The Impact of Globalisation on Trade Unions: Cosatu's Present and Future Engagement in International Issues

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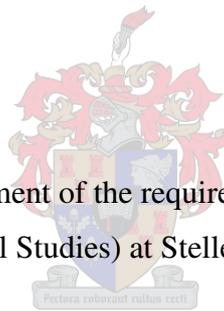
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"Declaration

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Abstract

The effects of 'accelerated globalisation' can not be denied when observing modern innovations shaping human life. Its development and consequent revolutionary impact is unlike any other in modern history. The last half of the twentieth century witnessed changes in exponential terms, such as informational and technological innovations that constantly redefine the way people function. This study focuses on the effect of globalisation on trade unions, paying particular attention to the formation of liberal economic conditions, the rise of global capital flows, and the diversification of workers, working conditions and employment patterns.

Globalisation has led to the formation of new social, economic, and political conditions which have made it increasingly difficult for trade unions to function in traditional ways. At the heart of this lies the fundamental opposition of capital to labour, and increasingly so under conditions of global competition. Trade unions, are organisations that represent worker interests through solidarity and strength in numbers, traditionally at the national level but increasingly they are being challenged on a global level. Thus, due to various internal and external factors, the situation many unions find themselves in is one of survival instead of growth and influence.

The case study of Cosatu was chosen due to the benefit of analysing the organisation's past success as well as present situation. Although it has not been unaffected by the problems facing unions worldwide, it has managed to achieve some notable successes in the process. The practice of social movement unionism has been highly effective in mobilising under-represented groups, and is found to still be effective in South Africa, although at a diminished scale.

It is imperative for all unions to restructure the way they function so as to incorporate previously marginalised groups, to utilise technology and globalisation to their advantage, and to educate potential new entrants to the labour market.

Opsomming

Die effek van 'versnelde globalisasie' kan nie ontken word as daar gekyk word na die moderne innovasies wat 'n sosiale impak het nie. Die ontwikkeling en konsekwente revolusionêre impak daarvan is ongelyk aan enige iets in die moderne geskiedenis. Die laaste helfte van die twintigste eeu het wyd verspreide veranderinge gesien in die informasie- en tegnologiese velde, wat bygedra het tot die konstante herdefinieëring van sosiale lewe. Hierdie studie fokus op die effek van globalisasie op vakbonde, met die fokus op die formasie van liberale ekonomiese omstandighede, die groei van globale kapitaal, en die diversifisering van werkers, werks-omstandighede en indiensnemings-patrone.

Globalisasie het gely tot die formasie van nuwe sosiale, ekonomiese en politieke omstandighede en sodoende dit moeiliker gemaak vir vakbonde om op tradisionele maniere te funksioneer. Kapitaal is op 'n fundamentele vlak in opposisie met werkers en hul belange, en onder omstandighede van globale mededinging is dit toenemend waar. Vakbonde is organisasies wat werkers belange verteenwoordig deur solidariteit en krag in getalle, tradisioneel slegs op lokale vlak, maar toenemend word hulle op globale vlak ook uitgedaag. Ongelukkig, weens verskeie interne en eksterne faktore, is die posisie wat vele vakbonde hulself in bevind een van oorlewing in plaas van groei en invloed.

Cosatu is gekies weens die voordeel om die organisasie se sukses van die verlede sowel as huidige sukses te analiseer. Alhoewel die organisasie nie onaangeraak is deur die probleme wat deur vakbonde wêreldwyd ervaar word nie, het dit wel sekere suksesse behaal in die proses. Die beoefening van 'social movement unionism' is breedweg waargeneem as hoogs effektief vir die mobilisering van gemarginaliseerde groepe, en dit is bevind dat dit steeds in Suid- Afrika voortduur, alhoewel op 'n verminderde skaal.

Dit is dus van kardinale belang vir vakbonde om te herstruktureer, en sodoende voorheen gemarginaliseerde groepe te inkorporeer, om tegnologie en globalisasie tot hul voordeel te gebruik, en om nuwe toetreders tot die arbeidsmark te onderrig.

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List of Acronyms

ANC – African National Congress

ASEAN – Association of South East Asian Nations

BAWU – Black Allied Workers Union

BEE – Black Economic Empowerment

BIGU – Bangladesh Independent Garment Workers' Union

CCC – Clean Clothes Campaign

Cosatu – Congress of South African Trade Unions

CGT-FO - General Confederation of Labour-Force

CSR – Corporate Social Responsibility

EPZ – Export Processing Zone

ETUC – European Trade Union Confederation

EU – European Union

FDI – Foreign Direct Investment

FEDUSA – Federation of Unions of South African

FOSATU – Federation of South African Trade Unions

GATT – General Agreement on Trade Tariffs

HSRC – Human Sciences Research Council

ICU – Industrial and Commercial Workers' Union of Africa

ICFTU – International Confederation of Free Trade Unions

ILO – International Labour Organisation

ISI – Import Substitution Industrialisation

ITAC – International Trade Administration Commission

ITS – International Trade Secretariat

ITUC – International Trade Union Confederation

KCTU – Korean Confederation of Trade Unions

MAWU – Metal and Allied Workers Union

MUA – Maritime Union of Australia

MST – Movimento dos Trabalhadores Rurais Sem Terra (Landless Workers' Movement)

NACTU – National Council of Trade Unions

NAFTA – North American Free Trade Agreement

NEDLAC – National Economic, Development and Labour Council

NGO – Non-Governmental Organisation

NIC – Newly Industrialised Countries

NUM – National Union of Mineworkers

OATUU – Organisation of African Trade Union Unity

OECD – Organisation for Economic Co-operation and Development

SAAWU – South African Allied Workers Union

SACP – South African Communist Party

SACTU – South African Congress of Trade Unions

SACTWU – South African Clothing and Textile Workers' Union

SAF – South African Federation

SATAWU – South African Transport and Allied Workers Union

SATUCC – Southern African Trade Union Co-ordinating Council

SEWA – Self Employed Women's Association

SEWU – Self Employed Women's Union

SEZ – Special Economic Zone

SMU – Social Movement Unionism

TNC – Trans-national Corporations

UDF – United Democratic Front

UN – United Nations

WTO – World Trade Unions

WCL – World Council of Labour

ZCTU – Zimbabwean Congress of Trade Unions

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Motivation, Background and Problem Statement

1.1. Background

Even though globalisation has not always been called by the same name, it has arguably been happening since the beginning of civilization and exploration. This phenomenon has been occurring before recorded modern history, but taking on a different character since the late 1800s and early 1900s. The accelerated pace and pervasiveness, associated with what is termed 'Accelerated Globalisation', have had various consequences on many aspects of modern society. A simplified definition of globalisation is the increase in interactions of people from different places in the world; facilitated by modern technological advances in transport, telecommunications, and language studies. Though such a simple definition can serve to establish a foundation from which one can proceed, it does not adequately explain the modern conditions created by years of innovative and revolutionary change. The process of industrialisation is closely associated with economic and infrastructural growth and mechanisation in Europe and America.

Industrialisation is a term that has connotations with mass production in 'Fordist' assembly lines with workers forming in lines, performing simple tasks, and requiring little or no formal education. The formation of a working class was hurried by the rapid urbanisation and the spread of inequality. Large concentrations of people within enclosed living environments exasperated frustrations with poor living and working standards. Within this environment, the first unions were formed to represent worker rights and issues when meeting the employers and government representatives in discussions relating to member's lives. Industrialisation can be seen as a process, a process which took a long time to fully come into being in Europe and America; but one that has been forcefully applied and hurried along in the developing world. There is a growing problem with the way in which industrialisation is approached in the developing world, and it stems from the speed at which industrialisation is happening. Certain stages in development are bypassed and neglected thereby creating problems in these rapidly industrialising countries.

Not only did industrialisation create the required conditions for union formation, it also spurred governments and private companies to look beyond the borders of their own countries in order to find the resources needed to sustain the industrialisation and accompanying development. The colonization of Africa, Asia and America also transformed the global political economy, fundamentally changing the structure thereof by starting to incorporate an increasing amount of people into its reach. In essence, this is when globalisation took on a different character with more pervasive features and an accelerated pace, not only influencing the actions of states but that of individuals and their various endeavours. Industrialisation could not happen without the capitalist mindset; the accumulative and adventurous spirit of pioneers drove this to become one of the most important happenings in modern history.

Capitalism was the dominant mode of production in the 20th century; and it looks likely to continue growing, at least for the moment. Together with globalisation, the spread and depth of capitalism has extended further than ever. The global marketplace brought new and exciting opportunities for companies willing and able to deal with the risks associated with such endeavours. Global management strategies make the functioning of global corporations smooth and efficient; while technological advances in transport, communication, and information technology works toward faster and more accurate projections and ever- increasing control over the forces of production.

Globalisation should be seen as a process, one with many aspects and factors working in conjunction and constantly being debated and critiqued by academics from the growing body of work within 'Globalization Theory'. It is, however, undeniable that the effects associated with the term have had far- reaching consequences on the world. Most of these consequences are not inherently good or bad, but when applied in the wrong way have created unstable conditions in economies that are either unable or unwilling to fully deal with the accompanying challenges. An example of such a challenge is the sudden exposure of local companies to conditions of international competition after they have only been competing locally. Not only do governments sometimes change labour regulations to better service the demands for FDI, but it causes local companies to either go bankrupt or adapt; for better or worse, economic

conditions are fundamentally changed after compliance to international standards, and it is the working class that is most affected.

The labour movement was born out of the process of industrialisation and the developments which came forth from large scale mechanisation and mass production. Large quantities of people abandoned their previous occupations, mostly farmers and landless agricultural workers; they moved to urban areas and became the workforces of the factories that fuelled the industrialisation drive. These workforces became organisations that were formed to counteract the capitalist system and give rights to the workers of the world, working together and finding strength in solidarity. Shaped by working conditions and living circumstances of the industrial revolution, the trade union has been evolving and changing with the times, to resist the pressures of capitalism and state policy. It has, however, become increasingly ineffective in a fast changing and global world. The struggle to cope with the demands of this new situation is extremely important for the trade union movement and the members of such movements all over the world.

The unions of the world face a fundamental disadvantage, stemming from the fact that labour is constrained by the borders of the nation state. Except for highly skilled and educated people, labour remains inevitably local; people have to find employment within a country and have little or no influence in the policy considerations of governments. The challenges posed by globalisation include governments liberalising macro-economic policies making it easier for capital to flow over borders and thus enabling companies to gain the upper hand. The diversification of the workforce and changing patterns of employment utilized by firms is another offshoot from increased globalisation working against organised labour. Although unions have not had much success on a global level, there do remain some unions and union federations that have the capacity and ability to curb negative impacts and shape the countries in which they are found. The Congress of South African Trade Unions (Cosatu) is an example of a union organization that has nestled itself into the fabric of South African politics, aligning with government, but also fighting against policy choices on issues vital to its members.

A historical background to this important and influential organisation in South African politics will be given, providing the reader with the understanding needed to look beyond what is happening at the moment and into the future. Though Cosatu's past success is not to be ignored, the union has been losing ground steadily and surely as all unions have world- wide; and thus the organisation can provide less and less protection for members, opening up a cycle of retraction. The conditions of global competition have caused manufacturing sectors in many parts of the world to become inefficient and retract; mechanisation of production has also influenced this sector, especially the workers within. Unions have to increasingly look towards other industries and traditionally underrepresented constituencies to supplement membership and curb the downward trend.

The features described and analysed in the study, relating to the expanding and complementing relationship between capitalism and globalisation with all its discontents, is meant to give context to the global trade union movement, or rather the lack thereof. The various factors described in later sections have undermined the traditional functioning of the trade union, making the decline in membership and influence within traditional structures imminent, and thus calling for new strategies relevant to a changing world. It is, however, not a complete lost cause. There do remain examples of trade unions that have succeeded in resisting the pressures of capitalism and made positive contributions to the lives of members and non- members alike.

Unions were imperative to the universal human rights of the citizen through their past actions; their continued resistance resulting in the transition to democracy for many countries in the world including South Africa (Adler and Webster, 1995), South Korea and Brazil (Eder, 1997; Ramalho, 1999). The labour movement also improves rights of workers globally via International Labour Organisation (ILO) Conventions and Recommendations and locally by means of grass-roots representation and collective bargaining at the negotiation table (Wood, 2003). It is, thus, important to assess the status of these organisations in the global political economy, looking at the challenges facing them and strategies for survival.

1.2. Problem Statement and Research Question

This study aims at describing the different effects of globalisation on the global trade union movement, and the reasons why these were as devastating to the movement as they have been. It is thereby possible to look towards the potential aspects that can reinvigorate the movement and spur the growth that is needed in order to once again become a catalyst for change, such as it was in the past.

Globalisation, and the effects thereof, provides the context for the study and the focus into the nature and condition of the global trade union movement. The trade union has grown with capitalism, or rather against it, but in recent years has witnessed a decline in membership and influence. This is due to many reasons, some internal and others external, many relating to the changing nature of the world around us. These changes undermine the traditional structures of trade unions, thereby either eliminating them from the equation, or forcing them to change as well.

Although trade unions are not traditionally viewed as social movements, there are some similarities, and therefore certain lessons to be learnt from civil society organisations in the modern world. Social movements have come to embrace globalisation and all the technological and spatial advantages thereof, spreading their membership and influence across the globe. These are, however, some of the 'new' social movements such as the environmental groups, the feminist movement and human rights groups. Trade unions have struggled in the wake of the rapid industrial innovation of the last two decades, much of which caused the traditional membership base of trade unions to erode. Although workers and trade unions are constrained by the inability to escape local conditions within the nation state, the problems that they encounter emanates from global trends and decisions made by international and global organisations, thereby inherently marginalising them (Harrod and O'Brien, 2002: 23).

The economic trends of the 20th century favoured liberalism as a guiding principle, arguing for the opening up of economies in order to attract investors and spur growth. Foreign direct investment is hailed as being the saviour of the developing world, and the need for it has transformed some states into 'competition states' (Scholte, 2005:

25) in a race to attract investment through liberal trade practices and minimum barriers to entry (or exit, for that matter). Globalisation also brought into play more international actors, besides nation states, with the power to influence governance at its most fundamental level. Intergovernmental, 'suprastate' agencies, and state organs have become more important in changing the dynamics of intergovernmental contact. Such organisations include the World Trade Organisation (WTO), the International Monetary Fund (IMF), the ILO, and the United Nations (UN); influencing state actions through establishing normative rules and regulations within the global political arena. With such a vast array of actors and their accompanying agendas, it seems certain that state power has greatly diminished since the end of the bipolar system of the Cold War (Cox, 1987; Rupert, 1995; Cerny, 1995; McMichael, 1996).

Although many organisations found new strength and meaning in the new era of globalisation, others have found it difficult to find relevance and support in this newly globalised world. Trade unions face internal and external challenges relating to their traditional notions of membership recruitment and their engagement of international issues. Cosatu is a conglomeration of smaller trade unions, joined together to enhance their position and bargaining power, and an organisation that enjoys a rich history of militancy and opposition. This history of 'Social Movement Unionism' (Roberts, 1999: 38) is what has contributed greatly to the high membership and mobilising potential of Cosatu members, thereby giving them leverage to exert pressure on governing elites.

This study will focus on current trends in globalisation, as they relate to the trade union movement, serving to undermine labour at a fundamental level. The study also hints at possible strategic changes aimed at reversing some of the negative effects observed. With a globalising world, ever more interconnected and fluid in informational and capital flows, there is a dilemma being faced by such a global trade union movement. This dilemma is vested in the concept of territoriality and the growing vulnerability workers face when confronted with the mobility of capital and the imposing spectre of the multinational enterprise. Economic relations in the 21st century favours the rich and accumulating classes, the global corporation and global bourgeoisie, putting it in direct opposition to the working class or proletariat.

1.3. Theoretical Framework

In relation to this aspect, this study draws on Marxist explanations of capitalist expansion and the effects thereof, looking to explain the different aspects significant to the workers- class and the concerns about the recent decline in the global workforce. Marxist explanations of globalisation centre on the expansion of the capitalist mode of production, and the opportunities that open up for profit making and surplus accumulation when global markets are fully interconnected. There is still much debate surrounding the theoretical inadequacy of the word 'globalisation' and what is meant by it, but what is not contested is the effects and changes brought on by the various observed phenomenon present in today's world (Rosenberg, 2005: 3).

Central issues for the Marxist perspective remain class relations and capitalist expansion. Through globalisation, the accumulating classes, at the forefront of capitalist expansion, are given even more opportunity to increase their stake, at the expense of the marginalised and exploited classes. The working classes sell their labour to employers, who in turn try to minimise production costs, leading to a conflict of interest between profit- making and labour costs. The concept of globalisation may be flawed, but the effects of mobile capital and a borderless world have only exasperated the inequalities between the workers and the owners.

Trade unions are seen as the voice of the working class, giving rise to a fundamental clash between the forces of capitalism on the one side and strong unions, made influential by solidarity between workers, on the other. By applying this perspective, it is also easy to see how the spread of capitalism and large- scale economic globalisation has been working counter to the goals of unions and workers. Economic liberalisation and increased capital flows gave rise to concepts such as outsourcing and flexible production. Such strategies make it easier for companies to relocate production to more cost effective destinations and provides them with the opportunity to choose a country based on considerations such as labour costs, labour laws, union activity, and education level. Marx referred to the 'universalising tendency of capital' and the 'constant revolutionising of production'; terms that ring true in the world where one lives and works in the global village of post- Fordism, Toyotoism and flexible labour (Rosenberg, 2005: 21 – 22).

Marxist explanations for globalisation are strongly connected to capitalism and the need for capital to "drive*(s)* beyond every spatial barrier" (Marx in Scholte, 2005:129). Globalisation opens up opportunities to the accumulating bourgeoisie to venture beyond the territorial constraints of a certain state, increase surplus funds, and gain more power over the exploited working classes. Infrastructural adjustments and technological advances served the logic of capitalism, to become the drivers of the class struggle on global scale. Globalisation exasperated inequalities, on an individual level between people and on a global level between countries. Neo-Marxist explanations usually point towards new social movements and the under-classes resisting the pressures of global capitalism. Marxism, as a theoretical framework, can provide valuable insights into the analysis of globalisation and trade unions since this is essentially a class struggle in the true Marxist sense. It does pose some problems, however, when trying to come up with solutions as the observations made through a Marxist perspective often lack the prescriptive basis necessary to find ways to improve.

Karl Polanyi has commented on the embeddedness of economic functions in the social relations between people. According to Polanyi, "neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required steps be taken." (Polanyi, 1957: 46) Therefore, the actions of firms are seen as merely functions of the greater social relations that form the bases of our society, enabling us to change them through collective action by citizens and workers.

In the context of this case study, the engagements of unions on a local level have influenced the way South Africa's business environment is assessed by investors. By engaging locally on international issues, through mass action and continued resistance to government and company demands, the unions have changed the actions of the state and private firms.

1.4. Methodology

It is the intention of this study to highlight some of the important features of the global political economic system and the recent developments that shaped this system. These factors hold significance in light of the trade union movement and all the challenges posed, helping us to better understand the way forward and past these challenges. The purpose is to refine and amplify the issues involved to further understand the future course of action with the best possible outcome. Although much debate still surrounds globalisation and its effects on our world, it is surely a force that should be recognised and its consequences acknowledged for their lasting effect on our world.

This study is descriptive and explanatory in stating and explaining different phenomenon and the effects these have on the case study and its context. It is qualitative in nature; dealing with political and economic constructs, recording different events, and giving them value within the context of the study. This context remains central in understanding and interpreting the effects of globalisation on the trade union movement, and in deriving significance from the way in which this phenomenon encompasses substantial areas of our daily lives.

Within this study, Cosatu forms the individual case study, its value derived from the past successes and the current situation as one of the most successful trade unions in the world. This case is also put into a global perspective, looking towards a global movement able to put its work into a wider frame of reference and bigger scope. The unit of analysis is the trade union, firstly in its individual capacity as the regulator and guardian of worker's rights, finding validity and strength through its members and their ideals. Secondly, also as a collective social movement with the possibility of acting and influencing globally.

The level of analysis is national and attempts to extend into the global or trans-national spheres. Globalisation causes the lines between these spheres to be increasingly blurred and interconnected. Although the local or national context still remains important, it is impossible to ignore global or trans- national effects and extensions of certain points. The interconnected and increasingly global nature of the

world is exactly where the fundamental point of contestation comes for this study concerning the global trade union movement.

The study draws from the existing body of literature and the way in which this phenomenon was presented and studied. By drawing from the existing body of knowledge, the study is put into context and can help further the understanding of the subject and add to research done in this field. The conceptualisation and operationalisation of the key concepts and variables serve as a guideline to limit the study, as the study is qualitative in nature. By developing clear and refined definitions to concepts such as globalisation and capitalism, this study focuses on a distinct part of the debate and recognises the limitations of the research.

1.5. Conceptualisation

The conceptualisation of terms used in this study is meant to clearly define and limit the connotations to the term, as some of the concepts have complex definitions and connotations. In this section, concepts are discussed in order to shed more light on the context in which they will be used. The first, and one of the most debated concepts in need of defining is globalisation and the various associated aspects of this concept. It is important to note that the conceptualisation of this concept is done in order to facilitate the use of the word later, and will thus gain focus from some of the factors pertaining to the labour movement.

Globalisation has meant different things to different academics through the years; being coupled with words such as internationalization, westernization and liberalization. These words, however, only served to segment the broader understanding of globalisation and only touched upon certain aspects within the globalisation debate. In a sense, globalisation involves all of these simultaneously, but also brings things closer to real people at a grassroots level. Arguably, the most important component of globalisation is that it changed traditional notions of space and time. The technological innovations in transport were the first to impact and exceed barriers between people and countries, making it easy to travel between different spaces in a very short amount of time. Telecommunications also improved drastically, making communications between people from different spaces and

countries more frequent and convenient. Today you can talk and see someone on the other side of the planet in real time through a computer or video monitor, making otherwise impossible communications possible. This gives way to a definition that highlights globalization as a "process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions" (Scholte, 2005: 17). Giddens see globalisation "as the intensification of worldwide social relations which link distant localities in such a way that local happenings that are shaped by events occurring many miles away and vice versa" (1990, 64)

Communication and interconnectedness affects society in fundamentally intricate but important ways, so much so that knowledge and identity has changed for people today, indicating larger and more complicated interactions that have impacts beyond comprehension. 'Supraterritoriality' is a term that refers to communications that transcend physical geography and the territorial setting in which they take place. The globe becomes the unit of analysis and thereby goes beyond territorial constraints presupposed when analysing interactions within a state- centric view. Communications technology has evolved so much that a new sphere was created that is unaffected by physical limitations, making the shift beyond space and time easier to overcome (Scholte, 2005: 62 – 63).

Another way of looking at globalisation directs the attention around issues of liberalisation, especially economic liberalisation, meaning the abolishment of barriers to entry, foreign- exchange restrictions, and capital controls. Some analysts even go so far as to say globalisation has become an all-inclusive term for economic integration around the world (Sander, 1996: 27). Frequently in the last two decades, globalisation has come to be accompanied by large-scale economic liberalisation such as reduction in tariffs on certain products. This process has also been more accentuated by the promotion of such practices by leading financial institutions such as the IMF and World Bank.

