Trade unions and the politics of crisis
South Africa and Nigeria compared

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Contrary to expectations that the crisis may generate a shift away from neo-liberalism, the paper argues that the balance is tilted against the working class. As restructuring accelerates the defence of workers’ rights depends on the ability to strike alliances across the divide. Trade unions in Africa operate in an environment dominated by the informal economy. Their ability to defend workers’ rights, for themselves and globally, therefore depends on reaching out to the organisations of the informal economy, building local alliances in the face of the anti-worker onslaught, offering and alternative direction to national development as rooted in popular democracy.

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The Great World Crisis: A Swedish point of departure
Why has the ‘Left’ failed to offer ways out of the current economic crisis based on alternatives to the prevailing neo-liberal world order? The question was repeatedly asked in a series of five seminars on ‘The Great World Crisis’ held in Stockholm during the first half of 2009 that brought packed audiences to the ABF House, the headquarters of the Workers’ Educational Association, an affiliate of the Swedish Social Democratic Party. “25 years of unregulated markets have ended in an economic catastrophe”, the official flyer suggested. “Hundreds of millions will be seriously affected”. A hopeful note was struck, however: The crisis opens “the possibility of reversing the exceptional dominance of the market forces”. How is this going to happen? The impressive sets of panellists had no good answers. What about the Swedish ‘Labour Movement’? The prospects of it making a radical intervention seemed to be even further undermined by its own apparent disarray. For the first time in its long history, Swedish trade unions were loosing members on a major scale.

Trade unions in the South: The argument
So, who will advance a popular democratic agenda in response to the global crisis, in opposition to the prevailing neo-liberal global order? Trade unions and social democratic parties at the centre of the world capitalist system seem primarily concerned with ensuring the re-regulation of the world economy, demanding the active intervention of the state to limit the damage to trade and employment. They want more and speedier state interventions. While this is likely to boost a ‘mixed economy’ at the expense of unrestricted market forces, little is said about the substance of development. Is it expected to proceed as before?

The alternative response to the crisis, as this paper suggests, lies elsewhere, not in the historic heartlands of ‘welfare capitalism’, but in those parts of the world where the working classes are on the rise. The wage-earners are growing globally (Hall-Jones 2007) and their struggles for more decent work and organisational rights provide the backbone of the popular democratic movement. The beleaguered trade unions in the old core may still have a useful role in supporting organising efforts in the periphery. This is very different, however, from the ‘missionary’ role that they developed in the past– often with the financial support of the state. Alliances have to be radically redefined and based on the realization of the need for mutual support. In particular, unions in the North have to realise that the centre of global unionism
has shifted and that their own capacity to respond effectively to the crisis of the neo-liberal turn depends on the success of the organising efforts of the unions in the periphery. The defence against the anti-democratic and anti-union logic of ‘global reconstruction’, including in the North, depends on the advances made by unions in the South.

Contrary to expectations that the crisis may generate an opening for a shift away from neo-liberalism, the balance of forces are tilted massively against the working class and its organisations. Workers’ organisations suffer everywhere but the restructuring of world economy means a radical shift in the balance of working class forces globally in favour of the South. Wage workers in the South, not least in Africa and the less developed parts, however, continue to operate in an environment dominated by small, independent producers and traders in the informal economy. The ability of trade unions to defend workers’ rights, for themselves and globally, therefore depends on reaching out to the organisations of the informal economy. In the face of the anti-worker onslaught globally, two sets of alliances across the divides are thus necessary in order to build an alternative agenda in defence of national development and popular democracy, that between unions in the North and the South as well as that between organising in the formal and informal economy.

The paper looks in particular at two union centres, the Congress of South African Trade Unions (COSATU) in South Africa and the Nigeria Labour Congress (NLC) in Nigeria, and two industrial unions, the Southern African Clothing and Textile Workers Union (SACTWU) and the National Union of Textile, Garments, and Tailoring Workers Union of Nigeria (NUTGTWN), representing the textiles and garments workers of the two countries. It draws on current research (Beckman 2002 etc.), including work with Gunilla Andrae on organising across the formal-informal divide (Andrae and Beckman 2007 etc.). Despite the apparent differences, the paper suggests that unions in both countries play a critical role in enforcing a popular democratic response to the crisis. The mode of insertion in an a highly unequal global order defines their commitment to the modernisation of society in opposition to the prevailing market economy. The wider credibility of unions as a popular democratic force depends on being seen to be fighting for people’s right to voice grievances and organise in defence of their interests beyond the formal wage economy.

