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Marshall Plan with Africa: an opportunity for trade union revival?

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The Marshall Plan was the economic recovery plan employed to stabilise Western Europe after World War Two, which also laid a foundation for constructing public institutions, formulating pro-worker economic policies and constructing a social security system which could reduce extreme poverty in the case of structural labour market changes. Chang (2014) frames it as the plan which laid the foundation for the 'golden age of capitalism'.

Analysis of the role of trade unions in formulating recovery plans and the impact of these policies on the international trade union movement is often lacking. On the other hand, trade unions in Africa, and their role in the liberation struggle, are often mentioned by researchers analysing political, economic and social developments in post-colonial Africa – but usually only briefly. The development of working class institutions in the early post-colonial era under the Structural Adjustment Programmes (SAPs) and how SAPs influenced trade union development have enjoyed very little attention.

Structural Adjustment Programs

African decolonisation is analysed in two phases, the late 1960s and 70s, and the 80s and 90s when SAPs were implemented without considering countries' different political, economic and social development stages. Without referring to SAPs, the BMZ (the Federal Ministry for Economic Cooperation and Development in Germany) recognises this weakness by mentioning that the Marshall Plan for Africa will not take a blanket approach, additionally appealing to institutions to prioritise research and data collection (BMZ 2017).

According to Murithi (2009) and others, previous development initiatives based on free-market ideology, such as the SAPS, failed to produce the positive economic results once promised by the IMF, the World Bank and the World Trade Organisation. SAPs were introduced during the early years after independence when African ruling parties relied on key industries, such as extractive industries, for foreign income.

When SAPS were introduced, African states were the largest providers of formal employment, in some cases even subsidising parallel industries. According to Kester (2007), Africa recorded economic growth rates between 4.5% and 5.6% adopting SAPs. Large public sectors were beneficial to trade unions as they were often accompanied by automatic deduction of dues and minimum-wage bargaining.

But the rise of neoliberalism and the economic crisis in the late 70s and early 80s led to the fall of commodity prices and several African countries could no longer afford to provide formal employment or the benefits escorting it. As a result, many African countries had very little alternative but to turn to

Washington-based organisations for financial assistance, as many African economies were not diversified enough to absorb external economic shocks. The loans provided by the Washington-based institutions were furthermore accompanied by conditions requiring flexible labour markets, less government intervention in key sectors, and less spending on social infrastructure such as medical care, education and social welfare. Additionally the IMF advised its African recipients to provide foreign investors with tax incentives, which led to further budget cuts on social welfare and government subsidies (Murithi, 2009). This was at a time when countries such as Zambia recorded a higher growth rate than Singapore and South Korea (ALRN, 2003).

Furthermore, the collapse of the Soviet Union, the fall of the Berlin Wall, and deteriorating economies in South America left African countries with very little bargaining leverage, and with the late arrival of western political sciences on the African continent, policy makers and stakeholders had inadequate space to formulate economic development policies compatible with African norms, traditions and cultures. In some cases, the economic developments that accompanied SAPs contributed to friction between ruling parties and trade unions and fragmentation of organised labour, which further resulted in political organisations being established to the left of the governments which trade unions were aligned to during the liberation struggle.

Several decades later and with the added baggage of the legacy of slavery and colonialism, global warming, a growing African population, social unrest and migration within Africa and to Europe, amongst calls for a more inclusive and sustainable globalisation, Africa became a topic of discussion on platforms such as the G20 Summit in Germany, leading to initiatives such as the EU-Africa Compact and the German-led Marshall Plan with Africa.

The Marshall Plan with Africa

The recent debates surrounding mass migration and the acceptance of refugees in Europe, as well as climate change, the entry of right-wing populists into governments and global inequality have turned the focus to a more inclusive globalisation.

The Marshall Plan with Africa could mark a new era for economic relations between the European Union and Africa which would employ the African Union Agenda 2063 as a starting point. According to the BMZ, the partnership between the two continents will not only focus on strengthening economic relations but will, additionally, contribute to political and social stability which in turn would provide the security for foreign direct investment (BMZ, 2017). The BMZ formulates ten key points outlining a possible roadmap clearly indicating that this time around it will not have the character of traditional financial aid and it will not be a one-size-fits-all economic program (BMZ, 2017).

The document emphasises policy initiatives formulated by African nations in order to articulate economic and social development policies in African context. The plan encourages entrepreneurship and intends to create employment for 20 million Africans as well as relaxing trade barriers, which will support job creation in African urban areas and will additionally foster rural development. The Marshall Plan envisions supporting small and medium African enterprises technologically and through knowledge sharing and private investment. The development plan further envisions assisting with access to health care, education and energy resources for citizens of African countries, which will lay a foundation for economic, social and political participation (BMZ, 2017). The financial driving force behind the development plan formulated by the BMZ will be private investment, and it urges African governments to provide an investment climate and framework that will incentivise foreign direct investment.

The paper furthermore encourages and invites business associations, media, religious organisations, researchers, scientists and civil society organisations to participate by formulating policies and development strategies. Could this invitation be an opportunity for African trade unions who contributed to African liberation to regain societal, institutional and organisational power?

What could this mean for trade unions?

Will African trade unions seize the opportunity to overcome working class fragmentation and use their structures to incorporate the informal sector, which in many cases makes up the majority of African workforces? Might this be an opportunity for organised labour to rebuild organisational and market power by analysing fragmented worker milieus and creating structures that can accommodate different working class milieus? John Hillary found that Zambia loses US$3 billion a year through tax evasion and corporate tax-avoidance (Hillary, 2011). Could this be an opportunity for trade unions to regain institutional power by formulating recommendations on how governments can be held accountable for non-inclusive and non-sustainable growth, and to hold regional and global financial institutions accountable for tax dodging? Will revenue institutions be well resourced in order to generate tax revenues which could be allocated for quality health care and modern education, social security and the diversification of African economies? Could it be an opportunity for trade unions to build capacity in the renewable energy sector to create sustainable and ecological employment growth that provides living wages?

Is it a possible time frame for organised labour to formulate a vision for the Future of Work on the African continent? Will trade unions expand their research capacities into their primary activities to provide data that can legitimize trade union demands and policy space? Will multinationals be held accountable for labour and human rights violations in their supply chains instead of allowing governments to create special economic zones where labour laws are relaxed?

Or will it be an opportunity missed, where labour researchers outside of labour movements and development economists produce literature about what could have been an opportunity for African trade union revitalisation and economic recovery?

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