

# Globalisation

## *can unions resist?*

**T**here has not been much effective resistance to the logic of global change for a long time.

Most unions have instead searched for some form of constructive engagement, using the argument that they must change or die; become internationally competitive, or lose industries, jobs and destroy their national economy.

A new book written by American labour activist, K Moody, *Workers in a lean world*, points to the damaging impact of constructive engagement on the power and legitimacy of trade unions and the condition of the working class.

Moody argues that when unions support the logic of globalisation in the name of competitiveness, 'it is a dead end for workers and their unions'. An uncritical trade union engagement with globalisation has led the organised working class 'into a coma of co-operation' with its former enemies.

Many union leaders bought into business' new vision of a highly flexible workplace and labour market in the belief that jobs would be saved. They became associated with implementing 'new methods of work organisation' and the negative effects these have had on workers.

According to Moody, a central feature of these new policies has been the restructuring of workplaces on the basis

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*'Constructive engagement' may be a dead end for workers and unions. Rob Lambert calls for effective resistance to globalisation.*

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of Japanese lean production concepts. This has resulted in intensification of work and the rise of part-time and temporary employment in place of steady work. Despite promises that deeper world economic integration and regulation by market forces would eventually bring prosperity, the employment crisis has grown as the process of globalisation proceeded. The efficiency of the market or the competitiveness of business has run counter to the economic well-being of the vast majority.

The problem is that the world is not simply becoming economically integrated. The world is becoming more capitalist. Private corporations have become the major organisers of the world's economic activity. Corporations have sought competitive advantage through a continuous drive to reduce costs through lean production. The result has been work intensification, the extension of working hours, the reduction of conditions, the destruction of collectivism and the

promotion of individualised employment relationships. Outsourcing and the threat of outsourcing have become the basis of introducing competition between workers in different plants and exerting a constant pressure to reduce costs.

## Inequality

Another new book reflects this experience quite sharply. *The age of insecurity*, by Larry Elliot and Dan Atkinson argues that two decades of de-regulation, liberalisation and globalisation has created massive inequalities and a deep insecurity for working people.

The authors comment that for the fortunate elite, the past two decades have been exciting and brought enormous wealth. They contrast this affluence with rising unemployment and note: 'You may have escaped these misfortunes, yet remain anxious and insecure. At work you are expected to work ever-lengthening hours, attend team-building week-ends, allow psychometric testing to weed out "unhelpful attitudes" and co-operate with management consultants to eliminate your job. You are informed that the "job for life" culture is dead'.

Moody states that where unions become the agents of these changes they have been transformed into business unions. However, contradictions are emerging. The damage workers are suffering world wide as a result of constructive engagement is leading to a reassessment. A new form of unionism - global social movement unionism - will need to emerge if unions are to regain the initiative and assert a different logic that protects conditions and provides security and justice.

Three significant events in the Asia-Pacific region offer a glimmer of hope - global restructuring can be resisted. There are signs of an awakening from the long sleep of the past decade when unions

were swept along in the tidal wave of change. The Asian indicators of this change are found in Australia, South Korea and Indonesia.

## Resistance

The Australian government and employers stated quite publicly that trade unionism in Australia was a spent force. The carefully planned, frontal attack would therefore succeed. Global logic would be further fulfilled. But the attack failed because of legal miscalculations, the strength of the pickets, and the international response. The last two aspects show that there is a potential for global social movement unionism to grow and therefore for unions to shift from the constructive engagement of a global business unionism to this new approach.

Business unionism comes into being when unions prioritise a positive and active engagement in promoting the business strategy of companies and co-operating in corporate restructuring. Business unionism is characterised by a narrow workplace focus, the failure to engage community organisations and the absence of a vision of social transformation. Such a style is global when unions accept the logic of globalisation as a reason for their engagement.

Global social movement unionism arises when unions are conscious of the linkage between workplace, civil society, the state and global forces and develop a strategy to resist the damaging pressures of globalisation through creating a movement linking these spheres. Union leaders in South Africa who were active in the 1970s and 1980s are likely to have a deep understanding of this approach. They became conscious that the apartheid state could not be brought to its knees through a narrow workplace focus, no matter how militant that focus might have

been.

Unions found a way of linking into the social forces that were emerging outside of the workplace – the militant students and the communities who had taken to the streets in protest. Innovative structures linking these spheres were born. The driving force was a vision of social and political transformation. Co-operation with the apartheid powers and business powers was an unthinkable alternative.

The stage still has to be reached where co-operation with the present form of global restructuring is equally unthinkable. The challenge is how to build a global movement, capable of resisting such a powerful global logic.

### *Australia*

Details of the dockworkers' struggle in Australia is covered in *SA Labour Bulletin*, vol 22 no 4, August 1998.

The serious attack on the Maritime Union of Australia (MUA) resulted in a two-way movement. Citizens with democratic values were shocked by the attack and looked for ways to support the union struggle, while the MUA, with its back to the wall and fighting for its very existence, turned to the community. Mass support on the picket lines won the day. The issue now being debated is how to develop permanent structures with the community.

The MUA's long history of internationalism and work done by the Western Australian unions in forming strong regional linkages between unions served them well during the dispute. The prospects of global social movement unionism lie in its capacity to realise boycott action in shipping, airlines and communications systems. Global economic integration makes nations vulnerable to this form of action.

Success in applying this pressure depends very much on the progress

unions make in becoming global in a concrete, organisational sense. The international trigger can be pulled quickly only if union leaders and members in strategic sectors develop a deep and sophisticated internationalist culture.

