

LABOUR MOVEMENTS IN THE GLOBAL SOUTH AND THE STRUGGLES AGAINST NEOLIBERAL GLOBALISATION: THE CONGRESS OF SOUTH AFRICAN TRADE UNIONS (COSATU) EXAMPLE

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Abstract

The paper examines the possibilities of labour movements in the Global South playing a strategic and significant role in the struggle against the onslaught of neoliberal globalisation on labour and labour movements, drawing experiences from the Congress of South African Trade Unions (COSATU). The paper is basically descriptive and analytical and employs data obtained mainly from secondary sources. The paper contends that labour is core to the sustenance of the neoliberal capitalist system, especially its unending quest for profit maximisation, primitive accumulation and expansion of capital globally. Yet, complexities and contradictions inherent in the current neoliberal globalisation process have partly caused the structural deconstruction and dislocation of labour globally. In the Global South, the disorganisation of labour movements, job casualisation and informalisation, low wages, poor working conditions, mass retrenchment, erosion of workers' rights, among others are obvious outcome of the attack of corporate capital on labour. Given the entrenched power of capital, the poverty conditions, and seeming failure of governments in the Global South to check the excesses of neoliberalism, there is the tendency to conclude that the prospect for organised labour movements to resist the current attack of neoliberal globalisation and corporate capital is hopelessly lost. However, the paper argues that given the seeming success of the COSATU experience, what is required is an organised programme that engages and mobilises the diverse societal movements and forces opposed to the threat corporate capital pose to society into one formidable block and the inclusion of the unorganised informal sector in the struggle.

Keywords: Globalisation, Labour, Labour Movements, Neo-liberalism, Global South

Introduction

The concept of Global South has been used to collectively categorise developing countries mostly located in Africa, Asia, Latin America and the Caribbean in the development literature (UNDP, 2004). The use of the concept tends to partly reflect the reality of the unimpressive performance of developing countries in ‘politics, technology, wealth and demography’ (Odeh, 2010: 340). Moreover, the analytical utility of the concept seems to reinforce the socio-economic and political division of the globe into the rich and wealthy North, ‘characterized by massive wealth, democratic governance, peace and stability and constantly prone to human progress’ (Odeh, 2010: 340) and the poor and less affluent South, considered ‘a zone of turmoil, war, conflict, poverty, anarchy and tyranny’ (Odeh, 2010: 341). Significantly, the use of the concept Global South, does not in any way presuppose that developing countries are the same in terms of development indicators. Yet, the common fact is that most of the developing countries appear to share some set of socio-economic and political ‘vulnerabilities and challenges’ (UNDP, 2004: 1).

Globalisation is essentially a contested concept. Globalisation means different things to different people. There are economic, political, cultural, and social dimensions of globalisation. Hensman (2001: 428) views globalisation as “the increasing integration of national economies into the world economy through the removal of barriers to international trade and capital movements”. To Held (1999: 2) globalisation is “the widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life, from the cultural to the criminal, the financial to the spiritual”. The centrality of liberalisation, implementation of liberal policies and Information Communication Technology to the globalisation agenda cannot be overstated. Liberalisation in this context involves the elimination of all impediments to the free movement of enterprise, capital, labour and goods across international boundaries (Onyekpe, 2004: 325). Moreover, globalisation reflects and reinforces the goal of neoliberalism. Neoliberalism is a ‘systematic programme of decreasing state involvement in the economy through state liberalisation, privatisation and reduced public spending, freeing key relative prices such as interest rates and exchange rates and lifting exchange controls’ (Onis and Senses, 2005: 264).

The socio-economic and political conditions engendered by neoliberal globalisation continue to threaten labour and labour movements globally. In the Global South, these processes have undermined ‘union bargaining power, state sovereignty, the welfare state and democracy’ (Silver, 2003: 3). Equally, the panoptic power of capital and disciplinary capitalism (Gills, 2003), has compelled states to implement policies that compromise workers rights to prevent the relocation of capital and

investments from their territories. Besides, global competition has forced Transnational Corporations (TNCS) to adopt ‘flexible production systems’ which guarantee them ‘networks of temporary and cursory relationships with sub-contractors and temporary help agencies’ (Hyman, 1992: 62). Consequently, the seemingly conventional stable working class culture has been virtually eliminated; with the power and membership of labour unions in decline.

