

Review essay / Note Bibliographique

Labour, States, and Social Policies in a Globalizing Era

Ronaldo Munck (ed.), *Labour and Globalisation: Results and Prospects*. Liverpool, UK: University of Liverpool Press, 2004. xiv, 254 pp.

Deborah Eide and Alan Leather (eds.). *Development NGOs and Labor Unions: Terms of Engagement*. Bloomfield, CT: Kumarian Press, 2005. 300 pp.

Daniel Morales-Gomez, Necla Tschirgi, Jennifer L. Moher (eds.). *Reforming Social Policy: Changing Perspectives on Sustainable Human Development*. Ottawa: IDRC, 2000. viii, 160 pp.

Eddy Lee and Marco Vivarelli (eds.). *Understanding Globalization, Employment and Poverty Reduction*. Basingstoke: Palgrave Macmillan and the ILO, 2004. vii, 389 pp.

Marx and Engels famously explained that men make history, though not under conditions of their own choosing. In the *Communist Manifesto* they discussed the revolutionary, albeit exploitative, role of the bourgeoisie, noted the “ever expanding union of the workers”, decried “competition between the workers”, and called on labour to seize the moment and make history itself. In recent decades, however, those making history have been exclusively the capitalists, and their unlovely product, neo-liberal globalization, has gone hand in hand with flexibilization, feminization, and informalization of work, in a new version of what Harry Braverman termed the “degradation of labor”. Trade unions have been unable to stop welfare cuts in the North, structural adjustments in the South, the painful transition in the former socialist countries, and growing unemployment everywhere. The break-up in 2005 of the AFL-CIO was symptomatic of union disension and decline – at a time when corporate hostility to unions continues.¹ With the collapse of communism and the end of the bipolar world, all states – including those that were once

staunchly non-aligned – have come under the discipline of a single, capitalist global economy. Global trends – including privatization and trade liberalization – have diminished traditional notions of state sovereignty. The neoliberal ideology has compelled states to retreat from employment-creation and social welfare. To fill the gap in service delivery, all manner of NGOs have proliferated – sometimes in competition with unions though without the mass membership traditionally enjoyed by unions.

On the bright side, though, the growth of a global justice movement strongly opposed to neoliberal capitalism has seen fruitful coalitions between activist trade unions and social justice NGOs, along with cross-border labour solidarity. Transnational advocacy networks have launched campaigns to hold multinational corporations accountable for sweatshop conditions, enhance worker rights, and improve social provisioning. Global union federations such as the International Confederation of Free Trade Unions (ICFTU), Public Services International (PSI), the International Textile, Garment and Leather Workers' Federation (ITGLWF), and the International Transport Workers' Federation (ITF), have been taking proactive positions on many social and economic issues. The ICFTU will be expanding with the addition of India's famous women-only union, the Self-Employed Women's Association (SEWA) and with the Christian-oriented World Confederation of Labour (WCL). What is more, we have seen a left turn in the electoral politics of Latin America, with the progressive governments of Argentina, Bolivia, Brazil, Chile, Uruguay, and Venezuela reflecting the region's anti-globalization and human rights sentiments. The forces of "globalization-from-below" may not be equal in power to those of "globalization-from-above", but their cogent analyses and determined activism make for a formidable challenger.

The four books under review all address themselves to the varied conditions of neoliberal globalization, albeit in different ways. Two books focus on the labor movement and prospects for social movement unionism. Two focus on social and economic policies. With contributions by academics, trade unionists, policy advisors, and representatives of NGOs, all four books address the themes of globalization and labour rights, prospects for social provisioning, and the socio-economic impact of liberalized trade.

Trade unions and NGOs: tensions and cooperation

The volumes edited by Ronaldo Munck and by Deborah Eade and Alan Leather focus on the current state of trade unionism around the world, and the challenges presented by globalization. In a situation of declining membership and proliferating NGOs, can unions regroup, restructure, and work meaningfully with progressive NGOs to build social movements that can halt the deterioration of incomes and protect the socio-economic rights of citizens? In Poland, a trade union was instrumental bringing down socialism and ushering in democracy – but as Munck shows in his introductory chapter, trade union membership in Eastern Europe as a whole declined by about half in the 1990s. Chapters describe union strategies to counter the effects of globalization and build international solidarity; they also describe tensions and competition between unions and NGOs over child labour, codes of conduct, the social clause in trade agreements, and organizing efforts in the informal sector. For unions, NGOs are small associations without a mass membership base, often meddlesome, and sometimes friendly to employers. But when women's groups are accused of attempting to usurp their role as organizers, they respond that male-dominated unions are often insensitive to the needs of women workers in the apparel sector, where the vast majority of the workers are women.