A joint ‘Framework for South Africa’s Response to the International Economic Crisis’ was issued in late February 2009 (South Africa 2009). Since that time mass unemployment has
accelerated. The global crisis has exacerbated union opposition to neo-liberalism. As a major producer of manufacturing goods, South Africa has been badly affected, not least the automotive industry, which previously had been considered a success story. Also employment intense branches such as textiles and garments have suffered greatly. South Africa’s unions keep using their enhanced influence in the Alliance to press for reforms in defence of employment and social welfare. They hold key positions in the new government, including the post as minister for Economic Development held by Ebrahim Patel, a former General Secretary of SACTWU. Simultaneously, the Zuma government is anxious to assure private investors that its basic pro-market orientation will not change. It is an open contest.

In Nigeria, global recession has primarily hit the economy by falling oil prices and rising costs of imports. De-industrialisation and de-unionisation has accelerated. As in South Africa, the government in Nigeria has for some time promoted privatisation and liberalisation, undermining the formal wage economy. Under pressure from the international finance institutions, the government has pushed ahead with the ‘de-regulation’. Union opposition is strong, especially against allowing market forces to determine the pricing of local petrol products. Unlike in South Africa, it is not primarily a case of drawing on political access to the government in order to maximise influence but of fighting a government that is seen as corrupt and inefficient, including the demand for basic industrial infrastructure and an electoral reform that makes it accountable to the electorate. The relations between trade unions and the ruling party are antagonistic. In their effort to change the development agenda, trade unions reach out to their allies in ‘civil society’ and the informal economy.

To what extent are unions in Nigeria and South Africa able to take advantage of the crisis to push for a re-orientation of government policy and generate the institutions that they believe are necessary for that purpose? The paper explores the scope for union action and the institutional preconditions for change. It pays special attention to the way in which unions are inserted in the ‘national development project’, their superior organisational capacity, and their ability to offer leadership for a wider group of popular forces in society. In both the Global North and the South the current crisis intensifies the contradictions between popular democratic aspirations and the prevailing neo-liberal orientation of government policy. The defence of workers’ rights in this context depends on the ability of trade unions to confront the state on the basis of a broad popular democratic platform. The beleaguered unions in the Global North can only resist the anti-democratic and anti-union logic of ‘global
reconstruction’ if they ally themselves to the rising working class forces in the South. Simultaneously, the latter need to ally themselves to a wider range of popular organisations in order to change the policies of states and defend their own rights.

I return to the general argument in the third part of the paper where I discuss why the current global crisis is unlikely to generate a reform movement at the level of states and international firms that change the balance of forces in favour of the working classes and a more popular and democratic agenda. The reverse is more likely. The crisis tips the balance radically against labour and even generates new opportunities for state and capital to repress and sideline the organisational efforts of the working classes. Formal wage employment is under particular pressure and workers all over are compelled to make major concessions, not just in terms of wage demands but in terms of organisational rights and achievements, for instance, rights of collective bargaining. Although ruling classes are anxious to rein in miscreant financial institutions primarily with the help of massive public spending, the net result will at most be a re-regulation of financial markets, including possibly the regulation of some politically sensitive issues such as ‘tax-havens’ and directors’ bonuses. No significant changes are likely to occur in the dominant anti-union, market-orientation of the neo-liberal order.

The progressive options inherent in the current crisis therefore depends on the ability of unions to defend past achievements and to use the conjuncture of the crisis to build their own alliances globally, primarily in their own defence but also in the defence of an advancing popular democratic agenda.