The crisis of labour movements globally has provoked the call for a shift in the role of labour movements. The emergence of a new form of ‘Social Movement Unionism’ (Lier and Stokke, 2006: 802) and new labour internationalism (Webster, Lambert and Beziudenhout, 2008) are envisaged as the appropriate response to the shifting production strategies of global corporate capital and the attendant insecurities. This underscores the argument that rather than weaken the structural functionality of labour movements, globalisation provides labour the opportunity to reorganise and counter the hegemonic power of global capital. This is instructive given the fact that labour has historically reinvented itself to confront the contradictions inherent in the capitalist mode of production (Silver, 2003; Evans, 2010: 352).

The paper explores the crisis of labour movements globally and particularly in the Global South under neoliberal inspired deregulation of the labour market and reconfiguration of the capitalist production strategy. Moreover, it critically examines why labour movements in the Global South might play prominent role in the struggles against neoliberal globalisation. The labour movement in South Africa as represented by the Congress of South African Trade Unions (COSATU) will be the focus in this context. In the wake of endemic poverty, weak government responses and entrenched power of corporate capital to erode workers rights, do labour unions in the Global South have the power and organisational dexterity to fight the latest gimmick of neo-liberalism? Therefore, seeking answers to this critical question is the thrust of the study. To enhance an efficient discourse, this study in addition to the introduction consist of an assessment of the impact of globalisation strategies on labour in the Global South, labour movements in the Global South as counter force to neoliberal globalisation and conclusion.

Globalisation Strategies and Labour in the Global South: Deregulation, Export Processing Zones and Informalisation

The appraisal of the impact of globalisation on labour movements is significant because ‘work is central to people’s lives. No matter where they live or what they do, women and men see jobs as the ‘litmus test’ for the success or failure of globalisation. Work is the source of dignity, stability, peace, and credibility of governments and the economic system’ (ILO, 2004:

6). But, to what extent has globalisation ensured dignity for labour in the Global South? Globalisation has facilitated the limited involvement of government in economic development. In developing countries where states were hitherto major players in the economy, it means an end to the welfare state. Deregulation of the economy means mass unemployment as government cut down the size of its workforce. The entrenched structural power of capital that goes with the market economy undermines state sovereignty. States do the biddings of corporate capital and conform to its desire to erode workers rights. Equally, the activities of TNCs in terms of facilitating the global mobilisation of capital in the quest for new markets and profits; and transformation in production strategies have produced new dynamism in the way work is organised. Consequently, labour has to come to terms with the precarious realities of outsourcing, flexibility, erosion of union rights, reduce wages, casualisation, and downsizing (Moody, 1997; Beck, 2000).

The shifting production strategy of TNCs involves the outsourcing and subcontracting of production, distribution and marketing networks to Export Processing Zones (EPZs) and informal sector in the Global South. These activities have led to the rapid expansion of EPZs in Africa, South East Asia and Latin America. EPZs are industrial enclaves that enjoy governance and regulation incentives such as tax holidays, adequate infrastructure and low labour rights since they produce for export; benefits not available to other businesses in the country (Arnold and Pickles, 2011: 1598). This has led to the flow of jobs from the North to the Global South. Studies have been critical of the production relations in the EPZs vis-a-vis labour conditions. Arnold and Pickles (2011: 1599) reveal a 'complex set of exploitative labour relations' in EPZs in South East Asia. The EPZs attract migrant labourers in search of jobs creating a pool of surplus labour which contributes to the low wages workers are paid, despite working under harsh conditions. Gallin (2001: 538) notes that about 90% of the EPZ workers are women. Women are assumed to be weak, productive, suited to manufacturing and cheap (Elson and Pearson, 1981). Although the EPZs are critical to the economic and social empowerment of women, yet women are usually victims of sexual molestations. Some critics have compared the outsourcing activities of TNCs and the labour conditions obtainable in EPZs to slavery (Westfall, 2009). However, this raises the question of who decides when workers' rights have been violated? To the workers the issue of low wages and poor conditions of work is nothing compared to the opportunity the EPZs provide them with to eke out a living in the midst of poverty. Nonetheless, international agencies like the ILO mount pressure on EPZs to adopt best production and labour practices.