Neo-liberalism has also played an important role in the economic state of the world because it started as a critique on the protectionist doctrine of economists like Keynes, but extended and spread at remarkable speed to become dominant as the preferred economic ideology since the 1980s (Scholte, 2005: 39). Based on the concepts of

monetarism and the critique of state involvement in the economy, these ideas provided an alternative to heavily controlled and structured economic conditions. From the 1970s onwards, not only has it become the preferred policy choice of particular nation states, but also the important global organisations that reinforce and regulate the actions of governments in the economic order (Gamble, 2000: 128 – 129). These organisations include the IMF, the World Bank and the WTO.

Another important concept to understand and conceptualise is capitalism and the different concurrent processes which accompanies this broad and often controversial subject. In short, capitalism involves a "social order where economic activity is oriented first and foremost to the accumulation of surplus."(Scholte, 2005: 137) The mere accumulation is not where it stops though, as capital surpluses are reinvested further into production and accumulation. This, in itself, has been going on for a very long time, but today constitutes so much more than the mere physical accumulation of capital. Being centred on the principle concepts of wage labour and private property, capitalism can extend beyond physical constraints and temporal limitations.

Capitalism has risen to be a most imposing and transformative force in the world. It is the dominant mode of production in the age of industrialisation and globalisation, accompanying and spurring on the effects of these global trends. It is imperative for the purposes of this study to note the significance of the relationship between globalisation and capitalism. They compensate and extend each other's reach, transforming the way in which the political, economic and social spheres are integrated into the system found today. The concepts are intertwined, with linkages between globalisation and capitalism found everywhere; because without the one, the other would not have gained such prominence.

The growth of capitalism needed certain features of the market and global economy to change thus creating certain demands offered up to states and governments that wanted to participate. These demands included the liberalisation of markets and deregulation of borders and physical restraints to capital. By nature capital wants to be global, and strives to be above territorial restraints (Marx, 1973: 540); and in the modern information age, technological and market innovations made this truly possible. Since the early 1980s, states have trying to alter their relationship to capital

and money flows, for the need to industrialise is great and many states lack sufficient funds to kick-start development. Poor states are told the best method is by attracting foreign direct investment, thus obtaining funds and infrastructure development from multinational corporations.

Another concept in need of clarification through conceptualisation is the trade union and its implication as part of something bigger, namely a social movement. Workers sell their labour on the market, thus they need representation and collective action in order to advance and enforce certain standards in laws and actions of employers. All companies have a need to reduce the costs of production and create value in more innovative ways, usually by reducing costs associated with labour and production. It is the divergence in goals between worker and employer that creates a need for the trade union. Trade unions are organisations established to represent workers and gather strength through solidarity of action, thereby gaining a foothold from where they can fight against dominant forces in the capitalist mode of production.

"Unions reduce wage inequality, increase industrial democracy and often raise productivity … in the political sphere, unions are an important voice for some of society's weakest and most vulnerable groups, as well as for their own members"(Freeman and Medoff, 1984: 5). These social movements have their roots in the age of industrialisation where mass production and mechanisation created a whole new workers class. Bent over conveyor belts, usually unskilled or low- skilled, and working for minimum wage for long hours, these workers often lived and worked in close proximity to each other. Such workers soon realised the potential increase in bargaining power when they negotiated together towards a common goal and common interests. Unions thus served workers by enforcing and negotiating agreements regarding wages, working hours, conditions of work, benefits, and more on a collective scale instead of an individual one. There are considerable economic impacts of trade unions; such as an increase in overall wages for members and non-members' alike, controlling working time and conditions, as well as improving benefits (Jackson, 2004). These are all counter to the capitalist workings of today's multinational corporations, who strive for reductions in cost of labour, creating a fundamental conflict of interest.

A concept of particular interest to this study is that of Social Movement Unionism (SMU), a form of unionism found when a labour movement takes on characteristics of a social movement. This involves a broad membership, incorporating marginalised groups of workers, and empowering them through a focus on bigger social injustices with the aim of social upliftment (Heery et al, 2000: 1 – 5). SMU combines modes of collective action usually utilised by social movements and moves away from simply focussing on workplace issues to incorporate broader community struggles (Hirschsohn, 1998: 633; Roberts, 1999: 38).   This strategy has many potential benefits for unions such as incorporating new, previously underutilised worker categories. It also displays some weaknesses, stemming from the focus on bigger social issues and neglecting the primary objective of a union, namely workplace organisation and representation.

Looking at the case of Cosatu, the federation effectively took on a social movement character during the 1980s and early 1990s, during which time they focussed on the bigger political struggle against Apartheid. Unions were sometimes the only legal avenue which Africans could explore in their resistance to the oppressive conditions facing them, and the strength of grass- root membership made it impossible for the government at the time to ban them as was done to the United Democratic Front (UDF) and the African National Congress (ANC) (Baskin, 1991: 450).   This facilitated the growth of SMU but also their consequent decline in the post- 1994 political landscape, as democratisation and social change reduced immediate grievances and demobilised a great number of people.

Another distinction is necessary to make in the use of the words 'global' and 'international' within academic literature and within this study. 'International' is taken to represent actions between countries or states as territorial entities, inter- territorial in nature. Such actions or interactions, between country units and between companies within these territories are fundamentally bound to the country unit. In contrast, 'global' means above the state level, supra- territorial in nature and occurring with increased frequency in today's global environment (Scholte, 2005: 65).

Globalisation has worked to deterritorialise money and capital to such an extent that much of today's transactions take place above the state level and the control it

exercises. The global mobility and reach that certain people and organisations have is totally different than what was known in the past, making for increasingly complex circumstances and effects on the economic and political system and evolving constantly to fit the new conditions of global capital.

1.6. Literature Review

This literature review is directed at the main themes touched upon in this study, bringing together the issues concerned and forming the basis of what the existing body of literature says about the topic. It is also the foundation which the research question of this study is built on. The first theme of importance is globalisation which needs to be defined and analysed thoroughly; for the topic is very broad, spreading over many areas, thus making conceptualisation difficult. The literature that deals with this very broad topic is vast, both in the amount of literature and debate surrounding the most important events and happenings, and includes prominent authors such as Giddens (1990), Bauman (1998), Held and McGrew (2002) and Castells (2000). For this particular study, it is neither possible, nor desirable, to deal with all the arguments and topics that fall under the heading of 'globalisation literature', but rather to focus on the issues directly linked to the labour movement and the challenges that face this movement. 'Globalization: A critical introduction' by Jan Aart Scholte (2005) deals with the concept of globalisation in an analytical way, breaking down the concept into smaller ideas, thereby explaining the origins and evolution thereof as well as forming a clear and concise definition. He goes some way in eliminating certain redundant concepts which have come to be associated with globalisation; he often leads to smaller, inadequate conceptualisations which might lead to important issues being left out.

Scholte spends considerable time discussing the different aspects around the globalisation debate; how they evolved and developed slowly at first and then picked up speed in the 1980s. Looking at production, governance, identity and knowledge, Scholte (2005) points out the continuity in the development of all these areas, but also acknowledges the changes that were brought about. A critical perspective is taken in dealing with the consequences or influences globalisation has had in areas of

production and governance, which forms a basis on which Scholte (2005) explores effects such as inequality and security in the global political economy. Of particular interest to this study is the references to the labour movement; closely coupled with class inequalities, employment, and working conditions.

As mentioned before, the literature centred on globalisation is sizeable and mostly irrelevant to the main theme of this study, but by focussing on those issues important to trade unions it is possible to see the overall effect they had. In a constructivist sense, the mere fact that such a debate exists, and such a considerable amount of scholarly work is done on the subject, points toward the importance of this phenomenon on the world and the people living within the global political economy. Although certain authors such as Justin Rosenberg recently started pointing towards the inadequacy of globalisation as an analytical term, as well as the profound lack of real evidence to start calling for a total re-analysis of the modern world, the events described in globalisation literature and consequences thereof remain real and important to people and their world. This is why books such as Zygmunt Bauman's 'Globalization: The Human Consequences' (1998), Anthony Giddens' 'Runaway World: How Globalization is Reshaping our Lives' (2002) as well as various other author's work cannot be discarded. Whatever you choose to call this phenomenon, its effects remain.

The next significant area involves the effects that economic globalisation, and all its different components, has on the financial and political operation of the modern world system. There is a clear understanding that globalisation has exasperated inequalities around the world, favouring a privileged few able to exploit the opportunities created by the economic liberalisation and the opening up of global markets around the world. The literature applicable to this study focuses on the relationship between trade unions and the changes globalisation brought on in global economic activity and global governance.

The challenge which neo- liberalism poses to labour, especially in poor countries, is paid attention to in a chapter by Stevis and Boswell dealing with social movements and labour in particular. The authors direct their attention toward the establishment of a global labour organisation and the functions of such an institution, while also

showing the challenges still standing in the way of such actions. Simmons and Elkins (2004) explore the relation between globalisation and liberalisation through looking at patterns of policy diffusion within the global political system. They attempt to look for common trends within the 'clusters' of liberalisations which is observed in certain periods of history. Through such analysis it is possible to discern various trends, such as the way in which countries in a certain region observe each other's actions and thereby learn and follow the example of successful policies. This study is built on the foundations of studies by scholars such as Frieden (1991), Rogowski (1989), Epstein and Shor (1992) as well as Leblang (1997), but also comments on the fact that these studies neglect the broader social context of international relations and downplays the role of observation and cultural practice in government actions (Simmons and Elkin, 2004: 1).

Another author focusing on the effects of widespread liberalisation is well known economist, Joseph Stiglitz (2000). He examines the hurried liberalisation that many countries employed in order to face the challenges of a global economic system. He puts forth various theoretical arguments used to justify the liberalisations which many countries utilized, and then he puts forth a critique structured around various misconceptions about the advantages of capital market liberalisations. Not only does increased instability and unemployment sometimes plague entire regions, but it also puts increased pressure on the developing countries with no real social safety net to support citizens. Other authors such as Edwards (1993) and Gamble (2000) also provide studies of the developing countries' relationship with liberalisations and open market pressures, both in terms of the arguments for such measures and the evidence that can be observed.

Griffen (2003) comments on the way in which economic globalisation has extended into the institutions that regulate state actions; pointing to the role of the IMF, World Bank and WTO in establishing the current state of affairs. These organisations have been founded, funded, and run by the powerful states; and therefore indicate the satisfaction of these states with the status quo, meaning inequality, insecurity, and a lack of a real regulatory institution. At the same time, information technology and electronic money is driving the global financial order, not only through innovation and developing exciting new financial instruments, but by widening inequalities. The

powerful states, who are at the forefront of such technologies, have the capability to deal with the challenges while developing states cannot (Helleiner, 1998).

Manuel Castells' writings focus on globalisation and its effects on the functioning of today's economic and social forces. 'The Rise of the Network Society' (2000) is the first of three volumes dealing with the new age of informationalism (Castells, 2000: 19), as he calls it, where knowledge and information have become increasingly important commodities; and the structure of interactions is changing dramatically thanks to innovations in various sectors. Castells places emphasis on the Information Technology Revolution, equally important in its consequences as the Industrial Revolution, and then goes further to describe the current workings and mode of production ushered in by this new revolution.

While some workers are global, they constitute a very small part of the global workforce and are a very elite and well educated minority not really important to trade unions and their functioning. Labour and the changing nature thereof is discussed, paying particular attention to the global aspect of capital and the territorial constraints still keeping labour local. 'The Rise of the Network Society' (2000) also looks at the transformation of work and employment, firstly taking a historical approach by looking at automation and computerisation and then going further to describe the new job structure for the information economy. Various interesting questions are raised, such as whether labour can ever be truly global, the influence of technology on things such as working time, the nature of the capital- labour conflict, and the effect that information technology have on employment.

Jeremy Rifkin's 'The End of Work' (2004) examines the way in which the global workforce is decreasing rapidly in various job categories and industries. The book looks at the ways in which technology has slowly come to replace the working classes from around the world. The 'Third Revolution', happening now, is characterised by high-technology software replacing working people. Also, the mechanisation of agriculture coupled with a decline in the number of farms is basically doing away with farmers. This trend follows the already diminished manufacturing sector of blue collar workers everywhere giving way to machines and robots. There is also considerable emphasis on the Post- Fordist age of production and the alternative way

of managing workers; managing time- schedules; as well as the re- engineering of companies through networks, mergers and acquisitions, and outsourcing.

This issue is central to the debate around trade unions and the diminishing power these movements hold since the workers most likely to be union members are nearly always in medium and large-scale manufacturing, mining and transport sectors (Thomas, 1995: 15). A decline in the number of such workers with jobs means a decline in membership for trade unions. As noted earlier, there are winners and losers in this equation; the winners are the owners and managers of large firms "re-engineering" their traditional structures and eliminating job categories by training employees in multilevel skills to save costs and increase productivity (Rifkin, 2004: 6 – 7).

Peter Waterman's 'Globalization, Social Movements and the New Internationalisms' (1998) reveals a background to the old international union organisations and the structural problems and flaws encountered by such bodies. A link is formed between globalisation and the effects of "complex, high risk globalised information capitalism" on labour and the labour movement. Different issues are critically addressed showing marginalisation of workers and organisations fighting for their rights and the inefficiencies of traditional approaches to the subject.

The organisations of international labour include the ILO, the International Confederation of Free Trade Unions (ICFTU) and the International Trade Secretariats (ITS); and are discussed in terms of their successes in organising workers globally and the reasons for the current lack of coordination. The peripheralising of labour within the institutions of global governance and the skewed advantages offered by liberalisation and economic globalisation are also paid attention to by authors such as Rorden Wilkonson and Dan Gallin in Harrod and O'Brien (2002), and Hodkinson (2005). These authors investigate the shortcomings of these international organisations, the causes thereof and the strategies they employ to overcome these challenges.

Unions in the developing world have evolved differently than their counter parts in the West due to diverging economic, political, and social issues between regions and

countries. These unions developed later in history, but seem to be some of the only remaining examples of successful trade unions in the world. The origins, development, and marginalisation of these movements in various regions around the world are discussed as a contextual base to the case study of Cosatu, itself a developing world union. Thomas (1995) starts off by describing the origins of trade unions and their link to the Industrial Revolution and industrialization around the world, thus making them products of such a system. The idea then develops that this is what makes them inadequate in dealing with problems in the current system of heightened or indeed hyper- capitalism. Developing countries' trade unions are also hit particularly hard and are marginalised by trade agreements and trading blocs formed by their countries in a bid to lure foreign direct investment. The lessons that we can learn from these unions stem from their involvement in democratisation and economic reform, their solidarity and militancy, as well as the pressure exerted on governments and private firms.

The South African trade union movement is seen as a success-story in global terms, with particular significance given to Cosatu due to its history, current position and possibilities for the future. Geoffrey Wood writes a chapter on Cosatu in the book edited by Veran and Kochan (2004), in which he argues for a renewal or reconstitution of unionism in the post-apartheid era. Drawing new energy from increased solidarity, the federation needs to increase their scope and operations to include the informal sector and reiterate their goals and interests to increase their representation of an increasingly diverse workforce. Wood has also written another article used in this study, which looks at 'Social Movement Unionism' and the potential of this organisational mode to rejuvenate the post- 1994 labour movement. Von Holt (2002), also looks at this concept as it applies to South Africa and how grass-root representation through the shopsteward system came to institutionalise democracy.

The current context that South African unions find themselves in is highlighted in the State of the Nation 2003/2004, an Human Sciences Research Council (HSRC) publication discussing various aspects of South African society and edited by Daniel, Habib and Southall. The observations' surrounding the labour movement and Cosatu show the challenges confronting unions in the global political economy from the

perspective of a developing country union, and is authored by Sakhela Buhlungu. After democratisation in 1994, unions are perceived to have lost some of the past vigour, having been co-opted into an alliance with the ANC and rapidly loosing its power-base due to failing recruitment policies. '"What We Do" or "Who We Are"? Trade Union Responses to Globalization and Regionalisation in South Africa' is a paper written by Andries Bezuidenhout (2000) and shows the actions Cosatu have taken in dealing with globalization and the effects thereof. This study also notes the impact of the network and the way it alters the relationship between capital and labour. By outsourcing labour and going to places where it is cheap, companies sideline unions and their purpose.

A study by Ian Macun into the dynamics of South African trade union growth during the period 1970 to 1996 lends a perspective on the real drivers behind union membership growth. The author also looks at the complex developments behind what seems to be an upward trend in growth and mobility. Trade union activity is also viewed in relation to goals and aspirations of members, giving purpose to the movement, which has been strongly correlated to the anti- apartheid struggle. The trade union movement has gained inspiration and validity from this struggle, ultimately succeeding and reaping the rewards thereof in the form of a coalition with government.

'Global Unions? Theory and Strategy of Organised Labour in the Global Political Economy', edited by Harrod and O'Brien (2002) poses the question in the title of whether a global unionism exists and what strategic options are open to such a movement, but also takes these arguments further in the book through contributions by prominent authors and academics within the field of labour politics. It explores the national and regional strategies of unions through case studies and comparative studies from various parts of the world, but also puts the emphasis on global schemes to increase the bargaining power, and in turn, influence of unions everywhere. This can be done by looking towards other civil society organisations where there are overlapping concerns, to cooperate and pool resources, as well as members, in order to work towards a common goal. The trends in marginalisation, as well as internal and external factors lending to a decline in membership and influence, are dealt with in the context of African economic decline. In light of this the author ends with issues

and challenges for the next age and generation of trade unions, some of which is later used in this study.

'Globalization and the Politics of Resistance' edited by Barry Gills (2000), explores the concept of resistance by international actors such as social movements against the growing pressure directed at them by the forces associated with globalisation. Firstly conceptualising resistance, the authors discern the different ways in which resistance is exercised in various settings. Importantly, resistance can be conceptualised as 'counter- movements', based on solidarity between members and working against the limits imposed upon them by the dominant system in which they function. Conceptualising this way makes it possible to classify the labour movement as an anti-capitalist and counter-movement, focusing on the dominant issues of conflict and fitting it into the Marxian framework of resistance by the working classes.

The case for union representation is made by 'Unions and Collective Bargaining: Economic Effects in a Global Environment', a World Bank publication, by Aidt and Tzannatos (2000). This book studies economic effects of labour standards and union action on different economies, noting the positive and negative aspects around the issue. Collective bargaining is conceptualised and debated as a guiding principle for unions to gain strength and purpose. The effects of unions on workers and employees in areas such as profitability, working hours, productivity, and the implementation of new technology are all discussed and evaluated.

'Unions in the 21st century' by Verma and Kochan (2004) addresses the question of declining union membership and the rising possibility of union extinction. The book focuses on unions as political actors and their inability to deal with the current trends in globalisation. The literature collected in the book deals with different trends in the labour movement, also drawing from case studies in North America, the United Kingdom, Australia and Africa. By drawing from the past trends and characteristics of trade unions, the chapter by Richard Hyman provides insight into why unions currently face a crisis. It is due to these old traditional structures and characteristics, rendered ineffective by external changes in the economic and political system, and which unions are struggling to survive and outgrow. Unions of the future will have to

learn how to use the same things that are currently threatening them, and the ineffective structural problems need to be overcome.

1.7. Chapter Outline

The second chapter will use the relevant literature to describe the current conditions in the global economy and the effects of various factors on the trade union movement. The forces of globalisation and capitalism have impacted on the world in various ways, and only through hindsight are all the trends visible but none the less influential and relevant for today. These forces and trends are very important in order to understand the slow and gradual undermining which took place with relation to trade unions and their members, and also to other social movements that stand against this force.

One of the most important factors to note is the deterritorialization of the world, when considering capital flows and actions of multinational corporations this becomes essential to subject workers in 'developing world' countries to the actions of companies looking to invest in the most profitable and attractive environment. While poor countries scramble for foreign direct investment, huge global companies pick those with the fewest barriers to entry, the cheapest labour, the fewest labour unions, the most docile working class, and the right mix between an educated and uneducated workforce.

No analysis of the global labour movement is complete without discussing the organisations specifically established to represent labour on the global stage. The ILO started the process in the 1900s through establishing norms and labour standards , and it was continued by organisations such as the ICFTU and the ITS. The development of labour in the developing world is paid attention to illustrate the difference between the development of these unions and those in the developed world. This also helps with the transition into the next chapter that focuses on Cosatu and its development, activities, and responses to globalisation and democratisation.

The third chapter is devoted to Cosatu and its historical background; its growth and origins up to the current position as part of the tripartite alliance with the leading

party, the ANC; and as a powerful force in South African politics. There will also be a section looking at their current position from a critical perspective with regards to the capacity of the organisation to provide for its members on issues such as wages and representation. The organisation has been instrumental in the democratisation of South Africa and remains an important actor within the local political environment. It has also been confronted by these challenges faced by unions globally, but in distinct ways. This has caused the federation and its member unions to restrict their actions to issues of real concern, issues relating to international trade and its effects on poor communities employed in specific industries. The declining importance and influence of trade unions around the world is also brought into view and the chances Cosatu has of reversing this trend.

The fourth chapter looks toward the future and the strategic options open to Cosatu and other trade unions around the world, enabling them to work towards retaining their position and finding new relevance in a global network society. Strategies to deal with the global reach and assault of capitalism on the workers of the world from a management perspective may prove to be too big when looking globally, but when the situation is viewed from a regional or local perspective certain possibilities may open up. Cooperation seems to still be the biggest stumbling-block to effective transnatinonal linkages between union organisations, hindering the success of their actions. Education is very important for unions in order to show people what they do and why it is important to belong to a union. By having educational courses at school level unions can recruit more young people once they enter the job market, especially important since this is an area in which very little success have been witnessed. The network has become the most important management tool of the 21st century, and this is true for trade unions as well, making it essential to create global, regional and local alliances and networks. This aids in spreading their influence and scope to provide new opportunities for members.

Chapter 2

The Effects of Globalisation on the Labour Movement

2.1. Introduction

The term 'globalisation' has come to represent different things to different people, depending on the context in which it is used. It is a multi-faceted and multi-dimensional term that has a very broad definition, and has become incorporated into various fields of study. It is, however, important to note that it is a process that started almost as far back as human civilisation and exploration, one that has grown and accelerated ever since. It is only in the 1990s that academics have started commenting on what is now termed 'Globalisation Theory', in which some have gone as far as equating it to the Industrial Revolution in terms of its scope and spread.

The process has not always been called globalisation, and the history of this phenomenon is widely contested and debated, making it difficult to actually determine when it started. In fact, it remains a debatable topic as to whether or not the term is analytically useful. It is, at this point, unnecessary to relay all the events and developments associated with globalisation. It is, however, important for the purpose of this study to note some of the most significant developments in the process in order to see how it evolved and grew to become one of the most pervasive forces in the world, one which changed and transformed many facets of human life in a revolutionary way.

The evolutions of the economic, political, and social spheres have been greatly influenced by the increasing scope of globalisation and the effects thereof. The structure of the global political economy, meaning the regulations and /or institutions governing the actions of states, has come to favour the more influential and powerful states and individuals. Capitalism, as the dominant economic ideology, demands certain structural and institutional characteristics such as the free flows of goods and capital, a monetary system which deals with exchange rates, control over capital movements and the managing of reserve assets. The need for industrialisation, accumulation, and growth prompted the powerful states to alter the protectionist status

quo of the 1800s. Beginning around 1850 and continuing with accelerated pace later in the 20th century was an emerging trend where states began replacing mercantilist policies with more liberal measures that created an open market system. This served the dual purpose of gaining competitive advantage with products one can produce efficiently and having access to other resources in lesser-developed countries, such as raw materials and agricultural produce.