Chapters in the two books, however, also provide examples of movement alliances in the interest of broader social justice, such as in the democracy struggles in South Korea, Indonesia, and Nigeria. In the Eade and Leather volume, we learn of union projects on immigrant/migrant workers' rights carried out with community-based organizations, as with the California-based Citizenship Project. Coalition-building is also exemplified by the British-based War on Want, an NGO that has worked with and promoted unions since its inception, and the Australian People for Health, Education and Development Abroad (APHEDA), a progressive aid agency that worked with the Australian Council of Trade Unions.

Women and unions

In tandem with the increasing involvement of women in the global economy, many parts of the world have seen large numbers of women joining trade unions. This growth in the rank and file has not, however, been met by a corresponding growth in

women's decision-making positions in trade unions throughout the world, although at the global level, the ICFTU and PSI have been trend-setters.² The culture of many trade unions is masculinist and protectionist, leaving workers in low-income, unregulated, or informal sector jobs – including domestic workers, agricultural workers, and migrant women workers – unorganized and thus deprived of labour rights and social benefits. This, after all, was a major reason for the formation of SEWA in India. To be sure, trends such as the deterioration of work conditions and the “feminization of poverty” have been decried by unions, but the lead in this has been taken by women within development NGOs and transnational feminist networks, as well as by feminist trade unionists. Throughout the world, organizations have been set up to research, advocate and lobby for working women's conditions and rights. In the Eade and Leather volume, Ruth Pearson describes HomeNet, the transnational network of organizations dealing with women and home work, while Marina Prieto and Carolina Quinteros discuss women's organizations and labour issues in Central America's maquila industry.

Campaigns around specific issues can lead to fruitful coalitions between women's groups and unions. In the Eade and Leather book, Sophia Huyer discusses the role of women's groups in anti-NAFTA campaigns in Canada, within the Pro-Canada network. It is instructive to read that the National Action Committee on the Status of Women, along with the Confederation of Canadian Unions, organized a meeting of labour, women's agricultural, social service, church, university, and cultural groups opposed to the FTA. This grouping became the core of the Ontario-based Coalition Against Free Trade. The feminist-trade union alliance may have been facilitated by Shirley Carr, who was then president of the Canadian Labour Congress. The Canadian case exemplifies the important bridging role played by women trade unionists and feminist activists. Angela Hale discusses the London-based Women Working Worldwide as a new form of labour internationalism and stresses the important work on economic justice and women workers done by NGOs such as the Korean Women Workers Organization United and the Bangkok-based Committee for Asian Women (Bangkok). It is clear to this reviewer that the women's movement and the labour movement are natural allies, and that closer cooperation between trade unions and feminist NGOs working on women's socio-economic

conditions and rights could yield significant results.³

The continuing significance of the state, national politics, and social policy

In much of the recent literature on globalization and activism, considerable attention has been directed at transnational social movements, transnational advocacy networks, and global civil society. Much theorizing within globalization studies has tended to suggest the decline of the nation-state. And yet, reports of the demise of national politics and the state are exaggerated, as all four books show. Taken together, the four books show the links among the state, domestic politics, the global economy, and global civil society.

Reforming Social Policy emphasizes the role of states in social policy, with in-depth studies of Ghana, Chile, and Canada. There are obvious differences across the three countries, but the striking similarity is that in all three cases, the state has chosen to withdraw from the direct provision of services and execution of social programs. Aspects of globalization, such as liberalization and privatization, have led to the proliferation of NGOs in developing countries. In Ghana, for example, the number of NGOs doing service delivery has increased. This is no doubt tied to the fact that “social policy in Ghana in recent years has been subordinated to the imperatives of economic reform and has, as a consequence, been incoherent and residual” (Ernest Aryeetey and Markus Goldstein, p. 10). The chapter on Chile describes the transition from a state-sponsored social welfare model to a rather notorious neoliberal one to a strategy that the author describes as emergent: “The new approach is currently in flux: it does not rest on a shared vision, and its implementation confronts significant obstacles” (Dagmar Raczynski, p. 77). Innovative features cited by the author are the interplay between state, market, and society at the national, regional, and local levels. The author believes that the state should assume leadership in articulating a vision, mobilizing support, setting policy priorities, while limiting its traditional responsibility for direct provision of services and execution of programs (p. 78). This is a somewhat more conservative recommendation than that found in the chapter on Canada.

