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After thirty years of deadlock: labour's possible strategies in the new global order¹

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Abstract

This article is based on the understanding that in order to analyse labour's current inability to defend social standards and to shape the discussion of how to overcome the financial crisis, it is necessary to examine labour's wider role in the global economy during the last 30 years. It will be argued that because globalisation has severely weakened labour, new strategies and power resources have to be recovered in its struggle against neo-liberal restructuring. Importantly, this requires a generally new perspective which needs to be operationalized depending on the particular industrial sector and geographical location. The experience and challenges of Northern trade unions in transnational manufacturing must not be generalised.

Introduction

The financial crisis has shaken the global economy and led to a world-wide economic recession. The purpose of this article is to analyse the possibilities of trade unions to represent the interests of their members, workers in general and wider society in this crisis. Over the last months, governments around the world have spent 11 trillion of US\$ to bail out failing financial institutions and repair the financial system in order to prevent a further downturn of the economy. In the USA, the sums spent on saving the financial system represent 25.8 per cent of GDP, in the UK it is a staggering 94.4 per cent (BBC News, Thursday, 10 September 2009; <http://news.bbc.co.uk/2/hi/business/8249411.stm>; 01/10/2009). Ultimately, it will be working people, who have to pay for this, be it in the form of higher taxes or fees to the parafiscal social systems, be it through reductions in public services and social security in case of unemployment, illness or old age, be it through lower wages as a result of growing inflation and/or underachieving pay increases, be it in the form of unemployment. Measures discussed so far are (a) widely inadequate to avoid similar future crises and (b) fail to place the burden of the crisis on those who have the best capabilities to shoulder it. We are convinced that adequate and fair steps will only be taken, when political and trade union pressures in this direction are strong enough. And yet, while trade unions adopt official positions on the crisis and how governments should respond (e.g. ITUC, 2009), they are clearly not at the heart of decision-making.

Our argument is based on two key assumptions. First, rather than understanding the crisis as an unfortunate event, which could have been avoided through better global regulation, the capitalist system, while incredibly dynamic, is ultimately also crisis ridden. Capitalist dynamic results from the systemic pressures towards a

constant increase in the accumulation of surplus value. The inner logic of capitalism in its relentless search for higher rates of profits, however, also implies that there is an inherent tendency towards crisis. 'We see here the necessary contradiction that arises when each capitalist strives to reduce the share of variable capital in value added within the enterprise while speculating on selling his output to workers employed by other capitalists' (Harvey, 2006a, p.134). In short, the current crisis is not an accident, but a logical part of the capitalist system.

Second, our discussion is based on the assumption that labour's current weakness, as well as the causes of the crisis need to be analysed against the restructuring processes in the global economy since the early 1970s, often referred to as globalisation. The general weakening of labour in these processes led to a dramatic redistribution of wealth from workers to capital,² resulting in turn in a crisis of overaccumulation, which could only be compensated through an ever larger expansion of financial markets. It is this expansion of financial markets and the invention of new financial instruments as accumulation points in their own right, which ultimately led to the huge financial bubble, which burst so dramatically in 2008. Hence, in order to understand the reasons behind trade unions' weakness as well as their possibilities to play a more active role and get respected in current decision-making over restructuring in the global economy, we argue that it is essential to investigate the changing role of labour in the global economy since the early 1970s. It is not enough to focus on their current day-to-day pronouncements.

Our argument will proceed in two steps. In the next section, we will discuss key developments of global restructuring since the early 1970s including the implications for the role of the state in the global economy. Then, we will engage with potential strategies available to labour including new ways of organising trade unions across

borders and intensified co-operation between trade unions and social movements. The conclusion will provide an outlook on labour's future role in the global economy.