Trade unions have been formed out of the backdrop of capitalism and against capitalism and the accumulation process of the bourgeoisie, giving workers strength through solidarity. The various changes in the economic system, greater mobility, and localities open to organisations and capital were fundamentally against trade unions and the fight for working class issues. These changes will first be assessed and noted as for their influence on unions around the world, discussed with the eye on looking at the condition of the global trade union movement today.

2.2. Structural Challenges to Trade Unions in a Global Context

Structure, as it is used in this study, refers to the institutions and regulations that govern the actions of actors in the global political and economic system. The global financial system, however complex, has certain norms and procedures to which must be adhered. The global monetary system; international political engagement; economic policy; and even human rights, of which labour rights form part of; is governed by rules and governing bodies responsible for regulating behaviour. The developments discussed in this section were selected in order to illustrate the skewed relationship between global capitalism and trade unions, or rather the bourgeoisie and proletariat.

By starting at the international level and observing the changes in global economic policy, the reasons behind the change, and the main actors in the process it becomes clear that the current system favours capital and anyone who holds it. The formation of liberal economic conditions is a symptom of the current mode of production, namely capitalism. Focusing the attention on the effect of such changes in different

countries, especially developing nations, there are often negative outcomes which affect already disadvantaged communities.

The transformation from protectionist to liberal was needed in order to expand the global economic system and for industrialised nations to accumulate wealth. Global FDI flows have increased remarkably in the last two decades of the 20th century, but much of this is still concentrated in industrialised countries. Transnational Corporations (TNCs) remain the largest source of FDI, and the majority of these are located in the developed world. Their investments also largely remain in the developing world, as is demonstrated by the fact that in 1998, 92% of total FDI outflows came from developed states and 72% of the total inflows returned to these economies (UNCTAD, 1999). This persistently marginalises developing economies and sets the foundation for inequality in other areas. In Figure 1, the global FDI inflows are illustrated, as are the inflows toward developing economies. This shows the inequality in distribution and the rapid increase during the 1990s, peaking in 2000, and once again showing an upward trend since 2003.

Figure 2.1. FDI inflows, global and by group of economies, 1980–2005 (Billions of dollars)
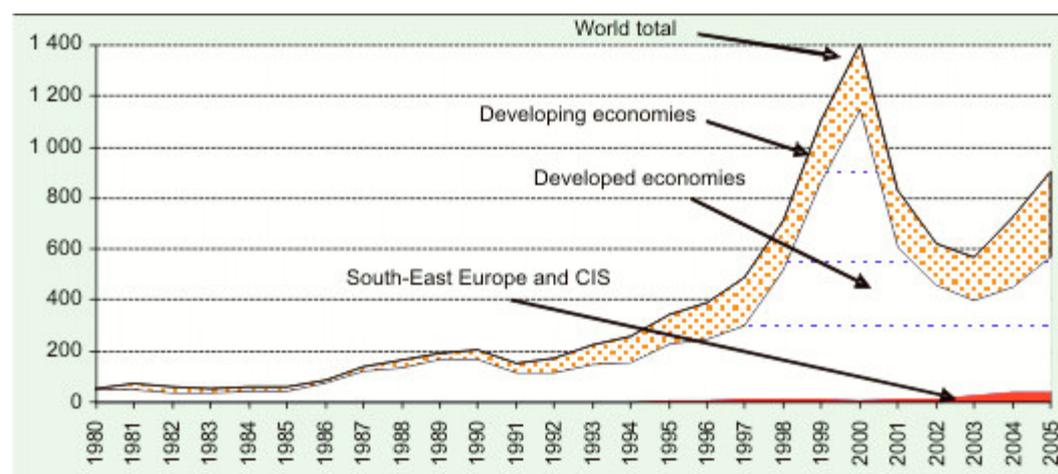
Source: UNCTAD. Based on its FDI/TNC database. Available from <http://www.unctad.org/en/docs/wir2006_en.pdf >

After looking at the actions of states and institutions one's attention is turned to private firms and the strategies they employ to compete in the global environment.

To cope in the global business environment companies have started employing different strategies to cut costs and improve productivity. The changing patterns of work and employment observed in the modern innovation economy are also contributing to the increasing job insecurity of the global workforce. The last change discussed deals with the diversification of the workforce and categories of workers. This is important because unions are forced to look at alternative recruitment strategies to satisfy the more diverse workforce and turn the downward membership trend around.

2.2.1 The Formation of Liberal Economic Conditions

Protectionist and state-centric regimes dominated international politics in the 1970s, when ideological clashes between capitalist and socialist regimes in combination with the advent of the welfare state made economic protectionism an easy strategy to follow for many governments (Scholte, 2005: 38). However, such measures did not facilitate global economic activity, and the wave of liberalisation following the end of the Cold War and the Bretton Woods- system brought economic integration and co-operation to the forefront. Due to the economic situation many countries found themselves in after World War II and in some cases internal conflict and underdevelopment, the choice was an easy one: either open up local markets or stagnate economically, politically and socially. The planners of post-war economic governance saw it as pivotal to resurrect international trade. In order for this to happen two mechanisms or institutions were needed. First, a lending facility that could provide funds for reconstruction, the World Bank was needed. Also, a regulatory institution that would promote responsible appropriation of funds as well short-term loans to countries experiencing balance of payments, the IMF, would have to be created (Griffin, 2003: 796).

The WTO is another important organisation to understand as this very influential organisation's institutional framework is focussed on the promotion of liberal economic management. This objective is realised by advocating liberal macro-economic practices and forming linkages with other inter-governmental organisations such as the IMF and World Bank. This is clearly stated in the Declaration on the

Contribution of the WTO to Achieving Greater Coherence in Global Economic Policymaking: "The World Trade Organization should therefore pursue and develop cooperation with the international organizations responsible for monetary and financial matters, while respecting the mandate, the confidentiality requirements and the necessary autonomy on decision- making procedures of each institution…" (WTO, 1993)

By synthesising conditions to which members and prospective members have to adhere, governments become more aware of the rules and narrows the choices open for any state trying to develop. The convergence of global economic policy that was witnessed during the 1980s and 1990s, occurring on an intergovernmental level, was partly a result of the WTO, IMF, and World Bank conditions imposed on governments in need (Wilkinson, 2002: 213; O'Brien et al.,2000: 7). The institutions that embody the financial architecture, through the normative nature of their laws and regulations, have been instrumental in promoting more liberal economic conditions. Indeed, the whole liberal mindset is weighted towards the accumulating class, for it was the powerful nations at that time who founded the international institutions, together with the ideals and ideologies which underlie them (Griffin, 2003: 796 - 797). This 'soft power', or structural power, is essential in promoting particular ideals and values unto others through institutions that govern government action.

These organisations have contributed to the international order and the liberalisation of global markets by posing as organisations of global governance but lack the real enforcement capacity of their principles. As a result, there are no real reparations for states that show non-compliance. These global institutions also lack the capacity to provide public goods on a global level, such as security and stability, needed to ensure compliance and collective action (Griffin, 2003: 799). Due to these inadequacies, these institutions have continuously reinvented themselves in recent years. Currently, they are responsible for giving advice and promoting structural adjustment to the developing countries thus becoming an advocate and 'ideological institution' for liberal ideals of powerful states (Rao, 2001: 8).

It is important to note the actions of the major powers in structuring the international system and the institutions regulating global relations, for the neo-liberal agenda that

is advantageous to the bourgeoisie of the international system is enforced by the various international inter-governmental organisations. Such organisations have some capability to act against individual states defecting on important issues due to the collective power of all the members (Gills, 2000: 152). These institutions, although influential, have not been solely responsible for the prevalence of the liberal ideology in the global political economy. The actions of certain states also facilitated the process by changing perceptions about liberalisation; neighbouring states at the time observed the actions of others when unsure about the outcomes of changing macro-economic policy.

Simmons and Elkins (2004) looked at statistical data of policy diffusion as a possible explanation for the 'clusters' of liberalisations that took place from the 1970s onwards. The research suggests that altered pay-offs motivate countries to follow the example of other successful cases where liberalisation helped growth in the economy. As a certain country alters their economic policy, making it more open and liberal, other countries observe the effects of this change. After a period of time, when nothing seriously negative seems to be happening and there are positive outcomes, the pay-offs for liberalising become more attractive. This is especially true if the country that changed first is an important regional or global player. This diffusion is also driven by monetary unions such as the European Union (EU), Association of South East Asian Nations (ASEAN) and North American Free Trade Agreement (NAFTA), which aim to assimilate economic policy of all member states so as to facilitate cooperation on mutually beneficial decisions on global platforms such as the UN and World Bank.

Cultural references also seem to play an important role as countries usually observe the actions of a similar type of competitor, such as a religiously comparable state, thus making the observations akin to the specific case. Using the experiences of other states as a yardstick and learning from their mistakes, thereby changing the payoffs associated with a radical move have been proven to be closely linked to the 'waves' of liberal change that took place (Simmons and Elkins, 2004: 12 – 16). In Figure 2, it is possible to see how the regional dispersion of three economic policies took place. Even though this is just a rough presentation of liberalisation, it clearly illustrates how regional politics play a central role in a country's decision to liberalise.

Figure 2.2. Geographic Dispersion of Three Economic Policies (1995)

Capital Control Policy

Exchange Rate Policy

Current Account Policy

Restricted
Liberal
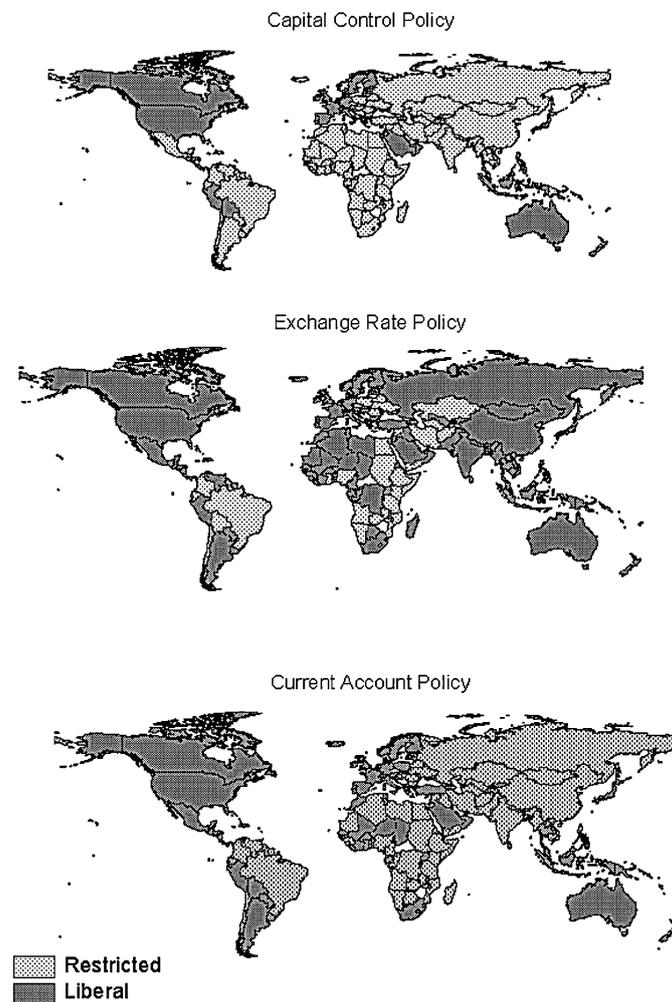
Globalisation has facilitated transnational class formation with the national ruling classes of different countries converging in the international arena through inter-governmental institutions, global think-tanks, and other international fora. Major changes in the world took place during the last two decades of the 20th century; innovations in the transportation and information technology industries revolutionised the opportunities for communication across borders. Communication is the basis of human interaction and social interconnectedness, so it follows that the establishment of material conditions facilitating such interactions would also alter traditional

formations of class and culture. The increased interactions between the leadership of industries, governments, non-profit organisations, and even influential individuals have made it possible for elite class formation on a global level. Robinson and Harris (2000: 17) commented in this regard, saying, "as national productive structures now become transnationally integrated, world classes whose organic development took place through the nation-state are experiencing supra- national integration with 'national' classes of other countries".

Referring back to the theoretical foundation of the study, Marxism, this conflict is reduced to the eternal struggle of labour against capital. It is, thus, only appropriate to look at the effect these liberal conditions have on unions and their functioning. This is very important in explaining some of the external factors leading to the decline in union influence and membership. The mobility of capital, investment, people, and goods have all been facilitated by the technological advances and interconnectedness, yet the local conditions within nations states still remain critical to workers and their representation. As will be discussed later, even with the amount of immigrant workers increasing, labour still remains substantially rooted in the physical environment within the nation state, unable to escape due to various factors such as financial and cultural constraints.

A wide variety of conditions are found in the countries that make up the global political economy with differences in employment opportunities, working conditions, wage structures, labour laws and union activity. Neo-liberal conditions make it easier for large firms to choose countries with lenient cheap labour and weak or unregulated laws to facilitate their operations. Outsourcing manufacturing to poor and under-developed economies, which lack infrastructure and the capacity to enforce certain labour standards, has become essential to succeed in conditions of global competition. Moreover, small developing economies sometimes welcome such companies at the expense of their citizens, foreign investment taking precedence over the rights of workers in the country.

Certain preconceptions around liberalisation have served as motivation for countries, and indeed the whole world, to change their macro-economic policy and follow a more liberal orientation to trade and investment. Some of these notions have been

studied and proven to be principally and/ or practically flawed when applied to states with unstable economies (Banerjee, 1992; Shiller, 1995; Stiglitz, 2000). The theoretical preconceptions linked to liberalisation and the reality do not always correspond, and this results in negative consequences for the vulnerable and less fortunate states whose economies are simply unable to adjust to new conditions. In countries such as South Africa, growth is inhibited because uneven development has left certain sectors unable to compete, and has put strains on accountable governance. Many advanced countries, and the industries within them have been dealing with global competition and liberal trade policies since the 1970s and 80s; therefore, the increasingly liberal conditions had little effect (Hirst and Thompson, 1996: 106).

'Asymmetric Globalization' refers to those areas which are 'slow' to liberalise, meaning certain products or services are less liberalised than others due to the continued marginalising of such issues in the previously mentioned institutions, such as the WTO. When examining the products which the developed states are reluctant to liberalise, it is found to be those that are important to developing states and less important to the industrialised, developed world, such as agricultural products and textiles (Griffen, 2003: 792). Other important areas in which liberalisation has been reluctantly applied, is the movement of low-skilled labour and intellectual property rights.

The instability and inequality caused by radical liberalising reforms has also worked against trade unions by changing economic conditions within countries. International competition can cause smaller local firms to go bankrupt thus exasperating unemployment conditions and changing the way local firms look at their own labour management techniques. This alters the employment structures of local firms and multinational corporations alike. Certain industries can be affected more drastically as they are unable to adapt to the competition of more productive countries' manufacturers, usually coinciding with job losses and insecurity in the sector. Developing countries have to restructure certain industries for effective competition, but usually lack the capacity to do this in time thus not attaining successful measures to curb negative trends. Large manufacturing industries with labour intensive production processes have relevance to trade unions, in particular, since this is where most members have traditionally been recruited.

Even though the effects of liberalisation on unions are not as visible or easily measured as some of the arguments that will follow, the changes are important because they lay the foundation for the further marginalisation of labour in the global political economy. By establishing liberal economic conditions in the global economy, the scales were tipped in favour of capital and the capitalist accumulating class at the expense of labour. This facilitated the rest of the measures instituted to sustain this biased relationship and is an enabling factor to the global nature of capital and the structural changes in employment practices.

2.2.2 The Increasingly Global Nature of Capital

Manual Castells defines the global economy as "an economy whose core components have the institutional, organizational, and technological capacity to work as a unit in real time, or in chosen time, on a planetary scale." (Castells, 2000: 101- 102) Various other prominent academics have commented on the globalising tendency of capital and the universal nature of organised capitalism (Marx, 1967). The central question for this part of the study is how the global nature of capital is detrimental to the goals and functioning of the labour movement, and how global capital undermines the central principles on which labour practices in the world function.

Capitalism has always been expanding and evolving, encompassing more and more of the world, but it is only relatively recently that the infrastructure has been in place for the actual functioning of global markets and international trade and investment. Information and communication technologies have opened up new ways in which firms and governments deal with each other. Global markets are interdependent and integrated in such a way as to function in real time and beyond physical space, giving it more freedom and strategic options than ever before. This has not happened overnight, but was a gradual process involving various developments that paved the way for today's integrated and deregulated financial system.

The development of the technological infrastructure that enables companies and individuals to communicate, trade, and process transactions at high speed and with pin-point accuracy has played a central part in creating the global system known

today. These include information configurations, computer networks, and interactive systems that handle complex sets of transactions everyday from various parts of the globe (Castells, 2000: 104). As one author put it, "unlike all prior arrangements, this new system [of international finance] was not built by politicians, economists, central bankers or finance ministers. No high- level international conference produced a master plan. The new system was built by technology."(Wriston, 1991: 59)

Another development has been the creation of a wider range of financial instruments and products, such as bonds and other securities, which have aided the growth in global financial activity. Based on mathematical equations and market knowledge, these instruments provide investors with more options for international lending and have increased sharply since the 1970s. This is partly due to the availability of financial instruments and the sources of credit, thereby inserting more instability in the system (Hirst and Thompson, 1996: 41). The way in which financial instruments such as securities, derivatives, and foreign exchange are made into commodities is an important factor to note since these also contribute to the distribution of power away from the state into private firms. Within the last five decades, the scale and number of global markets and variety of financial instruments has increased remarkably, the volume of trading in such instruments increasing substantially in recent years (Scholte, 2005: 166).

These endeavours form the basis of electronic, supra-territorial, financial activity taking place across borders easily and efficiently, but also out of the reach of the vast majority of the earth's population (Scholte, 2005: 165 – 167). Inequalities and insecurity within the system are exasperated because these activities normally serve only a small elite, the accumulating class of the world, but affects the majority of people living in a volatile global economy. The resulting nature of the global economy has become volatile and uncertain, causing major crises in large parts of Asia and South America. This is primarily due to irresponsible lending and speculating by large groups of investors and banks.

Another critical development in the global financial system has been the deregulation and liberalisation of financial markets across the globe. These developments have been discussed in the previous section of the study, but it is important to note the

connection between speculative movements, financial flows, and liberalisation. In a fully integrated and liberal system, financial flows can move unhindered to and from a given market, thereby opening up more options to companies and individuals, but it also increases the instability of an already vulnerable market system. Especially, the banking sectors of developing countries were observed to become fragile and unstable, caused in part by irresponsible lending, but also because the banks were not ready to deal with unstable economic conditions (Demirgüç- Kunt and Detragiache, 1998).

During the 1970s and 1980s there was a growing trend in Asia and later in South America, to establish Special Economic Zones (SEZ) or Export Processing Zones (EPZ) within a territory and relocate the major production processes. These areas were set up to provide competitive advantage to companies looking to invest by eliminating regulatory actions by states, and leave workers vulnerable to exploitation. Most of these workers were informally employed, de facto or de jure, with very little legal protection, organisation and rights. This trend is making its way to Africa, and for good or bad, one has to question the viability of these areas in alleviating poverty and providing workers with a means to support and uplift themselves (Gallin, 2001: 538).

In order to try and create favourable conditions for companies to invest in, African states are continuing the cycle of marginalising workers in favour of capital. These areas often employ women in informal, unstructured work, leaving them with little social protection and increasingly less formal rights. In the more than 800 EPZs across the world, only about 27 million jobs were created as of the 1990s, giving way to questions surrounding the feasibility of this method as a way of creating opportunities for workers (HDR, 1999: 86). This constituency is gaining prominence as a group capable of exerting influence and mobilising in support of a wide range of issues, and it therefore becomes necessary to look at ways to unionise such workers and make governments aware of the negative consequences to special economic areas.

The consequence of this truly, global economic system for organised labour has been a further loss in influence and bargaining power. A global market gives TNCs the opportunity to move certain aspects of their business and production process, usually

the low-skilled and less profitable, to parts of the world where more suitable conditions are found in relation to the labour supply, union activity and strength, labour laws, and payment practices. This creates even more inequality between economies as high- skilled and productive labour will still be found in industrialised, advanced countries while the majority of unskilled and less productive manufacturing will be either outsourced or moved to cheaper locations (Hirst and Thompson, 1996: 11 – 12). Recently, markets in Asia have also started competing in highly skilled categories of work, such as information technology and software development, still maintaining competitive advantage through low production and labour costs.

Labour is at a distinct disadvantage in the global political economy. There does not exist a global market for labour, as there does for goods and services. This is partly because of the difficulty in moving labour as it is mostly subjected to the borders of the nation state and its own financial limitations. Even in a rapidly expanding transport system with open borders between economically and politically integrated regions, it is unlikely that there will ever be such a market. In the period before 1914, vast migrations to new destinations were possible to open to people searching for better living and working conditions. In that sense the world was more open than it is today because it has been made virtually impossible for the poor to escape their circumstances. Castles and Miller (1993: 265 – 266) noted that, "prospects are slim for significant increased legal migration flows to Western democracies over the short to medium term… Political constraints does not permit this…[There is] some room for highly skilled labour, family reunification and refugees, but not for the resumption of massive recruitment for low level jobs."

The relationship between capitalism and labour has always been a conflicting one, since it is the goal of any capitalist enterprise to reduce production costs, including labour costs, in order to make a bigger profit. In a fully integrated and global market system, various options are open to advanced capitalist companies in its quest to reduce costs and optimise efficiency. Strategies concerning labour include the following:

- o downsizing or subcontracting certain parts of the business that can be performed in areas with lower labour costs

- o adopting new and innovative labour strategies such as temporary labour, part-time workers, and by automating certain tasks and functions

- o obtaining permission from their labour force to apply stricter conditions of work and payment in return for a furtherance of their employment (Castells, 2000: 254)

Firms are understood to be rational actors in the economic system, stimulating circumstances of global competition and reacting to threats and opportunities that subsist in the global economy. As firms move their activities and investments to favourable environments, states become entangled in a bid to attract such ventures. The result is global competition, not just between firms, but also between countries who have become commodities in themselves: "By increasingly promoting the transnational expansion and competitiveness of its industries and services abroad, and competing for inward investment, the state becomes a critical agent, perhaps *the* critical agent in globalization itself." (Cerny, 1996: 131)

2.2.3 Changing Patterns of Work and Employment

The innovation and development of capitalist society has created new ways in which to optimise efficiency in the firm, increase output, and decrease the potential for error through the advent of computers and automation of production processes. While the images of industrialisation in the 1940s and 1950s have been masses of workers standing in front of a production line, performing simple tasks, the current situation is much different as people have been replaced by machines and computers. No longer do eight hour work-days have a place in the modern firm, because flexible labour policies and part-time employment are now favoured due to the positive effect on profit margins.

The effect of globalisation can most clearly be seen when one takes a closer look at workers and their lives in the global economy. Despite the widening income gap between workers of different education levels, there is also evidence that the recent transformations in the global economy did not create enough jobs for the world's citizens. It has become a sad truth, but technological or structural unemployment has become a reality as blue-collar workers and farmers are becoming a thing of the past

along with the major influence of the organised labour movement. Smaller workforces with diverse, multiple skills are employed to do quality checks and repairs, working in shifts and irregular hours in order to find more efficient ways to organise labour in the production process (Munck, 1999: 10; Collier and Mahoney, 1997: 300).