Part I: South Africa

South Africa in recession

In much of the Global South, the economic crisis is real enough. In the case of South Africa, the economy is in recession in contrast to the steady positive growth rates since the ANC took over in the mid-1990s. Although still primarily an exporter of minerals, gold in particular, that have suffered from the contraction of the world market, South Africa is by far the most industrialised country of the continent. The manufacturing industry has managed the difficult change from extreme levels of protection under the apartheid regime to the world-market exposure of the post-apartheid period. In particular, the automobile industry, either assembling for local markets or making vehicle parts for international producers, has prided itself of finding a niche in global markets. By mid-2009 vehicle sales had dropped
consistently for more than a year and vehicle exports were down by almost two-thirds as compared with a mid-2008, according to a shocked COSATU (2009-08-04). The recession of 2009 has hit hard also at the textiles and garments industry. Although cut by half in the 1990s, it still seemed to have a capacity for restructuring and generating employment for the less than 100,000 workers remaining, despite growing external market exposure (Beckman 2008).

The major problem, however, exacerbated by the crisis, has been the inability of society to engage a growing population without formal wage-employment. Unlike in much of Africa, apartheid obstructed the growth of an informal economy of traders, small businessmen and independent agricultural producers. Before the recession, official unemployment figures were well over one-quarter of the workforce and even one-third if those were to be included who do not even bother to apply for jobs because they think that they do not stand a chance - the “discouraged workers”. The recession aggravated the employment crisis and official statistics are alarming. COSATU speaks of a “national unemployment emergency”, a “job loss bloodbath” (COSATU 2009-07-28).

In the past, although officially supportive of the ANC government through its membership of the Alliance, COSATU has repeatedly clashed with the government over mass unemployment which unions see as the result of the excessively neo-liberal orientation of government policies. The crisis has reinforced a paradoxical combination of support and opposition as it has coincided with the ousting of Mbeki and election of Zuma as president with strong union backing. What appears to be a significant advance in labour’s political influence has therefore coincided with an economic crisis that radically undercuts the bargaining power of organised labour.

_South Africa: A paradigm of union power?
_Past achievements are impressive with unions having played a central role in the anti-apartheid struggle. By international standards labour legislation is advanced and union-friendly. Unions play a leading role in Nedlac, the National Economic Development and Labour Council, a major advisory body on national policy-making. The Alliance, where unions are a major partner along with ANC, the ruling party, and the SACP, the South African Communist Party, gives them special access to the government._
Are the achievements mainly of the past? Are unions capable of influencing the government? Do they have their own agenda? The critics are many, also within COSATU itself. It is suggested that the deal that was struck by business and an emerging black bourgeoisie in the late 1990s sidetracked the unions, giving them little say in the new strategy for ‘Growth, Employment, and Redistribution’ (GEAR) with its liberal, market-orientation. Simultaneously, retrenchment, and the increasing reliance by employers on outsourcing, labour brokers, and casual labour are eroding the basis of the unions. The organised working class, although bigger than elsewhere in Africa, still constitutes a minority in a sea of mass unemployment and informality.

In assuming state power, the ANC no longer represented just the social forces that ensured its victory as a liberation movement. It had to cater for the interests of the capitalist classes and white professionals who were in a position to make or brake the new nation. GEAR was a strategy to accommodate them and harness their interests to those of the nation as a whole. In launching GEAR, the government chose to ally itself with the liberal, world-market elements of the bourgeoisie in order to force the modernization of the backward apartheid economy. Gelb (2005), one of the architects of GEAR, suggests that the ‘agreement’ between big business and an emerging black bourgeoisie was central in constituting this new economic order. This view ignores, according to Webster (2005), the role of the unions in sustaining the deal. Unions continued to be a vital, albeit reluctant, party to the ‘class compromise’ that underpinned the post-apartheid order (Webster and Adler 1999).

Within this framework the unions pushed their own line as determined partly by their class position, partly by their attempt to reach out to a broader popular base. The wide popular support for the anti-privatisation strikes, for instance, underscored that they were not just defending narrow ‘vested interests’. Most unions accepted that the South African economy had to be opened up to world market competition. The new order sought to liberate productive forces from a race-based logic that had been imposed not just by apartheid but by centuries of colonialism. Property relations in the manufacturing industry continued to be largely based on race. Owners were white, workers black. Managerial despotism, especially in the so called ‘non-metro’, mostly ex-Bantustan, areas continue to defy democratic regulation. Unions confront a racial logic that has been inherited from apartheid and colonialism.

