

REPORTS AND CORRESPONDENCE

Labor in the Global Economy

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Themes arising from the increasing international integration of capital and the changing position of labor occupied the 1986 summer conference of the Union for Radical Political Economics (URPE). The transparent importance of the topic, and the beautiful location on Cape Cod that was easily accessible from New York or Boston, combined to attract more than 250 participants. Academics from a variety of conventional disciplines within the broad area of political economy were perhaps the largest group, but there were many union workers and researchers from a range of institutions as well.

The first two plenary sessions in particular stimulated lively discussion. In the first, "The U.S. Economy and Third World Debt," Jorge Sol, a political refugee from El Salvador who is now working in the United States, outlined the origins of the debt crisis in the 1970s oil price shocks and lax banking practices and reviewed the proposed solutions. The "establishment" way involved the United States imposing a solution on debtor nations and required enormous cuts in living standards. Fidel Castro's radical solution—to repudiate the debt—was rejected as impractical. Instead, Sol favored the "middle way" resolution: suspension of payments and converting debt into manageable long-term bonds.

Arthur MacEwan, from the University of Massachusetts at Boston, argued that the debt crisis was not just a response to the oil shocks but a more fundamental reflection of recent instability in capitalism. He then addressed the question of how the left in the United States should respond. In a critique of the work of the Debt Crisis Network, he argued that the left should not make its own proposals for solving the crisis: however benign, such programs for what the U.S. government should do were utopian and still did not reject the principle of conditionality. Instead of this "programs approach," he advocated a "protest approach" in which people should continually protest the imperialist actions of the U.S. government, such as in Nicaragua, and should support whatever progressive anti-imperialist movements arise in the debt-oppressed countries. These contrasting labels of the "protest" and the "programs" approaches were returned to a number of times in later workshops.

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The second plenary provided new thoughts, too, and perhaps greater controversy. A panel was asked to address the question of “Labor’s Response to Global Capitalism.” Jane Slaughter, from *Labor Notes*, delivered an excellent critique of the way some sections of the U.S. labor movement were responding to intensified global competition with a jingoistic call for protectionism. She was also critical of unions that engaged in—or proposed—wage concessions without putting up a fight. Such passivity, she argued, tended to lead to weakness in the long term. To survive, unions would have to strengthen themselves at home and develop international ties, both by supporting the anti-imperialist movement in the United States and through the humility to learn from the practices of third-world unions.

Linda Lim, from the University of Michigan, then startled some of the audience by a well-researched argument that should affect attitudes toward multinational companies. She held that in Singapore and elsewhere in the newly industrialized countries the growth of multinationals was fostering relatively progressive labor movement developments—reducing super-exploitation, undermining patriarchal relations, and building an industrial working class. Protectionism therefore undermines labor in the Third World. Her argument was, however, set aside by the next speaker, Candace Howes, from the UAW. She felt that the next five years would be crucial for U.S. labor, and that U.S. unions could be decimated if U.S. manufacturing were destroyed by international competition. She felt that the principle of free trade lay behind wage “concessions,” and that, hence, only “managed trade” was practicable at present.

Several other issues concerned broadly with labor and the international economy arose in the workshops. There were more than sixty of these, not counting some educational sessions designed to update people on developments in certain areas. It was plainly impossible to attend them all. One of the many pleasant features of URPE Summer Conferences is the informal, if serious, way that workshops are run. Whenever possible, participants sit outside, and speakers compete with the wind and the sun, or with a passing speed boat.

Appropriately enough, therefore, one of the first sessions explored the reasons why Americans do not enjoy longer vacations. Francis Green’s paper presented data showing that American workers have much less paid vacation than workers in other western nations; this made a substantial impact on general comparisons of living standards. The evidence suggested that the main reason for this is that organized labor, relatively stronger in Europe than in the United States, tended to play a major role, both politically and in bargaining, in winning more vacations.

The weakness of U.S. unions, and what to do about it, were recurring themes in other workshops. John Macdermott, for example, began with an analysis of the Taft-Hartley Act and discussed how the corporatist system of

government, employers, unions and the Catholic Church had succeeded in purging the left. Michele Naples followed with a historical analysis of changing systems of regulation in the mining industry. In respect of current union strategies, Steve Early, George Kohl, and Rand Wilson assessed labor's defeats over the past five years, from PATCO's loss onward, and aired some thoughts about how to rejuvenate the movement. The essential strategy was to gain strength through greater democracy and a better supported strategy for winning strikes. Membership and public support could be gained by good communications, forward planning, and a well-thought-out media policy—all commonsense points, but ones that the presenters argued had not been followed properly in the past.

Pessimism about the U.S. labor movement was contrasted by Bob Sutcliffe's account of the recent growth of unions in South Africa. The discovery of diamonds and vast quantities of hard-to-extract gold in the late nineteenth century provided the material bases for super-exploitation and for the development of apartheid. But the freeing of the gold price in 1971 and changes elsewhere in Africa began in the 1970s to bring about substantial changes in the South African labor system. Many fewer mineworkers were recruited from outside the country. A new "anonymous" black trade-union movement arose and gained some victories through a variety of imaginative strategies, such as the consumer boycott and the leaderless strike. Unlike earlier waves of trade unionism after World War I, during World War II and the 1950s, it has not been possible to crush the new movement by increased violent repression.

In another strand of the conference, the workshops focused on recent macroeconomic developments. One question was whether the Reaganomic strategy of increasing capital's power over labor at the same time as stimulating demand would be successful. Tom Michl used a Kaleckian framework to argue that it would and supported his analysis with figures showing the recovery of profits and investment since 1982. Others questioned the statistical evidence, however, and held that neither Reaganomics in the United States, nor Thatcherism in the United Kingdom, had yet completed a long-term restructuring for capital. In a related vein, Anne Wright's paper aimed at drawing the connections between U.S. military intervention abroad and U.S. plant closings. There remains much work in sorting out the evidence before a verdict on New Right economics can be drawn up.

Another question was whether the U.S. economy is becoming less stable. Marty Dekadt held that it is, owing to the short-term outlook of capital in the modern integrated world economy. Bob Pollin focused on the increasing debt dependence of U.S. consumers, due, he argued, to their need to keep up conventionally expected living standards in the face of declining real wage rates. Further increases in consumer demand cannot go on indefinitely being debt-financed. This increases the chance of a crisis of profit realization in the future.

Near the end of the conference, a new workshop was convened in response to informal discussion to examine “progressive programs responding to the internationalization of capital.” Cliff Andstein began by describing how in the last few years the Canadian Labour Congress had developed a set of policies that recognized that capitalism was in crisis, which rejected Keynesianism and which took a long-term viewpoint. It was unclear as yet how much wider support could be obtained for their policies. The proposals were far-reaching in terms of a democratic restructuring of the Canadian economy. Hugo Radice continued with a theme from an earlier workshop: that the integration of the world economy had proceeded so far as to make a qualitative change in the possibilities for state intervention. Keynesianism was defunct, especially for small countries like Canada and the United Kingdom. The only feasible alternative economic strategies, therefore, were a very radical construction of a planned economy with widespread nationalization and/or a far-reaching extension of socialist internationalism. Otherwise, international capital would hold sway over both labor and nation states. In discussion, it was held that, even if Radice’s arguments were accepted, the process of controlling international capital without an international state was contradictory.

It remains unfortunate that there is not yet a more developed analysis of internationalization to support the formation of progressive economic and political strategies in the context of an increasingly globalized market. It is to be hoped that this conference will stimulate more work in this area. As one participant, David Gordon, put it, the response to international capital is one of, if not *the*, most important problems that the left has to face.