New strategies have been developed in order to respond to the pressures of global competition, ones that move away from Fordist approaches and more towards new generation Toyotism and flexible labour strategies. The goal is to reduce labour costs and limit labour's power by organising workers in different and innovative ways around the numerous jobs performed in the production process. Just-in-time, lean production, job rotation, multi-skilling and flexible employment patterns were said to provide more autonomy and responsibility to workers but have instead created underemployment, informal employment structures and job insecurity for most workers (Eder, 2002: 173).

Blue collar workers have almost been eradicated, and with the bulk of new jobs being created in the service industry there is a growing gap between low-skilled and highly skilled labour. Information technology has decreased the demand for unskilled labour, either employing computer systems to do the same job or outsourcing the same job to more 'profitable' areas of the world. These are areas where labour costs are less and union influence lower. The developing world has begun what can be termed the 'competition state', or rent seeking behaviour where they create favourable trading conditions within their national economies with adverse effects on the labour force.

The effect of these measures has been leading to further diversification of the labour movement, as well as increasing the uncertainty and helplessness of unions. The informalising of labour has tended to give companies more power to allocate workers less privileges and rights, thereby optimising their own position at the deficit of workers. With temporary employee structures, a company can dismiss workers without prior notice as contracts have sub- clauses protecting the firm. With more diversification within the labour conditions, it becomes more difficult for unions to

make their members identify with each other and form cohesive issues to engage in with companies (Thomas, 1995: 241).

In developing economies, there is often an expanding informal sector where 'work' does not imply regular hours, a regular income, or even a fixed working place. Street vendors, domestic workers, illegal immigrants, and migrant farm workers can all fit into such a category; they all fall outside traditional work structures and pose a challenge to unions. Trade unions have to find ways in which they can incorporate these workers; this is often the fastest growing sector in the developing world, although traditionally viewed as too big, complex or diverse to organise (Gallin, 2002: 244). A good example is found in Brazil where the Landless Workers' Movement (MST) was formed out of dissatisfaction with the land ownership in the country, and has grown to incorporate informally employed urban workers to become the main opposition to the government and a catalyst for social change. Classified as a social-political movement with strong grass-roots democracy and activism, this is also an example of social movement unionism (Antunes, 2001: 456).

There are also certain changes in the make-up of the labour force that represent a break from traditional views relating to union membership. Women have been overlooked for a long time in union structures, as they often find employment largely in the informal sector and on an irregular time schedule. Another reason is the traditional societal views around women, especially in the developing world, as unimportant and inferior. These societal views have led to the oversight of this group in union membership and leadership. If they are to curb their downward trends in membership and influence, unions have to change the traditional view of their members from male workers in the manufacturing or mining industry and employ new strategies to incorporate women and the informal sector. This leads us into the next section surrounding diversification of workers and the work structures in the world.

2.2.4 Diversification of the Workforce and Structural Employment

With globalisation and modernisation comes change, not only in the areas already described in this study, but also socially and personally within groups and individuals

around the world. People are not only workers, but also citizens, parents, men and women, ethnically distinct, and socially conscious. These multiple identities bring about diverse issues and interests that may serve to unite, but also divide; and can have profound effects on unions and their members. One of the most important dividing factors is gender and the changing of traditional views around the labour force. The proportion of women in the labour force has grown from 33 per cent in 1970 to around 40 per cent in 2000, making them more important today than ever before. Especially considering the huge impact they have on the youth and education of children on matters pertaining to the labour movement, this is a constituency that cannot be underestimated in the future. However, worldwide, women still occupy proportionately lower positions in terms of pay, part-time vs. full time, and the formal vs. informal sectors (Harrod and O'Brien, 2002: 11).

Conditions within which workers perform their tasks are also increasingly different as labour market flexibility and productivity changes between industries and countries. Starting in the 1970s and continuing through the 1980s and 1990s, labour policies began changing in order to control the way in which production takes place and reduce costs associated with the production process, especially labour costs. Greater flexibility, casualisation, and informalisation of work gives companies the ability to manage labour costs as previously taboo topics and actions became more acceptable. These include payment structures, insurance benefits, and health benefits since part-time and casual workers are not required to receive such benefits.

Ethnicity is another dividing aspect in the labour movement and also has connections with income and types of work that people do. Historically speaking, disadvantaged groups and communities have been exploited and marginalised from the higher echelons of employment and education, making them more vulnerable economically. Social disadvantage is a societal construct, based on physical characteristics such as race, gender and age. Income inequality is widely based on these constructs, and helps firms form the base of their low-skilled workforce (Harrod and O'Brien, 2002: 12).

The differences between industries and within countries are another issue that fundamentally weakens the negotiating power of unions, as these divide people on

vital issues that need attention and change. While certain issues are universal and affect all workers, some still remain specific to some industries, such as working conditions, payment structures and work times. While business practices and management policies usually establish themselves through education and tradition, seeming almost universal, especially in the case of multinational corporations; the same cannot be said about the labour movement.

The effect of all the above mentioned conditions is an intensification of differences between groups within the labour movement. This makes it difficult to reconcile the different issues that various groups have and create solidarity and coordination of goals, thereby undermining the effectiveness of bargaining and negotiating on a global level. The fragmentation and division of the labour movement is aided by corporate managers and serves to individualise and externalise the social relations of production, thereby making workers think in 'insider /outsider' terms and accentuate differences (Crouch, 1997: 375).

In real terms, this means that although solidarity has always been the key strength of unions worldwide, it is rapidly declining due to the inability of the labour movement to unite behind a few fundamental issues which serve the movement as a whole. Workers, worldwide, see the effects of automation and mechanisation in the manufacturing and service industries and with it the decrease in blue collar work. This adds to the hostility between groups, and xenophobia and other prejudices increase between opposing groups. Such is the effect of these that it becomes more difficult to unite behind one cause due to the accentuated differences that people perceive to exist. Add to this the shortage of work and the entry of new groups to office structures, and it becomes almost impossible for unions to create a clear mandate to address.

2.3. Organisations of International Labour

In this section the attention is turned to the international organisations of labour, established under the mandate to defend worker rights on an international level. Through coordination and cooperation, these organisations aim to represent a diverse constituency divided by beliefs, economic conditions, language, and gender. The

ICFTU, the ITS and the ILO are examples of such organisations. International or even global in name and structure, they are also haunted by some of the same problems experienced by national unions, thereby undermining their influence and legitimacy at a very fundamental level.

The ILO was created in 1919, after the end of the First World War, at the Peace Conference held in Paris and later convened in Versailles (International Labour Organisation, 2000). The motivations for the founding of this highly important and influential organisation were fourfold: Political, economic, humanitarian and social. All of the preceding culminated into the unique post-war circumstances.

World-wide, workers were increasing in number due to the industrialisation drive various European states, as well as America, were following during and after WW I. The political influence of workers as a group grew, but they still remained economically marginalised and oppressed resulting in fears of social unrest and economic stagnation. There was a generally accepted notion developing among states that there had to be a collective action in improving the world-wide conditions of workers. Independent action from one state, without cooperation from other states, would put such a state at a competitive disadvantage, but collectively the standards could be raised (International Labour Organisation, 2000).

With representatives from nine countries, the Labour Commission was set up by the Peace Conference; and in 1919 the ILO Constitution was written and adopted at the First International Labour Conference in Washington later that year. The constitution made provisions for a tripartite structure, unique to UN organisations, bringing together representatives from government, employers and workers. This ensured that organised labour could have an influence on the decisions made by organisation, making it progressive and revolutionary for its time (Wilkenson, 2002: 205). "And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required."(ILO Constitution, 2001)

Dynamic from its conception in 1919, the organisation adopted six International Labour Conventions at their first meeting, and in the next two years would grow to adopt another 16 International Labour Conventions and 18 Recommendations. These conventions and recommendations related to hours of work in certain industries, the unemployment crisis, maternity protection and rights for women, and minimum age and worker rights for children in industry, to name a few. All was not smooth sailing, though, with resistance coming from certain governments claiming the budget was too big and the recommendations too critical. Its association with the League of Nations and the perceptions by many that the tripartite structure still favoured capital over labour, ensured that the organisation had an unsure future (Alcock, 1971: 171, 181).

The participatory and representative nature of the organisation gave it legitimacy and incorporated a previously powerless group into the organisation's decision-making process and debates around labour issues. The core conventions of the ILO have played a central part in the international labour law debate and include certain principles sometimes taken for granted in the modern world. Issues such as the eight-hour working day, freedom of association and the right to collective bargaining, non-discrimination employment, and child labour have all been instituted and enforced by the ILO Conventions and ratified by its member states making it customary international law.

However important and groundbreaking the agreements and recommendations of the ILO were, the organisation has largely been marginalised and excluded from policy choices made by other international organisations due to the increasing importance of capital and investment to states and the perceived need for further integration. Organisations such as the WTO, the IMF, and the World Bank have created an increasingly liberal and coherent system of global governance, ignoring the need for a regulatory organisation that can raise concerns about the negative impacts of economic liberalisation and employment restructuring (Wilkinson, 2002: 217 – 218).

The ICFTU was founded at a time when the world was becoming more integrated and interconnected due to the two World Wars in the first half of the 20th century and the effects of globalisation were accelerating the pace of international dealings and cooperation. Even before this, there were various organisations that had the same

goals at heart but not the conditions and means to accomplish the mammoth task of organising trade unions from around the world. So, too, was the ICFTU at its conception mostly a European organisation, with some unions in the North joining. Soon however, the organisation started to seek legitimacy by extending their membership to all regions thereby gaining necessary solidarity and influence to become a force in the politics of globalisation (Gumbrell- McCormick, 2004: 180).

Unions in developed countries were always stronger and more influential in the structures of the ICFTU. Much of this has to do with the regional break-up of the ICFTU and the varying degrees of resources, organisation, development and membership within the unions of particular regions. Although this organisation has come to represent over 200 affiliates in many developed and developing nations, the organisation is still seen as Euro-centric and negligent of issues that concern the unions in the developing world. The members from developed nations contribute the majority of funds to the organisation, thus the decision-making and choice of development projects is often perceived as unequal in dealing with less important members concerns, thereby reducing its legitimacy (Gumbrell- McCormick, 2004: 185 – 187).

Structural problems plague the ICFTU and reduce its capacity to address the problems and challenges posed by the current global conditions within which it functions. Most representatives from unions still think in terms of the nation- state and national problems faced by individual unions, and that mindset limits the capacity of the organisation to deal with global problems. They are struggling to solve their problems on a national level and fail to understand the bigger picture and global nature of the challenge that is posed by multinational corporations, global capital, and liberal state policies (Gallin, 2002: 239).

The absence of a clear ideological base also hampers the progress and unity of the organisation. It seems as though the ICFTU has forgotten that it is responsible for protecting the working class, not just the members of its affiliates, and represent the needs of a larger constituency of workers around the world. The diversity of workers around the world, across industries and income levels, makes it difficult to identify common interests. The paradox resulting from an international organisation that has

to represent a constituency that is very much national, constrains the impact it has through strategic engagements.

There are several resultant shortcomings in the structure of the ICFTU, one of which is the undemocratic nature of its structures and decision making, far removed from the grass-roots level concerns and struggles of the working classes in developing nations. The international nature of its affiliates and its selective global agenda in turn robs the ICFTU of normal union activities such as collective bargaining and striking, making it unable to do much more than lobby government officials and exert influence at an intergovernmental level. This strategy is preferred by influential unions in the North but frowned upon by unions in the developing countries (Hodkinson, 2005: 41 – 44). These unions in the developing world have also come to increase their influence since the end of the Cold War, and the effects of globalisation and economic liberalisation weakened the power of unions in industrialised countries considerably leaving only a few successful movements in South America and Africa.

In 2006, the ICFTU merged with another organisation of labour, the World Council of Labour (WCL), creating the International Trade Union Confederation. This happened in almost complete silence, with very little media coverage of a seemingly important event, and even less information provided to the some 167 million members of the affiliated unions around the world. The WCL descends from the International Confederation of Christian Trade Unions, and was formed in 1968, claiming to have 26 million members, mostly from Latin America. Other organisations involved are the European Trade Union Confederation, and the Trade Union Advisory Committee of the Organisation for Economic Cooperation and Development all originate in the West. The question now arises as to whether this is a new chapter in labour internationalism or is it yet another attempt doomed to failure.

The merger incorporated previously separates organisations' trade specific internationals and affiliates from around the world, some of which have already begun merging. This is a complicated process, since the federations associated with the ICFTU are much older and bigger than those of the WCL, and also because many of the formerly ICFTU federations have maintained a certain degree of autonomy from the organisation itself. What is puzzling, though, is that this happened in almost

complete silence and invisibility to even the most informed labour related websites. What is even more alarming is the reality of the merger, affecting millions of people, because it seems that only the most high ranking officials from the different organisations had any knowledge of the event with member unions being mostly uninformed or passively observing (Waterman, 2006).

It would seem that this is yet another Western-centric, top-down affair that will have little, if any, real consequences for global union unity and cooperation as well as for regional and national level union affairs. A former activist of the French CGT-FO, concludes that "this proposed merger has turned its back on the great founding principles of proletarian internationalism, based on the understanding that society is divided into social classes with opposed and contradictory interests - that is, on the one hand, the exploiters of wage labour and, on the other hand, the exploited who are forced to sell their labour to survive. All the sectors involved in this trade union unification project would be well advised to reflect before heading down a road that could lead to a dead-end with totalitarian implications" (Sandri, 2005).

The ITSs are more successful and effective than the ICFTU, but they still struggle with many of the same problems such as the nationalistic mindset of members that hampers international cooperation. They are less affected by this due to the fact that multinational corporations and the consequences of globalisation affect them more directly and frequently than the ICFTU. The main limitations to these organisations are financial constraints and restricted coordination and communication. This is a problem that resonates through the organisations of global labour and one that cannot be overcome easily. Simple tasks such as meeting annually and the division of labour are complicated by the lack of resources and the magnitude of the challenge (Gallin, 2002: 241).

The main reason why unions from developing countries are hesitant to engage with the ICFTU is that their goals are seen as limiting and far removed from the national conditions faced by the individual unions. There is, however, a growing number of authors describing what is called a 'new labour internationalism'. Certain positive effects of globalisation have caused a new approach to global unionism to appear, shaking off the organisational inadequacies of the past and moving towards

cooperative union networks, based on common issues and openness of decision-making (Lambert and Webster, 2001; Munck, 2002; Waterman, 2001).

An organisation that has the capability to take the debate around global unionism in a new direction and advance the ideals of national unions on a global level is the Southern Initiative on Globalization and Trade Union Rights (SIGTUR). SIGTUR is committed to global social movement unionism but also to finding solutions for national constituencies' problems. In 2001, at the Sixth SIGTUR Congress in South Korea, three commissions were set up to research the restructuring needed in the areas of manufacturing, the public sector, and international institutions. Their findings were incorporated into what is now known as the Seoul declaration (Harrod and O'Brien, 2002: 200).

The declaration is subject to review and amendment, thereby stimulating the debate and challenging the neoliberal status quo. There is a growing realisation that it is only through broad-based alliances with other civil society organisations that sufficient momentum can be gained to provide, not just critique, but viable alternatives based on solid research. The organisation is drawing from the experiences of national constituents such as South Africa, South Korea, and Australia to develop campaigns that appeal to a larger audience. The effective use of internet and email technology have also served this organisation by making communication and coordination easier, as more national unions and members become efficient in using email to communicate with each other. Building networks with other organisations and involving the community is recommended, but there have been problems with sustaining a campaign for longer periods of time (Lambert, 2002: 200).

In 1999, a declaration of intent was signed between the Cosatu affiliate, the South African Transport and Allied Workers Union, and the Maritime Union of Australia to form a global union. Drawing from experiences in the preceding years, this type of integration have proved to leave governments in a vulnerable position due to trade dependence and inter- dependability. This agreement have yielded some action in the form of exchanges, continued dialogue and a commitment to innovate from these influential organisations. Cosatu has reaffirmed its commitment to have all affiliates actively involved in SIGTUR activities. The implications of this will be given more

attention in the fourth chapter, by paying attention to the effect on consumer campaigns and worker influence on large companies.

In 2005, the debate was once again broadened at the 7th Regional Congress of SIGTUR in Bankok, Thailand. Actively recognising the importance of the informal economy, participants agreed that restructuring was needed to incorporate these workers, and set forth discussing and planning the practical application of this realisation. The sessions were guided by certain guiding questions, such as providing examples of successful organisation and the reasons for success, how education is linked to recruitment and campaigning, and how community linkages contribute to campaigning and education (SIGTUR, 2005: 6). The conference also focussed on how other civil society organisations can be included in labour struggles, and assessed the equality of women workers in modern work conditions. This culminated in an action statement adopted on the last day, aimed at strengthening SIGTUR, expanding solidarity beyond SIGTUR, and providing an alternative to a liberal trade and investment orientation.

2.4. Unions in the Developing World

Trade unions, like all social phenomenon, did not develop and grow within a vacuum, but rather as a reaction to certain stimuli from social conditions at a specific time. Unions can be said to be products of the capitalist system around them, and because of the unequal development of states within the global political economy, the unions also differ according to the economic and social conditions around them. Countries in what used to be termed the "Third World", more recently called the Developing World, have developed in distinct ways that also shaped the social, political, and economic constructs within the countries.

The conditions within developing countries are usually characterised by unstable economic conditions, a certain amount of social unrest, political upheaval, as well as inequality and developmental difficulties. Some countries are less developed than others but share a common background that has shaped the socio-economic conditions within the state. The legacy of colonialism left certain states underdeveloped and unable to deal with the challenges posed by liberal markets and global financial

capital. Unions in these countries experience different problems such as retraction of manufacturing industries, privatisation, and the inability of important unionised sectors to compete in global conditions. This causes them to develop differently, focus on different issues, and sometimes become involved in a bigger struggle against oppressive regimes such as in countries like Brazil and South Africa.

2.4.1 Union Development in Different Regions

The unions in the developing world have developed according to the economic conditions within the countries and thus differ markedly from one region to the next. Due to this reason, union development within different regions will be discussed in order to illustrate the similarities and differences between them and how the unions have come to represent the workers and their concerns. Democratisation is an important factor to note since this brings about vast changes in countries. These changes, associated with globalisation, occur because a country is suddenly required to make certain changes in economic policy, political orientation, and society. When such changes occur systematically, over a period of time, it is much less destabilising than what occurred in developing countries in Asia, Latin America, and Africa.

Within the regions outlined below there are vastly differing scenarios concerning labour and labour representation due to differing developmental trajectories of countries within the regions. Taking it one step further, even within individual countries, unions have had mixed results with fighting for worker rights, certain sectors having more success than others thus assuring that all workers are unequally satisfied. This points towards the underlying weakness of the global trade union movement. Having been created in an era when the nation state was the primary actor in the international system, unions had to protect workers locally, but because of accelerated and broad- based globalisation they are challenged globally by multinational companies and competing nation states on global issues.

This provides motivation for including this section on union development in different regions as it provides some context to the immense challenge faced by those who work towards global union co-ordination.

2.4.1.1 Asia

The Asian model of union development is varied due to the profound differences within this vast region and thus because of this reason Asia is divided into three major regions, namely, South Asia, East Asia, and Southeast Asia. While the East and Southeast regions have experienced impressive growth and sustained development in economic and developmental terms, the Southern parts have struggled with industrialisation and growth. In all these regions, however, union oppression and marginalisation, as well as acute labour struggles, is widely observed.

In East Asia, the group of Newly Industrialised Countries (NICs) has developed impressively and was often seen as an example of neo- liberal success due to their export orientation and industrial development. However, it was later recognised that the strong involvement of the state played an important role in the extraordinary success of these countries. The suppression of labour organisations through strong authoritarian regimes helped along growing manufacturing industries by keeping labour prices low and even allowing exploitation of workers. Early land reforms, a controlled supply of labour to fuel the industrialisation drive, and international capital inflows can also be attributed with some of the positive trends in the region. More importantly, though, was the emphasis on international markets and the coherent industrial and macro-economic strategies (Thomas et al., 1995: 32 – 33). Deyo (1989) commented on the East Asian labour model as being inclusive as well as exclusive. It is inclusive due to the high equality within the countries, pointing towards equal distribution of benefits and public goods through state mechanisms. It is exclusive in the sense that labour is only allowed to play a passive role in development and is mostly marginalised in policy decisions. With varying degrees of authoritarianism present in most states within the region for much of their history, union organisation and mobilisation was often restricted by implementing social engineering, forbidding striking, and restricting the power of unions through what is termed 'enterprise unionism'. This is a form of unionism that restricts labour organisation to the firm.

Democratisation in this region has had varying effects on unions and the nature of labour politics, even in countries that followed similar developmental patterns. Even

though there was some relaxing of legal restrictions over activism and union participation, the political position of labour remains marginalised (Hutchison and Brown, 2001: 13). In South Korea, where the labour movement is mobilised and active, taking to the streets regularly, the unions still remain politically excluded through the permissiveness of national political institutions (Shinn, 1999: 40; Lee, 2006: 722).

The Association of Southeast Asian Nations (ASEAN) region is less impressive in development terms but still formidable in terms of growth in the last part of the 20th century. Larger agricultural sectors, less government intervention and a more costly colonial legacy have made the economic outlook of the ASEAN region significantly different from East Asia. Labour policies in this region are also varied but more liberal than in the East partly due to the passive nature of workers and the ethnic and ideological exploitation that enables a sufficient supply of labour (Thomas et al., 1995: 34). Countries such as Thailand, Indonesia, and the Philippines have had labour movements that successfully opposed authoritarian regimes but lack full inclusion in the political processes.

South Asia stands in contrast to the previously discussed areas mainly because of the late start to development but also due to the colonial heritage that impacted heavily on class formation, economic development, and policies towards state intervention. A large population provides an oversupply of workers and thus weakens the position of organised labour, leading to exploitation and marginalisation. People tend to be poor and, according to class or caste, limited in the options open to them with regards to employment, movement and income. The labour market has been shaped by inward industrialising policies that result in low employment creation, and deep-seated cultural segmentation.

Union organisation in this region has also been impacted by democratisation and economic globalisation, with new unions forming in certain countries and specific industries after being exposed to more liberal labour regulations. Bangladesh and India are cases in point. Having to cope with challenges of state run industrialisation strategies, these countries' unions have found new ways of organising and coping. The Bangladesh Independent Garment Workers' Union (BIGU), is made up of mostly

young, unmarried, female workers previously marginalised and controlled, and is gaining popularity due to grass-root representation and accountability (Rock, 2001: 27). In India, the privatisation of the telecommunications sector has been widely opposed by labour organisations and civil society alike, forming alliances of co-operation (Cahill, 2001: 168)

The informal sector plays an important role in Asia and developing nations everywhere where elaborate institutional structures were put in place to protect small-scale enterprises. These sectors are not really growth orientated but usually centred on survival tactics, and the labour is largely unorganised, thereby making the job for trade unions almost impossible. Such small-scale enterprises also exploit the weak position of labour to their advantage, using the over-supply of labour and casual work structures to undermine worker's rights.

