Forces of Labor

WORKERS' MOVEMENTS AND GLOBALIZATION SINCE 1870

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Introduction

I. Crisis of Labor Movements and Labor Studies

During the last two decades of the twentieth century, there was an almost complete consensus in the social science literature that labor movements were in a general and severe crisis. Declining strike activity and other overt expressions of labor militancy (Screpanti 1987; Shalev 1992), falling union densities (Western 1995; Griffin, McCammon, and Botsko 1990) and shrinking real wages and growing job insecurity (Bluestone and Harrison 1982; Uchitelle and Kleinfeld 1996) were among the trends documented. The bulk of the empirical literature focused on trends in wealthy countries (especially North America and Western Europe), yet many saw the crisis as world-scale, adversely affecting labor and labor movements around the globe.

This sense that labor movements are facing a general and severe crisis contributed to a crisis in the once vibrant field of labor studies. As William Sewell (1993: 15) noted: "Because the organized working class seems less and less likely to perform the liberating role assigned to it in both revolutionary and reformist discourses about labor, the study of working class history has lost some of its urgency" (see also Berlanstein 1993: 5).

For many, this double crisis of labor studies and labor movements is long term and structural – intimately tied to the momentous transformations that have characterized the last decades of the twentieth century going under the general rubric of "globalization." For some, the crisis is not just severe, it is *terminal*. Aristide Zolberg, for one, argued that late-twentieth-century transformations have brought about the virtual disappearance of "the distinctive social formation we term 'working class.' " With "post-industrial society," the "workers to whose struggles we owe the 'rights of labor' are

rapidly disappearing and today constitute a residual endangered species" (1995: 28). Similarly, Manuel Castells argued that the dawn of the "Information Age" has transformed state sovereignty and the experience of work in ways that undermine the labor movement's ability to act as "a major source of social cohesion and workers' representation." It also has undermined any possibility that workers might become emancipatory "subjects" in the future – the source of a new "project identity" aimed at rebuilding the social institutions of civil society. Non-class-based identity movements, for Castells, are the only "potential subjects of the Information Age" (1997: 354, 360).

Nevertheless, beginning in the late 1990s, a growing number of observers were suggesting that labor movements were on the upsurge, most visible as a mounting popular backlash against the dislocations being provoked by contemporary globalization. Among the events indicating a backlash was the massive French general strike against austerity in 1995 – what *Le Monde* rather Eurocentrically referred to as "the first revolt against globalization"[1] (quoted in Krishnan 1996: 4). By the time of the World Trade Organization meeting in Seattle in November 1999, the force of the backlash was sufficient to derail the launch of another round of trade liberalization and to be front-page news around the world. Commentators began to suggest that the Seattle demonstrations together with the new activist (organizing) stance of the AFL-CIO (American Federation of Labor and Congress of Industrial Organizations) were signs that a revitalized U.S. labor movement was "rising out of the ashes" of the old (Woods et al. 1998; more broadly, Panitch 2000). Inspired by the new activism, social scientists in the United States, where the obituary of labor movements and labor studies had been written most insistently, showed a resurgent interest in labor movements. New journals were founded that sought to actively engage academics with the labor movement (e.g., *Working USA*), large academic conferences on the new labor movement were organized, and a new section of the American Sociological Association on labor movements was founded in 2000.

For some, the new activism (while still scattered and weak) was potentially the first sign of an impending major earthquake of mass labor insurgency. For others, it was likely to remain too weak and scattered to affect the much more powerful, disorganizing forces of globalization.

[1] Indeed, for those whose field of vision extended beyond the wealthy countries of the North, an "unprecedented international wave of [mass] protests" against International Monetary Fund (IMF)-imposed austerity politics could already be seen throughout the developing world in the 1980s (Walton and Ragin 1990: 876–7, 888).

