



Constructing the new internationalism:

Australian Trade Unions & the Indian Ocean Regional Initiative

Australian trade unions are learning that, despite their co-operation in industrial restructuring, capital is still relocating to "slave-wage" countries of the Indian Ocean. ROB LAMBERT* argues that trade unions have to develop "borderless solidarity" to respond to the borderless operations of capital. SA trade unions, he says, have much to gain and much to offer an Indian Ocean trade union regional initiative.

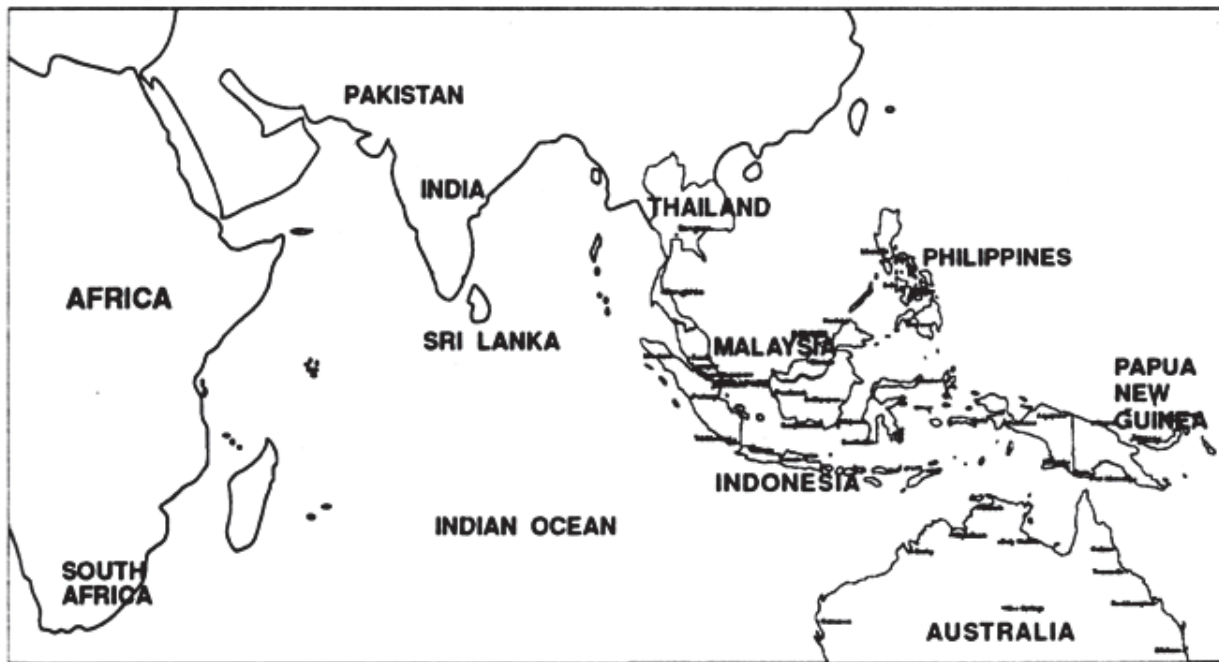
Recently, Australia dockers in Freemantle, refused to off-load South African cargo until the filthy cabins of the black crew members were refurbished. The stranded ship's captain urgently telexed head office in Durban. Paint, clean linen, and new furnishings were quickly applied. Black crew members discovered a real meaning to international workers solidarity.

Still more recently, when the leader of the new independent unions in Indonesia returned to Jakarta after attending the first Indian Ocean Region Trade Union Conference, in Perth Australia in May 1991, he disappeared - run

off the street by unidentified gunmen. The Western Australian unions immediately threatened to block the passage of Indonesian ships and the flights of the Indonesian national airlines. Dutch and other European unions were contacted. Within days, Saut Aritonang was released.

These actions are part of a proud tradition of solidarity *action* by the Australian Council of Trade Unions (ACTU). This is the tradition which the Trades & Labor Council of Western Australia (WATLC) seeks to strengthen and further develop. As a first tentative step

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WATLC has contacted progressive unions in the Indian Ocean region to establish effective links and, in the longer term, meaningful structures that will facilitate practical solidarity work in the now 'borderless' global economy.

ACTU* has in mind the eventual establishment of a regional trade union structure similar to the one that they have promoted for the South Pacific. Established in close collaboration with the ICFTU, the South Pacific Council of Trade Unions (SPOCTU) seems to be identifying needs and strengthening unionism.