2.4.1.2 Latin America

From the 1960s onwards, the position of labour in Latin American countries was largely overshadowed by the political and economic changes that took place in many countries on this continent. The diversification, modernisation, and transformation of various industries took place simultaneously with the rise of authoritarian regimes in Brazil, Argentina, and Uruguay, to name a few. This led to the marginalisation and exclusion of unions from political processes, the erosion of wage levels, and the inability for the formal labour market to absorb workers. The effect was the increase of inequality, underemployment, poverty, and the informal sector (as well as organised crime) (Koonings et al., 1995: 99 – 100).

With industrialisation in the West gaining momentum during the 19th century, a demand for primary commodities from South America became increasingly important and facilitated the incorporation of this region into the international system. With these changes came large amounts of investment, infrastructure development necessary for export activities, the development of manufacturing firms, and urbanisation. Manufacturing became the most important sector in most economies after the 1930s, but governments soon realised this and began intervening in order to facilitate this expansion of domestic industries.

After WWII, industrial sector growth was followed by import substitution policies and increasing numbers of workers became involved in low-skilled, labour intensive domestic industries. However, the ISI model brought with it some fundamental problems such as a reliance on strategic imports, insufficient foreign exchange generated by exports culminating in trade imbalances and budget deficits, and increased government involvement. The effect is highlighted by a study done by Furtado (1970), noting the inefficient and oligopolistic industrial structure caused by protectionist barriers to entry.

With the growth of capitalist activity, increasing urbanisation, and the immigration of European workers came the trade union in the early 1900s. Trade unions became organised and localised during this period and gained an ideological base from the communist movement of the time, while the dissatisfaction of the workers created the political will and mobilisation to sustain the movement through its formative years. During the 1930s, the social and economic changes brought discontent for the rule of authoritarian elites as new challengers entered the political sphere.

While all countries had their own historical path to walk, their destination was ultimately the same, popular rule and social reform. Unions' role changed in this time from simply representing workers in opposition to employers to being the channel through which political will was exercised on the national level. The labour movement became one of the major actors in demanding democratic change, contributing to the process through continued protest which helped the transition move forward (Collier and Mahoney, 1997: 285). This brought the unions in direct opposition to the state, who responded by taking control through restrictive legislation and controlling the leadership (Koonings et al., 1995: 105 – 106).

Labour became incorporated into these 'national- populist' regimes in countries such as Argentina, Mexico, Uruguay, Peru, and Brazil. During the 1960s, however, a new wave of political movements swept across South America; and it had profound effects on unions, their members, and the political landscape of the continent as a whole. 'Bureaucratic- authoritarianism', as it became known, restricted labour union actions and restructured the social and political order in various countries. So much so were

the effect that some authors (Portes, 1985: 31 – 33) see this phenomenon as being instrumental in popular collective action shifting its focus and becoming confrontational, not with capital, but with the state. Unions no longer focussed on bread and butter issues but on societal and, more importantly, political change whereby they gained new-found legitimacy and support to start mobilising large sections of the population (Keck, 1992; Eder, 1997).

In these countries, the labour movement played an important role in the transition to democracy as well as thereafter. They sometimes come onto the political scene a little late, but make important contributions by provoking or quickening the transition and keeping the process on track. This also facilitated labour-based political parties to take a place next to the other actors at the negotiation table, thereby making the political process more inclusive (Collier and Mahoney, 1997: 300).

2.4.1.3 Africa

The African trade union experience is closely tied to the economic and political conditions that persist on the continent. A legacy of colonial oppression and authoritarian leadership has become synonymous with the African state system, contributing to the situation found in many African countries today. Economically speaking, a vicious cycle was created within which many African countries were caught up. Low levels of productivity, high dependence on imports, low mobilisation of human resources, reliance on a few primary commodity exports, and various natural disasters are but a few of the contributory factors to the situation at the end of the 20th century (Adedeji, 1991: 767).

No analysis of Africa can be complete without mentioning the impact of the various wars fought all over the continent. The effects are numerous and relevant to labour market analysis since it remains the people that are most affected by conflicts within a region. Aside from the obvious effects, such as the loss of breadwinners, the destabilising effect on a country is impossible to deny when infrastructure is destroyed, resources are drained, productivity goes down, de- industrialisation happens, and migration of entire populations are widely observed. The impacts on

trade unions are varied through the different regions but the main trends remain relevant to all.

African trade unions also developed relatively slowly due to oppressive legislation often inherited from colonial rule, as well as hindrances to the freedom of association for workers including discrimination and the stipulation that one must be literate to set up a union (Sidibé and Venturi, 1997: 20).   The lack of resources, inadequate education and training, as well as fear of loosing their jobs all impacted on the low membership numbers seen throughout Africa.   Traditional membership structures have been eroded, and the effects of structural adjustment programmes have challenged unions by calling for the elimination of subsidies and exposing vulnerable industries to global competition (Konings, 2003: 447).

In many African countries, a large number of people were employed by the state in the public sector, but, through structural adjustment, these were largely dismantled and privatised leading to huge job losses. In countries such as the Côte d'Ivoire, over 30 000 workers retrenched, in Ghana up to 90 000, and in Kenya more than 150 000 workers were affected by such programmes up to the 1990s (Gozo and Aboagye, 1989: 370; Zeleza, 1989: 36; Diejomoah, 1993: 10).

There are positive aspects to the African trade union movement and none more so than the impact it had on the process of democratisation on the continent.   Unions were often instrumental in the democratisation process, establishing popular resistance to authoritarian regimes and uniting divergent groups around political issues in countries such as Ghana, South Africa, Zambia, and Burkina Faso.   Trade unions have also succeeded in unionising strategically important sectors in various countries across the continent thereby gaining some power through solidarity and collective bargaining.   Industries such as mining, manufacturing, transport, and public service have a significant influence on the efficiency of a country's economic and social activities.   Strikes in these sectors can create less than favourable conditions for a government as proven in the Democratic Republic of the Congo, Niger, Zambia and South Africa (Sidibé and Venturi, 1997: 22 - 24).

Political heritages, unfortunately, left many unions in alliances with governing political parties and their leadership recruited into political positions thereby undermining the autonomy and efficiency of trade unions. After toppling oppressive regimes, the movement would loose focus, fall for subtle manipulation of the government's they helped to elect, and thereby become institutionally marginalised. Especially concerning economic decision- making, unions and their members are seldom taken into consideration. Because of the close ties with government and union leaders, as well as the close links observed in many countries, various authors have commented on the formation of a 'labour aristocracy'(Beckman, 2002: 85; Waterman, 1975; Ferguson, 1999). These are influential individuals in the labour movement who pursue self- interest at the expense of the workers they are suppose to represent and are corrupted into manipulating member attitudes.

2.5. Conclusion

In this chapter, some of the relevant factors in the globalisation and trade union debate have been examined and discussed in order to look at the effects thereof on the conditions of unions and their members around the world. The various factors seem most prevalent in the developing world due to the structural and institutional inadequacies which are characteristic of developing countries. These countries have little or no infrastructure and institutional capacity to deal with the instability caused by capital flight and investor speculation while the workforce is starving for employment opportunities.

Trade unions play an important role in national economies by giving workers a voice through representation, contesting the labour standards of the country through strength in numbers. It seems to be a losing battle because of the various internal and external problems encountered by national unions. The internal problems stem from the membership profile, mobility of workers and the countless differentiating factors among the various groups. There are also external problems such as marginalisation due to deregulations and the liberalisation of economic policies that work against unions on a global scale.

Although there is some evidence of a global trade union movement, the phenomenon seems very fragmented and weak in its capacity to address the various common concerns of workers around the world. There have been advances made by organisations such as the ILO and the ICFTU in uniting workers under a common banner thereby finding cohesion against trends in marginalisation. In the same breath, however, it has to be noted that it is far from satisfactory in its organisation, communication, and coordination on a global level.

Chapter 3

The Congress of South African Trade Unions (COSATU)

3.1. History of the Labour Movement in South Africa

The history of the labour movement in South Africa is entwined within the historic heritage of the country, both of colonial rule and Apartheid, enforced to the detriment of the non-white citizens of the country. Unions were originally formed in the mining sector during the 'gold rush' in the late 1880s, forming powerful organisations with large and active memberships, and soon spread to other industries. These were, however, fundamentally flawed due to the racial discrimination embedded in the structures of the country and which flowed over into the labour movement. Two distinctly different policies were implemented by government to deal with the labour relations of different races; formal rights to representation given to the White, Indian, and Coloured workers while African workers were left with no right to formal representation under the Black Labour Relations Act (Adler and Webster, 1999: 135 – 136).

The first black union, founded in 1919, was the Industrial and Commercial Worker's Union of Africa (ICU) which grew rapidly at first, finding it easy to organise landless tenants and poor migrant workers into a 'random and disorganised' membership (Lewis, 1984: 46). It had a centralised leadership, making power struggles frequent and resulting in a lack of policy coordination which ultimately led to collapse after a few years. Similar organisations were formed but fell victim to pressures such as lack of legal rights, government and employer resistance, and a limited leadership base (Wood, 2002: 328).

These organisations remained weak and underdeveloped all from the 1920s to the 1950s with the South African economy lacking in industrial development while racial tensions obstructed cooperation and unity. This rendered the movement fragmented

and ineffective. Various umbrella organisations came and went, only changing the alliances and groupings of unions, some more successfully than others. The South African Congress of Trade Unions (SACTU) was a union federation with a large support base from the Food and Canning and Textile Workers Unions and represented a new strategy, 'political unionism', in the form of a close working relationship with the ANC (Lambert, 1988: 32). This alliance caused the organisation to be forced into exile during the 1960s, but the lack of organisational and managerial capabilities and restrictive political environment in which they found themselves also contributed to the collapse.

Slowly, through the 1970s onward, a new labour movement was rising and gaining strength at the expense of the white unions, a new movement focused on a non-racial class basis, which soon displaced the old unions flawed by racial tensions. Various organisations and groupings developed programmes and projects in different regions focussing on organising black workers and establishing a tradition of shop-floor organisation and internal democracy (Wood, 2003: 328). There was an increase in militancy and mobility within this new movement, gaining strength from a decentralized power structure; and focus on 'working class leadership' and shop floor issues, giving it legitimacy and overwhelming support (Maree, 1987: 2 –3; Baskin, 1991: 450).

The Federation of South African Trade Unions' (FOSATU) was formed in 1979 and incorporated three different union groupings including the Metal and Allied Workers Union (MAWU), who had a large membership across the country. A report by the Wiehahn Commission assessing the overall economic situation and the condition of the labour market revealed the economic non-viability of a system excluding African workers from certain levels of employment, whereby reforms were presented. In 1979, new legislation was passed granting African workers the right to formal representation and thereby facilitating the growth of this new type of non- racial union movement.

Hereafter, FOSATU membership rose to nearly 100 000 members (Adler and Webster, 1999: 137 – 138). Besides the obvious benefits of membership growth and formal recognition, the institutionalization of trade union representation to African

workers also gave unions the right to negotiate on behalf of members, for workers to elect their own representatives, and for unions and their leadership to gain access to employer premises. The movement gained legitimacy through formal recognition and this assisted with cooperation between independent unions. The political situation in the country at the time, with social unrest and public violence escalating, brought about the formation of various 'politicised' unions aligned to political parties and founded on Black Consciousness principles. The Black Allied Workers Union (BAWU) is an example of such an organisation, later growing in size and nature, became the non-racial South African Allied Workers Union (SAAWU). There were two trains of thought developing among workers in the union movement, representing those who believe unions' primary goal is for issues that belong 'in the factory' and those seeing it as a social movement that is responsible for carrying out their mission beyond mere shop floor issues. However, as the situation in the country deteriorated, it became impossible for even the "workerists" to simply ignore the abuses by authorities, the racially defined labour practices, and the social marginalization (Wood and Psoulis, 2001).

Government's response to the growing unrest among African workers should also be seen in light of various other factors, the first being the realisation that the independent black unions that had already formed were more permanent than originally anticipated. Secondly, the government of the time hoped that they could control union relations if it was formalised; possibly co- opting and manipulating their actions after they were registered (Macun, 2002: 12). Thirdly, the international community had by that time, become increasingly intolerant of, not only South Africa's labour policy, but also the overall social conditions. Organisations such as the ILO, WTO and the UN applied pressure which eventually became too powerful to resist (Bonner and Webster, 1979: 9 –10). Lastly, government started to realise that the shortage of skilled and semi-skilled workers can only be satisfied through the inclusion of African workers, thereby forcing them to abolish job reservation for certain workers (Macun, 2002: 12).

Right from the start, these new unions had strong internal democracy in the form of the shop steward system, a system derived from British Unions where a representative is elected from within individual factories and this elected representative would put

forward and engage with management on issues of grievance for the workers. Union members became increasingly active in the bigger political struggle for democracy, with many of the elected representatives being local community leaders, leading to the strong solidarity found in the struggle against Apartheid. This flowed over into the trade union movement and served to create close ties with other similarly minded organisations, and accentuating the changes in society (Wood, 2003: 326 – 328).

Cosatu was launched in 1985, uniting a wide spectrum of unions and union organisations under the same banner; consolidating FOSATU, SAAWU, the National Union for Mineworkers (NUM) and other non-aligned unions in an attempt to co-ordinate the actions of the movement and represent the 'first line of defence against repression' (Buhlungu in Daniel *et al.*, 2003: 186; Von Holt, 1991: 17 – 21). Shop-floor democracy and worker representation became essential in the functioning of the organisation, with shop-stewards organising and maintaining a strong and vibrant democratic culture among members.

This form of representation at the grass-roots level has proved to be the source of Cosatu's success and control over members, along with what certain authors have termed 'social movement unionism'(Lambert, 1990; Lambert and Webster, 1988; Munck, 1987; Scipes, 1992; Siedman, 1994; Munck and Waterman, 1999; Webster, 1988; Waterman, 1993). This form of unionism involves the barriers between political organisation, a social movement, and trade unions to be blurred or even broken down, thus incorporating the political, economic, and social issues of the masses into one movement (Adler and Webster, 1999: 143). Social movement unionism is a highly mobilised and focused form of unionism that is formed in certain developing countries and usually in opposition to authoritarian regimes, unfair labour practices, or social injustices. It is associated with large numbers of semi-skilled manufacturing unions, the formation of networks or alliances with political parties and civil society organisations, and cooperation on grass-roots level issues (Von Holt, 2002: 284).

The members of Cosatu were politically motivated by the conditions within the country's political and social landscape and expected the organisation to align itself with likeminded political parties. Shopstewards provided legitimate representation

from within and became the backbone of the organisation all through the 1980s and 1990s. The identity of the union has been embedded in this internal democracy, thereby making this case interesting and largely successful, incorporating the demands of almost 2 million members (Wood, 2003: 328).

Close ties existed between Cosatu and the political parties that opposed the Apartheid government such as the UDF and the ANC, not only because memberships seemed to overlap, but because the workers demanded it from their leaders (Wood, 2002: 34). With many of the leaders from Cosatu also involved in the ANC leadership, as well as the ideological and social foundations they share, it is easy to see why the tripartite alliance was formed between Cosatu, the ANC and the South African Communist Party (SACP) after these parties were unbanned. Such deep-seated alliances are also hard to break and therefore persisted when the ANC came into power in 1994, and still today. Many of the leaders within Cosatu took prominent seats in government, leaving the union without much of the experience and leadership needed in the new democratic environment after 1994.

A positive consequence of the close ties that exist between Cosatu and the ANC, and the support that Cosatu provided the ruling party in the two past elections, is the leverage the federation holds over policy making. Despite pressure from major lobby groups, such as the South Africa Foundation (FAS) and international institutions such as the IMF calling for further labour market liberalisation, government has resisted major restructuring.

The 1995 Labour Relations Act provided unions certain organisational rights and set forth negotiating mechanisms for conflict resolution, hereby securing the protection of the majority of workers in the country (Wood, 2002: 45). Other legislative concessions are contained in the Basic Conditions of Employment Act and the Employment Equity Act. Non-legislative concessions include the formation of institutions dedicated to labour studies and support for unions in policy formation and discussion. The National Economic, Development and Labour Council (NEDLAC) was established with exactly this purpose in mind and discusses and debates pieces of socio-economic legislation before it is brought before parliament (Wood and Psoulis, 1999: 129).

The challenges posed by globalisation and the new economic landscape of post-Apartheid South Africa have had an effect on the union and its activities. These have been detrimental to union growth as well as putting strain on the tripartite alliance. Tension over economic policy has been detrimental to the relationship between the union and the ANC, much to do with ideological clashes between the neo-liberal outlook of the ruling party and socialist ideals from Cosatu (Webster, 2000: 261 – 262; Barchiesi, 1999: 22).

The next section will deal with the current circumstances under which Cosatu is functioning, after the concurrent processes of democratisation and globalisation that are often associated with countries in transition. Membership trends have been very important in the global context of the trade union movement and although Cosatu remains one of the biggest unions in the world, the federation still has had some trouble with recruitment of new members. Another point for discussion is the structure and organisation of the union, trying to see how this evolved and adapted to the new economic and political environment as well as within the global village. Although this union has enjoyed some of the most loyal and mobilised members, the organisation has need for restructuring to deal with the challenges posed in the 21st century.

Special attention will also be given to the effects of democratisation and globalisation on Cosatu and its strategic engagement of problem areas, using it as a possible guideline for future analysis. Union activity and militancy in South African and Cosatu's history have always been important tools and remains its most effective action against capital. However, a militant workforce within the global investment environment can often deter investors and even serve to force companies to withdraw investment from a region.

3.2. Overview of Current Situation

In order to fully understand the impact of the external factors on Cosatu and its functioning, it is important to look at the current situation of the congress and its affiliates. Such external factors are the impact of democratisation and incorporation

into the global political economy, the restructuring of employment patterns, and more liberal macro-economic policies. By looking at membership figures, as well as the organisation and structure of the federation, the overall outlook becomes apparent and will facilitate an analysis of other factors such as its interactions and engagements with international and global actors.

3.2.1 Membership

Cosatu has enjoyed remarkable growth in the period since its founding in 1985, but the various changes in the labour market and the economy as a whole has prompted many changes in the union's structures and membership. At this point in time, the union has over 1,8 million members with the bulk of these members belonging to unions within three industries, namely manufacturing, mining, and the public service. An analysis of union members and their profiles can be key in recognizing where growth is possible. Also, by looking at age, industry, gender, education, or skills the profile of the union's members becomes clear, indicating possible areas of growth and development while also revealing the support-base of the union.

Firstly, the sectoral breakdown of Cosatu unions reveals that public-service unions provide the organisation with the most members; this sector has shown staggering growth in membership, growing from originally representing only 4% of Cosatu members to around 37% in 1999, and thus influence within the organisation. There are many reasons for this growth, one of which is the increased job insecurity resulting from downsizing within the public sector. This has led to workers organising within unions most likely to represent their issues and interests (Naidoo, 1999: 10 – 11). The growth in this sector has compensated for the effect of a retracting manufacturing industry as experienced by many economies and trade movements around the world, an effect that usually means a disolvement of the recruitment base for unions and a decrease in membership.

Historically the most important sector for unions and their members, the manufacturing industry has undergone many changes in the last 15 years, mainly due to the decline in growth and employment within this sector. The decline in

importance can be seen by observing the percentage of total Cosatu membership that is located within unions in the manufacturing sector, falling from 55% to just below 28%. These changes reflect the macro-economic outlook, within South Africa and the world, with the manufacturing industries losing their importance for union recruitment in the 21st century. Most manufacturing companies in the developing world are unable to cope with the more advanced and developed manufacturing industries located in countries such as India, China, Japan and the USA. A wide restructuring of employment has caused increasing job insecurity, affecting non-unionised workers the hardest. This is leading to a growth in union density within the industry, but not enough to counteract the main economic forces at work (Naidoo, 1999: 12).

Various other industries have had mixed results, with losses in the mining industry but gains in the service and transport sectors. In almost all sectors, there remains untapped human resources, with union density growing remarkably in the last years of democracy, irrespective of total employment figures dropping. There is still room for improvement, especially in the growing informal sector. Overall union density, however, has increased, with unionised members accounting for around 31% of the total economically active population (Naidoo, 1999: 16 – 17).

When looking at the profile of the average union member, he is likely to be an African male between the ages of 36 and 44 working in the public sector or as a skilled or semi-skilled worker within the Northern parts of the country, such as Gauteng. There have been certain significant changes in the composition of Cosatu's membership in post-1994 South Africa, and these can point towards the success of union organisation and possible areas in which improvement is essential. An age-defined analysis shows that fewer workers under the age of 36 have been incorporated into the membership but have been offset by the increase in workers between the ages of 36 and 45 (Buhlungu, 2006: 7).

There have also been indicative trends with regard to formal education and skill level of members with a steady decline in unskilled and even semi-skilled workers experienced through the last decade. Workers within the skilled categories of work have increased, coinciding with an upward trend in level of formal education of the

average member. This in turn has led to more than 90 % of workers having full time permanent employment (Buhlungu, 2006: 8 – 11). At first sight, these figures seem to represent positive trends in union participation but also points to shortcomings in the unionizing strategies of Cosatu. Shortcomings include the loss of a large proportion of unskilled and semi-skilled workers and the inability to organize workers within the growing informal economy.

There are many ways in which Cosatu can organise different groups and individuals within the union, looking towards the informal economy and employment structures for growth. Women become increasingly important due to the fact that they are working in the informal sector, not participating in the same way as men, and leaving them mostly without representation. They are also a very influential group due to their role in families and the economy, making it an essential area for attention by Cosatu and unions globally. Young people also seem reluctant to join unions as they often cannot identify with the goals and interests of unions (Naidoo, 1999: 18 – 19).

In comparison with the global trends in union growth, South African unions have grown remarkably well, representing the fastest growing unions in the world in a period of sharp decline internationally. The following factors have contributed to this fact: the politically charged nature of South African unions, the economic inequality, the growing mobility, and the visible actions of unions for their members contributing to their image in the public's eyes. It is also due to this growth, despite the international trends, that other unions in Africa and the world have called unto the union to participate and act regionally or globally by sharing their experiences and helping to invigorate the declining movements within other countries (Naidoo, 1999: 21).

3.2.2 Structure and Organisation

The structure of the labour movement in South Africa is very much linked to the characteristics of the workforce and their economic condition. Central aspects that make up the structure of the movement are large numbers of unions and federations; concentration of members within important federations and industries; high fragmentation along gender, racial, and occupational lines; and the unequal

distribution of resources. These and others will be discussed and commented on in this section of the study.

There remains a large number of unions and union federations in South Africa, the amounts of registered unions growing to 335 registered unions in 2005. Many of these organisations are small and underdeveloped with very few members which leads to their influence and representation being put to question. After a peak of 504 unions and over 4 million members in 2002, many of these have disintegrated (Department of Labour, 2005: 12). The three main union federations, namely Cosatu, the Federation of Unions of South Africa (FEDUSA), and the National Council of Trade Unions (NACTU), have grown over long periods of time and through various mergers and coalitions. The fragmented nature of unions and their members remains the biggest stumbling block for the solidarity of the movement because politically, occupationally, and racially, the various organisations remain distinct. This causes a lack in cooperation and coordination, leading to further loss of influence (Webster and Buhlungu, 2004: 231 – 232).