II. The Present and Future of Labor

Which of these divergent expectations about the future of labor movements is more plausible? This book starts from the premise that in order to answer this question adequately we need to recast labor studies in a longer historical and wider geographical frame of analysis than is normally done. Assessments about the future of labor movements are based – explicitly or implicitly – on a judgment about the historical novelty of the contemporary world. Those who see a terminal crisis of labor movements tend to see the contemporary era as one that is *fundamentally new and unprecedented*, in which global economic processes have completely reshaped the working class and the terrain on which labor movements must operate. In contrast, those who expect the reemergence of significant labor movements tend to perceive historical capitalism itself as being characterized by recurrent dynamics, including the continual re-creation of contradictions and conflict between labor and capital. This suggests that forecasts about the future of labor movements should be based on a comparison between contemporary dynamics and analogous past periods. For only through such a comparison can we distinguish historically recurrent phenomena from phenomena that are truly new and unprecedented.

Parts III and IV of this chapter lay out the theoretical, conceptual, and methodological issues raised by studying labor unrest as a world-historical phenomenon. But before moving on, the next section delves into some of the contemporary debates about the present and future of labor movements that underlay our study of the past. The first debate is around the question of whether contemporary processes of globalization have led to an unambiguous and unprecedented structural weakening of labor and labor movements on a world scale, bringing about a straightforward "race to the bottom" in wages and working conditions. The second debate is around the question of whether globalization is creating objective conditions favorable for the emergence of strong labor internationalism. The next section outlines these debates in turn.

II. Debates about the Present and Future of Labor and Labor Movements

A "Race to the Bottom"?

A common explanation of the crisis of labor movements is that the hypermobility of productive capital in the late twentieth century has created a single labor market in which all the world's workers are forced to

compete. By moving (or just threatening to move) production "halfway around the world," claimed Jay Mazur (2000: 89), multinational corporations have brought the competitive pressure of an "enormous mass of unorganized workers" to bear on "the international labor movement." As a result, labor's bargaining power has been weakened and a "race to the bottom" in wages and working conditions has been unleashed on a world scale (see also Bronfrenbrenner 1996; Brecher 1994/1995; Chossudovsky 1997; Godfrey 1986: 29; Fröbel, Heinrich, and Kreye 1980; Ross and Trachte 1990; Western 1995).

For others, the most important effect of the hypermobility of capital on labor movements is not so much its direct impact on workers, but its indirect impact. In this view, the hypermobility of capital has weakened de facto state sovereignty. And as states become incapable of effectively controlling flows of capital, their capacity to protect their citizens' livelihoods and other workers' rights, including the welfare state and substantive democracy, also declines (Tilly 1995; Castells 1997: 252–4, 354–5). States that insist on maintaining expensive social compacts with their citizens, including their working classes, risk being abandoned en masse by investors scouring the world for the highest possible returns. From this perspective, the most consequential aspect of the "race to the bottom" takes the form of pressure on states to repeal social welfare provisions and other fetters on profit maximization within their borders. The rocky debut of the new European currency (the Euro) has been taken as one example of this process, with European countries being "punished" for failing to dismantle social protection schemes at a sufficiently rapid pace to suit a hypermobile capital.

The pressures that can be brought to bear are even stronger in the South where more direct levers are available through debt rescheduling. The irony of the late-twentieth-century wave of global democratization, as John Markoff noted, is that while it brought formal democracy to a greater number of countries than ever before, the actual value of universal suffrage – historically a key demand of labor movements – is also more questionable than ever. Formally democratic states are forced to make key economic and social policy decisions with "an eye as much on pleasing the International Monetary Fund [and multinational capital] as appealing to an electorate" (1996: 132–5).