Neo-liberal globalisation and the specific challenges for labour

According to Robinson, globalisation can be identified as the most recent epoch in the overall history of capitalism. 'Globalization represents an epochal shift; that is, fundamental worldwide changes in social structure that modify and even transform the very functioning of the system in which we live' (Robinson, 2004, p.4). In the early 1970s, the 'glorious' post-war decades of rapid economic growth and full employment had come to an end in the industrialised countries (Novelli and Ferus-Comelo, 2009). The Keynesian growth model based on mass production and mass consumption had exhausted itself (Sauerborn, 2009a). A crisis of overproduction and a declining rate of profit led to a world-wide economic recession. Economic pressures within the capitalist system went hand in hand, like all key changes in and within the history of economic systems, with a technological quantum leap: the digitalization of production and distribution processes as well as society more generally. In response to the crisis and on the basis of the technological revolution, capital renounced the class compromise around the Keynesian welfare state at the national level in the developed countries. Trade unions could no longer keep capital within the system of national welfare regulation. Capital either moved or threatened to move production abroad. The capitalist exchange process increasingly emancipated itself from geographic and nation-state borders (Riexinger and Sauerborn, 2004, p.19). Neo-liberalism including policies such as privatisation, central bank independence, liberalisation, flexibilisation of the labour market, public sector restructuring, and the cutting-back of trade union rights has been capital's project to restore class power through these processes of

global restructuring (Harvey, 2006b, p.29). ‘Neoliberalism is the policy “grease” of global capitalism’ (Robinson, 2004, pp.80-1), pushed by an increasingly powerful class fraction of transnational capital.

Several main developments can be related to neo-liberal globalisation and the way it ‘solved’ the economic crisis of the early 1970s. Before outlining them, however, it is essential to clarify that while these developments are often of a transnational nature, the precise way they impact on different groups of people, production sectors and countries differs drastically. In other words, while we outline some general structural tendencies of globalisation here, the concrete experience of these changes differ in line with completely diverse impacts around the world (Novelli and Ferus-Comelo, 2009). Hence, as will be made clear in the next section, the response by labour will have to be different depending on the concrete impact of globalisation. As for globalisation, first, capitalists engaged in a financial fix from the 1970s onwards, by shifting ‘capital entirely out of trade/production and into money lending, financial intermediation, and speculation’ (Silver, 2003, pp.132-3). Ever more new financial instruments were invented and developed into accumulation points in their own right (Scholte, 2005, pp-165-70). This was supported by an increasing importance of financial off-shore markets, which had been outside national control, in tandem with a deregulation of national financial markets, leading to the emergence of a global financial market (Bieler, 2006, pp.47-9). Ultimately, however, profits made in finance were speculation in view of future creation of surplus value in the ‘real’ economy. The ever increasing speculation on future profits implied that at some stage it was inevitable that these profits could not be realised, leading to ‘bad debt’ and the related financial crisis (Bonefeld, 2000). This is what has now happened. From a trade union point of view, as the owners of companies are

increasingly financial institutions, workers are further away from the location of power.

Second, globalisation has led to an increasing transnationalisation of production, with the production of many goods being organised across borders. Outflows of FDI rose from US\$ 88 billion in 1986 to US\$ 1187 billion in 2000 as peak year (Bieler, 2006, p.50). A period of recession led to a decline in FDI flows from 2001 to 2003, but four years of consecutive growth led to a new all-time high of FDI outflows of US\$ 1996.5 billion in 2007 (UN, 2008, p.253). Overall, there were 78817 TNCs with 794894 foreign affiliates in 2007 (UN, 2008, p.212). Robinson additionally highlights as empirical indicators of the increasing organisation of production across borders 'the phenomenal increase in cross-border mergers and acquisitions; the increasing transnational interlocking of boards of directorates; the increasingly transnational ownership of capital shares; the spread of cross-border strategic alliances of all sorts; and the increasing salience of transnational peak business associations' (Robinson, 2008, p.30). As a result, capital gained new options being able to select between different industrial sites depending on a variety of criteria including marketability, economic infrastructure, stability, floating currencies and, often most importantly, the cost of labour. This brings, for example, the Japanese, US, South-African and German automobile workers into a direct competition, while they are living miles apart and do not know anything about each other. The same mechanism works in all transnationalised branches and not only in the blue-collar but also white-collar labour markets, see, for example, the IT-industries. 'All over the globe these increased possibilities of relocation, and the threat to relocate, are creating widespread risks of underbidding, where workers are forced to press down each others' wages and working conditions in face of risking losing their jobs' (Bieler,