A concept that is vital in the understanding of the trade union movement in South Africa, as well as to worldwide union success for the future, is social movement unionism. Social movement unionism can be defined as combining institutionalized collective bargaining practices with modes of collective action normally associated with social movements. It also aims to address wider social issues above and beyond the workplace, includes the community in fostering a moral tone to its actions, and thereby incorporates disadvantaged groups that are usually marginalised and under-represented (Hirschsohn, 1998: 633; Roberts, 1999: 38; Frege, 1999: 279). It is imperative for unions in the post-1994 social and political arena to perpetuate their success in order to survive the negative trends experienced by other unions in the developed countries.

By looking more closely at the aspects of past union organisation that proved important and successful, it is possible to also see what needs to be done in future to continue serving the underprivileged workers of South Africa. A vital component of social movement unionism is the incorporation of a wide membership base, the existence of grass-roots organisations, and the mobilisation of previously neglected

categories of workers into union structures. It is in this area where Cosatu has largely been unsuccessful as women, youth, and informal workers are still underrepresented in the union (Wood, 2002: 30).

It is true that Cosatu lost its main social movement role when Apartheid was abolished in 1994 and the new democratic government came into power, but there still are issues on which can be improved upon for workers as well as unemployed and informally employed citizens. The union and its members need to re-evaluate their needs and goals and articulate these into specific strategies that will benefit a broader membership. Instead of sitting back, saying the battle has been won, Cosatu needs to continue fighting for the rights of workers and their issues even though the current government is a democratically elected one. With so much inequality and injustice still apparent in the country, the union needs to continue its role as social watchdog and incorporate communities in the fight for social justice (Roberts, 1999: 38). This is where the ethical question arises as to whether it is positive or negative for Cosatu to be in alliance with the ANC, since this can either be used to influence government or to be assimilated by government to the detriment of worker's grievances.

In terms of organisation and leadership within Cosatu, the shopsteward system is of cardinal importance in understanding the success and high levels of democracy within the federation and thereby union identity. The shopsteward system has its origins in the black unions that started gaining ground in the 1960s and 1970s, emphasising grassroots representivity and accountability thereby promoting responsible leadership. Shopstewards were usually individuals elected from within the community that were highly regarded and respected and worked and lived alongside ordinary members thereby giving them legitimacy. It also gave ordinary members the feeling that they have influence over the issues such a shopsteward voiced in meetings with other union leaders (Wood, 2003: 329).

Although the decentralised nature of power-relations in the unions and federations has been vital to the legitimacy and success of the movement, this aspect can also be detrimental to coordination and decision-making. Again in line with the macro-economic situation, the financial situation of South African unions also remains one of unequal distribution of resources and the resultant limitations on organisation and

decision-making. With diverging membership figures, donors, and alliances it is visibly clear how all unions were not endowed with the same financial means as others. Financial capabilities can have an impact on different levels of union functioning because it determines the union's capacity to engage with relevant actors, the funds available for recruitment drives and public relations, and how much research and analysis goes into planning new strategies and executing them.

Cosatu's large membership and relationship with government provides them with extra instruments for policy inputs and participation in newly created institutions such as NEDLAC. Research and development, education, training, communication and an informed and educated staff are all possessed at different levels within and between the federations, leaving NACTU and FEDUSA in a constant struggle to engage on state and company level. Cosatu has a vast array of programs and institutes specialising in policy formulation, education, strategic management, and training at a regional and national level lending some explanation as to their success in recent times.

3.3. Cosatu and democratisation

It is important to look at the process of democratization in South Africa and the consequences thereof, especially those significant to Cosatu and its functioning. Due to the social aspect of unions, and Cosatu in particular with its history of social movement unionism (Hyman, 1997: 515 – 533), the democratization of South Africa and the consequent changes brought about had a significant impact on the union federation. The struggle for democracy is intertwined into the history of the labour movement and once achieved left the movement without much of the motivation and action orientated strategies it had in the past.

This aspect also closely coordinates with the main topic of this study as together with democratization South Africa, too, became incorporated into the global political economy, and the effects of globalisation became more acutely visible and articulated. The changing political, social and economic landscape brought new challenges and opportunities, but the unions have yet to fully deal with these in a cohesive way. Where in the past unions not only fought for worker rights, but also against an

oppressive state and government, now the government enjoys legitimacy in the eyes of unions and their members. Unions now have permanent parliamentary staff, they are represented in institutions such as Nedlac and the Millennium Labour Council, and they are involved in complex negotiations with government and business, thereby forging a new type of union leader and agenda (Buhlungu, 2002: 198). In other words, from the informal beginnings of grass-root representation, the federation now needs to function within formal political and economic spheres, and coordinate their strategies and engagement with all actors in the system.

A growing problem encountered by Cosatu and other unions in the post-1994 political landscape is actually a product of new opportunities presented by economic and political equality. Many union officials and leaders have been incorporated into political posts within government and parliament while others have benefited from black economic empowerment schemes and affirmative action. An example of such upward mobility is the former General Secretary of Cosatu, Mbhazima Sam Shilowa, who became Premier of Gauteng after leaving his post within Cosatu (Buhlungu and Psoulis, 1999: 127). The position of shopsteward has become a stepping stone of sorts with these officials playing a political game using the union as a springboard. This development had a trickle down effect, impacting on the solidarity of the movement and creating competition in stead of cooperation within leadership as well as within ordinary membership (Buhlungu, 2003: 187 – 188).

There is also growing pressure from government and business to become more like traditional social institutions and abandon the history of mass action and social movement unionism. More and more, union officials are educated in the language of mainstream economics and lose their ideological and political roots thereby robbing the movement of its foundation that is to ensure renewal and growth. The loss of an ideological base becomes symptomatic of the modern union profile and is seen in the loss of accountability of leadership, corruption allegations, destabilizing conditions threatening certain unions with dissolving, and the crumbling membership base experienced by unions locally and worldwide (Buhlungu, 2003: 189).

This is an area which modern unions need to pay attention to, for the figures suggest that very few young workers are incorporated into union structures. In order for

young people to be educated about unions they need to learn and become familiar with the principles and workings behind a union from a young age. They need to know why it is important to belong to unions and what the reasoning is behind union membership. This education needs to take place before they enter the work-environment or the job market, either from parents or schools, but ultimately it is the responsibility of unions to introduce education programs into schools and universities. The latter becomes more important when considering the average white collar worker is almost never a union member and thus, as a group, holds immense potential as an intellectual and leadership recruitment base.

Education of union members remains important in the current context of a democratic South Africa due to the uneasy relationship that Cosatu has with the ANC and SACP within the tripartite alliance. The government enjoys legitimacy and support from the majority of people in the country, and the traditional loyalties that most Africans in South Africa show toward the ANC was forged in an incredibly hostile environment. Most members of Cosatu are also members of the ANC and this has created the mentality that it is foolish to criticize one's 'comrades' and fellow struggle compatriots who are now in government. In this view, the alliance becomes a very effective way of containing dissenting views among members, with critical leaders becoming marginalised and loyal comrades moving up the proverbial ladder (Buhlungu and Psoulis, 1999: 127).

Upward mobility within the high political circles of the tripartite alliance serve to keep union leadership loyal, a loyalty that is demonstrated by subtle manipulation of member's attitudes. By referring back to the past disadvantages and the previously adverse economic conditions of Africans, union leaders frequently call for patience in regards to effects of poverty reduction schemes, housing developments, and affirmative action. This is used as a stalling tactic serving the ANC by securing votes in elections as well as by Cosatu leadership as they, too, are sometimes held accountable for their actions. Another possible way in which the government is able to suppress union responses to issues of concern is by making small, but public, concessions that satisfy problems on the surface but leave the larger issues unattended (Buhlungu and Psoulis, 1999: 127 – 8). It has also been shown that leadership is much less accountable for their actions and generally enjoy favour among the masses once

elected, with a culture driven by greed developing amid the top positions and even local leadership (Buhlungu, 2003: 189). The example of one of South Africa's most prominent politicians, Jacob Zuma, who has been involved in various scandals, bringing into question his integrity as a politician and role model, yet still enjoys the favour of the majority of ANC, Cosatu, and ANC Youth League members. So much so, that he is still in line for taking over ANC leadership from Thabo Mbeki, thus taking him one step closer to the presidency.

Larger power struggles within the Alliance cause worker concerns to take a back seat to political manoeuvres between the government and Cosatu leadership while miscommunication causes ordinary members to be unsure of the whole situation. This was apparent in the public servants strike in June 2007, which had a crippling effect on the country and lasted 28 days, with more than 500 000 workers participating across various industries within the public service sector (*Mail & Guardian*, 2007). While government offers were simply denied in the face of steep demands from union officials, rank and file members were left unsure of the entire 'package' offered by government. Unions instead insisted on a 12 per cent wage increase, with additional increases the next year.

Financial problems are a chronic weakness of unions worldwide; and as a consequence of a diminishing membership base due to massive job losses in highly unionised sectors, corruption, and fraud, South African unions have been one of the worse affected (Buhlungu, 1999: 190). The changing social conditions within the country, as an effect of incorporation into the global political economy, has caused Cosatu to lose many of its valuable members employed in the manufacturing and textile and garments industries. The next section will look at the way in which globalisation changed the challenges, issues, and engagements of Cosatu and how these affected workers.

3.4. Cosatu and Globalisation

After a long period of international isolation South Africa was once again incorporated into the global political economy during the 1990s, a process that happened concurrently with democratisation and social change. With this

incorporation came a different set of challenges with which the unions have had to cope. These include liberalisation of tariffs and regulations on imports, more overseas investors and global competition, the restructuring of employment to include an expanding informal or part-time sector, and the contraction of certain historically important sectors for union membership. These forces have caused the conditions under which unions function to change and become more hostile, leaving leadership with additional challenges with which to cope besides the changing political and social spheres.

After 1994, Cosatu was incorporated into formal political structures and had to deal with a government which enjoyed legitimacy in the eyes of its members and with which they entered into an alliance. It was also involved with various initiatives aimed at labour market restructuring and furthering the rights of workers in South Africa. However, during economic restructuring the investment environment has also become more advantageous to investors and concessions were sometimes made at the cost of labour. While it remains true that certain labour market restructuring has benefited labour, in terms of dealing with challenges and negotiating with government, the union responses are mainly reactionary and defensive in nature which puts them at a disadvantage. With capital mobility becoming easier, various South African, as well as international companies, have relocated production processes to more flexible labour markets in nearby countries. It has also prompted government to restrain the concessions made to the labour movement in favour of foreign investment and international norms (Buhlungu, 2003: 193).

3.4.1 The Textile Industry

It is important to note the effect of global competition on previously protected industries after re-incorporation into the global economy, specifically in vulnerable sectors such as the textile and garment industry. Cheap imports from Asia have caused major job losses and factory closures in this industry because locally produced goods are unable to rival production costs of the Asian manufacturers. This is an important case study within the South African example, since this is an area in which unions have been particularly active in engaging with government, and with some degree of success, to stem the tide of retrenchments and foreclosures. One would like

to argue that the federation's engagement of government and international institutions is an excellent example of how a union does not need to be working internationally to still have an influence on the actions of global corporations or governments. In industries with large union participation and significant statistical evidence to substantiate the claims of members, it has been shown that government will act in union defence. Particularly in regards to cheap imports from China, South African trade unions have responded in a very organised and strategic way and has resulted in some positive trends in regards to government responses.

The textile, clothing, and footwear industry is South Africa's sixth largest industry and eleventh largest exporter of manufactured goods. This industry directly employs around 143,000 people, with an additional 200,000 workers from related industries such as transportation and packaging, many of whom are located in the Western Cape. In 1997, total South African retail apparel sales exceeded R24.1 billion with the textile industry sales reaching R 11.9 billion; this total rose to about R34 billion in 2004 (Vlok, 2006: 228). In the post-1995 period, the South African textile industry has become stagnant and has even declined in certain areas.

Local clothing manufacturers have lost an estimated third of all market share while Chinese imports in the last couple of years have increased by 335% from 2002 to 2004 in US dollar value. The textile and footwear industries have followed similar patterns with Chinese imports growing 52 and 112 per cent respectively. Making up around 85 per cent of clothing imports, Chinese imports are putting strain on domestic markets through their devalued currency and cheap labour costs, thereby making South African manufacturers less competitive locally and internationally (Vlok, 2006: 234). The increase of Chinese clothing and textile imports is also shown in Figure 3, with a visible increase in 2003 and almost doubling the next year.

Figure 3.1 SA Imports of Clothing and Textiles from China, 1995 - 2004

Source: www.tips.org.za
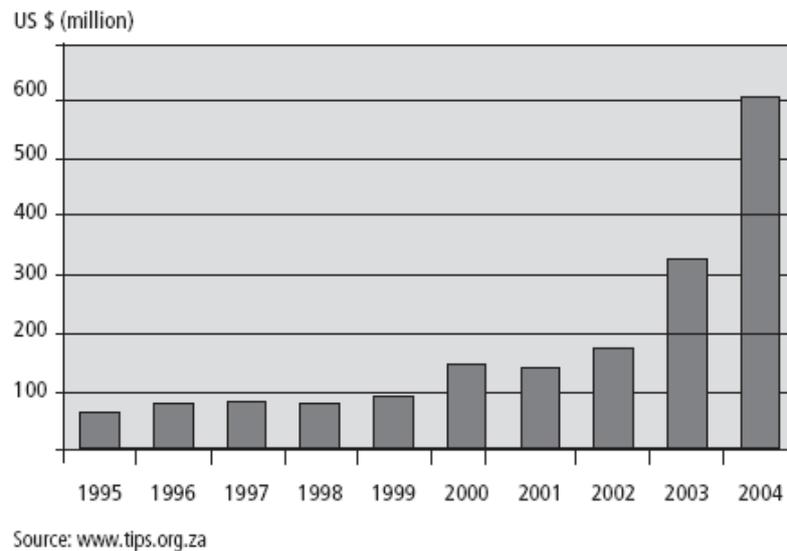
The effect is a massive loss in jobs for workers in the industry, and although the precise figures are difficult to calculate, it is estimated to be around 23 000 between 2003 and 2005 alone. In 2005, an application was filed by South African Textile and Clothing Workers Union (Sactwu) to the International Trade Administration Commission (ITAC) claiming more than 75 000 jobs have been lost since 1996. As indicated in Figure 4 below, there is a visible downward trend with employment in the sector. In a country where unemployment and poverty are very real threats, this total is seen as unacceptable. SATCWU is the most important union that represents workers in the textile and clothing industry and is an active member of Cosatu with a membership of over 110,000. SATCWU has actively engaged with relevant stakeholders in business and government, forming a task team that is convened by the Minister of Trade and Industry (Mandisi Mphalwa) within which various proposals for industry restructuring were formulated (Brink, 2006: 4 – 7).

As a founding member of GATT and the WTO, the South African government is bound by their constituting agreements. It has offered to implement 'safeguard measures' which are compliant with the WTO's code of behaviour. There has been an engagement with labour and manufacturers in 2006 after an official application was launched where the government has initiated import limitation discussions with China.

Figure 3.2. Clothing and Textile Employment (1993 – 2005)
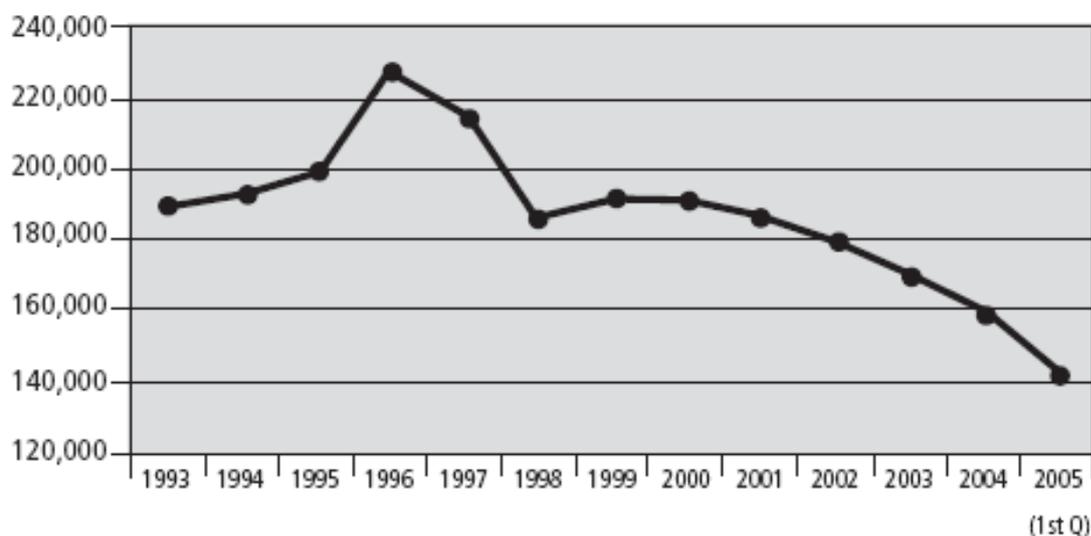
Source: Survey on Employment and Earnings, Statistics South Africa.

Unions have demanded that the country's retailers maintain a 25 per cent ceiling on imported goods (EIU, 2005: 16). Measures were also put forth to government in order to restructure various tariffs and quotas that will enable more competitive prices and quality. The Memorandum of Understanding (MoU) was initiated in June 2006 during the Chinese Premier's visit to South Africa and signed into force in August of the same year. This Understanding allows for the restriction of 31 categories of import products until December 2008. To some extent, these have been successful in providing unions with a blue-print for engagement with government on important issues but has also come too late for many workers that lost their jobs as a result of the slow implementation of protective measures.

3.4.2. Restructuring of Employment Practices

The restructuring of employment practices, as described in the previous chapter, have also affected the South African labour market. Employers need ever more flexible labour rules in order to minimise production costs and navigate the laws dealing with minimum wages, dismissal of workers, medical aid and insurance, as well as unemployment and tax fund subsidies. Employers do not need to supply the same benefits to part-time employees as to full-time workers, saving them money and effort

while also providing contractual loopholes so that companies can dismiss workers without notice or warning. It is difficult for Cosatu to incorporate informal and part-time workers into their membership-base, as was shown in the section dealing with the current membership overview, and this trend towards less structured forms of employment have had a detrimental effect on the union's membership figures (Buhlungu, 2003: 193 – 195).

Although the government instituted various labour laws granting workers the right to organise and protest, there is also a growing constituency within government that would like to see a more neo-liberal approach to labour politics, especially those with significant business interests gained under the auspices of Black Economic Empowerment (BEE). An indication of this orientation is the macro-economic policy, entitled Gear, that was aimed at aligning the South African business environment with global norms and has raised questions over the viability of Cosatu's alliance with the ANC (Jamerson, 2004: 41).

Another important sector for Cosatu is the public service sector, one which is highly unionised because of the history of job losses and subsequent job insecurity experienced by workers in this sector (Naidoo, 1999: 10 – 11). Privatisation, another prerequisite for more liberal economic conditions, has caused thousands of job losses in various industries as government employees are laid off. As noted by a reporter shortly after 1994: "The requirements of globalization - a flexible and competitive business environment - appear to be in direct conflict with the intention of South Africa's new labour and social legislation." (Jamerson, 2004: 42).

3.4.3 International Linkages

Although Cosatu has been relatively successful within the context of the South African labour market, it is also important to look at the way in which they engage with other labour organisations elsewhere in Africa so one can see what potential the organisation has to become a leader outside South Africa. Cosatu has always been linked to many other unions and union organisations around the world and the African continent. During the years when black unions were not allowed the same rights as

today, they received financial and technical support from 'ideological comrades' in countries such as Russia, China, Mozambique, and other African states.

Today, the organisation is part of the Southern African Trade Union Coordinating Council (SATUCC), the Organisation of African Trade Union Unity (OATUU), and the newly formed International Trade Union Confederation. Individual affiliates also have linkages with other, similar organisations in different countries. It is, then, difficult to explain the seemingly incoherent way in which unions engage with one another, more often than not, fighting amongst themselves and struggling to find common concerns that can be tackled together.

Besides the historical linkages that Cosatu has with international counterparts, it is also increasingly forced to engage with other social movements in Africa as a contributory organisation with much experience and success from which to draw and educate other organisations. In Swaziland, Cosatu has been actively involved in the struggle for democracy, leading protests with other pro-democracy groups and political parties. Swaziland is the only remaining African monarchy; the state is prohibiting political parties and the right to organise, thereby inhibiting certain freedoms to its citizens. Zimbabwe is another country in which Cosatu is actively campaigning for workers' rights and democracy in support of the Zimbabwean Congress of Trade Unions (ZCTU). Cosatu has continually supported workers and unions in Zimbabwe, calling on South Africa and the whole SADC region for more pronounced action.

Especially through the OATUU and SATUCC structures, Cosatu has emerged as a leader by involving unions from other Southern African countries such as Mauritius, Zambia, Mozambique, and Zimbabwe, in discussions particularly involving the clothing and textile industry and the current influence of globalisation on the industry in the region. The subsequent 'Maputo Declaration on the Textiles, Clothing and Leather Industries', signed on the 9th of May 1999, identified such common problems as the erosion of labour standards, the impacts of SAPs on the economies, as well as EPZs having a detrimental effect on labour standards. Certain safeguards were also called for, such as more appropriate macroeconomic policies and the careful

consideration of reducing import tariffs on specific industries (Bezuidenhout, 2000: 17).

3.5. Union Activity in Post- 1994 South Africa

With a history of politically conscious and active members, and taking into consideration the success of mass action and strikes within the Apartheid regime and after 1994, it is not surprising that trade union activity in the country is very high. Since 2003, there have been increases in union organised strikes, with coordinated actions widely supported by the members, these mass uprisings are taking on the same character as witnessed in the pre-1994 era. Vast inequality and dissatisfaction have caused union members to once again revert back to the disruptive instruments that served them in the Apartheid years and helped topple an oppressive government through creating lawlessness and instability. Protests and mass strikes serve to disrupt normal life, especially when they take place in vital industries such as public services.

In a country where inequality is so widespread, yet concentrated within a relatively small area of land, the poor become exasperated by the seemingly unchanging economic situation and find an output for frustration within union structures. Although there are a large number of federations and individual unions, coordination and communication seems to be problematic, and thus undermines solidarity and the effects of collective bargaining (Buhlungu, 2003: 192). The large amount of strikes does have an effect on the international perception of the labour climate, thereby influencing large corporations' decision when considering an investment. The example of the automotive manufacturing industry is particularly interesting since this has been viewed as an important area of development with major manufacturers such as Volkwagen, General Motors, and Hummer establishing plants in the country. However, with strikes in the metal workers and, recently, the tire industries halting production, these manufacturers have expressed concern over the viability of sustaining and increasing their investment.

It is also interesting to note the decline in mass action during the years from 1995 to 2003, with relatively few strikes impacting on the working environment of the

country, then steadily climbing the following years. In 2007, it is estimated that 11 million working days were lost to the economy with the public service strike contributing the most of these days. This is the highest figure in the 13 years of democracy and has an estimated cost to the country of over R 100 million. However, this is only the tangible, calculated costs, leaving out intangible figures such as impact on investor confidence and educational time lost by learners after loosing almost a month of school time (Letsaolo, 2007).