Another important explanation for the crisis of labor movements emphasizes recent transformations in the organization of production and labor process, rather than the impact of capital mobility. These transformations

(or "process innovations") are widely seen as having undermined the traditional bases of workers' bargaining power. Thus, for example, Craig Jenkins and Kevin Leicht (1997: 378–9) argued that while the "traditional Fordist system of standardized mass production provided fertile ground for the development of labor and related movements . . . the development of a post-Fordist system . . . has transformed this organizing environment." Moreover, global competitive pressures have obliged employers across the globe to follow suit in implementing the new "flexible production" system or to perish in the competitive struggle. As a result of these transformations, once-stable working classes have been replaced by "networks of temporary and cursory relationships with subcontractors and temporary help agencies." The result is a structurally disaggregated and disorganized working class, prone more to "a politics of resentment" than to "traditional working-class unions and leftist politics" (see also Hyman 1992).

While the race-to-the-bottom thesis and its variations are widespread in the literature, we should be cautious about concluding that world-economic forces are producing a general downward convergence of conditions for workers and workers' movements worldwide. There are, that is, alternative interpretations of each of the dynamics emphasized in the "race to the bottom" literature discussed above. With regard to capital mobility, the race-to-the-bottom thesis emphasizes the movement of capital from high-wage to low-wage areas in search of cheap labor. Contrary to this view, however, a recent United Nations Conference on Trade and Development (UNCTAD) report shows that the majority of foreign direct investment (FDI) flows continue to be intra-North (between high-wage countries). Thus, in 1999 more than 75 percent of total FDI flows went to high-income countries. The $276 billion of inflows to the United States alone surpassed the *combined* total of $226 billion going to Latin America, Asia, Africa, and Central and Eastern Europe (UNCTAD 2000: 2–3).

To be sure, relocation of industrial capital to low-wage areas has indeed taken place – and for some industries and regions, it has taken place on a massive scale. Nevertheless, as will be argued in Chapter 2, the impact of this relocation has been far less unidirectional than the race-to-the-bottom thesis suggests. While labor has been weakened in the locations from which productive capital emigrated, new working classes have been created and strengthened in the favored new sites of investment. Thus, the cheap labor economic "miracles" of the 1970s and 1980s – ranging from Spain and Brazil to South Africa and South Korea – each created new, strategically located working classes, which in turn produced powerful new labor

movements rooted in expanding mass production industries. These labor movements were not only successful in improving wages and working conditions; they were also key "subjects" behind the spread of democracy in the late twentieth century. According to Ruth Collier, "the comparative and theoretical literature [on democratization] has largely missed the importance of the working class and the labor movement in the democratization process of the 1970s and 1980s. . . . In the overwhelming majority of cases, the roles of unions and labor-affiliated parties were important to a degree that is at most hinted at in the literature" (1999: 110).[2]

Moreover, as Chapters 2 and 3 argue, the impact of transformations in the organization of production on labor is less unidirectional than normally thought. Indeed, as we shall see in Chapter 2, in some situations just-in-time (JIT) production actually *increases* the vulnerability of capital to disruptions in the flow of production, and thus can *enhance* workers' bargaining power based on direct action at the point of production. This is true not only of industries using JIT methods but also for workers in the transport and communications industries whose reliability this production method is dependent upon. And there is reason to think that the more globalized the networks of production, the wider the potential geographical ramifications of disruptions, including by workers.

Indeed, there is some irony in the fact that early-twentieth-century observers of the transformations associated with Fordism were certain that these changes spelled the death of labor movements. Fordism not only made the skills of most unionized (craft) workers obsolete but also allowed employers to tap new sources of labor, resulting in a working class that was seen as hopelessly divided by ethnicity and other ascriptive differences, as well as isolated from each other by "an awesome array of fragmenting and alienating technologies" (Torigan 1999: 336–7). It was only post facto – with the success of mass production unionization – that Fordism came to be seen as inherently labor strengthening rather than inherently labor weakening. Is there a chance that we are on the eve of another such post-facto shift in perspective?