*COSATU’s response to the crisis*
Zuma had rewarded unions with key positions in his new government, including the post as minister for Economic Development given to Ebrahim Patel, the General Secretary of SACTWU, an experienced policy maker on the union side, and a principal architect of Nedlac, the National Economic Development and Labour Council. A joint ‘Framework for South Africa’s Response to the International Economic Crisis’ was issued in late February 2009, a major document originating in the Presidential Economic Joint Working Group, first meeting in December 2008 to discuss a joint response to the crisis, later involving Nedlac in partnership with the Presidency. It is provides a tripartite response to the “deepest and most serious economic crisis in at least the last 80 years”, affecting “all countries across the world”.

The “gross imbalances and inequities in the global economic system” are identified as the main cause of the crisis, including the “ineffectual regulation” of financial markets and “poor business practices”, issues that are equally raised by governments in the North. The focus on an imbalanced and inequitable world order, however, is more typically a position in the Global South. In the South African context “those with greater means have a responsibility to those without such means” (p.3). The action urged reflects the tripartite nature of the statement and are familiar from reactions in the North: more public investment in economic infrastructure, more skills development, more effective industrial and sector strategies, higher levels of private investment, the continued transformation of the informal economy and its integration into the formal one, improve government delivery and regulation, improve economic efficiency, and more generally a commitment to “macroeconomic policies that support decent work and sustainable growth” (p.4).

The 25 pages report contains a specification of this list. The need to protect and expand employment marks most sections, including the use of “labour intensive approaches” in the development of public infrastructure (p.6). The “constitutional mandate” of SARB, the central bank, to fix interest rates is “recognised” (p.8) and the depreciation of the Rand is appreciated, making South African goods more competitive and reducing imports (in favour of local products) (p.8). The sectors that are considered vulnerable and therefore require special support not only include the usual one, clothing, textiles and footwear, but also mining, the automotive industry, and the “capital equipment sectors” (p.9). A special National Jobs Initiative in the Presidency would greatly increase spending in this field (p.10).
The ‘Framework’ asks for local procurement “wherever possible in order to maintain and increase local output and employment levels” (p.11). International commitments in this field would require an urgent review of preferential procurement legislation. The ‘Proudly South African’ campaign is to be intensified, to ensure that people buy local products as far as possible. In particular, customs fraud and illegal imports had to be dealt with more effectively, including “high-profile arrests and prosecutions” (p.12).

Employment is emphasised throughout. Companies should do “everything in their power” to avoid retrenchments. “All possible alternatives” should be encouraged, including the involvement of statutory bodies like the Commission for Conciliation, Mediation and Arbitration (CCMA) (p.15). Government should review its outsourcing programme and its use of casual labour in order to encourage stable employment. In particular, the expanded public works programme (EPWP) that has been a major source of temporary employment in recent years would be further expanded. In a second phase, “2 million full time equivalent jobs” would contribute to “halving unemployment by 2014” (p.16). In response to the crisis, “the social partners” agree to update the programme in view of “the critical importance of public works programme in combating poverty” (p.17). A number of “social measures” are also discussed, including emergency food relief, improved food production, improved access to basic services as well as the Child Support Grant and old age pension (pp. 19-20).

In two areas specifically, outsourcing and the use of labour brokers, Nedlac was asked to “expedite” its involvement “in view of addressing labour’s concerns” and as the parties to the Joint Framework agree “to ensure full respect for and observance of fair labour standards and national legislation, in responding to the economic crisis” (p.18).

The G20 meeting in London and its declaration on 2 April 2009 provided unions an occasion to develop their views. COSATU issued its own response (COSATU 2009-04-03)

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The General Secretary of COSATU, Zwelinzima Vavi, used the National Congress of the National Union of Mineworkers (NUM) to address the crisis in the South African economy (COSATU 2009-05-20)

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The crisis was the main topic of a meeting of the Central Executive Committee of COSATU in early June (COSATU 2009-06-04)
In early September 2009, Nedlac held its Annual Summit. This time the theme was “The World Economic Crisis and its Impact on Growth and Development: The Role of Social Dialogue”

The economic crisis also dominated the 10th National Congress of COSATU, held in late September (21-24/9) the same year, including the resolutions proposed by the individual industrial unions.

