

## Struggle in a time of crisis<sup>1</sup>

*By Nicolas Pons-Vignon and Mbuso Nkosi*

The crisis which started in the United States in 2007 has turned into a global depression whose consequences are wreaking havoc across the world, although affecting in a disproportionate manner the 99 per cent, people who depend on their labour or state transfers to live. While banks and large companies have been bailed out (a remarkable sign that state intervention is alive and well in the neoliberal era) it is the majority who are now paying the bill in the form of spending cuts. Such cuts have direct social and economic effects: on the one hand, they make life more difficult for the poor; on the other hand, they undermine investment and economic recovery, delaying desperately needed job creation. As shown by David Stuckler and Sanjay Basu (2013) in their work on austerity policies' impact on health, austerity kills, not just growth, but people.

The crisis has shown the limits of the neoliberal model of accumulation and of its theoretical or ideological foundation, the neoclassical belief in the self-regulating ability of 'free' markets. This is nothing new though, as many economists outside of the hegemonic tradition had been arguing since the 1980s that neoliberal capitalism does not only increase inequality, but generates disequilibria which threaten the possibility of sustained growth. There is however, in Europe and North America, a rampant sense of powerlessness in the face of the crisis. This is because, in spite of the rise of numerous movements of contestation of neoliberal policies, from Occupy to the *Indignados*, the only cure which politicians are implementing to respond to the ills of neoliberalism entail more of the same.

The Syriza-led government in Greece is of course the lone exception, but its very ability to prove the 'There is no alternative' dogma wrong means that it is under intense pressure to jettison its hopes of charting an alternative path. The other alternative, of course, which is steadily rising across Europe, is a far-right populism which is worryingly reminiscent of the 1930s. There is an important difference between the last period of sustained world crisis in the 1930s and now, in that there are no leaders such as Franklin Delano Roosevelt, who are prepared to rein in the market. When this was undertaken during the Great Depression, it laid the foundation for an era

of 'shared prosperity' between capital and labour after the Second World War. During this so-called Golden Age, an unprecedented reduction in inequality took place in advanced capitalist countries. This explains why the memory of, or perhaps nostalgia for, this age makes it an enduring reference point for much of the left and most trade unions.

Three qualifications to the idealised vision of the Golden Age are important. First, this phase of capitalist accumulation, which has been called Fordism, did not emerge only out of the vision of politicians or businessmen, but was the result of the enormous political power (and threat) of the Communist left, who had played a central and painful part in the resistance to fascism. Secondly, whilst inequality declined, it remained stubbornly present; many in the West, and many more outside of it, did not benefit from institutionalised redistribution. It was perhaps a Golden Age for capitalism, but not one for all workers, let alone inhabitants of the world. Thirdly, as shown by Thomas Piketty (2014), this period was an exception; in the long-term, capitalist development is associated with the rise of inequality between capital and labour; neoliberalism has entailed a return to this trend.

Where Piketty, and many of the progressive economists who have sought to make sense of the crisis and propose alternatives, fail to convince is on how a reform agenda can actually be implemented. If anything, the response to the crisis has proved that ideas, however important they may be, are not enough to change the world because deeply-entrenched interests have proved incredibly resilient to crisis, struggle and arguments in favour of alternatives. Take the rise of finance, the central 'disequilibrium' associated with the neoliberal era, which has promoted rapid enrichment at the top without supporting growth in real production. Analysts of financialisation<sup>2</sup> have shown the pervasiveness of finance as well as its articulation with political intervention aimed at pushing its penetration into all areas of human life, including housing for low-income groups and tertiary education. In the debates that followed the

global crisis, calls for the re-regulation of finance have become commonplace, if only for the simple purpose of realigning finance with its *raison d'être*, financing real economic activity. Yet, we have not seen a decline in financial speculation. Ironically, this intense concentration of wealth violates the purported notion advanced by neoliberalism that, as the rich get wealthier, all will benefit through trickle down.

While neoliberalism advanced, the left was disintegrating as a coherent political force from the 1980s onwards. After the fall of the Berlin Wall, triumphant anti-Communist commentators announced the end of history, effectively the end of struggles around the formation and distribution of surplus. Problems (whether economic, social or political) could be resolved within the liberal democratic form, through the inclusion of new concerns in policy making, mimicking the way markets respond to new needs. The current inability to take forward progressive responses to the crisis is indeed a reflection of the historical and intellectual defeat of the Western left and of trade unions against neoliberalism.