Finally, there is an intense debate about whether and to what degree there has been a genuine erosion of de facto state sovereignty. Indeed, many

[2] On South Africa and Brazil, see Seidman (1994); for the United States and Mexico, see Cowie (1999); and for South Korea, see Koo (1993, 2001). See also Evans (1995: 227–9), Beneria (1995), Markoff (1996: 20–31), Moody (1997), Arrighi and Silver (1984: 183–216), and Silver (1995b, 1997).

see the race-to-the-bottom as the outcome of political conflict rather than the outcome of inexorable global economic processes undermining state sovereignty. Seen from this perspective, the rhetoric surrounding globalization (especially TINA – Margaret Thatcher's "there is no alternative") is a purposefully created shield guarding governments and corporations from political responsibility for policies that favor the massive redistribution of benefits from labor to capital. Assertive political struggles by labor movements, they argue, have the potential to expose the TINA rhetoric, transform the ideological environment, and force a shift toward more labor-friendly national political and economic policies (see Block 1990: 16–18, 1996; Gordon 1996: 200–3; Tabb 1997; Piven 1995).

This is the point William Greider (2001) made with regard to what he sees as the new political environment in the United States and worldwide in the aftermath of the September 11 attacks. For Greider, the new crisis "upends the fictitious premises used to sell the supposed inevitability of corporate-led globalization." States, "at least the largest and strongest ones," had never "lost their power to tax and regulate commerce," they had "simply retreated from exerting those powers." The September 11 crisis, however, has required "leading governments, especially that of the United States, to do an abrupt about-face and begin to employ their neglected sovereign powers, that is, to intrude purposefully in the marketplace and impose some rules on behalf of society." Government efforts to regulate the international flow of capital as a way of policing terrorist money inevitably raises doubts about why analogous efforts are deemed impossible for states seeking to achieve other social and political goals. For Greider, the "patriotic tensions generated by war and recession can spawn a rare clarifying moment" and new political opportunities "to educate and agitate."

Whether the final months of 2001 will be seen in retrospect as having spawned a "rare clarifying moment" or some other kind of turning point remains to be seen.[3] In any event, as Chapter 4 makes clear, the historical trajectory of labor movements throughout the twentieth century has *shaped and been shaped by* global politics – especially the dynamics of hegemony, rivalry, interstate conflict, and war. Our conclusions about the future of

[3] Indeed, with the cancellation of planned strikes and demonstrations worldwide in the immediate aftermath of the September 11 attacks, the closing down of political opportunities was at least as much in evidence as any opening (Labor Notes 2001: 3; Reyes 2001: 1–2; Slaughter and Moody 2001: 3).

world labor in Chapter 5 will thus be based on two iterations of world-historical analysis – an analysis of global economic dynamics (the focus of Chapters 2 and 3) embedded in an analysis of global political dynamics (the focus of Chapter 4).

To be sure, the nature of this double embeddedness is more complex than suggested so far. For one thing, the "globalization versus state sovereignty" debate as presented earlier is framed in overly dichotomous terms, as a "zero-sum" game between the global and the national. As Saskia Sassen pointed out, states themselves are key participants "in setting up the new frameworks through which globalization is furthered" (1999a: 158; 1999b). Moreover, not *all* states are key participants in constructing these new frameworks. Thus, to talk about general trends in state sovereignty, as is common in the literature, makes little sense. For some states, globalization *is* an exercise in state sovereignty;[4] for others, it marks a new twist in a long-running situation of weak or nonexistent sovereignty (from colonialism to neocolonialism to globalization). This, in turn, has important implications for the debate around labor internationalism – to which we now turn.

A New Labor Internationalism?