*SACTWU’s response to the crisis*

The textile and garments industry is critical to the future direction of the South African economy. SACTWU is by far the biggest manufacturing union with some 100,000 members in 2007. In addition, large numbers of workers are engaged in outsourced and sub-contracted activities that are not unionised. Many ‘Non-Metro’ factories, that is mostly in the former ‘Bantustans’, were not effectively unionised, placing SACTWU constantly at the frontiers of organisation and union rights. Originally, textiles and garments were considered a ‘sun-set industry’, expected to be gradually eliminated with the continued modernisation and world-market orientation of the economy. However, as unemployment continued to grow in the new century, the sector was given a new importance because of its ability to generate employment based on labour-intensive technology. The ‘Growth and Development Summit’ (GDS) in 2003 identified clothing and textiles (with tourism and others) as a priority sector.

With the global ‘Multi-fibre Agreement’ (MFA) coming to an end in 2006, the sector faced an additional threat as quotas were removed on low-income producers. China in particular had invested massively in the industry. Temporary concessions aimed at facilitating local ‘adjustment’ at the South African end were negotiated with China but very little seems to have happened in terms of the restructuring and upgrading of the industry when the new crisis broke out in late 2008.

The union faces an uphill task in consolidating its hold in a shrinking industry with growing unemployment, outsourcing and the resort to labour brokers and casual employment. Managers dodge union-based workplace regulations and workers are intimidated into acquiescing in fear of losing their jobs. These tendencies are reinforced by the crisis.
SACTWU pursues a vigorous campaign against ‘unpatriotic retailers’ willing to buy from wherever supplies are cheaper. It mobilises both producers and consumers to ‘buy local’, being part of wider union-supported national campaign, “Proudly South African”, to defend local production and employment. While attacking neo-liberal orthodoxy, SACTWU is not opposed to the liberalisation of trade as such. It agrees with the reform policies of the state in exposing the highly protected apartheid economy to world market competition. In the 1990s the union contributed to a process of a phased and orderly liberalisation, negotiating with government and industry at the national level. As clothing retail companies were increasingly sourcing their supplies from outside, a threat of a consumer boycott compelled at first some firms to sign an agreement on local sourcing. The failure to rope in the leading retailers, however, opened up the industry for fresh competition from the ‘sweat shop economies with no workers rights’. The industry is in a flux. Some companies are closing down and/or relocating elsewhere, some intensify outsourcing to low-cost suppliers, others shift into trading and retailing.

The industry is also under pressure from low-cost production in poorly unionised neighbouring countries. A regional free trade agreement has been negotiated for SADC, the Southern African Development Community, and any policy for rescuing the South African industry has to be addressed in a regional context. SACTWU is acutely affected by current changes in global and national policies and in the shift in the balance of forces.

... The problems facing the unions are not sector-specific but arise from the pervasive poverty of South African society. The garments industry in particular is affected by the shift from formal to informal activity at the lower end of the industry with its self-exploitation and under-pricing. The economic crisis has made it even more difficult to maintain decent working conditions.

Much of the manufacturing industry originates within the protective parameters of the apartheid state. Its brutal methods facilitated industrialisation to a point but with little innovation and technical upgrading during the latter years of the apartheid period. The impact of the economic crisis is contradictory. On the one hand, it accelerates the structural transformation of the industry, including the closure of factories that lag behind. On the other hand, because of the alarming rise in unemployment in the economy generally also quite backward industrialists can continue to operate with very little protection for the work force.
The crisis points to the limitations of world-market adaptation.

*Labour brokerage and labour rights*

The crisis and the “jobs bloodbath” intensified the shift in the balance of forces in the South African economy to the disadvantage of labour. Employers were taking advantage of the crisis to push for the revisions of labour regulations and to undermine the advances that unions had been able to achieve. Union resistance to the revisions became particularly marked in the heated debate over “Labour Broking” that was undercutting collective agreements and which opened the doors wide to unorganised workers. This section looks at a submission made by COSATU and a six industrial unions to the Portfolio Committee on Labour of the South African Parliament on 26 August 2009 (COSATU 09-08-26).