Leadership and membership must take their understanding of their own struggles to other nations and help educate other unions and their members about these issues. This could be done through a rotating exchange of shopsteward-level leaders.

Unions could exchange cultural symbols like posters, banners and stickers. This would ensure that the grassroots is well prepared ahead of a crises to implement boycott decisions. Boycott action has been successful where attention has been paid to the development of sectoral linkages between national unions across the globe and the development of an international class culture. So for example, longshoremen on the west coast of the United States and South African workers were at the forefront of the boycott movement when 2 000 waterfront workers in Australia were dismissed for being union members.

Global unionism assumes a social movement character because the radical step of boycott action cannot be taken unless the affected union is already engaged in national action that takes on a movement character.

This alternative style of unionism, which has already partly come into existence, will only consolidate if it is accompanied by a new class politics that attacks the legitimacy of the neo-liberal globalisation model which unions have adopted. This would involve renewing the sense of class interests in the globalisation process and a commitment to the politics of resisting the logic of global lean production.

The waterfront war in Australia has

advanced this new orientation. Every positive step forward contains complex and contradictory compromises. The final deal struck leaves the Australian docks unionised and has forced the labour hire companies to be disbanded. However, work rates are to be intensified and the workforce downsized in the cause of global 'best practice'.

### South Korea

In January 1997 the Korean Confederation of Trade Unions (KCTU) launched a nation-wide general strike against the state's attempts to undermine employment security. Then again on 27 May 1998, the KCTU triggered a two-day general strike and threatened further general strikes in June unless the government repealed the Mass Dismissal Law and the Temporary Employment Agency Law.

Government introduced the two laws in February 1998. It used the economic crisis as an opportunity to assert that labour market flexibility and the capacity of companies to downsize was essential to South Korea's international competitiveness and capacity to recover economically. A central demand in the general strike was that these laws be repealed.

The KCTU leadership argued that the Temporary Employment Agency Law which permits the establishment of labour hire companies 'has opened the door to a widespread replacement of regular full-time workers with temporary workers'. As was the strategy with Patrick in Australia, this opens the way for the replacement of full-time, unionised workers with non-union, contract workers.

The KCTU pointed out that some 45% of the employed population, that is, over six million workers, are engaged in various forms of irregular employment, such as



Cartoon IL PICO, Globalisation Series No 1

part-time, short-term contingency work. In this context, International Monetary Fund (IMF) demands for labour market flexibility has serious consequences for those with permanent contracts.

Some 120 000 workers joined the general strike under the banner, 'No fight, no tomorrow'. In its strike manifesto, KCTU declared, 'Workers have shaken off the fear and the anxiety caused by the crisis. The government and big business, supported by the media who have become the mouthpiece of the rich, have exploited the good will of workers and ordinary people. We have risen as a legitimate and genuine force to design, build and shape our future.'

The Korean union leadership has displayed a remarkable self-confidence, independence and will to resist. Using research, they developed clear counter proposals to the IMF's plans for South Korea. Leadership called for a process of genuine negotiation that included organised labour, rather than the imposition of externally determined 'reforms'.

We see in this strategic positioning an important feature of social movement unionism - political vision and will to shape society as a whole.



Cartoon: ILFIG Globalisation Series No 1

### *A long history of international solidarity.*

At the same time, genuine social movement unionism does not neglect the never-ending grind of workplace struggle, for they recognise that it is here that union power resides. It is from this base that power radiates outwards through strategic alliances with the community.

#### **Indonesia**

Since July 1997, the Indonesian economy has been in deep crisis. The rupiah has nose dived from 2 000 to the US dollar in August, to 4 500 in December, to 10 000 in June this year. This has hit business operations in Indonesia hard as many had borrowed heavily in US dollars on the international markets. The IMF has insisted that their foreign currency loans should not be guaranteed by the Indonesian government.

The per capita income of Indonesians, measured in US dollars has dropped by 60%. Ordinary Indonesians can no longer buy basic commodities as prices soar. The price of basic foodstuff and cooking oil has increased by 20%. The severity of this crisis can be placed in perspective when one

realises that prior to the crisis, some 60% of working people were earning wages below the minimum subsistence level.

Students' led protests against Suharto's rule and his inability to manage the crisis. Repression was severe. Many disappeared. There were abductions by death squads. Despite the repression the protests continued and climaxed in early May when students occupied the 'parliament'. In the face of mass rioting of the urban poor, Suharto abdicated. The interim government has freed jailed trade unionists and workers have begun mass protests against their conditions. New unions have emerged as a result of interaction with student and environmental organisations.

The reaction of the interim government to union mobilisation and protest cannot be predicted. Independent unions could possibly flourish during this period. Much will depend on international links and external pressure applied to the government to free the remaining unionists and fulfil their promise to liberalise labour laws.

## Towards an alternative

There is never absolute finality to any struggle, only stages to pass through. Victory is not a word that should be used. Rather, the working class is making organisational gains in each of these struggles.

Unions are repositioning and making an independent assessment of globalisation. The shift from global business unionism is occurring. A key challenge now is to consolidate the alternative and deepen an independent position.

Essentially, this involves clarifying the class character of globalisation. The question is simple: who is winning and who is losing in this process of global change?

Of course, governments and business propagandise a different perspective - globalisation is in the interests of every citizen.

Until union leaders break free of this false nationalism, unions will hit a dead end. There has to be a turn from the

national competitive project to the project of a militant, working class internationalism that globalisation has made possible. The new momentum calls forth new strategic choices for unions. ★

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