Many of the same themes discussed in the previous section come back into play in the debates about whether conditions favorable to a robust labor internationalism are emerging in the early-twenty-first century. Indeed, one strand of the debate argues that the seeds of a new labor internationalism are to be found in the very same processes that have brought about the crisis of old labor movements. With the "globalization of production," according to this view, polarizing tendencies now operate primarily *within* countries rather than between them, and as a result, the North–South divide is becoming increasingly irrelevant (Harris 1987; Hoogvelt 1997; Burbach and Robinson 1999; Held et al. 1999; Hardt and Negri 2000). A single homogeneous world working class with similar (and unpalatable) conditions

[4] Powerful states have exercised this sovereignty under multiple pressures, including pressures from struggles by workers and other subordinate groups around the globe. Indeed, a central argument of Chapter 4 is that the global social-economic regime constructed after the Second World War (itself *an exercise of U.S. state sovereignty*) had relatively "labor-friendly" elements embedded in it precisely because of these types of pressures. Likewise, the powerful states now "setting up the new frameworks through which globalization is furthered" are likely to introduce labor-friendly elements in the new structures only to the extent that they feel similarly challenged from below.

of work and life is in the process of formation. In the words of William Robinson and Jerry Harris (2000: 16–17, 22–3), current transnational processes are "resulting in the accelerated division of the world into a global bourgeoisie [or transnational capitalist class] and a global proletariat." This transnational capitalist class is increasingly both "a class-in-itself and for-itself . . . pursuing a class project of capitalist globalization." The "transnational working class" (while "not yet a class-for-itself") is increasingly "a class-in-itself," thus providing the objective basis for labor internationalism.

Indeed, many observers of (and participants in) the mass protests against globalization, beginning with the anti-WTO (World Trade Organization) demonstrations in Seattle in November 1999, saw these demonstrations as the first signs of just such an emerging new labor internationalism. According to an editorial in *The Nation* (1999: 3), Seattle marked "a milestone for a new kind of politics" in which the U.S. labor movement "shed its nationalism for a new rhetoric of internationalism and solidarity." In the wake of Seattle, Jay Mazur (Chair of the ALF-CIO International Affairs Committee) maintained that "[t]he divide is not between North and South, it is between workers everywhere and the great concentrations of capital and governments they dominate" (2000: 92).

Moreover, globalized production, it is argued, not only creates a world working class that increasingly shares common conditions of life and work but also creates a world-scale labor force that often faces the same multinational corporate employer. The threat of whipsawing workers in one corner of a corporate empire against workers in another corner has led labor movement activists and observers to argue that workers must build organizations equal in geographical scope to that of their multinational corporate employers (Mazur 2000; Cowie 1999; Moody 1997). Declining state sovereignty would further justify such a call. For if states are suffering a major de facto decline in sovereignty vis-à-vis supranational actors, it is clear that workers can find little or no satisfaction by targeting their demands at their own national governments. If the real arena of power is now at the supranational level (whether in the form of private multinational corporations or international institutions of global governance such as the International Monetary Fund [IMF] and the WTO), then labor politics must also move to the supranational level.

Despite these arguments, caution is nonetheless required before concluding that we are moving toward a world context favorable to labor internationalism. For one thing, recent empirical research on world income inequality is not easy to square with the image of an emergent homogeneous

global working class-in-itself. This research shows that *between* country inequalities rather than *within* country inequalities still account for an overwhelming proportion of total world income inequality – a proportion ranging between 74 percent and 86 percent (Milanovic 1999: 34; Korzeniewicz and Moran 1997: 1017). Likewise, a more straightforward calculation based on World Bank data reveals that the average gross national product (GNP) per capita of Third World countries has remained a tiny fraction of the average GNP per capita of First World countries – 4.5 percent in 1960, 4.3 percent in 1980, and 4.6 percent in 1999 (calculated from World Bank 1984, 2001; see Arrighi, Silver, and Brewer 2003). Such extreme income inequality does not in itself undermine the arguments made in favor of the tactical benefits to be derived from the international coordination of actions by workers with the same multinational corporate employer. Nevertheless, it does make "documenting the existence of an actual community of fate" in which harm to another is understood as harm to one's self (Levi and Olson 2000: 313) a challenge to labor internationalism that should not be underestimated.