Lindberg and Pillay, 2008, p.272). This development has weakened the key mechanism of union power and their related social and political importance: their capacity to reduce the competition between those, who have to offer their manpower on the labour market. In most of the industrialized post-war economies unions had fairly well succeeded in building up a relative monopoly of labour. Capitalist competition concerned products and productivity, but the price of labour was more or less regulated by collective agreements. Thus, no entrepreneur could achieve any advantage by lowering salaries and working conditions or expanding working time. No entrepreneur had to fear that any competitor could or would do so either (Sauerborn, 2006, p.2). With production being increasingly transnationalised in a whole range of industrial sectors, nationally based labour movements can no longer adequately fulfil this function.

The increasing transnationalisation of production implies a ‘centralization of command and control of the global economy in transnational capital’ (Robinson, 2004, p.15). Thus, even if trade unions have the right to negotiate with (and are able to take action against) management of companies in one country, if this management is only the receiver of orders from higher up, local and national trade unions have little impact on the economic decisions that determine conditions at their workplace (Lindberg, 2008, p.28). This has gone hand in hand with an increasing decentralisation and fragmentation of the production process itself. Anner, for example, outlines how car manufacturing in Brazil, on the one hand, increasingly fragmented during the 1990s, when the production of individual parts was outsourced and subcontracted, while at the same time decision-making was centralised in the headquarters of big companies in North America and Europe on the other (Anner, 2003, pp.612-14). Gereffi identifies several different stages in this process of

transnational outsourcing. Initially, 'the fragmentation of production that began in the 1960s and 1970s generated a search for labour-intensive assembly jobs in predominantly low-wage economies' (Gereffi, 2006, p.10), but since 2000 white-collar service jobs too have increasingly been relocated to emerging markets such as India, which combine the advantage of a relatively highly trained workforce with cheap labour (Gereffi, 2006, p.16). Transnational production, as a result of outsourcing, is increasingly organised in so-called global commodity chains (GCCs). Producer-driven chains in industries such as automobiles, computers and electrical machinery are dominated by TNCs, while big retail companies such as Wal-Mart coordinate the distribution system in buyer-driven chains in sectors such as garments and house wares without being involved in production themselves (Gereffi et al, 2005). This too undermines trade unions' efforts to prevent direct competition between workers over jobs. It is one thing to organise transnational production workers within one company, it is even more difficult to organise solidarity along a GCC characterised by a multitude of employers in different countries.

This re-organisation of the production process around transnational outsourcing and centralisation of decision-making as part of globalisation, together with a huge influx into urban areas particularly in the Global South, has led to an increasing casualisation and informalisation of the economy, in which permanent, full-time employment contracts have to a large extent become a feature of the past. This is especially the case in developing countries, which had never been in a position to establish a large industrial sector with permanent and secure employment (Bieler, Lindberg and Pillay, 2008, p.266). Nevertheless, informalisation more and more also affects developed countries in the North, where employers are on the offensive and demand a flexibilisation of the labour market with the argument that this would be

necessary in order to retain competitiveness. Unsurprisingly, ‘the increasing informalization of work creates a threat to basic living standards and the dignity of hundreds of millions of workers and their families’ (Bieler, Lindberg and Pillay, 2008, p.267). Traditionally, trade unions were strongest in industrial sectors with large companies. Many workers in one and the same location were easier to organise. The rising service sector industry in combination with the informalisation of the labour market has made the organisation of workers increasingly difficult for trade unions. A decline in membership is the general picture.

Importantly, as Novelli and Ferus-Comelo note, ‘a majority of studies related to the casualisation and informalisation of employment have also illustrated the “racial” and gendered nature of this work undertaken mainly by (migrant) women who are made vulnerable by patriarchal values of the state and family, and are obliged to juggle domestic responsibilities with paid work’ (Novelli and Ferus-Comelo, 2009, p.14). Women had never been fully integrated in the post-war Keynesian growth model in industrialised countries. In developing countries women workers are often the majority of the informalised and super-exploited workforce. Resistance to neo-liberal restructuring is often part and parcel of resistance against patriarchal structures in male dominated societies. Mohanty (2003, pp.231-5) uses the perspective of ‘situated knowledges’. She argues that scrutinising the world system from the perspective of its least privileged groups, such as women in the South, provides the most inclusive way of understanding its injustices. ‘It is precisely the potential epistemic privilege of these communities of women that opens up the space for demystifying capitalism and for envisioning transborder social and economic justice’ (Mohanty, 2003, p.250).