Terrance Hunsley begins by defining social policy “as the responsibility of the nation-state to provide necessary structures for collective security and appropriate collective consumption

(social insurance, health care, education); to establish and enforce principles of access and equity in the conduct of public and private affairs; to alleviate hardship and disadvantage through ensuring basic living standards; and to foster the development of a healthy, adaptable, competent, cohesive, and successful population” (p. 84). However, fiscal conservatism led to reforms in the 1980s and 1990s that shifted welfare provisioning from universal to targeted and means-tested programs with stricter eligibility requirements. This chapter provides some interesting contrasts with the United States, and also raises some pertinent methodological issues for students of social policy.

The specificities of each of the country case studies notwithstanding, the book offers lessons of a wider relevance, some of which are nicely summed up in the concluding chapter by Jennifer Moher. Although social welfare and developmental states historically have not been liberal democratic ones – they have been socialist or otherwise authoritarian – states everywhere retain responsibility for strategic resource allocation, including allocations for welfare provisioning. In this connection, NGOs cannot possibly substitute for the state. This is true for all countries, but especially for developing countries without a large and well-organized private sector. Moreover, targeting and means testing may be pertinent in high-income countries but are meaningless when the majority of the population is poor.⁴

State policies also are addressed, both directly and indirectly, in *Understanding Globalization, Employment and Poverty Reduction*. The book seeks to inquire into the perplexing question of the impact of globalization – usually defined as accelerating trade and foreign direct investment (FDI) – on employment growth, income equality, and poverty alleviation. Written entirely by economists, the book is nonetheless very readable and its technical aspects are kept at a minimum. Several chapters – notably those by Lance Taylor and by Giovanni Andrea Cornia – are particularly useful for classroom use, as they contain excellent summaries of research results.

Lance Taylor’s long-term study of 14 countries undergoing liberalization found a mixed picture: only four “managed steady growth over a period of a decade or more”. And: in at least half the cases, “output per capita in the traded goods sector grew less rapidly than labour productivity, forcing the overall employment structure to shift toward less attractive jobs in the non-

traded sector. ... Similarly, liberalization tends to shift the employment structure toward more highly skilled workers...” In addition, “four countries reported increased ‘informality’ of employment.” He concludes by expressing amazement at the continued insistence on the part of proponents of orthodox neoclassical theory, that increased integration of world commodity and capital markets is conducive to growth and is expected to be welfare-improving” (p. 29). Taylor’s chapter is complemented by the results of a statistical exercise by Jean-Baptist Gros, who finds that the labour market effects of trade liberalization have been mixed in Latin America (where the manufacturing sector has declined), whereas they have been positive for Asia (where export-led growth has generally been associated with falling inequality (p. 114).

An increase in international trade does not necessarily raise labour demand in developing countries. But Vincenzo Spiezia also argues that FDI seems to boost employment growth in high-income countries, confirming that the effects of FDI seem to depend on the level of development of the host country. FDI is not the magic potion that some promoters of globalization suggest it is. Moreover, as Sanjaya Lall notes, FDI seeks not just cheap labour but efficient, skilled, *and* cheap labour. This is why the spread of integrated production systems in the developing world has benefited mainly middle-income countries.

How does globalization affect income inequality? The continuing debates on inequality suggest that both global forces and national politics are relevant. Cross-country inequality may be an effect of globalization’s generation of technological leaders and laggards (as well as differences in the terms of trade and market access). To alleviate within-country inequality it is important for developing countries to obtain access to world markets, but – I would add – social policies and labour rights also are key. The book’s editors, Eddy Lee and Marco Vivarelli, are not sanguine about globalization’s effects on employment and poverty reduction. They conclude that the importance of FDI for economic growth notwithstanding, its positive effects have to be weighed against the crowding-out of non-competitive domestic firms and the possible reduction in employment associated with FDI operating through mergers and acquisitions. Even more starkly, they note that liberalization of capital accounts has been found to be correlated with possible increases in relative poverty. Because of

these risks, policy controls on trade and FDI are necessary.