"Borderless solidarity" in the new internationalism

"Borderless solidarity" is the term developed in Latin America to express new forms of international trade union solidarity action in the new "borderless" global economy.

Despite the enormous immediate pressures of national issues confronting all union leaderships, defining the objectives and the strategy of the new internationalism has to be prioritised.

Time is not on the side of the working class.

They are being compelled into neo-conservative industry restructuring agendas, generated within an aggressive and, in most instances, unrestrained global capitalism. This capitalism collaborates with viciously repressive militarised regimes in the Indian Ocean region that impose harsh labour exploitation and are creating the preconditions for ecological disasters no less dramatic than that developing in the Amazon forests.

Despite the urgency, such a regional structure will only be established after there is consensus between all participants. COSATU has played a positive role in this process by participating in the first regional conference in Perth, Western Australia, in May 1991, together with KMU of the Philippines, the Australian unions, and unions from Pakistan, Sri Lanka, Malaysia, Indonesia and Papua New Guinea [see map].

A second follow-up conference is being organised in Perth, for December this year, to facilitate deeper reflection on the impact of the global economy and neo-conservative deregulation policies on the union movement. Solidarity strategies will have to be debated in terms of this rapidly changing economic context.

* whose strong moral and material support have been key in this process

New internationalism a key element in industry restructuring

ACTU is committed to the regional initiative because consciousness is growing that borderless solidarity is essential to the success of industry restructuring strategy.

The innovative industry restructuring strategy of ACTU in the 1980s, largely led by the Metal & Engineering Workers Union (MEWU), was a response to the changing character of international competition that emanated from the global deregulation of financial markets and the consequent increased power and mobility of international finance



Agricultural workers in Indonesia
Photo: International Viewpoint

capital and the multinationals.

In the new deregulated global economy, the power of the state has decreased relative to the power of international capital. The state now has to intervene in a more concerted way to try and create the conditions of international competitiveness so as to attract investment into manufacturing, mining, and agriculture.*

The Indian Ocean regional initiative is an attempt to come to grips with these issues. In the recent past, certain Australian unions have recognised that no matter how effective unions are in contributing to industry restructuring, no matter how far they develop co-operative relations with management in seeking to attain 'best in class' for the company, they have been

forced into a defensive, market-driven restructuring strategy. This has taken the form of reduced real wages and a dramatic decline in strike action - although certain factories in particular sectors have been able to lever higher wage demands following the increased international competitiveness of their own companies.

Despite all the restructuring that has taken place in Australia and despite the resultant increased competitiveness of the manufacturing sector (through a decline in the unit costs of labour compared to other OECD countries), capital in virtually all sectors continues to relocate from Australia to Asia on a significant scale. Hence the manufacturing performance, in the wake of quite dramatic tariff reductions, is contradictory:

- On the one hand, there is the success story of the beginnings of restructured, leaner, more internationally competitive manufacturing in certain instances. This is partially reflected in the positive growth of manufacturing export figures in the balance of payments.
- On the other hand, there is major concern about the growing structural unemployment which is being produced by industry restructuring and which is not simply a reflection of a prolonged cyclical downturn.

The only way to shift from an overall defensive strategy, involving concessions, to a worker-controlled restructuring agenda, is to include, as an integral element of industry restructuring, a programme of permanent borderless trade union solidarity supported by the appropriate structures.

As the Australian unions have become more actively engaged in the Indian Ocean region, meeting with unionists in a range of countries since the May conference, the factors underlying the relocation of Australian industry have become clearer. The region is riddled with 'free trade zones' under various guises. Transformations in the global economy have resulted in a further intensification of

* Hence, Joffe & Lewis - in SA Labour Bulletin Vol 16 No4, April 1992 - are correct in identifying the need to examine the determinants of competitiveness and the trajectory of global change in competition, production and technology, as well as major corporate strategies.

competition between states in the region attempting to attract investment away from existing growth areas to their own special 'havens' for foreign investment. The range of incentives being offered include:

- direct government subsidies and no taxes for up to ten years;
- no import or export duties;
- factory sites built in host countries at their taxpayers' expense and then leased or sold at low prices to multi-national corporations;
- a cheap and 'disciplined' workforce made 'available';
- severe restrictions on trade union rights through state industrial relations practices and through the repression of active trade unionists.