Globalisation, finally, has not only led to an intensification of exploitation at the work place. Exploitation has also increasingly been extended into the sphere of social reproduction. This includes financial cut-backs, the introduction of competition principles as well as outright privatisation of traditional public sectors such as education, health services, etc. It also implies an intensified exploitation of the environment as, for example, the deforestation of tropical rain forests shows. Resistance to globalisation, therefore, also includes resistance against these forms of exploitation by progressive environmental and social movements as well as reactionary, nationalistic groups (Bakker and Gills, 2003; van der Pijl, 1998, pp.46-8). Resistance to these developments provides a further political challenge for trade unions, but also the possibility of co-operating with social movements, organising those progressive forces which resist neo-liberal restructuring of the sphere of social reproduction.

We further need to keep in mind that it was only trade unions in the industrialised countries, which had secured strong influence on decision-making in Keynesian welfare states during the first 30 years of the post-war period. Developing countries had never been incorporated in such class compromises and, hence, the impact of globalisation is also played out differently in their countries. Here, the structural adjustment programmes of the IMF and World Bank, driven by the neo-liberal Washington consensus, have been crucial in that they forced developing countries to open themselves up to imports and FDI and, thereby, undermined the development potential of these states (Saad-Filho, 2005). The global free trade agenda driven by the WTO since the mid-1990s has further undermined national development potential. The trade related intellectual property rights (TRIPS) accord, for example, makes it more difficult and expensive for developing countries to get hold of latest

technology for their own development. Moreover, the WTO is also involved in the extension of exploitation into the sphere of social reproduction. The privatisation of resources such as water is a global agenda, driven by the WTO in the negotiations for a general agreement on trade in services (GATS) (Mortensen, 2006, p.175). The current Doha negotiations round of the WTO further pushes developing countries to dismantle tariff barriers for their infant industries and, considering the deadlock within these negotiations, the USA and the EU pursue bilateral routes with the same purpose of opening up developing countries. An analysis of the consequences of trade liberalisation in Africa and Latin America during the 1980s and 1990s reveals large-scale job losses, increasing unemployment and declining wages in both continents (War on Want, 2009, pp.5-13). In contrast to trade unions in the North, who regularly ignore or even support the free trade agenda, trade unions in developing countries being in a different location in the global economy as a result of uneven development fiercely oppose it in order to secure the state's developmental potential.

The latter point highlights the need for an analysis of the state in globalisation. While we share Robinson's analysis of the changes in the social relations of production, we do not agree with his thesis of the emerging transnational state, in which all nation-states become integrated as transmission belts, translating the neo-liberal requirements of the global economy into domestic politics (Robinson, 2004, pp.109-10, 125; Robinson, 2008, p.35). Very similar to liberal hyperglobalist views (e.g. Ohmae, 1990 and 1995), Robinson overlooks that particular states have authored globalisation in the first place (Panitch, 2000, pp.5, 14). Moreover, both Robinson and the hyperglobalists alike do not take into account the different ways globalisation impacts on individual countries. While some developing countries are indeed forced to adjust to the global economy, other states such as China and India retain a

