representative democracies with parliaments being given a greater say, but through an emphasis on participatory democracy, bringing people’s interests directly to the decision-making process. Within the EU, there is currently a process taking place, in which a group of NGOs, social movements and trade unions work together on the formulation of an Alternative Trade Mandate for the EU (http://www.alternativetrademandate.org/). It is this kind of popular participation in the formulation of trade policy, which may be able to ensure that people’s interests are actually part of ‘free trade’ agreements. Whether such forms of trade policy-making are actually happening also depends on the class balance within various forms of state. National policy space can only provide the precondition for it. In short, a further joint demand of labour movements around the world could be:

The way trade policy-making is carried out needs to be democratized so that the interests of all sectors of society are being represented in the decisions on which areas should be opened for trade and which should be protected.

Nevertheless, even with all these demands in place, there will remain questions about transnational solidarity. For a further exploration, it is important to enquire in the fundamental structural dynamics of capitalism.

Uneven and combined development: the structural dynamics of capitalist expansion.

Capitalist production is organized around the private ownership of the means of production and wage labour. Hence, both workers and capitalists need to reproduce themselves through the market. This makes the capitalist social relations of production such a dynamic mode of production. In order to stay ahead in the competition with other capitalists, an entrepreneur constantly tries to invent new products, out-compete other rivals. Nevertheless, as a result, capitalism is also crisis prone. With more products available than can actually be consumed, there are periodic crises of overproduction. One way of overcoming such crises, and be it only temporarily, is the outward expansion of capitalism. Hence, the constant search for new markets, cheaper labour and new investment opportunities (Bieler 2012: 367). This outward expansion, however, does not mean that everyone over time will develop to the same level. Capitalist expansion is highly uneven and combined. ‘Capitalist expansion is a dynamic but also an uneven process, and in contrast to the neo-liberal (and pro-globalization) positions, this unevenness is not seen as a result of market imperfections, but is in fact a product of the way competitive markets work in the real world' (Kiely 2007: 18). Unsurprisingly, while capitalist expansion leads to some development, the overall inequality increases. This is not an accident, nor is it the result of missing regulation. It is the consequence of the structural dynamics of capitalism. It is the result of the fact that exploitation is rooted in the very way of how production is organized, the way of how capital accumulates surplus value from the exploitation of their workforce. At the international level, exploitation of the periphery by the core is rooted in different productivity levels. As Mandel observed, 'on the world market, the labour of a country with a higher productivity of labour is valued as more intensive, so that the product of one day's work in such a nation is exchanged for the product of more than a day's work in an underdeveloped country' (Mandel 1975: 71-2). Different productivity rates, in turn, are however the result of historical uneven development.

In the short- to medium-term, it will be important to identify and push through demands similar to the ones introduced above, as they will help to counter the worst consequences of neo-liberal, disembedded 'free trade'. In the long-term, however, the way production itself is organized, needs to be transformed. This will require completely different trade arrangements, challenging more fundamentally the capitalist social relations of production. Drawing up ideal utopian visions in this respect is in my view futile. Concrete alternatives to capitalist social relations of production can only be developed on the ground in concrete struggles. Moreover, alternatives which work in one part of the world may be unsuitable for other parts. No blueprint can be prescribed. Hence, in this final part of the paper, I will focus on a few concrete alternative trade regimes. A first example is the Alternatives to Neo-liberalism in Southern Africa

(ANSA). Its ten key principles include a focus on the right to national self-determination – 'trade and development policy has to be led by the people' – redistribution of wealth, as well as gender rights and education as the basis for human development (Kondo 2012: 4). A restrictive trade policy, which permits the protection of infant industries, and a specific focus on a regionally based import substitution approach characterises ANSA's proposal. 'Southern Africa should protect the regional infant industry and the regional market from external competition until the industry has matured and is able to compete with imports and foreign suppliers both outside the region and internationally' (Kondo 2012: 10). The fact that the regional approach emphasises that the participating countries should concentrate on 'their varying comparative advantages' (Kondo 2012: 9) questions the radicality of this set of proposals, as the liberal notion of 'comparative advantage' is fundamentally problematic in every context (see above). Nonetheless, elements of ANSA are clearly in line with several of the potential demands identified above and, at the same time, may provide a transition to a non-capitalist trade regime. 'The ANSA vision and mission as defined by the ten ANSA Principles', Kondo concludes in his assessment, 'is founded on a human-centred and people-driven development strategy that puts human interests first before the interest of capital to maximise profits for foreign and local private business entities' (Kondo 2012: 11).

Latin America is mentioned by many as the key location, from which currently alternatives to neo-liberal globalisation emerge. 'Latin America has an integration and social development agenda of its own, including focusing on internal development, diversification of international relations, giving priority to South-South relations, and moving beyond a model based on the export of raw materials' (Daza 2012: 6). In the struggle against the FTAA, the Hemispheric Social Alliance 'proposed to build a new form of integration where international agreements are based on reciprocity, mutual benefit, national sovereignty, the protection of the internal markets and respect for the basic rights of the people' (Daza 2012: 7). This vision is reflected to some extent in the concrete experiment of The Bolivarian Alliance for the Americas (ALBA) (Daza 2012: 9). At its beginning in 2004 was a treaty between Venezuela and Cuba with the former providing petroleum to the latter at very favourable prices in exchange for doctors and teachers from Cuba, working in some of Venezuela's poorest states. Importantly, direct negotiations between the two countries had replaced a reliance on prices set by the market and, therefore, directly challenged capitalist dynamics. A focus on social welfare replaced the focus on profits by neo-liberal economics. Since then, ALBA has expanded including now also countries such as Bolivia, Ecuador and Nicaragua. 'Among its most resounding successes is the literacy campaign, the noticeable improvement of health standards and the progressive development of its own system of payment, the SUCRE currency, and the creation of the ALBA Bank' (Daza 2012: 9).

None of these experiments has changed capitalism yet, none of these experiments is without its problems. Nonetheless, it will be essential to study these and other efforts in the search for successful alternatives to capitalist trade regimes.

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