The growing economic importance of the informal sector is related to the economic crisis caused by macro-economic policies. The informal sector includes workers like street vendors, tenant farmers and fishermen not directly employed in the formal sector. Gallin (2001: 533) contends that the dismantling of the public sector and deregulation of the labour market triggered economic crisis in the 1980s in Africa and subsequently in Russia and East Asia in the 1990s led to the emergence of the informal sector. About 24 millions of jobs were lost in East Asia during the East Asian Economic crisis. Equally, the structural transformation of production strategies of TNCs was crucial to the emergence of the informal sector. TNCs like NIKE, TOYOTA, KODAK and CATEPILLAR as organisers of production control the label, design, and marketing and make decisions on production, distributions and quality control with a core team of management and technical staffs at the corporate headquarters. However, they subcontract all other products of the companies and labour intensive operations globally, mainly to EPZs and informal sector (Gallin 2001: 534). The outsourcing of production to EPZs and Informal sectors eliminate the traditional employer-employee relationship where labour has the legal recognition to organise and mobilise membership against poor conditions of service. Since the informal sector is characterised by the absence of rights, minimum wages, legal and social protections for workers, TNCs can evade responsibilities on incomes and conditions entitled to permanent workers. The flexible nature of the informal sector and EPZs as regard the pool of cheap surplus labour, use of migrant and women workers, absence of labour unions, pressure for profit and intimidation on the part of management ensure that labour is unable to organise (Gallin 2001: 535; Moody, 1997: 202).

Drawing from the foregoing, globalisation is an obvious nemesis of labour (Evans, 2010: 252). It has hasten the mobility of capital, geographical dispersion of production and expansion of trade, thereby increasing the bargaining power of capital and intensifying competition among workers in various countries; especially between workers in poor and wealthy nations (Evans, 2010: 254). Moreover, the production strategies of subcontracting and informalisation across geographical location undermine the 'cultures of solidarity and shared networks' (Fantasia, 1989) critical to the mobilisation of workers. Similarly, the power of capital has rendered states powerless, denying labour the key political force required to countervail the power of capital (Tilly, 1995; Evans, 2010: 255). Arguably, the plight of labour is aggravated by the capitalist system notion of labour as a mere commodity to be traded. But, 'labour cannot be reduced simply to a commodity, since it is a human activity. Life itself is not sustained by market forces but it is reproduced socially' (Polanyi, 2001: 3). However, in the push for the

primitive accumulation of global capital, the capitalists have always sacrificed labour.

Labour Movements in the Global South as Counter-Force to Neoliberal Globalisation – The COSATU Example

The subordination of labour in the production process by globalisation has galvanised the call for labour to ‘globalise’ (Silver, 2003; Munck, 2010: 219). Since capital is ‘thoroughly globalised’ (Evans, 2010: 352), globalisation provides the inherent incentives for the reorganisation and trans-nationalisation of labour. This argument is underpinned by Marx theoretical postulation that ‘any reorganisation of production creates new opportunities for counter organisation’ (Evans, 2010: 353). In the struggle against globalisation, labour movements in the Global South are a prominent force to reckon with. They have the benefit of a flourishing Social Movement Unionism (SMU). Social Movement Unionism involves labour unions building alliances with other organisations of working class peoples, civic societies, NGOs, political parties and communities within and across national boundaries to confront the challenges from global capital. The cooperation of this ‘strategically concatenated diversity’ (Evans 2010: 354) provides a common platform for organising the alienated and marginalised groups against the common enemy – global capital.

Apparently, labour unions in Brazil, South Africa and Nigeria have experiences in SMU with their chequered history of organising coalition of workers movements and civil societies against colonialism and bad governance. The labour movement in South Africa which this section will focus on operates as Social Movement Unionism. The Congress of South African Trade Unions (COSATU) formed in 1985, comprising of 33 unions and with a membership of 1.75 million workers is renowned in this regard (Pillay, 2008; Buhlungu, 1999: 4). During apartheid, the poverty of the working class and the struggle for political inclusion made COSATU to build alliances with civic societies, religious groups and communities in the struggle against apartheid (Moody, 1997: 210).

The inequality and unemployment that accompanied economic liberalisation in post-apartheid South Africa brought to fore the potency and dynamism of Social Movement Unionism. Following the African National Congress (ANC) government adoption of the Growth, Employment, and Redistribution (GEAR) in 1996, essential services like water, health and electricity were privatised. Despite COSATU’s alliance with the ruling ANC, its response to government neoliberal policies was swift. COSATU in alliance with South African Municipal Workers’ Union (SAMWU) and civil society groups like the Anti-Privatisation Forum and AbahlaliBaseMjondolo (ABM) organised mass protests, strikes and picketing activities between

2001 and 2006. Consequently, government in 2004 instituted programmes that involved the state in the effective redistribution of resources to avert social-economic crisis; rather than allow the market sole control (Moody, 1997: 212; Webster, Lambert and Beziudenhout, 2008). Besides, COSATU have been militant in its response to mining companies' policies that undermine workers rights and wages. Equally, it organises resistance against neoliberal policies that affect the landless, homeless and poor in the society. Also, COSATU has used its alliance with the government to influence favourable legislations for labour. The efficacy of SMU in South Africa as underlined by COSATU underscores the realisation that labour and society are mutually interdependent. Issues that affect labour in the work place affect the society and vice versa. Incidentally, the incorporation of the informal sector within the coalition provides informal sectors workers the platform to challenge poor working conditions.