considerable degree of policy autonomy within the global economy. Also, ‘during recent years there has been a wave of anti-neoliberal movements that have taken state power, most notably in Latin America where countries such as Venezuela, Cuba, Ecuador and Nicaragua are forging a new alternative development trajectory’ (Novelli and Ferus-Comelo, 2009, p.9). In short, the state remains important for possibilities of resistance against neo-liberal globalisation. Indeed, the very fact that states around the world have been able to invest vast amounts of money in the rescue of the financial system over the last 12 months indicates that the national state has not simply been weakened, but has been restructured. Nevertheless, we do not accept state-centric approaches either, which argue that nothing much has changed and that states would continue to be the only significant actors in the global economy (e.g. Waltz, 2000; Weiss, 1998). These approaches overlook the epochal changes of global restructuring since the early 1970s, outlined above. In general, states and markets should not be externally counterpoised. We do not agree with a discussion of whether states have become weak vis-à-vis the global market or retained their authority. Rather, in order to comprehend the widely different impact of globalisation on states as well as to incorporate the agency behind globalisation, we suggest an analysis of the extent to which the neo-liberal interests of transnational capital have become internalised within different national forms of state (Bieler and Morton, 2003, pp.485-9). Such a conceptualisation of the state allows us to take into account the agency of states in the global economy as well as to perceive the state as a terrain of struggle between different national and transnational social class fractions over who determines the national interest. It is in this respect then that national forms of state remain an important arena of struggle for labour viv-a-vis capital as well as over the specific

state's role in the global economy and the specific way of how the current financial crisis is addressed.

In sum, global restructuring since the early 1970s has severely undermined trade unions as far as their relations to capital/entrepreneurs as well as to governments/national states are concerned. Possible counter-strategies by labour must be able to break the thirty years of deadlock, caused by these developments since the early 1970s.

Labour's possible strategies in the new global environment

In order to understand labour's possibilities to resist neo-liberal restructuring, it is important to understand labour as an agent, rather than as a passive recipient of restructuring processes (Ferus-Comelo and Novelli, 2009). Current analysis of globalisation tends to outline consequences for workers and unions rather than seeing them as actors, able to influence structures and power relations. But there are also weapons and tools in the hands of workers. Beverly Silver (2003, p.13) notes a range of potential forces in the hands of labour: two sources of structural power, marketplace bargaining power and workplace bargaining power, and one of agency, association power. Second, as Gajewska correctly points out, in contrast to comparative country case studies, which tend to identify the differences between national labour movements as obstacles to co-operation across borders, the focus on concrete instances of transnational solidarity makes it possible to think in terms of labour as an actor able to participate in solidarity across borders (Gajewska, 2009, p.15). Hence, we will look at a range of different examples of transnational solidarity in this section. As indicated above, the precise impact of globalisation differs from sector to sector, from geographical region to geographical region. Hence, our case

studies will cover a range of different circumstances, which reflect different 'industrial power geometries'. 'Since global trends and political relations between capital and labour vary enormously from place to place, labour strategies will, by implication, need to be geographically sensitive' (Ferus-Comelo and Novelli, 2009, p.42). In looking at different cases of efforts to build transnational worker solidarity we can see quite different responses, according to sector, national context and many other variables.

It is often assumed that the objective conditions for solidarity across borders will typically develop in transnational production sectors. True, workers in *manufacturing* traditionally have fairly strong union structures nationally, not only in the North but also in newly developed countries like South Africa, Brazil or South Korea. And through intensified competition and threats to relocate production they are very much exposed to the challenges of globalisation. Workers in the same manufacturing company need to find ways of negotiating and, when necessary, taking industrial action together across national borders. Bernaciak's (2010) case study of trade union interaction between various General Motors (GM) production sites in Europe with a specific focus on the factory in Poland represents such a case. In view of the 'beauty contests' over new investment organised by GM amongst its various production sites in Europe in the early 2000s, it would have been logical for trade unions to co-operate in order to avoid that workers underbid each other through wage concessions. And indeed, there were frequent attempts to organise the work forces across all sites so that GM could not put them into competition with each other. However, although the incentives for co-operation were clear, transnational production can also be a hindrance for solidarity across borders. As Bernaciak outlines, as long as direct competition over future investment between different