All of these 'competitive business advantages' are combined with the latest technology and with the new managerialism to ensure high profitability and quiescent labour.

If we fail to develop a borderless solidarity that is properly structured and resourced, the conditions of workers everywhere in the region will, in the long term, be reduced to the slave-like conditions of Malaysia, Thailand, Indonesia and the Philippines, for example. In the absence of de-nationalised trade union power, the enhanced power and mobility of international finance capital and the multi-nationals, make this inevitable.

ACTU is taking the lead because this issue is already confronting the Australian working class. The opposition liberal coalition party is planning to deregulate fully the labour market if they win the 1993 general election. They plan to remove a range of basic trade union rights and promote a system of individualised contracts similar to the New Zealand model. In the context of existing capital flows into the Asian region, this will be a major crisis in the trade union movement's history.

South African unions have much to offer

These are the terms of competition that the South African labour movement will also have to address with a similar sense of urgency.

A nonracial democratic state in South Africa will soon face the dilemma of how to expand the manufacturing sector in competition with countries where most new investment is flowing. The option of extending South Africa's home bred, Bantustan 'free trade zones' is untenable. Hence the challenge will have to be met head on.

Over the next ten to fifteen years - the time it took for democratic trade unions in South Africa to become a real force - the strong unions will have to become outward turning and borderless in a systematic, well resourced way, just as the multinationals are borderless in their operations.

SA trade unions will have to assist directly in the development of democratic unions in the region. This means prioritising the allocation of adequate trade union resources to this task in the form of organisers and finance.

The new independent unions in the region are at a stage of development similar to that which existed in South Africa in 1973. Because the South African unions have had to forge union growth under conditions of non-recognition by state and capital, state repression and employer victimisation - conditions which pertain to unionism in the region today - they have much to offer in the construction of a strong independent unionism in the region.

However, there is still some way to go in developing their international work. COSATU's Jay Naidoo remarked on this underdeveloped character of international solidarity work in South Africa, admitting, "I think up to now international solidarity has just been a slogan, or has meant obtaining money and material assistance"*.

The new internationalism

The new internationalism has to be built on the basis of a structured linkage between the strong, highly developed unions such as those that now exist in South Africa and the Philippines, and the fledgling unions in Indonesia, Malaysia, Thailand and elsewhere that are struggling to develop under extremely adverse conditions.

* SA Labour Bulletin Vol 15 No 7, April 1991

The new internationalism should not be about a linkage primarily between the strong unions - a CUT, COSATU, KMM linkage, as some comrades in South Africa have suggested. Clearly the developed unions will form the backbone of any future structure, but that structure must simultaneously include the weak unions that are in the majority in the countries of the region. Without this structured linkage, the terms of competition will not be changed in the longer term.

Effective strategising requires the integration of longer term vision based on defined, realisable objectives with sets of immediate tasks that can be operationalised immediately. We are now living in an age without alternative models but the more developed unions in the South have not yet been infected with the defeatism of the age.

In the countries of the South large powerful union movements have been built from nothing and in the most adverse of circumstances. A vision of an alternative role for workers in society has been a factor in the rapid growth of these movements in Brazil, South Africa and the Philippines. This hope and belief can generate a vision of a transformed internationalism too.

Some preliminary ideas about the vision which may stimulate debate are:

- The new internationalism (borderless solidarity) should be founded upon manageable regional units that reflect the changing global international division of labour.
- Existing North-South linkages need to be complemented by South-South regional linkages that will develop the capacity to take South-North initiatives from the vantage point of a strong South-South block.
- These South-South linkages might take the form of a CUT-led Latin American structure, linked into an African structure through COSATU and an Indian Ocean regional structure, with the existing structure of SPOCTU in the South Pacific.
- As these regional Southern structures evolve there could obviously be Southern Hemispheric meetings across regions.

- There would also be a close South-North regional interactions.

An Indian Ocean Region

The Indian Ocean Region could be one component of a future Southern structure. The following contribute towards a specific regional identity:

- **Geography and history:** Geographically, we are looking at the countries bounding the Indian Ocean [see map]. Geographical position was a factor in shaping common colonial histories. Countries in the Indian Ocean region were mainly colonised by the British, the French and the Dutch. European trade routes passed via the Cape across the Indian Ocean to the Dutch East Indies, South Asia, South East Asia, the islands and Australia. These countries were locked into a particular position within the global colonial division of labour. This in turn influenced post-colonial developments. There are also commonalities in the failures of nationalist independence movements to achieve deep social transformation. A common regional identity is based on these common experiences.