Nevertheless, COSATU alliance with the ANC government presents it with a credibility problem as its leadership is often accused of being compromised. Besides, the co-option of union leaders into government positions as part of the Black Empowerment policies of government affects internal coherence, democracy, discipline, and trust between union's leadership and the rank and file (Buhlungu, 2003, Moody, 1997: 211); leading to increased bureaucratisation within union federation (Pillay, 2008: 59). Yet, COSATU has been waxing stronger with its membership on the increase. COSATU has been vibrant in the political mobilisation of the grassroots in the struggle against neo-liberalism. This is made possible because its policy proposals and struggles reflect the concerns of both its members and the poor of the society (Vavi, 2005: 8). In the wake of the crisis of labour, COSATU represents the hope of how a union with 'an aggressive organising policy, a militant bargaining record and strong ties to working-class communities can grow in a period of relative instability' (Moody, 1997: 211).

Beyond Social Movement Unionism, COSATU is involved in the new 'transnational social movements' (Lambert and Webster, 2001: 350; Lier and Stokke, 2006: 803). The formation of the International Transport Workers Federations at global level and the Southern Initiative on Globalisation and Trade Union Rights at the regional level enhances unity and solidarity among workers globally, thereby allowing labour to globalise and be well positioned to challenge corporate capital. It also provides the opportunity for mutual exchange of information on pay bargaining and management strategies among unions (Munck, 2010: 227; Hodkinson, 2001: 9). However, labour internationalism is fraught with challenges. Global labour is not a homogenous mass. They differ in ideology, occupation, class, technological, economic and national affinity. This has implications for

global labour cohesion and strategy. The class consciousness ideology that should have provided the rallying point for labour world-wide has been displaced by neoliberal ideas of ‘market efficiency, international competitiveness and enterprising individualism’ (Lambert and Webster, 2001:341). Thus, labour unions in the South might be convinced to forgo their combative posture and ‘embrace aspects of lean production’ and European styled ‘social partnership’ by unions in the North (Moody, 1997: 212). Besides, the difficulty of labour to organise the unorganised workers globally is a threat to new labour internationalism. An organised informal sector provides the ‘critical mass’ essential to boost the dwindling membership and political power of labour movements globally. Therefore, it behoves traditional labour movements to extend membership to the informal sector workers or encourage them to form their own unions. This will enhance synergy of activities among labour and ensure the ‘protection of the unprotected’ (Gallin 2001: 537).

Conclusion

Globalisation as the current stage in the historical trajectory of capitalist development is driven by neo-liberalism. Neo-liberalism involves the relentless accumulation and expansion of capital globally under the auspices of market driven policies (Leys, 2003). Moreover, globalisation is directed by the capitalist class to promote and protect their economic and political interests world-wide (Harvey, 2005). Globalisation has deepened cross-national solidarity among capitalists and facilitated the internationalisation of capital, financial markets and production with the attendant emergence of powerful TNCs. It is instructive that labour has not been able to move freely like capital, suggesting some form of conspiracy on the part of global capital to undermine the capacity of labour to mobilise globally.

The neoliberal drive for primitive accumulation and expansion of capital globally is being attained at the expense of the structural deconstruction and dislocation of labour in the production process. Consequently, deregulation, informalisation and flexibilisation have led to a race to the bottom crisis for labour. Yet, labour is crucial to the production of the wealth which sustains the capitalist system. The location of labour within the production sphere puts it in the position to confront ‘capital’s unending desire to reorganise production for maximum profit’ (Moody, 1997: 201). Therefore, an integrated programme of actions on the part of labour is required to engender a ‘fundamental shift in the power relation between capital and labour’ (Gallin, 2001: 533). The labour unions in the Global South as manifested by COSATU in South Africa have proven that rather than surrender to the market onslaught, global labour must mobilise societal

movements and forces to resist corporate capital. The trans-nationalisation of alliances among labour movements globally is imperative too. Therefore, restructuring the unions globally to incorporate the unorganised informal sector, deepening of union democracy and overcoming the North-South divide among labour unions globally are of priority in the struggle against globalisation.

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