*South Africa’s unions and the World Trade Organisation*

While the new ANC government under Zuma was anxious to reassure private investors of its basic pro-market orientation, the unions were encouraged in their critique of the logic of neo-liberal development. This could be clearly seen in their response to the World Trade Organisation (WTO) and the Doha Round of negotiations for a new global trade agreement (COSATU 09-07-16). It reinforces a picture of an alternative union view on the development strategies pursued by the South African state.

*Part II. Nigeria*

*Nigeria and the “global meltdown”*

In much of Africa, state-led national projects have been in crisis for some time and governments have been under pressure to adjust. In Nigeria, income from oil exports has accelerated disintegration while simultaneously cushioning a fast growing high-income stratum that has profited from oil revenue and oil sales. As in South Africa, the government has promoted privatisation and liberalisation, undermining the formal wage economy. The Yar’adua government (2007-) has pushed ahead with the ‘de-regulation’ inherited from the Obasanjo regime (1999-2007). The dramatic fall in world market prices in late 2008 (although picking up in 2009) made Nigerians acutely aware of the global crisis and “the global meltdown” became a standard expression when referring to it. Foreign investment in the Nigerian stock exchange had been particularly lucrative, generating a financial bubble that burst once the investors saw fit to leave. The rates of return had been artificially kept high by
bankers borrowing from each other and buying up their own shares. Private banks collapsed at a fast rate. Nigeria lacks credible employment statistics and it is not clear to what extent the “meltdown” was translated into unemployment, but global developments and the sullied reputation of the international finance institutions have fuelled resistance to the neo-liberal project.

The Nigeria Labour Congress (NLC)
In 1978, a Federal Military Government enforced a unified organisational structure with one national centre, the Nigeria Labour Congress (NLC), and organisational monopoly also at the industrial union level. The purpose to ensure greater state control has not been successful and unions have kept opposing the government. NLC has been repeatedly banned. In 1999, with Nigeria returning to ‘civilian rule’, the NLC was reconstituted. NLC opposition to the neo-liberal economic policies of the federal government is strong, especially against allowing market forces to determine the pricing of local petrol products, currently pursued officially as “downstream de-regulation”. Unlike in South Africa, it is not primarily a case of drawing on political access to the government in order to maximise influence but of fighting a government that is seen as corrupt and inefficient. The relations between trade unions and the ruling party are antagonistic. Nigerian unions reject the legitimacy of the government as well as the political processes (‘elections’) that have brought it to power. Reforming the electoral process is high on their agenda.

NUTGTWN: The Nigerian textile workers
Collective bargaining contributed importantly to upgrade and restructure the textile industry in the face of crises and adjustment (Andrae and Beckman 1998). However, the Nigerian experience also points to its limits. Industry suffered from the failure of governments to provide water, power, and other basic infrastructure. In particular the power situation became untenable. Industries were compelled to run private generators on a 24 hours basis, feeding on diesel that had been priced out of the market. Moreover, fiscal indiscipline and erratic monetary policies caused rampant inflation. Public services decayed, undermining real income and popular welfare. The ability to compete in world markets was further subverted by mismanagement in banking and trade.

Since the late 1990s the industry has suffered from steady decline, accelerated in recent years by the successful rise of world market-oriented textile and garment production in Asia. While
the trade in second-hand clothing and massive illegal imports over ‘porous borders’ have aggravated the crisis, much of the problem is due to the industrial environment and the failure of the supply of power in particular. Is industrial collapse inevitable in a context that compels countries to accept liberalisation? Unions insist that industry can be made competitive if only the institutions of the government, including the local refineries and the custom services can be made to function.

*The Abuja rally, 29 October 2009*

As Gunilla Andrae and I visited Labour House, the NLC offices in Abuja in late October 2009, we attended a meeting of LACSO, the Labour-Civil Society Organisation. It was called in preparation of the seventh and final protest rally, “the mother and father of all rallies”, according to the chair, a Deputy President of the Congress, to be held in Abuja on 29 October 2009 by the NLC and “its friends in civil society”. The first one had been held in Lagos in late May and all major regions (“zones”) had been covered. Three demands were made on the government: Stop the de-regulation of local petrol prices, revise the minimum wage that had been stagnant since the beginning of the new millennium, and ensure electoral reform as to allow accountability in the political process.