production sites was involved, Polish trade unions rejected demands for solidarity and negotiated concession agreements with management. Only once Polish workers felt secure in the profitability of their production sites, did they co-operate with workers from other countries. But the challenge in transnational production is even wider than that. Competition between production sites does not take place only within one company. If Opel/GM auto workers resist the pressure to make concessions, while auto workers elsewhere accept, other companies may sell better and the resisting workers may lose their jobs. The wider challenge therefore is to coordinate union action across a whole sector, at least regionally, like between auto workers in Europe. New bargaining structures, new regulations for cross-border strikes and even joint regional consultation procedures, possibly co-determination, and perhaps the co-ordination by the respective global union federation for whole sectors will probably have to be developed in order to avoid that workers underbid each other in competition for jobs. The co-ordination of national collective bargaining by the European Metalworkers' Federation (EMF) asking all their national affiliates to demand wage increases along the formula of inflation plus productivity increase may be a first step forward (Schulten, 2005; Riexinger and Sauerborn, 2004, p.34). It takes into account national diversity while excluding, if fully implemented, wages from competition. Similarly, the Asian Floor Wage campaign (Merk, 2010; see also <http://www.asiafloorwage.org/>, accessed 01/12/2009) calculates minimum levels for decent wages in each country, enough to provide basic necessities, like food, housing and water. Once recalculated into dollars based on purchasing power comparisons this allows then joint campaigning for 'equal' wage levels across the whole sector in Asia.

It is, however, vital for the union movement to see that the challenge for transnational production sector workers in the North is not typical of the challenges

for other workers elsewhere. Already a comparison with a case from manufacturing in the global South shows how such a case differs in several respects. The successful strike in 2003 at the Jaqalanka International apparel factory in Sri Lanka's Katunayake Free Trade Zone (KFTZ) was at the time understood as a victory in the whole zone, a culmination of a global campaign (Gunawardana, 2010). The campaign focused on the non-recognition of the union and thus on freedom of association. Its successful outcome provided hope about the viability of such campaigns. The resulting recognition of the Free Trade Zone and General Service Employees' Union (FTZGSEU) as a formal bargaining agent of workers was heralded as a landmark case. However, the underlying conflict of interest between labour and capital persisted and the victory of the workers did not last. In March 2008 management announced the factory's closure and liquidation, along with two other factories. 1400 workers, the majority women, lost their jobs. The reason for the closure given by management to union representatives was that they could not absorb high labour costs. The price that one of their major clients, Nike, was paying them was getting lower and lower. The successful Jaqalanka strike and the subsequent close-down of the factory show how South-Asian garment workers, just like auto workers in Europe, are played off against each other. But the Jaqalanka case is different in several respects. First, the Jaqalanka factory is situated at the lower end of a global value chain. Workers at Jaqalanka are surrounded by a sea of unemployment and have practically no social security whatsoever. Second, management here is completely opposed to unionisation and the basis issue of the struggle is therefore the right to organize. And third, the female Jaqalanka workers are not only exploited as workers but also as women. The need for labour organizing here extends beyond the workplace to encompass living quarters, and to take into consideration the totality of women workers' experience. The local

women's centre played a crucial role in this case. A gender perspective, as indicated above, is essential for understanding the challenges as well as possibilities for resistance.

In *private services*, including construction and transport, the challenge is even more diverse than in manufacturing. The Berlin labour market for building and construction after 1990, with its huge influx of foreign posted workers, provides a striking example of competition at the work-place itself (Erne, 2008, pp.90-4). In 2000, out of nearly 90 000 construction workers in Berlin only 23 000 had permanent residence there, while 30 000 came from lower wage countries in Southern Europe and another 30 000 from Central and Eastern Europe. Most of the temporary Berlin building workers were employed by foreign companies and posted in Germany. Several German firms even set up Portuguese daughter companies in order to bypass German collective agreements. Thus, this case illustrates that construction workers from different countries on the same building site face a different type of threat of underbidding than do workers employed in the production of goods. The aim of the construction workers' union was to ensure that all work on the same site be regulated by the same collective agreement, namely that of the host country. Situations of this kind will require much more far-reaching union responses, involving a rethinking of union culture and attitudes to others than home-country core workers.