Part of the argument for promoting labor internationalism is based on the sense that only a global labor movement is up to the task of effectively challenging global organizations and institutions. But for those who see the decline of state sovereignty as a myth, and believe that states (or at least some states) still have the power to protect their working classes, investing in international labor solidarity is not the only, or indeed the best, political choice available to labor movements. Rather, from this perspective, the most efficient strategy for labor movements is to pressure their own governments to implement policies favorable to workers.[5]

Alternatively, if one takes the position that certain powerful states are the key actors determining the parameters of globalization (while other states are effectively powerless), then a handful of powerful states are the most strategic targets for labor movements. Seen from this point of view, the worker-citizens of these powerful states would appear to be positioned differently than worker-citizens of less powerful states. That is, they are better positioned to engage in political struggles designed to pressure the most "strategic target," the national governments that actually have the power

[5] This does not preclude trying to mobilize international solidarity to help pressure one's own government, as would be the case, for example, in the "boomerang" strategy discussed by Keck and Sikkink (1998: 12–13). In teasing out different possible national–international combinations, Doug Imig and Sidney Tarrow's (2000: 78) distinction between the level of mobilization of protests and the level of the target of protests is quite useful.

to reform the supranational institutions and organizations. The worker-citizens of these powerful states might use their privileged position in a way that is in the interests of all the world's workers, being vanguards of labor internationalism. The extent and persistence of the North–South income divide, however, raises the question as to whether struggles by Northern workers aimed at reforming supranational institutions are more likely to be steps toward the formation of a global working class "for itself" or signs of an emergent new form of national protectionism.

Indeed, Third World delegates to the WTO meeting in Seattle interpreted the demonstrations, not as evidence of a new labor internationalism, but rather as the expression of a national-protectionist agenda on the part of Northern labor in alliance with Northern governments.[6] In the weeks leading up to the WTO meetings, Third World countries passed a unanimous resolution opposing the insertion into trade agreements of social clauses demanding higher labor and environmental standards. These social clauses, they argued, were not the expression of internationalist concern for the well being of Third World workers but rather a new way of erecting barriers to the entry of Third World exports into the wealthy countries – "protectionism in the guise of idealism" (Dugger 1999). There was also "unexpected resistance" from Southern trade unionists to a proposal for basic labor standards to be observed worldwide, with delegates to the April 2000 International Confederation of Free Trade Unions (ICFTU) Congress arguing that sanctions for the violation of labor standards were potential national-protectionist weapons (Agence France-Presse 2000).

In short, present trends and events in international labor politics are subject to radically different interpretations. We will intervene in this debate at various points. Chapters 2 and 3, for example, will show how the globalization of industrial production has been a contradictory process that simultaneously produced elements of both *convergence* and *divergence* in the material conditions of geographically dispersed working classes – a contradictory process that has similarly contradictory implications for the past and future of labor internationalism.[7] Chapter 4 will recast this process within a century-long view of the relationship between labor movements, state

[6] The fact that, a month before the November 30 demonstration, AFL-CIO President John Sweeney joined a group of business leaders in signing a letter endorsing the Clinton administration's trade agenda for the WTO negotiations (Moody 1999: 1) no doubt bolstered this view. On North–South tensions leading up to Seattle, see O'Brien (2000: 82–92).

[7] Section III of this chapter will address the question of whether a tendency toward the homogenization of workers' conditions is actually favorable to the development of labor

sovereignty, and world politics. It will show that the bargaining power of worker-citizens vis-à-vis their states increased with the escalation of inter-imperialist rivalries and warfare in the late nineteenth and early twentieth centuries, as workers became increasingly important (industrial and battle-front) cogs in the war machines. Over the course of the first half of the twentieth century, as workers used this enhanced bargaining power in militant struggles, states sought to guarantee their loyalty by expanding their rights as citizens and workers.

