Organized Labor's Global Problems and Local Responses

Paul W. Drake
University of California, San Diego

From the 1980s to the 2000s around much of the world, organized labor scrambled to adjust to two international regimes, both propelled by the hegemonic United States and its allies: neoliberal economies and neoliberal democracies. The first framework undercut the power of unions by discouraging interference with market mechanisms from either social actors or governments. The second code of conduct hampered labor by prescribing low-intensity democracies with little mass mobilization or socioeconomic redistribution. The second model sustained the first. Thus weakened working-class movements wrestled with the dilemma of being largely unable to use democratic mechanisms to alter prejudicial economic policies.[1]

Neoliberalism devastated labor movements by reducing their time-honored structural, institutional, and political sources of strength. Capitalists became more powerful, workers less so. In terms of economic structures, the globalization of trade, investment, production, and competition left laborers reeling. The opening of previously protected economies to foreign trade and investment forced workers to compete with their counterparts abroad and incapacitated them to bargain with mobile international capital. In some countries, the growth of the formal and informal service sector over manufacturing gutted the historical strongholds of unionists. Austere monetary and fiscal policies curbed state programs for labor and wage increases. Monetary stabilization removed inflation as a generator of working-class activism. The shrinkage of the state and its budget pruned workers' leverage with government agencies and slashed their welfare safety nets. Privatization drove many unions out of former state enterprises. Redistribution of income to the upper and middle classes also hurt laborers.

At the workplace, mechanization, flexibilization, subcontracting, informalization, insecurity, and deteriorating working conditions pushed laborers toward reliance on individual survival tactics rather than collective action. In some sectors, unemployment and underemployment also hobbled union activities. At the same time, many workers imbibed a culture of individualism and consumerism to replace class conflict and political activism. Although structural adjustments brought prosperity to some laborers, those reforms almost invariably emasculated trade unions.

Labor movements also exerted less clout institutionally because of the neoliberal labor legislation that often accompanied neoliberal economics. These laws atomized the labor movement, slashing the abilities of unions to

International Labor and Working-Class History
No. 72, Fall 2007, pp. 161–163
© 2007 International Labor and Working-Class History, Inc.

https://doi.org/10.1017/S0147547907000580 Published online by Cambridge University Press

organize and operate effectively. As trade unions became ever more necessary to promote workers' rights under neoliberalism, they lost legal protections and shriveled in size. In many cases, hiring and firing workers became easier, increasing job instability and the difficulties of organizing. Thanks to both structural and institutional changes, the percentage of the working population in trade unions diminished.

In some countries, conservative dictatorships exacerbated these losses for organized labor. That legacy of state terror and the fear of its return inhibited workers in the new democracies. However, similar corrosion of unions occurred peacefully in many countries, including the United States and Western Europe. This trend appeared even in nations with historically powerful leftist parties tied to trade unions, such as Spain, Portugal, Italy, France, and England. Therefore the worldwide decline of labor had to be attributed more to neoliberalism than to authoritarianism.

Democracy proved to be a blessing but a disappointment to unionists. Organized labor played a big role in democratization but not in democracy. After democratization, labor recaptured its freedom to organize, negotiate, participate, and vote, but within the limits of an economy dedicated to the private sector and a political system dedicated to stability. Consequently, workers received fewer rights and material benefits than they had expected. Labor's restraint of its demands in order to help wobbly democracies pacify the capitalists and achieve consolidation reaped few rewards for trade unions. At the same time, democratization gave voice to may other exploited groups, reducing the relative weight of the venerable labor movement.

Even when labor's political party allies took office with its support, those governments usually adhered to neoliberal economics, for example in Chile, Argentina, Brazil, and Zambia. International pressures gave those administrations little choice. Ironically, labor's backing for its coalition parties helped them carry out neoliberal reforms without disruptive resistance from workers. In the wake of the end of the Cold War and the apparent failures of socialism and populism, those prolabor parties moderated, expanded their appeal to other social sectors, and accepted neoliberal economic and institutional policies. Indeed, some of the historically strongest laborite parties and movements either withered or converted to social democracy and neoliberalism. Although dismayed, organized workers encountered few viable alternatives among existing political parties.

This excellent collection of articles on organized labor's global problems and local responses in Latin America and Africa comes at a propitious time. Initially, many laborers reacted to the onslaught of neoliberalism with disarray and despondency or rage and protests. After years of impotence or often futile struggles against the neoliberal juggernaut, workers are beginning to lash back with innovative social and political strategies. Above all, they are regaining a little ground by forging alliances: with foreign supporters, new political movements and governments, other social actors within and beyond the lower classes, nongovernmental organizations, and even employers and right-wing

https://doi.org/10.1017/S0147547907000580 Published online by Cambridge University Press

groups. By weakening the state, political parties, and traditional working-class organizations, neoliberal economies and democracies have inadvertently opened the way for new social movements to stride forth. Although classic unionism remains debilitated, fresh tactics by newly activated groups among the unprivileged are challenging some of the pillars of neoliberalism, which nonetheless still reigns supreme.

Politically, that effervescence from below has taken two forms within the so-called "new left," at least in Latin America. Both strands have called for greater attention to social justice. Both have appealed generally to the poor without privileging organized labor. The predominant current has argued for addressing poverty and inequality by enacting reforms within the parameters of the neoliberal paradigm. Examples of these social democrats include the presidencies of Ricardo Lagos and Michelle Bachelet in Chile, Tabare Vazquez in Uruguay, and Luis Inacio Lula da Silva in Brazil. The more radical branch has advocated socialistic transformation by threatening to overthrow the neoliberal order. The leading spokespersons for this nationalistic populism have arisen in the Andes, spearheaded by presidents Hugo Chavez in Venezuela, Evo Morales in Bolivia, and Rafael Correa in Ecuador. Meanwhile, several other presidents, notably Alvaro Uribe in Colombia and Felipe Calderon in Mexico, have held off leftist contenders and clung to unvarnished neoliberalism.

At this time, organized labor remains a crippled actor in most countries, both in the developed and the developing worlds. Since its neoliberal structural, institutional, and political constraints are still in place, traditional trade unionism faces enormous obstacles to any full-scale revival, at least in the short-run. Nevertheless, rising discontent with neoliberalism among broader segments of the disadvantaged population holds out some hope for gains by workers. They have registered a few advances mainly through novel alliances with other dissenters from the global consensus among elites. Whether neoliberalism can be substantially reformed, let alone vanquished, at the local level without massive changes at the global level remains uncertain at best.

NOTE

1. This commentary draws on Paul W. Drake, *Labor Movements and Dictatorships: The Southern Cone in Comparative Perspective* (Baltimore, 1996); "El movimiento oberero en Chile," *Revista de Ciencia Politica* 23:2 (2003), 148–158; "The Hegemony of U.S. Economic Doctrines in Latin America," in Eric Hershberg and Fred Rosen, eds., *Latin America after Neoliberalism: Turning the Tide in the 21st Century?* (New York, 2006), 26–48; and Eric Hershberg, "The Crisis of State-Society Relations in the Post-1980s Andes," in Paul W. Drake and Eric Hershberg, eds., *State and Society in Conflict: Comparative Perspectives on Andean Crises* (Pittsburgh, 2006), 1–40.

https://doi.org/10.1017/S0147547907000580 Published online by Cambridge University Press