The public service strike saw an estimated 500 000 to 600 000 workers down their tools for a period of 28 days in 2007. This included hospital staff, teachers, and public workers within national and provincial government offices crippling the country administratively and financially. The unions managed to drive up government's offer of a 6.5% wage increase to 7.5%, with additional concessions made in terms of housing and medical subsidies. This served to embolden workers nation-wide and across other sectors, visible through the almost immediate response of the mining, chemical, petroleum, electricity, and engineering industries' workers. Shortly after the public service strike, workers associated with Cosatu affiliates, Numsa (metal workers), the National Union for Mineworkers (NUM), and chemical and petroleum workers (Seppwawu) made their intentions known by bracing themselves for industrial action over wage demands rejected by employers (Letsaolo, 2007).

The petroleum workers' strike brought petrol production to a standstill, causing a shortage of petrol in certain parts of the country and queues and hoarding behaviour from citizens fearing the effects of continued mass action in the sector. The metal worker's strike, as well as a strike in the tire producers of the country, in turn caused automobile manufacturers to halt production and make public statements regarding their disinvestment following continued mass action and unresolved wage negotiations. This is important since the already retracting manufacturing sector largely relies on the international automobile companies to sustain the sector, and big manufacturers making public statements regarding disinvestment points toward the possibility of the large scale negativity of international investors.

This trend is alarming, not only because of the financial losses to businesses and the state, but also in regards to the image of the country in the eyes of investors and entrepreneurs looking for investment opportunities. The strikes of airport staff and public servants, especially, have had a detrimental effect on the image of the country to businessmen and tourists alike, not only foreign but local as well. In any risk analysis undertaken by a foreign investor before embarking on a new investment opportunity in a country, there will be some attention paid to the nature of workers and the level of union activity in the country. With so many options open to foreign capital, other countries become more attractive and make it increasingly difficult to focus on the positive aspects of the investment climate.

For South Africa, the strengths still outweigh the weaknesses of the investment climate, but for how long? After the strike in the tire manufacturing sector in 2007, auto-producers were forced to halt production as there were no more tires to put on vehicles rolling off production lines. Large manufacturers, such as Volkswagen made public statements raising questions over their continued investment in the country, putting large amounts of workers' jobs in jeopardy. The strike action in 2007 also revealed that employers largely underestimated large-scale union action, both in terms of its offers and the amount of time which they take to be resolved. There is also increased cooperation between traditionally 'white' unions and those affiliated with Cosatu, such as demonstrated by the public service strike and that of the metal workers (Grawitzky, 2007).

The culmination of factors such as poor social conditions, large-scale unemployment, exasperated poverty, and inequality, and the history of change through (sometimes) violent means has bred a mentality of mass action. In other words, workers see mass action as the only way in which they can actively voice dissatisfaction and concerns with government action. The problematic behind such reasoning is that it marginalises other political processes, such as voting, in favour of this particular strategy which seems historically more successful but is currently only serving to destabilize economic conditions.

It is also important to note the increase in mass action after 2003 as an indication of worker attitudes and frustrations becoming more influential in determining union

action (Grawitzky, 2007). Where the call for patience has always served government and corrupt union leaders, this no longer seems enough with workers opting for real gains in such terms of wage increases, health benefits, and living subsidies. Another factor that should be taken into consideration is the effect of concessions on other vital industries with the eye on the 2010 Fifa World Cup. With various construction projects under way in various parts of the country, worker dissatisfaction has already led to mass action in the Western Cape. Stadium workers' unhappiness over transport allowances and wage increases brought construction to a standstill, putting strain on an already tight schedule and leading to questions over the timely readiness of these stadia given the possibility of more such actions in the future (Cape Times, 2007).

The current increase in union activity could possibly be pointing to a growing consciousness and realisation by workers in vital industries that they could use such mega events as leverage for wage and benefit increases. After certain concessions have been made, it also opens up the way for other industries to follow suit and ride the wave of concessions. However, in the same breath it should be mentioned that a possible backlash could manifest in terms of construction projects being tendered by outside firms from countries such as China. Such firms are waiting to gain a foothold in South Africa's strong construction industry, which has up to now been difficult to enter. As is the case in other African economies, these firms usually provide the lowest bid and provide the majority of labour from outside sources with adverse conditions arising in some cases.

3.6. Conclusion

The overall situation in which Cosatu finds itself has both positive and negative features, but the membership figures show that the organization has largely been successful in keeping the numbers up. It is largely due to the historic background of South African unions, namely their successful actions leading to democratic change, that the federation enjoys such a high esteem with the country's workers. The history of organising unionism, or social movement unionism, has served to uphold the reputation of the organization as a vehicle for change, a perception that persists today.

With democratisation in 1994 came significant changes usually associated with an economy in transition. Incorporation into the global political economy brought certain requirements upon the government, as well as exposing itself and local companies to competition with other states. Due to the strong position unions held in the struggle for democracy and the alliance with government thereafter, liberal macro economic policies came along with new labour regulations exposing a seeming contradiction on government's part. However, the effects of globalisation still impacted on the union's organising strategies, its membership base, and the challenges faced because of global competitors such as China.

There has been a marked increase in union activity in the last two to three years, gaining particular relevance as a proxy for the bigger political battles fought with the ANC in the tripartite alliance and with lobbyists of big business. The calls for patience, by both government and union leaders, are no longer deemed sufficient with the mass of unsatisfied people growing restless and finding an outlet in collective action. Unions have the capacity to regain their role as a social movement, which serves ideals bigger than simple workplace economics, and thereby renew its position within society. It is not only possible, but essential for unions and federations to work together in finding common ground for solidarity to grow thereby prolonging resources and energy for social change.

The next chapter will deal with the most important challenges and strategies that Cosatu, and unions globally, need to tackle in order to do what they were formed to do: to serve the interests of workers individually and collectively through engaging with relevant actors with worker issues at heart. By taking on the characteristics of a social movement, unions can utilise new technologies and educational opportunities. If this is done, globalisation can be a tool for unions as it is for social movements and serve to unite people on shared issues. Only then will it be possible to change the image of unions among previously under-represented groups.

Chapter 4

The Future of Trade Unions Under Globalisation

4.1. Introduction

Is it possible for unions to reverse some of the negative trends that have been observed worldwide during the last two decades? What do they have to do in order to address the issues related to globalisation and economic liberalisation? The objective of this chapter is to look at the ways in which unions can restructure and improve their position towards global capital in the new innovation economy, thereby serving the workers they were created to represent. As the structure of the global political economy changes, the trade union is required to make certain changes; changes that allow unions to reach new constituencies, utilize new tools, educate different groups, and engage new actors.

At the current rate, unions are loosing ground to the globalisation of almost all areas of life, including capital, the corporation, and even class. This chapter builds on the foundation laid by the previous chapters in that it will discuss the different strategies outlined below in light of the structural changes that are occurring on a global level. Firstly, one must look at Cosatu and South Africa and how organisations can (and do) apply such policy considerations. Secondly, one must look at the extension of it to the global level, for only through global collective action will real social change occur.

The four strategies discussed in this chapter are as follows:
- o the restructuring of the organisational foundation by changing traditional views around members and their representation in order to service a new generation of workers;
- o lessons from 'new' social movements using new technologies, using innovative marketing and networking and coordination, are all examples of how certain civil society organisations have worked with globalisation and not against it;

o   educating the youth by teaching the future generations of workers about unions, their purpose, and functioning early in their development will serve to make the youth class conscious and socially aware;

o   and by identifying and engaging the correct actors on the appropriate level whether it is government, business, international intergovernmental organisations or workers, unions will learn to strategically engage at the right level with the relevant actors.

4.2. Possible Strategies for Union Renewal

Unions worldwide have found themselves increasingly undermined by the challenges posed by the current global economic and political environment, mostly relating to the changing circumstances workers find themselves in within the modern economic system.   With informal workers increasing rapidly and structural employment becoming a thing of the past, it is more important than ever for unions to look at new ways to attract vulnerable workers, marginalised groups, and under- serviced constituencies. This study will focus on four strategies aimed at renewing the movement.

This firstly requires unions to restructure the way in which they view members, the role of union officials, and the organisational functioning as a whole. Secondly, by observing other types of civil society organisations and the ways in which they employ modern communication and networking tools available through the internet and mass media, union leadership can apply these same techniques to their benefit. Thirdly, education is key to changing perceptions around trade unions, and the formation of a class consciousness, and a global social consciousness surrounding issues which affect workers, and therefore human rights fundamentally. Finally, by concentrating efforts on strategic goals and working together with academics and intellectuals, unions can ground their own counter-arguments on solid research and therefore engage the appropriate institutions on issues of concern.

4.2.1. Organisational Restructuring

Unions, as we know them today, were formed during the industrialisation of the West as a reaction to the increasingly unequal conditions under which people were forced to work, and they have grown to become one of the most important movements to champion the rights of workers in the modern world. Workers working conditions are no longer the same as in the early days, and there are entirely new challenges facing workers under conditions of globalisation. The increasingly global nature of corporations and their investments and the system of capital accumulation created conditions of inequality, insecurity, and instability, making it no longer possible for unions to simply focus on the issues relating to the workplace. As the profile of the average worker changes in the modern economy so, too, must the union in order to accurately represent its constituency.

4.2.1.1 The Informal Sector

The ILO (2000) defined employment in the informal sector as "all jobs in informal sector enterprises, or all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was their main or a secondary job." Recently, the term was broadened to 'informal economy' and encompasses "all economic activities that are - in law or practice - not covered or insufficiently covered by formal arrangements" (ILO, 2007). In today's economy of inequality, this is becoming an increasingly substantial group. Traditional views around employment have been transformed by an economic system which poses immense challenges to vulnerable groups, so much so that this is the fastest growing sector in various countries in the developing world.

In Sub-Saharan Africa, it is found that less than 10 per cent of the population is typically in formal employment thus leaving the vast majority of workers outside traditional union structures. Thousands of street vendors, taxi drivers, domestic workers, millions of agricultural migrants, and employees of small shops, businesses, and manufacturers all fall into such categories (Barrett, 1993: 45). Even more formal types of work, such as consultants, designers, architects, and researchers, are

becoming more informal in the sense that 'freelancing' has become possible through modern communications technology and more popular due to people's increasing need for freedom and self-expression.

It is vital for unions to restructure in order to accommodate these individuals, for not only are they increasing in numbers but hold great potential for mobilisation and activism. Women remain a vastly untapped resource to be mobilized within union structures, as solidarity within social movements is forged through issues that are common to the working class and their families. Women are usually employed in the informal economy, and unions show an inability to unionise these groups. This is illustrated by the fact that women constitute less than 30 per cent of union members (Bezuidenhout, 2000: 13). Uneducated and low-skilled workers are increasingly employed through informal work contracts and in informal businesses, granting them little or no legal protection, for menial remuneration.

Why are unions having problems unionising the informal sector? One of the reasons offered used by unions puts the blame on current membership fee collection practices since membership fees are usually collected monthly through stop orders. This service is usually only available to formally employed and working individuals thus marginalizing those workers unable to pay their fees in such a manner. Another possible reason is the immensity of trying to incorporate an extremely diverse group of people and consolidate them into a focused union. It would seem that a new organisational structure is needed, more flexible and organic, in order to incorporate diverse members' demands and grievances while still maintaining effectiveness in decision-making. This is by no means an easy task but, as will be illustrated by some examples, is possible if certain structural changes are made in terms of servicing members and focusing on larger issues that concerns a wider spectrum of worker.

In 1997, the September Commission report noted that union membership is ending up "being based on a shrinking section of the working class", and although this influential report's recommendations were adopted, they have not been successfully implemented by Cosatu (September Commission, 1997: 140). There is a growing consensus that a new type of organisation is needed, or at least new ways of dealing with informally employed workers, but this has not been adequately tackled by the

federation. The organisational type the federation needs might be found in its own history. Cosatu could revert back to the social movement character of unionism in the pre- 1994 era to revitalise the labour movement and incorporate the marginalised and economically oppressed.

4.2.1.2. Social Movement Unionism

A concept central to this discussion is social movement unionism and the potential it has to be the bridge between failing trade unions and marginalized groups. Informal workers require special organisational capacities from unions; by focusing on complaint services and strategic unionism, as well as broad based issues of concern, unions will be able to organise informally employed workers. Social movement unionism holds internal democracy in high esteem, and representation at the grass-root level encourages different groups to become involved. As the profile of the average union member changes, unions are required to change their own organisational profile in order to better represent the union's modern membership composition.

In South Africa, and Cosatu in particular, social movement unionism seems to still be present, albeit in a rather decreased scale. A study done by Ginsburg and Webster (1995) and a similar study by Wood and Psoulis (2001) have concluded that elements of social movement unionism still persist but are challenged by the new conditions in the economic, political, and social landscape. Problems with representation and demobilisation are common among affiliates and the inability to service the demands of a growing and diverse constituency undermines the social movement character that was present in the 1980s and 1990s. ANC dominance in the political arena has slowly eroded the ability of unions to actually put workers first; the message from government has been to "Build the ANC; Build the Tripartite Alliance", thereby co-opting union leadership at the cost of workers (Interview, Manganyi; 2001).

In an ideal world, unions would have the structural capabilities to not only represent members on an (inter)national level, but also deal with the individual members' complaints which have become increasingly diverse. As informal sectors grow and workers become ever more diverse in interests and demands, it becomes necessary for

unions to service members more directly. In other words, forming complaint services within existing union structures in order to meet member demands for individual attention is essential to incorporate marginalized groups (Barrett, 1993: 48 – 9). Much of the literature highlights the inadequacy of a 'servicing model' of union organisation but Kochan (1996) suggests a 'full- service unionism' model as the alternative to structural inadequacies of service unions. This model offers a variety of services to workers in different industries and at different stages in their career, as well as using a range of tactics to directly influence workplace change and legislative reform.

In order to attract marginalised groups and make structures democratic while still maintaining effective decision-making and leadership, trade unions have to revert back to organising unionism, but with servicing aspects, thereby facilitating member participation while still keeping in line with macro-level objectives. The advances in information technology make communication more accessible than ever, giving unions a tool whereby members can voice complaints and also receive educational material. Internal democracy becomes more easily obtainable with the use of information technology, and mass media, in the form of radio and television.

There are different ways in which unions have responded to this imperative. Some seek to extend their activities to include the informal sector into union structures while others establish new unions to organise these informal workers. In South Africa, the amount of informal workers has increased remarkably as has the need for these workers to be organised. There have been attempts to organise informal workers and a good example is the Self Employed Women's Union (SEWU). This organisation is modelled after the Self Employed Women's Association (SEWA) of India and founded in 1993. The organisation aims to empower women in the informal economy and represents poor and vulnerable workers in local, national, and international spheres. The focus on local negotiations and engagement of government on issues of gender and inequality have made this organisation a good model to look at for the future (Skinner and Valodia, 2003: 439 – 441).

In 1999, Sactwu made a formal decision to actively recruit informal, home-based textile workers in residential areas of Cape Town. This resulted in various improvements for workers such as improved negotiation conditions, work spaces, and cooperation between small manufacturers (Webster, 2006: 31). There have also been relatively successful attempts to organise taxi drivers into a union with the South African Transport and Allied Workers Union (SATAWU), a Cosatu affiliate, claiming to have recruited between 25 000 and 30 000 members from within the industry. The SATAWU was set up in 2000, and has approximately 134 000 paying members and organises in the transport, cleaning and security sectors. Taxi workers are notoriously difficult and often dangerous to unionise, but SATAWU has made some headway by focusing on specific taxi ranks and taxi associations and by depending on a few interested officials to do the job (Sturges, 2007: 6). Although small in scale, and often unsuccessful, these are promising cases simply because they point towards an emerging consciousness within workers and unionists.

Globally, there are more examples of unions organising informally employed workers, creating community linkages, and forming international coalitions with the goal of servicing members and creating a social movement character throughout the globe. One of the most well known cases is that of SEWA, an Indian union specifically focused on home based workers, refuse collectors, street vendors, and other informally employed women. This organisation was founded over 25 years ago, and has been very successful in setting up support infrastructure, training programmes, and setting up networks of cooperation with similarly established organisations in other countries. The Brazilian organisation, the Landless Rural Worker's Union (MST), has made remarkable progress in recent years, organising the poor and vulnerable workers in rural areas of the country and developing a distinct social movement character. After its conception in the 1980s and rise in popularity, due to the increasing inequality in the land distribution of Brazil, this organisation has gone from strength to strength in recent years by incorporating urban poor and informally employed workers. MST has close ties with the social movements and urban trade unions in Brazil and helped the organisation to develop clear strategies for improving the lives of a large and growing constituency, and also contributed to the democratisation process (Antunes, 2001: 456 – 7).

During the late 1990s, the Australian dockworkers association, the Maritime Union of Australia (MUA), looked to the community for support when a series of attacks were launched at workers' freedom of organisation by the imposition of anti-union laws. This sparked an outcry from the community, local and international. Due to the MUA's international linkages, the protest gained widespread support and international boycotts were quickly launched across this sector eventually resulting in the dockworkers being granted freedom to organise (Lambert, 1998: 74). Workers in South Africa opposed this attack on union rights by protesting and marching to the town centre of Durban, threatening to boycott the route between Freemantle and Durban. This shows that effective use of new information technologies, and harnessing the power of the media to obtain objectives can be extremely successful and will be further explored in the section dealing with 'new' social movements and their use of modern communication technology. The South Korean labour movement has been very active in their pursuit of fair labour practices; after government passed two laws in 1998, aimed at marginalizing labour under the auspices of market flexibility and with the background of the recent Asian economic crises. By launching nation-wide strike actions and basing their counter-arguments on academic research, the Korean Confederation of Trade Unions (KCTU) led 120 000 workers in a protest against the unfair application of IMF backed reforms (Lambert, 1998: 74 – 5). It is, however, important to understand that most unions in Northeast Asia are enterprise based, representing a different model to that of the West and thus posing a different set of issues altogether.

The Indonesian example provides a case where widespread repression and worsening economic conditions urged students and activists to lead protests against their leader, President Suharto. After continued resistance, climaxing when hundreds of students occupied the Indonesian parliament, Suharto finally relinquished control by allowing an interim government to take over. This movement has inspired various new organisations to emerge as alliances deepen between unionists, students, and NGO activists. Although the fall of President Suharto served to generate awareness and activity in the labour movement, there is still a long process ahead. It shows, though, what can be accomplished if young people become conscious of suppression and cooperate with trade unions (Hadiz, 2001: 120 – 123). In Sweden, cooperations

between unions and universities have taken on an educational character, and will be discussed in the section dealing with educating the youth in matters relating to labour.

It is not an easy task to restructure an organisation in such ways as suggested in this section, but there is certainly room for improvement in the current state of affairs. If only one or two of the possible changes suggested in this paper, and those studies that have come before it, can be implemented, it would change the whole outlook of working class politics. To take a concept such as incorporating and organising informal workers, and practically incorporate it into an organisational plan, is easier said than done; therefore it is essential to look at other organisations that display the characteristics needed and learn from them.

4.2.2. Lessons from 'New' Social Movements

The growth of civil society in recent years has been widely observed and commented on as the community of non- governmental organisations, development programs, private firms, and community based associations increase throughout the world. These organisations have specific mandates, focus on a few important issues, and utilise the tools of the information age very effectively; organising around common issues. These organisations form networks of cooperation with other organisations with similar goals and communicate effectively through electronic means across all continents. As Castells (2000: 502) puts it "Networks are appropriate instruments for a capitalist economy based on innovation, globalization, and the decentralized concentration; for work, workers, and firms based on flexibility and adaptability; for a culture of endless deconstruction and new values and public moods; and for a social organization aiming at the supersession of space and the annihilation of time."

In many countries the state is unable to provide basic public goods for its citizens, more and more it is left to civil society to fill the gap where governments fail. Humanitarian organisations, inter-governmental and non-governmental, rely on support infrastructure and careful coordination to fulfill the mandate required by some regions in the world. Another very coordinated group is the environmental activists, utilising all possible means to get governments and private firms to take notice, often succeeding due to amusing, entertaining, or controversial campaigns. In 2000, more

than 16 000 international NGOs were registered, with thousands more national NGOs operating in specific countries (Gallin, 2000: 8).

It is thus imperative for trade unions to learn from such movements and the way they function within the global economy, for these are key to the development of social movement unionism and servicing their members. In order to learn from these organisations it is important to look at their characteristics, especially those that hold significance to unions and their functioning. Four structural characteristics are identified by Melucci (1989, 205 – 206) as follows:

- o the centrality of information meaning, in the innovation economy, information is power and finding meaning in information helps organisations make the right decisions;
- o new forms of organisation aimed at informal and democratic structures that can empower members and through such structures members find an outlet for creative energy and feel more involved in the successes of the movement;
- o the integration of more issues relating to political and social aspects gives the organisation legitimacy and serves to unite people around common concerns;
- o and global awareness can create networks of information sharing and cooperation between organisations so that their members in turn can form a global consciousness of informed and motivated individuals.

There are multiple advantages to closer links between labour and other social movements, as was shown in South Africa and Brazil during their struggles against oppressive labour practices and political regimes. There is evidence of a new mindset of cooperation emerging between labour organisations and social movements, focused around shared concerns and increasingly internationalist in scope (Waterman, 2001: 255). One of the tools which these new social movements utilise, with great success, is the internet and other forms of electronic communication thus serving to unite groups from different localities. Due to various obstacles, unions have failed to fully engage with relevant technological innovations, thereby obstructing the creation of a 'global labournet' (Lee, 2001: 230).

Obstacles preventing trade unions from fully employing the internet include language and educational difficulties. Probably the most important obstacle remains the lack of capacity and technical support, as most informally employed workers do not have regular access to the Internet. It has become increasingly difficult to communicate with members through the distribution of publications and scholarly material for the purpose of education and training, as publication costs have become very expensive in recent years (Lee, 2001: 231 – 234). Through the optimal use of the internet it becomes possible to link up with other oranisations and cooperate on issues such as censorship and human rights. Information sharing is very important and is made easier on the internet, not only through virtual libraries and networks, but also between individuals.

Studies have shown that women can be reached effectively using IT technology, especially with the growth of industrialisation in many parts of the world such as India, China, Malaysia and Thailand. Women employed in the service industries of information processing, banking, insurance, and printing are often skilled workers and become economically and politically empowered through the use of information technology (Hafgin and Taggart; 2001) Spatial limitations of the past have been eroded, thus facilitating cooperation between leaders and decision-makers of the world. Conference calls, networking, and cooperating on studies and research have become commonplace in academic circles and should be improved in the labour movement. The divides between members transcend the workplace and influence the labour movements themselves, but should not prevent them from drawing on each other's experiences and failures to ultimately succeed. There are more and more examples of cooperation between unions and the NGO community, and more often than not, the differences between the organisations seem to disappear as they work together focussing on shared interests (Hale, 2004: 158).

In 1999, Cosatu followed up a resolution at their annual National Congress with a series of meetings aimed at deepening cooperation with other civil society organisations such as NGOs, churches, research bodies, and traditional leaders (Bezuidenhout, 2000: 24). This signalled the realization that it is important to cooperate with other organisations to improve society and worker conditions. There are coalitions of civil society organisations that actively challenge the ANC

government's continued favouritism to the demands of global capital. This happened first in 1994, in protest of the Reconstruction and Development Programme and then in 2001 through the Durban Social Forum against 'global apartheid' (Prempeh, 2006: 81).