- **Common position in the global economy:** As is the case with Latin America and the South Pacific, all countries in the region are outside of the developed Northern capitalist economies which are the centres of multi-national decision making. Here lies the essential source of a common Southern identity today.

What lends the Indian Ocean region a specificity within this broader identity are the following features:

- Two countries, South Africa and Australia have vast reservoirs of mineral and agricultural riches which are much sought after by the economic giants, together with manufacturing sectors that are struggling to become internationally competitive. There are also the vast, United States controlled oil reserves of the Arab countries.
- The countries of South East Asia, Malaysia, Singapore, Thailand, Indonesia, and to a lesser extent the Philippines, have over the

past decades attracted high levels of investment and have therefore been characterised by extremely high rates of growth across key economic sectors such as electronics, textiles, clothing and footwear, food processing, metals and motor vehicles, and chemicals. These are also countries characterised by repressive state regimes, varied legal and other restrictions on union rights, and the existence of 'free trade zones'.

- Countries such as Burma, Bangladesh, Mozambique, Tanzania, and Somalia, which - for a variety of reasons - seem to have fallen off the edge of the economic globe, find little place within the grand scheme of the new international division of labour. Less stagnant economically but outside of export-led industrialisation, are countries of South Asia, still struggling to define their role in the new economic environment.

In summary, this is a region characterised by some of the world's greatest mineral richness, the highest rates of economic growth in the form of export-led industrialisation, and the most extensive poverty and exploitation, both in the stagnating economies and in the economies headed for 'little tiger' status.

Multi-national corporations and state agencies of countries in the North constantly assess and reassess the 'position' of these Southern countries in terms of the opportunities that they provide.

- **Outside the three powerful trading blocks:** Countries in the region are all feeling the impact of the conflict that continues to intensify between the EEC as European integration is finalised, the new North American free trade block dominated by the US, and the growing dominance of Japan. Trade wars between the blocks, especially in agricultural commodities such as wheat, are beginning to devastate whole sectors.

Countries in the region should be searching for an effective response to the crisis but a majority of governments are under the hegemony of the North to such a degree that

little independent thinking is being generated on these problems.

In the longer term, trade unions could - through forming stronger, more defined Southern regional identities - contribute to a more independent stance on trade issues.

Developing a coherent and effective solidarity strategy

The evolution of the Australian union solidarity strategy is a direct response to problems arising out of industry restructuring. There is a growing recognition of the closely interlinked struggles of workers in the Indian Ocean region and the struggles of Australian workers to maintain what has been won. Unions recognise that solidarity is not a one way street. Economic globalisation has now organically connected struggles, removing the



Promoting international solidarity: Philippines sug workers host an international sugar workers conference in 1986

Photo: International Labour Repc

potential paternalism of strong unions towards the weak and changing the very basis of solidarity.

This point should not be lost on the South African unions as their union strength brings them gains on the wages front. Fellow workers in the region lag far behind.

When the new democratic state in South Africa is forced to deregulate, South African workers will feel the effects of the ultra-low

wages and the tax and other incentives available to capital. South African workers will then know why new investment is not coming to their country, despite the new co-operative strategies being adopted.

To move beyond the dead end of a defensive, nationally-based industry restructuring, South African trade unions will need to extend their horizons through an outward turning policy at many levels.

The Australian unions are turning outwards and developing solidarity in the following ways:

Research and information

Trade union research in Australia has, of necessity, been locked into the problems of restructuring and training. However, as a result of the relocation of factories into Asia, individual unions such as MEWU are beginning to recognise the need for research into capital flows and the reasons underlying investment decisions.

The Indian Ocean initiative has begun serious research in this area that will be presented and analysed by the unions at the next regional conference in December. This research is already influencing the national strategies of individual unions. MEWU has adopted the Social Code of Conduct on Australian investment in the region drafted by WATLC. This is now the official policy of MEWU.

Social Codes of Conduct

The Social Code of Conduct focuses on Australian companies investing in the region and on the labour practises of companies producing and exporting cheap commodities into Australia.

The Code details a series of very specific organising rights. It is not a paper code. The policy is the basis of strategic action.