Writing at the close of the Second World War, E. H. Carr suggested that this incorporation of workers into national-state projects was at the root of the collapse of nineteenth-century labor internationalism. In the nineteenth century, "when the nation belonged to the middle class and the worker had no fatherland, socialism had been international." However, for Carr, the "crisis of 1914 showed in a flash that . . . the mass of workers knew instinctively on which side their bread was buttered [that is, on the side of their own state's power]." Thus with the outbreak of the First World War, "[i]nternational socialism ignominiously collapsed" (1945: 20–1).

Are global political conditions once again favorable for the flourishing of a new phase of labor internationalism? From what we have said so far, this depends in part on how we judge the nature of contemporary sovereignty, the nature of workers' bargaining power, and the nature of the North–South divide. For even if (some) states have the power to implement "labor-friendly" policies, do workers have the strength to make their governments use that power on their behalf? And if some workers do have the necessary strength, will they use it (and will governments respond) in ways that consolidate or break down the North–South divide? Alternatively, if workers no longer have the bargaining power necessary to influence their governments, will they once again find themselves without a "fatherland" and will labor politics turn "instinctively" internationalist once again?

We return to all these questions in Chapter 5. Their answer, however, depends on an assessment of the long-term dynamics of workers' bargaining power vis-à-vis their states, vis-à-vis their employers, and vis-à-vis "the powers that be," at whatever level they might be found. Thus, before we go on, we must lay out some tools for the analysis of transformations over time in the sources and nature of workers' bargaining power.

solidarity among workers of different nations, races, genders, and the like – something assumed to be the case in much of the "optimistic" labor internationalism literature.

III. Labor Unrest in World-Historical Perspective: A Conceptual and Theoretical Framework

Sources of Workers' Power

Contentions about the state of world labor are based on assumptions about the impact of contemporary globalization on workers' bargaining power. A useful starting point for differentiating types of workers' bargaining power is Erik Olin Wright's (2000: 962) distinction between associational and structural power. *Associational power* consists of "the various forms of power that result from the formation of collective organization of workers" (most importantly, trade unions and political parties). *Structural power*, in contrast, consists of the power that accrues to workers "simply from their location . . . in the economic system." Wright further divides "structural" power into two subtypes. The first subtype of structural power (which we shall call *marketplace bargaining power*) is the power that "results directly from tight labor markets." The second subtype of structural power (which we shall call *workplace bargaining power*) is the power that results "from the strategic location of a particular group of workers within a key industrial sector."

Marketplace bargaining power can take several forms including (1) the possession of scarce skills that are in demand by employers, (2) low levels of general unemployment, and (3) the ability of workers to pull out of the labor market entirely and survive on nonwage sources of income.[8] Workplace bargaining power, on the other hand, accrues to workers who are enmeshed in tightly integrated production processes, where a localized work stoppage in a key node can cause disruptions on a much wider scale than the stoppage itself. Such bargaining power has been in evidence when entire assembly lines have been shut down by a stoppage in one segment of the line, and when entire corporations relying on the just-in-time delivery of parts have been brought to a standstill by railway workers' strikes.[9]

Those who credit globalization with bringing about a severe and/or terminal crisis of labor movements see globalization's various manifestations as

[8] On this latter type of marketplace bargaining power, see Erik O. Wright's discussion of "the parable of the shmoo" (1997: 4–9); see also Arrighi and Silver (1984: 193–200).

[9] On workplace bargaining power, see Arrighi and Silver (1984: 193–5). For analogous concepts, see Edwards' (1979) "the limits of technical control" and Perrone's (1984) "positional power," which was also used by Wallace, Griffin, and Rubin (1989). See also Tronti (1971). On the workplace bargaining power of Third World export workers, see Bergquist (1986).

undermining all these forms of workers' bargaining power (see Section II). Seen from this perspective, labor's marketplace bargaining power has been undermined by the mobilization of a world-scale reserve army of labor, creating a global glut on labor markets. Moreover, to the extent that the global spread of capitalist agriculture and manufacturing is undermining nonwage sources of income and forcing more and more individuals into the proletariat, marketplace bargaining is undermined further. Finally, by weakening state sovereignty, globalization has undermined the associational bargaining power of labor. Historically, associational power has been embedded in state legal frameworks that guaranteed such things as the right to form trade unions as well as the obligation of employers to bargain collectively with trade unions. This weakening of state sovereignty, in turn, has also led to a further weakening of marketplace bargaining power, which had been bolstered by state welfare policies forming a "social safety net" and curbing labor market competition.