Bus drivers on different sides of the Atlantic certainly do not compete directly, even if they work for the same firm. The buses will go where the passengers are. What can transnational solidarity mean to these bus drivers? The Driving Up Standards campaign (DUS), analysed by Jeremy Anderson (2009), was initiated by the Service Employees International Union (SEIU) of the US and focused on British First Group. Through an array of legal and illegal mechanisms, including harassment

and unfair dismissals of union activists, this company sharply resisted attempts by the SEIU and Teamsters to gain recognition. But British bus drivers acted in solidarity to support the struggle of US drivers. They were able to mount considerable pressure on the mother-company in support of their US colleagues, including the use of shares that they held in the company. What then made British bus drivers act in solidarity with their fellow US drivers? Even though they could not be played off against each other, there was an important element of mutual self-interest here too. As union organiser Abdul puts it: ‘if they are going to get away with it over there they will at some point try and introduce [these practices) over here...’ (cited in Anderson, 2009, p.212). Identification was also facilitated by the use of media. A T&G organiser in Sheffield tells Jeremy Anderson that as members were shown a video portraying the conditions of their counterparts in the US, there was a tangible sense of outrage: ‘When you see workers working for the same company doing essentially the same job on very poor wages ... People are being dismissed for trying to organize the trade union. ...the power of the video is quite stark ... you do actually identify with those fellow workers’ (cited in Anderson, 2009, p.216; see also Sauerborn, 2008, p.38).

Nevertheless, there also exists an area of services which meet common or social needs, rather than just private ones. Drinkable water, maternal and child health care and education are obvious examples. These services are fundamental not only to the wellbeing of the individual but to the survival of society. We can refer to this sector as that of *services for social reproduction*. Such services have traditionally been regarded as a public good and a responsibility of local or national governments. During the last twenty years of neo-liberal hegemony however, strong efforts have been made to open them up to private profit-seeking, as, for example, in the GATS negotiations (see above). Services for social reproduction are a potentially ideal area

for alliances between social movements and trade unions. Novelli's case study of the successful EMCALI struggle against water, electricity and telecommunications privatisation in the Colombian city of Cali demonstrates the strength of a joint ideological front (Novelli, 2010). The solidarity building process behind the victory started many years earlier. Already in 1995 a shift of strategies took place inside the EMCALI workers' union when a new leadership took over and an anti-privatisation policy was adopted. The new leadership's solidarity building strategy had four main elements. First, there was a need to build alliances between EMCALI workers and the local community. All EMCALI workers gave up one weekend per month to carry out repairs on infrastructure in the poorest area of the city. The resulting shift of attitudes was fundamental during the successful occupation. Organisations and individuals of the local community blocked roads, joined marches and demonstrations and provided material and political support for the union during the fight. The second element of the union strategy was an alternative development plan for efficient management and delivery of public services. The third was the development of a hard core of members and sympathisers, willing to put themselves at great personal risk for instance in the occupation of buildings. Colombia is certainly one of the most dangerous countries in the world for a trade union activist. The fourth element of the strategy was transnational solidarity networks. After the assassination of 17 unionists, a prominent human rights activist set up a Human Rights Department inside the union. Training courses in human rights and solidarity work were developed and national and international network contacts were built. Links were constructed, in particular with British unionists and the British Trade Union Congress (TUC). In the end, these different alliances created a joint mobilisation of organised labour and local forces around an issue that was defined as broader than 'just' jobs and working conditions.

Public sectors remain organised at the national level. Here, the impact of globalisation is not through the transnational organisation of production, but in the form of a neo-liberal push towards privatisation and deregulation in order to open up services to private, sometimes transnational service providers and in form of global tax dumping competition. Wahl's (2010) analysis of the defence of the Norwegian welfare state illustrates this. When in 2000 to 2001 a Labour government carried out some of the most far-reaching market reforms in Norway, the Norwegian Union of Municipal and General Employees started a campaign against the privatisation of the public sector, including four crucial steps: (1) the development of a more critical analysis of policies; (2) the formation of a broad-based alliance with other public sector unions, private industry sector unions as well as social movements; (3) the development of an alternative way of how to modernise the public sector without privatising it; and (4) the development of trade unions as more independent actors from the Norwegian Labour Party. In the end, this alliance was successful at shifting the Labour Party to the left, securing two electoral victories by centre-left coalitions in 2005 and 2009 and securing a reversal and halting of privatisation policies. Even though similar efforts in other countries in fighting privatisation and redistribution were less successful, the Norwegian case demonstrates that it is necessary to oppose the global mechanism pressuring the national welfare state as well as to oppose the results of that pressure on the national level.