The conclusion, therefore, is that contrary to the views of many globalizers (and of the predictions of certain neoclassic economic theories), what matters is the technological absorptive capacity and institutional context of developing countries. The effects of liberalization depend very much on variables associated with social capabilities such as institutional bases, educational system, physical and social infrastructures. This is why Asia and Africa represent the two polar extremes of the effects of globalization. In general, increasing trade is associated with an increase in economic growth and an overall decrease in absolute poverty. But it is also associated with “skill-biased technological change”, on the one hand, and increased competitiveness, on the other, which results in growing income inequality. As Sanjaya Lall notes: the relationship between globalization and employment is “context-specific, dynamic and changing, reflecting *particular interactions in teach economy* [emphasis in the original]” [p. 73]. Here is where state policies come in, and where they can make a difference. For when states commit themselves to labour rights, the dreaded “race to the bottom” can be checked.

Toward the Globalization of Labour Rights

The importance of promoting the ILO’s core labour standards, which are grounded in human rights, cannot be emphasized enough. In the Eade and Leather book, Joseph Roman asks what core labour standards are and answers that they are, or should be, the right to a living wage; the right to a safe and healthy working environment; and the right to be free from discriminatory labour practices. The ILO does promote “decent work”, but its “core labour standards” consist of eight conventions pertaining to the elimination of child labour, forced labour, and discrimination in employment, along with the right to organize. For women, inserted as they are in formal and informal, waged, low-waged, and non-waged work conditions, these may not be the most pertinent or adequate standards, which is why it may be necessary to develop a bill or charter or declaration on the socio-economic rights of working women.⁵

In any event, the state remains a major actor with respect to globalization as well as with respect to its responsibilities vis-à-vis the welfare of its citizens. In the Eade and Leather volume, Joseph Roman rightly asserts: “That globalization nullifies the

role of the state is largely a myth. “International trade agreements and the liberalization of finance since the end of the Cold War have been created by states, not by transnational corporations” (p.131). Among other things, this underscores the continued need for unions and progressive NGOs to focus on local labour struggles as well as transnational issues, and to help democratize the economic realm. As Denis McShane notes in his Foreword to the Munck volume, “Unions have always focused on increases in salaries. Why have they ignored the need to allow workers to participate in ownership?” Indeed. This becomes relevant when the issue of factory closure comes to the fore. But also relevant are national and international mechanisms to control capital and ensure labour rights. Chapters in both the Munck and Eade and Leather volumes provide fascinating insights into issues related to corporate codes of conduct. What becomes clear is that a global social compact is needed to restrict “runaway capital”.

What else is to be done? All four books, each highly recommended in its own way, show the links between the local and the global, the relevance of policy, the responsibility of the state, and the importance of collective action at national and global levels. What is required, then, is for unions and progressive NGOs to recognize the links among workplace, family, civil society, the state and global forces. Rather than wrangle and compete, they should develop a strategy to promote labour rights – including the rights of women workers – to resist the damaging effects of globalization and thus make history themselves.

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Endnotes

¹In a recent example, Tesco, the world’s third-largest grocer, has listed “maintaining union-free status” and “union avoidance activities” among the responsibilities of senior managers of its planned new network of stores on the west coast of the United States. See Jonathan Birchall, “Tesco job ads follow non-union line”, *Financial Times* May 27/28, 2006.

²The PSI at its 2002 Congress amended its Constitution to allow for 50% female participation in all its decision-making bodies. (Personal communication, Nora Wintour, PSI, 9 May 2005.)

Sharan Burrow, head of the Australian Council of Trade Unions, was elected the first woman president of the International Confederation of Free Trade Unions (ICFTU), in December 2004.

³This is an argument in my book, *Globalizing Women: Transnational Feminist Networks* (Baltimore: Johns Hopkins University Press, 2005), and will be the subject of the forthcoming book by Suzanne Franzway and Mary Margaret Fonow, *Making Feminist Politics in Global Union Networks*, to be published by the University of Illinois Press. See also Fonow's *Union Women: Forging Feminism in the United Steelworkers of America* (University of Minnesota Press, 2003), and Franzway's *Sexual Politics and Greedy Institutions: Union women, commitments and conflicts in public and private* (Pluto Press, 2001).

⁴Readers especially interested in social policy also should consult the new series commissioned by UNRISD on social policy in a development context, published by Palgrave. Among the many in the series (see full listing on www.unrisd.org), see especially Thandika Makandawire (ed.), *Social Policy in a Development Context* (2004); Huck-ju Kwon (ed.) *Transforming the Developmental Welfare State in East Asia* (2005); Massoud Karshenas and Valentine M. Moghadam, *Social Policy in the Middle East: Economic, Political, and Gender Dynamics* (2006).

⁵This is, in fact, a research/policy project that I currently lead at UNESCO, which includes trade unionists, academics, and NGO activists.