Another good example of international union and NGO cooperation is found in the global campaign against the use of sweatshop labour in manufacturing sectors of Asia and South America. The Clean Clothes Campaign (CCC) started as an initiative in the Netherlands, but soon spread across Europe, with NGOs often becoming the key actors in the process. The campaign targeted specific organisations such as Nike, Disney, and Gap but also involved debates around the specific measures needed for the implementation of codes of conduct and effective monitoring of labour practices in the world (Hale, 2004: 161; Cavanagh, 1997: 39 - 40). The ICFTU and certain ITSs are actively cooperating with organisations, such as Amnesty International, to respond to human rights violations in countries like Guatemala, Indonesia, China, and Thailand (Gallin, 2000: 10).

A trend is re-emerging surrounding EPZs and labour legislation prohibiting the formation of trade unions in these areas; as this type of agreement gained prominence in Asia and Latin America during the 1980s and 1990s. These agreements are now being transplanted to Africa with potentially alarming developments in the regions and new challenges for unions (Chang and Wong, 2005: 151). Over 90% of workers in these zones are women in informal employment, largely unorganised and unprotected (Gallin, 2001: 538). The price of labour is slowly rising in many Asian economies, eliminating one of the factors contributing to their global competitiveness, and thus facilitating companies' need to relocate production processes to the only continent with a large enough population and lower labour costs, namely Africa. There is a growing perception that the unions in the South represent the future of the global labour movement, and coordination, strategic engagement and education remain integral to their survival.

4.2.3. Education

Trade unions have experienced problems with misconceptions around their functions, goals, ideals and how these ideals relate to workers in different categories of the labour force. Many people do not have a clear understanding of how and why unions have protests or for what they are protesting. This makes it difficult to attract members from certain sectors and age groups as the misconceptions often enforce a negative view surrounding unions and their activities. Most people learn of trade unions either through their parents or through the media, both of which is highly situational or not always objective in the knowledge they share. It is, therefore, important for unions to put in place a system through which they can educate and teach children, as well as adults, about different aspects of the trade union debate. Issues include the rights of workers, the activities of unions besides what is portrayed by the media, and the way in which union involvement serves to uplift disadvantaged communities.

In order for unions to attract more young workers entering the job market, they have to be educated about the advantages of being a union member before they enter the workforce. Various platforms can be used for this kind of educational programme, such as the life orientation period presented to children in schools, and the media in coordination with public relations and advertisement campaigns. A structured campaign, with relevant information and accurately defined needs and issues, presented to target audiences of different levels can create an awareness of the problems still surrounding labour and workers. Similar to what has been done in relation to HIV/ AIDS, the environment, human rights, and cancer awareness, the media can be harnessed and utilised to labour's advantage.

If representatives from trade unions can be given the opportunity to teach children about the organisations, as well as problems and opportunities that will present themselves once you leave school, it provides children of all ages with appropriate tools enabling them to make decisions later on. After school, young people can be attracted through youth organisations at universities and colleges and will be more informed about into which field they will enter once finished. In this way, children are educated before they are put into a position to be influenced by the media, and are

thus put in a better equipped to make the choice, regardless of the career they decide to pursue. Unfortunately, the whole capitalist system seems to be biased against trade unions and their objectives, and it is not an easy task to be incorporated into the school curriculum while lobby groups such as the South African Foundation fight against the further advancement of labour rights.

However, with solid arguments that explain unions as a part of society and their work important to society as a whole, one may believe that it is possible to convince governments to grant them the right to education. This is especially true in South Africa where unions still maintain close links to government and have a history of involvement in different aspects of social life. By creating a tiered system of education based on age, it is possible to build an educational foundation from which can be drawn later, for instance at university level. Students have proven to be extremely active and responsive to infringements on the part of government and private firms and offer an intellectual capacity as well. If unions could replicate the actions of large corporations and offer university scholarships to bright students with labour interests, or establish a school of labour studies at a prominent university, it could go a long way to changing student perceptions around trade unions (Gomez, et al., 2004: 246).

The trade union movement in modern times often lacks the intellectual framework that was present in the past, and this gives rise to uncoordinated and uneducated tactics, strategies, and policy choices. In South Africa, many of the labour intellectuals were incorporated into government posts, leaving the movement without leadership in the time when they need it most (Buhlungu, 2003: 197). The labour movement has stagnated, intellectually and practically, having lost the ability to change in order to better suit the environment in which they function. The intellectuals that drove the movement forward during the 1980s and 1990s have left a void that still needs to be filled. The role of this group is identified by Aronowitz (1988: 59), who identifies two new ways in which intellectuals engage with workers in the modern system. The first is by assisting in technical matters such as restructuring and strategising, and secondly, by participating in organisations and movements that actively campaign against labour issues.

Swedish labour unions in the shipbuilding industry, after suffering a crisis during the late 1970s and 1980s causing thousands of job-losses, have built strong ties with the University of Gothenburg. Structural problems within the industry caused the shipyard in Gothenburg to be the only remaining large-scale shipyard left in Sweden, and only because of heavy government subsidizing. Looking toward the university for assistance, this cooperative agreement has taken the form of study groups, research proposals, theoretical analysis, and teaching courses. A couple of these types of relationships between local labour organisations and universities have emerged, serving to benefit the particular unions involved as well as the universities. This is another possible model that can be implemented in other countries where labour, and therefore trade unions, face particular challenges (Eriksson and Holmer, 1981: 93 – 95). In the USA and certain Western European countries, top universities have supported labour training programmes, supported by trade unions in these countries (Gallin, 2000: 16).

By helping in the finer analysis and strategic planning involved in coordinating a union's actions, intellectuals from universities can provide invaluable insights as well as providing a support base for sometimes struggling unionists. After establishing an intellectual base, communication is important, and the various forms of media available are to be considered carefully and used effectively. The media is supposed to be utilised as a tool and not treated as the enemy as perceptions are created through the effective usage of this medium; by investing in public relations and advertising, it becomes possible to change perceptions and build awareness. There have been examples of internet technology being fused with radios and being used to communicate with disadvantaged groups while feedback is supplied by telephones or mail. Again in line with servicing members, if such a complaint service can be established, it could go some way into making the movement more democratic from the bottom up.

Unions find themselves increasingly over-extended and struggle to negotiate the complex environment of nationalist politics and business. They can, therefore, benefit from inputs by academics and commentators from outside the movement. By identifying the right issues, going through the right channels, and grounding

arguments on legitimate academic research, it is possible to make valuable contributions to common labour practice.

4.2.4. Identifying the Right Actors on the Right Level

Unions are often financially, and capacity wise, stretched for resources and it is therefore important to pick the battles that they want to fight, and maximise the effect through effective engagement. Although cooperation still remains an integral part of making efforts more noticeable and thus increase the effect, it is also important for unions to have structures in place that analyse and deal with problems at the appropriate level. By this, it is meant that unions need to develop a system to identify the prominent actors and engage with these in the right way as a coordinated whole to increase their influence. Whether it is national governments, inter- governmental regulatory agencies, private firms, workers themselves, or consumers unions need to fight 'smarter' instead of 'harder' if they want to survive in the future. A broad based approach is needed by looking at all important actors in the system, a system increasingly full of civil society organisations, individual personalities, and, most importantly, the working class.

Consumer campaigns against sweatshops and child labour illustrated the power of modern consumers when made aware of injustices surrounding certain products. If unions can participate broadly with such campaigns, and coordinate with human rights organisations for instance, to develop a framework that makes consumers aware of unlawful or immoral labour practices, capital can be harnessed into complying with consumer demands. With the help of modern media, it becomes possible to convey this message to the larger population and warn them against supporting a particular company or product. All workers are also consumers, and with targeted consumer campaigns it has been proven that multinational corporations have to pay attention and alter the way they do business. This is where the potential lies for creating a global consciousness, where civil society holds private firms accountable for their actions and thereby force them to comply or fail. True democracy for consumers is found in their wallets, because without customers, no company can succeed.

It has been shown that once a point has been reached where consumers insist on certain product specifications, it becomes common practice and the industry adapts accordingly. The organic food industry is an example of how consumers insisted on certain criteria to be met by producers, and the food industry has been revolutionised in Europe and America. The same can be said about sweatshop labour and the fast food industry; today, clothing manufacturers are more careful about where and how their products are made, and fast food restaurants like McDonalds have new campaigns promoting healthy options on their menu. The media is an important tool in the modern world as a method of spreading information and also receiving information back. With improvements in technology, it also becomes cheaper for organisations to become involved with media campaigns through radio, television and the internet.

Radio is probably the most underutilised media form, and potentially the most effective for unions, as the vulnerable categories of workers are often not reachable through the internet or television. Setting up a radio station can provide Cosatu, and other unions or union organisations in developing countries, with the means to talk to their workers and educate them on issues, have discussions and provide general information to members. It also provides a platform for workers to phone in or write a letter with particular concerns and have professionals address the issue as part of a discussion. Creating a dialogue around the subject of labour and labour concerns can be vital to the rejuvenation of the labour movement. It is unfortunately beyond the capabilities of this study to point towards the possible solution to this dilemma, and can only recommend that further research is done surrounding the issue.

These were examples of how unions can engage with workers and consumers from the bottom up, but it is also important to engage with the actors at the top levels of government and private spheres. It is found that in the post-1994 situation, labour relations have become formalised through the centralised institutions for negotiation and consultation between labour, the state and employers. Nedlac and the Industry Bargaining Councils have been created under this mandate, but unfortunately, served to promote a corporatist trend in union leadership (Buhlungu, 2003: 188). This essentially entails the formation of unaccountable and elitist leadership and has also been called the bureaucratisation of the union official, as the widening gap between

union official and workers cause cleavages to remain unattended (Adler and Webster, 1995: 99; Buhlungu, 1997: 44). Authors such as Baccaro, Hamman and Turner (2003) have commented on the negative impact on unions' ability to "mobilise the membership, organise the unorganised,build coalitions with other groups,or give support to grassroots initiatives "(2003:121). The generational change that occurred after the transition into democracy has had a profound impact on the labour movement in South Africa. There has been a sense that the movement has become bureaucratised by all the new developments after Cosatu and the ANC entered into a formal alliance.

Ineffective engagement with government is a problem that needs attention urgently, one that stems from the formal alliance with the ruling party and the SACP. As a result of the alliance, Cosatu has been co-opted into cooperation but marginalised from any real progress. The federation needs to realise that they have a certain amount of influence to exert on the ANC, as they supply valuable support during election campaigns and legitamise the ruling party in the eyes of workers. The current relationship needs serious re-evaluation, as it is not serving Cosatu or labour's objectives in an effective way.

The way in which unions approach the private sector needs rethinking, too, as unions will have to look at different ways to harness capital and workplace politics. One way might be with the backing of Corporate Social Responsibility (CSR). This has become one of the more fashionable phrases in the politician and business executive vocabulary, and it might present an avenue of opportunity for unions to gain a foothold in international capital. Companies have been known to try and prevent a backlash from consumers by boosting public relations and investing in CSR campaigns (Scholte, 2005: 164). The saying goes 'Charity starts at home', and for a business, that home is the employees; there might be some merit in looking to establish some form of enterprise unionism that focus on specific worker concerns.

An example already used in this study is the South African textile industry and in particular the actions of SACTWU in launching an application to the International Trade Administration Commission (ITAC), basing their arguments on research and statistical backup, and succeeding in at least slowing down the impact of neo- liberal

trade policies on the industry. Targeted consumer campaigns have also been mentioned and may present unions with the opportunity to put the spotlight on unfair labour practices as well as their message. Engaging with government can take various forms, some of which are through official channels and others which involve mobilising workers around specific concerns. As multinationals are increasingly held accountable for their actions, and the media focus turns toward exploitation and inequality, it presents organisations representing labour with a platform to get involved and provide support.

4.3. Conclusion

The strategies discussed in this chapter are just some of the ways in which trade unions can change in order to more effectively deal with the challenges posed by the continued globalisation of the world. Some of these are easier to implement and others pose a more serious organisational challenge, but as the trade union movement has long neglected to 'move with the times', the urgency of instituting these changes is greater than ever. Although the chapter is not structured in a specific order, as to suggest which of the transformations are the most important, some of the prescribed restructurings are more easily practically implemented and will facilitate some of the other preposed changes.

By creating closer links with other civil society organisations and focusing on the informal sector for possible membership drives, unions will build up their capacity and in time become more capable of engaging with relevant actors. By learning from the mistakes and successes of other organisations and implementing those that fit, organisations build on each other's experiences and thus become more effective. It can be a daunting task, but through planning and coordination as well as help from intellectuals and capacity building structures already in place, unions can change for the positive.

A broad-based approach that addresses the engagement from the bottom-up and from the top-down can help trade unions to maximise their resources and rejuvenate the movement through injections from new constituencies and other actors such as fellow civil society organisations and intergovernmental regulatory bodies. This is where the

need for intellectual capacity becomes essential, for it has been shown that credible academic research can be used to ground arguments and point towards flaws in the practical application of policy initiatives. This is important if unions are to become positive sources of critique and change, thereby serving their members, workers, and citizens in general.

Chapter 5

Conclusion

"The main point to keep in mind here is that the global labour market is not a "market" at all: ultimately it is not regulated by economic laws but by political laws." (Gallin, 2000: 7).

5.1. Conclusion

The purpose of this study was to describe and identify the problems facing the global trade union movement, paying particular attention to the effect of globalisation on trade unions. Globalisation has been explained as a process, one that encompasses various factors and builds on each in complementary and sometimes conflicting ways. Even though this process can be traced to the mid-nineteenth century, the speed and spread thereof has increased dramatically during the course of the twentieth century. Justin Rosenburg has argued against conventional views on globalisation but still agrees that its effect on the world is undeniable (2005: 42). Linda Weiss argued that "the dispute between globalists and sceptics [was] not about the reality of change; it [was] about the nature and significance of the changes underway as well as the driving forces behind them" (1999: 59).

The liberalisation of the world's economic system did not simply happen, but was driven by the Western states in the years following World War II, and propagated in order to further advance their interests at the time. The "Washington Consensus" was the ideological consolidation of the global elite, whose interests lay in the products they manufactured; the resources they needed for further development; and the local industries driving economic expansion (Williamson, 1993; Robinson and Harris, 2000: 41 - 2). Capitalism has arguably been the dominant mode of production for centuries, and the different manifestations thereof were commented on and discussed during the course of this study, paying particular attention to those aspects which worked against the interests of organised labour.

The liberalisation of global capital flows was simply the next step in Marxist explanations of capital's nature to 'drive beyond every spatial barrier' (Marx, 1857 – 8: 534, 539). Labour is firmly grounded in the territorial constraints of the nation state, and thus, trade unions have increasingly found themselves subject to the demands of global capital and marginalisation by governments. The ease and scale of global financial flows is astounding, with billions of dollars in financial 'commodities' being exchanged every day through the vast network making up the world's financial markets. The growing number of multinational corporations creates conditions of heightened global competition and results in various managerial strategies to cut production costs and maximise profit. Fordism, post- Fordism, just-in-time production, lean production, and Toyotism are all terms describing different approaches to production (and labour in particular) to try and stay ahead of the competition. In today's world, this is not an easy task and involves constantly changing with the world around one. According to Karl Polyani (1957), the actions of global corporations are merely functions of the greater social relations that form the bases of our society and, therefore, simply the effect of a capitalist world system.

It is absolutely imperative for any company to stay abreast with technological, social, economic, and political changes and innovations. As was shown with the popular example of the Encyclopaedia Britannica, even if a company is dominant in a certain industry new innovations from other industries can have the ability to undermine traditional business practice. During the 1990s, this company was almost bankrupted by a competitor from a seemingly unrelated industry. The printed encyclopaedia was destroyed by advances in the computer industry when companies such as Microsoft brought out virtual encyclopaedias that were often given away for free with purchases. The Britannica's executives failed to grasp the significance of the competition and soon after, in 1995, the company was sold for half of its book value. It has become a question of adapt or perish, keep up or fall behind in the 'innovation economy', otherwise you might be undercut by the proverbial CD-ROM (Davenport, et al., 2006: 175).

In contrast to the multinational corporation, most trade unions in the world have become politicised, co-opted, and marginalised from political decision-making in any real sense. The undermining of labour is fundamentally rooted in the conflicting interests between capital and labour, in Marxist terms, the bourgeoisie and proletariat. Humans created the structures, institutions, and regulations of the international system; these social constructs were established due to the increasingly international nature of human relations and are a reflection of the ideological disposition at the time. Globalisation changed the physical boundaries of the world by almost completely eliminating spatial and chronological restraints thereby influencing the global perceptions around more abstract social formations such as culture, class, heritage, and even race. Global class formation has become possible as elites have the ability to function outside the spatial boundaries of the nation state and physical world through the use of technology and money, meeting in international fora such as conferences, summits, think-tanks, and intergovernmental meetings. For the working class and the organisations created to represent them, it remains nearly impossible to escape one's territorial limitations.

There are also changes in the makeup of workers in the modern economy. In the past, firms were able to provide workers with lifetime employment and full-time contracts. Labour has always been an area that is popular to downsize, and presently it has become more acceptable to have the majority of workers in informal work arrangements or part-time employment, and to provide limited medical benefits to employees. In recent years, the social and professional status of men and women in Western societies has been progressively more equal resulting in more women entering the workplace. This is contributing to the diversification of worker interests and the increasing amount of people seeking employment, leaving increasing numbers of people either unemployed or informally employed. The informal economy is also growing in many developing countries, and its workers have traditionally been viewed as impossible to incorporate into formal union structures. However, it has become increasingly necessary to pay attention to these workers as formal employment patterns are decreasing, and more and more people find employment in these types of enterprises.

Today, the trade union movement is on the verge of defeat by the hands of global capital. If not for the resistance of unions in the South, there would not be much about which one could talk. Resistances against oppressive regimes, social inequality, economic marginalisation, and worsening labour standards have all served to unite workers and citizens through new organisational types and structures. These organisational characteristics more closely resemble social movements in that they do not protest against simple shopfloor issues, but rather fight for wider social change; encompass all types of people and workers; and have a strong sense of internal democracy based on shared concerns and grass-roots representation. This type of unionism is displayed in varying degrees in some of the examples used in this study, most notably the case study of Cosatu.

Cosatu is an interesting case for several reasons. Not only is it one of the most successful union organisations in the world, but it also finds itself in a controversial relationship with the ANC government and the SACP. This relationship has become strained in recent times due to internal power struggles and careerist tendencies of union officials, but also by the realisation of unionists that they are being marginalised through inclusion. Social movement unionism was broadly present in South African union action during Apartheid but has declined in the years following democratisation. Ironically, it was because of the formalising of union structures, institutions, and relations that unions have increasingly found themselves incapacitated by structural challenges and bureaucracy of post-1994 South Africa. It is argued that a return to these organisational roots will enable the federation to incorporate the informally employed and marginalised groups by focusing on larger issues and stressing grass-roots representation.

It is important to keep in mind that poverty and economic marginalisation is still a reality for the vast majority of South Africa's citizens and workers, as many have seen little or no improvement in the last 13 years of democracy. Unemployment and service delivery are just two of the most pressing concerns for the poor and vulnerable, and dissatisfaction is growing among this group as the calls for patience are no longer deemed sufficient. The growth of the informal sector in many African

countries presents unions with a challenge; although it is difficult to incorporate these workers into formal union structures they have been shown to have great potential for mobilisation and resistance.

It is beyond the scope of this study to fully explain and describe the necessary restructuring and change that is needed for Cosatu, and unions worldwide, to regain some of their practical use in the world. Social movement unionism presents an ideal that has worked under certain conditions, but it is problematic to use as a model because of its difficulty to sustain once certain goals have been reached and conditions improved. There are however certain points on which could be focussed, such as incorporating and empowering women and informally employed workers, creating alliances with other civil society organisations such as NGOs, and utilising the media and technological innovations to their advantage rather than being subject to it.

In order for trade unions to address, correctly and efficiently, the organisational difficulties they are experiencing, it becomes essential to employ the help of academics and labour professionals with insights into the minds and hearts of workers. There is a need for further research surrounding all these issues and the practical application of some of the recommendations mentioned before. Worker rights are intrinsically connected to human rights in general, and as conversations in the West focus more and more on how to empower communities and eliminate poverty, the need for labour standards and laws become clear. As production centres are moving around the world and labour standards and costs are rising everywhere, it is only Africa which is left with the human and physical resources to take over the next phase in human expansion.

The establishment of EPZs and SEZs in Asia and Latin America and its effect on labour standards has been commented on substantially by other authors and briefly discussed in this study. These areas are set up with regulations regarding the labour standards and costs allowed within them, once again giving capital the legal upper hand, and continuing the cycle of labour repression. It is mentioned here with the aim

of looking to the future, and preventing this strategy for development from being transplanted elsewhere. In its bid to industrialise and develop, Africa is actively seeking foreign companies to invest, therefore campaigning for these zones to be set up across the continent with workers once again excluded from the process of wealth creation. The setting up of such economic areas will structurally undermine an already unorganised and vulnerable population and serve to advance the further unequal development of the continent.

It is this kind of exploitation that has to be utilised by labour unions in these countries, via the use of the media and networks, with other NGO's and civil society organisations. These organisations have been very effective in creating dialogue, incorporating different groups, rallying support from all over the world, and utilising new forms of communication and information sharing. Trade unions are often hesitant to fully engage these actors out of fear of de-legitimisation and uncertainty regarding their goals and objectives. This need to be overcome and social partnerships should be actively advanced in order to regain some of the losses incurred at the hands of global capital.

It is also important for the 'labour elites' to come up with new ways of cementing partnerships and alliances between their distinctive organisations. By using the new communication tools available today, it becomes much cheaper to communicate with each other and cooperate more closely. The question then is, why are they not doing this? Again, it is not within the scope of this study to address the divisions among union organisations from around the world, but it is believed that the diversity of concerns and issues is the main cause of cleavages between otherwise similar organisations. These need to be bridged and could be accomplished by focusing on shared concerns and interests rather than differences in strategy. Even though all workers are different, and all countries have specific concerns, it is still possible to discern possible commonalties to form a basis of cooperation. This has been shown to work with cooperative relationships between unions and NGOs and could also help with cooperation between different unions.

To come back to a point made earlier, if the actions of global corporations are merely functions of the greater social relations that form the bases of our society, and therefore simply the effect of a capitalist world system, it enables us to change them through collective action by citizens and workers. All workers are also consumers and therefore can challenge global corporations to comply to certain standards of quality and price but also production practices and labour standards. There is a need for further analysis on this topic as there are still important issues that needs to be addressed in academic circles. It is also important to focus on practical issues that aim to empower workers as consumers and use the media in efficient and advantageous ways.

5.2. Points for Future Research

- o The creation of SEZs and the impact on organised labour and labour standards in Africa.
- o The informal sector in Africa and organising these workers into union structures.
- o The viability of global social movement unionism as a force of real change in the trade union movement, taking into account the challenges and pertinent issues in the debate.
- o Strengthening union participation in Africa through social movement unionism. Possibilities and challenges.
- o The use of media to promote awareness and consumer consciousness surrounding illegal labour practices and challenges to worker interests.
- o Linking internet technology and radio transmissions to reach less advantaged communities and providing relevant information to less advantaged communities.

If these and other labour issues can be confronted and addressed by union organisations and governments alike, it would serve to uplift disadvantaged communities and give power to marginalised groups. However, as pointed out at various stages in the study, it is not in the best interest of companies and their lobby

groups to adhere to these demands and, therefore, governments will also be hesitant to formalise such measures out of fear that they will lose out on foreign investment. It is clear that the current status quo will only be overturned by global pressure on a much larger scale, involving a variety of different organisations and individuals.

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