Indeed, globalization is widely seen as having created a vicious circle in which weakening marketplace bargaining power undermines associational power and vice versa. Thus, the mobilization of global labor reserves has not only directly undermined workers' marketplace bargaining power but also helped de-legitimize existing trade union organizations and labor parties in the eyes of many workers by making it increasingly difficult for these organizations to deliver benefits to their members. Moreover, direct attacks by employers and states on workers' organizations (with the collapse of the postwar social contracts) directly undermined workers' associational power. They also contributed to the further erosion of workers' marketplace power by making it increasingly difficult for workers' organizations to successfully defend/extend state "social safety net" policies.

If the hypermobility of capital is widely seen as having undermined marketplace and associational bargaining power, related "post-Fordist" transformations in the organization of production and labor process are widely seen as having undermined labor's workplace bargaining power. Thus, subcontracting and other forms of vertical disintegration are seen as having reversed the historical trend toward increased workplace bargaining power that was brought about through the spread of Fordist systems of mass production. Fordism tended to dramatically increase workplace bargaining power by increasing the vulnerability of capital to workers' direct action at the point of production. To be sure, continuous flow production (including the assembly line) tended to decrease labor's marketplace bargaining power by homogenizing and deskilling industrial work and by making it

possible (indeed preferable) to draw on latent reserve armies of labor with little or no industrial experience. Moreover, continuous flow production tended to weaken associational power by bringing into the proletariat "a mass of unorganized workers" who could not be easily absorbed into the existing artisanal unions or left political parties.

Nevertheless, labor's workplace bargaining power grew at multiple levels. First, as was to become clear in the United States in the 1930s and to be demonstrated repeatedly in far-flung locations in subsequent decades, the assembly line has allowed a relatively small number of strategically placed activists to disrupt the output of an entire plant (see Chapter 2). Second, with the increasing integration of production among plants within a corporation, a strike in a plant producing a key input part could bring all downstream plants, and even an entire corporation, to a standstill. Finally, with the increasing concentration and centralization of production, the disruption caused to a country's economy by a strike in a key corporation or key industry (including transportation industries linking plants to each other and to markets) also grew. This has been the case especially where workers are located in an industry on which a country overwhelmingly depends for foreign exchange. As Charles Bergquist (1986) argued, relatively small groups of workers linked to major export industries and allied transport industries (e.g., docks, railways, airports) in the Third World have had the capacity to disrupt an entire economy as well as industry or company. [10]

Whether and to what degree marketplace, workplace and associational bargaining power have been undermined by post-Fordist transformations in the organization of production – as the bulk of contemporary analyses suggest – is one of the central themes to be taken up in Chapters 2 and 3. In Chapters 3 and 4, we also explore the possibility that there is not a strict correspondence between workers' bargaining power and the actual use by workers of that power to struggle for better working and living conditions. Indeed, one strand in the globalization and labor literature discussed earlier

[10] Workplace bargaining power points to a different relationship between the concentration/centralization of production and labor's bargaining power than that more commonly emphasized in the Marxist literature (e.g., Wright 1997). The latter tends to emphasize the effect of the concentration and centralization of capital on the associational bargaining power of workers. That is, by "bringing masses of workers into contact and interdependency with one another," the advance of capitalism promotes the conditions for the development of workers' collective consciousness and organization. In either case, post-Fordist transformations that promote a vertical disintegration and fragmentation of production are widely seen as weakening labor.