The crisis of the left and of its traditional pillar, trade unionism, is profound – leading many across the political spectrum to believe that it is terminal. In the West, this crisis has to do with the abandonment of the political struggle which had animated it before the Second World War, to focus entirely on economic struggles to improve the situation of workers. This acceptance of contestation framed within a regulated (capitalist) context created a comfort which made the left subsequently unable (or perhaps unwilling) to respond to the formidable onslaught of neoliberalism. The latter took the form, among others, of the restructuring of production and work under the pretext of greater efficiency. The pervasive use of outsourcing arrangements combined with the decline of manufacturing (where trade unionism was traditionally strongest) swelled the number of service jobs as workers became employees of service providers. The result was an atomised workforce with fewer industrial workers and a steady decline in the representativity and strength of unions, who failed to make significant inroads into organising in private services, even if this is where growing numbers of workers found themselves.

The decline of trade unionism has been welcome by some on the far left too, who emphasised the limitations (and at times reactionary character) of the dominant left, preferring instead to see atomised social movements as a more desirable agent of progressive change (Hardt and Negri, 2005). It is

true that dynamic social movements have emerged and constituted some of the most visible forms of struggle against neoliberalism. It is equally true that the Golden Age model of trade unionism had many flaws, not least how its 'universal' class agenda hid its discriminatory character. Gender, racial and other forms of discriminatory prejudice and practices still shape much of union activity across the world. These certainly go a long way towards explaining the widespread failure to organise casual workers, for the latter are often non-white, and female. Moreover, trade unions have often found it difficult to create alliances with social movements, even when their struggles seemed aligned. But do these flaws mean that trade unionism is a dead-end for a renewed left project – or that it needs a profound transformation? We firmly believe in the latter, not least because the very decline of unionism and the illusion of the disappearance of the working class are themselves the result of a deliberate – and successful – strategy by neoliberal capitalists.

The importance of trade unions, which are rooted at the heart of capitalist accumulation and therefore have the potential to disrupt it and force capital to make compromises, joining forces with social movements who contest neoliberalism from below was emphasised by Pierre Bourdieu (2000). He argued that neither would be likely to succeed alone in contesting the power of capital under neoliberalism; this is supported by Felicio (in this volume), who acknowledges that the difficulty in unifying and coordinating struggles which are often disconnected, not only from social movements but also from one another.

Loose networks and atomised actions, however useful they may be, are unlikely to solve the collective problems confronting the majority. This is because what determines change is ultimately related to decisions over budgetary allocation, or sovereign choices, and having influence over these matters is therefore crucial. To take a local victory to the national or international level entails higher, sometimes systemic stakes; capitalist resistance to a one-off demand may be tempered in order to prevent it broadening, while for labour it is this broadening which matters most. Even programmes that may appear to have been successful at the local level, such as those to improve working conditions in the garment industry in Cambodia, may prove to be a far cry from real progressive change if they are not firmly controlled by workers, their alleged beneficiaries (Arnold in this volume).

With this book, and the online *Global Labour Column* from which the chapters are drawn, we hope to show that labour is well and alive as an agent of progressive change; many workers and unionists across the world are building alliances with other civil society forces. Much of this activism comes from the global South, which is unsurprising given the radical struggles which the painful experience of colonial and post-colonial exploitation gave rise to.

We therefore focus on a range of struggles in a time of crisis, bringing together essays by distinguished global contributors who are devoted to working with labour movements and their allies to stimulate debate about the challenges facing workers and activists – and their responses. It is clear from the different contributions that labour is at the centre of these struggles. The book is organised in six sections; the first offers critical perspectives on the origins of the present crisis, including the ‘narrowing of economics’ which has made responses to it so limited. The next section focuses on the turmoil affecting Europe as a result of the fortification of neoliberalism in the wake of the crisis, while the third section is dedicated to discussions of alternatives, ranging from radical policy proposals such as the idea that the state can act as an employer of last resort, to the building of a United Front against neoliberalism in South Africa. Section 4 documents a global array of struggles, from that of domestic workers in Mozambique to Michigan unions resisting the right-wing ‘right to work’ initiatives designed to undermine their collective strength. In turn, section 5 looks critically at well-meaning institutional initiatives focused on labour standards, such as corporate social responsibility programmes, showing their limitations when workers are not truly empowered by them. In the last section, the challenges and opportunities associated with building transnational solidarity between workers and activists are explored at various levels, from the issues raised by free trade or the building of Global Framework Agreements to the ways in which unions engage with Chinese construction companies in Africa.

Empowerment involves understanding complex phenomena so that struggles can be informed and, ultimately, successful. Strategic and independent analysis is what this book offers by drawing on critical and rigorous research on important phenomena. Such knowledge is key but must be leveraged in real struggles to change the world; otherwise it will have been in vain.

<sup>1</sup> This column is an edited version of the introduction of the GLC book of the same title, edited by Nicolas Pons-Vignon and Mbuso Nkosi and published by Pluto Press. For more info see <http://bit.ly/1Jzqgsy>. We thank Gilad Isaacs for comments on this introduction; the usual disclaimers apply.

<sup>2</sup> For an excellent repository of articles on this issue, see the site of Research on Money and Finance: [www.researchonmoneyandfinance.org/](http://www.researchonmoneyandfinance.org/).

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