Conclusion

As we argued at the beginning, the current crisis weakens trade unions and is at the same time also the result of the weakening of trade unions since the early 1970s. They have no longer been able to protect workers' share in the creation of wealth. Hence,

when reflecting about trade union responses, it is necessary to look beyond their position on current suggestions of policies and new governance structures at the global level and analyse the variety of challenges resulting from globalisation as well as the different possible responses from unions concerning their policies and structures as well as other social movements.

Trade unions' difficulties responding to the competition challenge is most obvious in global manufacturing, especially in times of crisis and reducing capacities. They have to reflect on how their fundamental role of avoiding competition between workers through wage concessions can be organised in the new structural conditions of globalisation. Different from social movements, unions inhabit a position of potential power in the core of the economic process. In order to create (or re-create) a situation, in which strikes organised across national borders become a feasible option, unions must go to the roots of their problems and address their 'globalisation gap'. Let us take the example of the overcapacities in the worldwide automobile sector, which amounts to a range of 30 per cent even before the outbreak of the crisis. If the auto workers' unions would have a strong joint cross border organisation and a forceful bargaining position versus the employers, they could negotiate a planned restructuring with adequate time spans and adjustment measures (Sauerborn, 2009b and 2009c). Failing this, each union will be left to fight to save its own production site, inevitably if successful leading to other production sites being closed down. Since trade unions are at the heart of the economic process, they must develop a capability of acting also globally, thereby strengthening their structural power in order to be at the heart of this kind of decision-making.

This is already a formidable task. However, what is needed today is not simply the establishment of union structures and a negotiation system on a level above the

local and national levels. Unions must as well include the most exploited and underprivileged groups, such as migrants and workers in the informal sector, who often do not even have a wage contract. This requires a new and much more open understanding of the perception of labour, which is a question of unions' self-concept as well as of new structures, which can only develop bottom-up from the local level, and they will differ a lot depending on the specific context. The union structures that we need today cannot simply be based on models created a hundred years ago in the North. The experience of male core workers in manufacturing in the North cannot be the main perspective of looking at possible strategies of resistance. Possibilities of resistance also need to be analysed much more through the perspective of workers from the South and the eyes of women, who are often the most exploited workers in the global economy. As we have seen, especially the informal economy, the public sector and services of social reproduction are areas where the co-operation of trade unions with social movements may offer a good way forward to increase association power and broaden the social basis of resistance.

While national trade union structures are no longer sufficient, globalisation should not be an argument to weaken existing national unions. The continuing importance of the state for the organisation of capital accumulation implies that the importance of the strength of national labour movements should not be underestimated. This is relevant for the defence of the public sector – see the example of Norway – but equally also for other parts of the economy. Globalisation provides a new and additional task, that of restraining competition between workers in the new global framework and getting influence on global decision making. National trade unions will retain and develop their strength only if they are also able to develop their strategies versus capital at the global level. Importantly, strategies reflecting on

possibilities of transnational solidarity in resistance against neo-liberal restructuring must raise the issue of power in society at the global level rather than relying on influence through existing institutions (Wahl, 2004). Just as unions have at national levels combined workplace based ‘pure’ union action with political struggle to transform a class society, so unions at this stage of globalisation must challenge a global class society, formed by imperialist economic structures and trade regimes that create world-wide structures of exploitation. Finally, whether strategies of solidarity and co-operation between trade unions across borders and between trade unions and social movements materialise depends very much on concrete processes of class struggle. There is no automaticity of co-operation. As Mohanty (2003, p.7) points out, ‘solidarity is always an achievement, the result of active struggle to construct the universal on the basis of particulars/differences’.

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² For data about this redistribution, for example, in Japan, Germany and the USA see Le Monde diplomatique, 2009, pp.68-9.