This is where the Indian Ocean regional initiative is so crucial. Through establishing a network of contacts with progressive unionists

in the region, particular factories in particular countries are being targeted after close consultation with the leaders of the embryonic unions.

The struggle to win freedom of association and the right to organise, is not being debated in the abstract, but is arising out of campaigns to organise. The demonstration effect of a breakthrough in one or two factories will further the national debate in these aspirant 'little tiger' economies that are trying to engineer growth on the basis of tight labour controls.

We all know that this strategy - based on the EEC Code - was relatively successful in South Africa in the 1970s. Such an approach lends itself to direct union to union linkages similar to the SACTWU/ACTWU experience*.

Shop steward education

Regional issues are being incorporated into routine shop steward training on industry restructuring. Workers are being exposed to the nature of economic integration in the region and how this is evident in downward pressures on wages and conditions in Australia. This is an opening to explore the rights and conditions of workers in the region.

We have found that ordinary Australian workers are responsive. Growing consciousness at this grassroots level helps towards the achievement of a degree of financial independence in the construction of the new internationalism.** Over 50% of the finance for the first Indian Ocean Regional Conference came directly from the Australian unions. This was the product of a concerted grassroots campaign that simultaneously raised consciousness.

Workers do not commit their finance unless they understand and become committed to the issues. We did not look for handouts that almost always have strings attached, particularly when a project is at an early stage of development. Grassroots work is therefore the foundation of the proposed regional initiative.

* see SA Labour Bulletin Vol 15 No 7 April 1991

** Peter Waterman stressed the importance of this in SA Labour Bulletin Vol 16 No 2 Nov 1991.

New regional trade union structures and the ICFTU

In the longer term there is a need for a properly constituted regional structure in the Indian Ocean similar to the SPOCTU structure in the Pacific. Developing effective solidarity requires some form of organisational support. Such a structure would play a leadership and co-ordinating role in fostering research, computer based networking, relevant union to union contacts in relation to investment flows, and action centred on the Social Code of Conduct.

A critical issue likely to emerge in the future is the relationship between this regional initiative and the ICFTU.

ACTU is affiliated to the ICFTU and, as such, would prefer to see a future Indian Ocean regional structure being integrated into the ICFTU in the same way that SPOCTU is. ACTU President, Martin Ferguson, sees a future Indian Ocean structure as strengthening, rather than undermining the ICFTU in the region by providing "practical trade union assistance to emerging unions".

Since the Australian initiative is based on the need for solidarity arising out of globalisation, the foundation has to be based on independent unionism. Building such action on state and employer dominated unions would have been absurd. The principle criterion of selection of participant unions has been their democratic, independent and grassroots character. In many countries, this orientation is still fragile.

Major difficulties with the ICFTU

The major difficulty with the ICFTU is that many of the ICFTU affiliates in the region are discredited within their own countries. They have in many instances been part of the state and capital's strategy of controlling labour. Independent unions perceive many of the key officials of these unions as being corrupt.

The ICFTU alliance with this type of unionism in Asia has much to do with the pressures of the Cold War. There are indications that the ICFTU in the region is

beginning to debate these problems.

In the short run, these contradictions may well create tensions with the ICFTU. The challenge is to resolve these tensions in a creative way that furthers the development of the new internationalism.

An Australian view would be that it is important to fight for the transformation of the ICFTU rather than cementing divisions through attempts to establish an alternative new international.

There will however have to be an openness on the part of the ICFTU. This may prove difficult as there are vested interests on the part of many ICFTU affiliates. In this process, strong union organisations such as COSATU and ACTU can play a constructive role. The need is actively to support the growth of independent unionism in the region and then work through the consequences.

Urgent and practical construction of the new internationalism

Time is not on the side of the working class. Issues need to be resolved, priorities need to be established, resources need to be allocated.

The objective conditions of working class struggles in Johannesburg, Melbourne, Manila, Karachi and elsewhere in the Indian Ocean region are converging. International finance capital and the multi-nationals seek a consistency in wages prices and taxes that transcend political boundaries. Our most effective response is to develop organisation and generate active solidarity that is borderless.

The democratic trade union movement in South Africa was not forged through fine debate but in the tough arena of action and conflict. This hard road to the new internationalism is leading the Australian unions to a rediscovery of their historical solidarity tradition that placed action at the forefront. This tradition will be a significant part of the union movements' armoury as they prepare to confront the neo-conservative onslaught in the coming years. ☆