Central to the self-image of the NLC is a notion of its key role in ‘civil society’ and its ability to lead a wider alliance of popular democratic forces in opposition to ruling-class elite politics. It suggests an alternative avenue to political power and influence that side-lines the sectionalism of Nigeria’s elite politics. The alliance is institutionalised in the development of LACSO, the Labour-Civil Society Coalition. Other actors in ‘civil society’ have been anxious to involve Congress in joint protest actions, allowing them to draw on its organisational clout in reaching out the various parts of the country as well as providing some protection against state repression.

*Organising across the formal-informal divide*

In September-October of 2009, Gunilla Andrae and I interviewed tailors and unionists in Kaduna on the current efforts of the NUTGTWN to make tailors members of the textile union. A special tailors’ unit of the union had just been constituted. Simultaneously, the tailors were preparing for electing new leaders for the Kaduna State Tailors Union. Discussions were held with NLC officials engaged in strengthening union ties with the ‘informal economy’. Market women and Okada (motorcycle) riders were among those who
were considered instrumental in ensuring popular support for trade union manifestations. We also discussed with tailors and trade unionists in Ghana where the efforts of trade unions to engage the “informal economy” were considered particularly advanced. Why did they chose to organize “across the formal-informal divide”? What was in it for either party? Some activity may be prompted by access to donor funding and not necessarily characterized by much commitment but we discern an underlying logic. The tailors in Kaduna were driven by notions that alliances with unions in the formal economy will enhance their capacity to influence government and public authorities. In particular, they were concerned with local authorities and issues of taxes, location, rent, and credit. In the case of trade unions it is also a question of political clout, not just in terms of membership numbers but to enhance their political legitimacy. Formal wage workers are few, operators in the informal economy are many. It is easier for governments to be dismissive of the few (“Why should they hold us to ransom?”). It is more difficult to be dismissive of their wider popular base.

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**Part III. Trade unions and the politics of crisis: The wider issues**

*Global unions and the crisis*

Redundancies and a sharp rise in mass unemployment as a result of the crisis have been the major concern of the labour movement globally as in the case of the ITUC, the International Trade Union Confederation, the former ICFTU with its headquarters in Brussels. It is reflected, for instance, in its attempt to shadow the G20 meeting on the crisis in Britain in early April and its follow-up in Pittsburgh in September 2009, providing its own alternative vies of what has to be done (ITUC 2009-04-03; ITUC/TUAC 2009; TUAC 2009; ITUC/TUAC/Global Unions 2009). The preoccupation is with the re-regulation of collapsed global financial markets, including new forms of financial control, that allow a greater say for labour. In a joint statement on the G20 meeting with the TUAC, the Trade Union Advisory Committee to the OECD, it is assumed that the crisis implies the collapse for the market-oriented and unregulated world economic order. It suggests that “governments must begin to work on a framework of governance that changes the failed paradigm of market fundamentalism that has dominated policy and major international institutions for the past three decades” (ITUC/TUAC 2009:8).

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*Unions and national development*
What determines the capacity of unions to intervene in policy and politics? In explaining union power, the Andrae-Beckman study of the Nigerian textile union (1998) spoke of a union-based labour regime, suggesting that the union had succeeded in establishing itself as an effective actor in industrial relations, in workplaces and in collective bargaining. It highlighted the remarkable growth of such a regime in the face of continued economic crisis and military despotism. In contrast, unions in Uganda have been subjected to a repressive labour regime with very little scope for independent union action (Andrae 2004; Beckman 2002). The capacity of the unions to intervene effectively in policy is most likely related to the consolidation of a union-based labour regime in the workplace. The impact, however, is not decided by union strength alone, the question of union power need to be addressed in a wider context of the balance of forces in society.

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**Unions as a popular democratic force**

Central to our understanding is that unions have potential as a popular democratic force also in societies where they only organise a minor part of the population. The growth of the formal wage economy is obstructed by the uneven development of productive forces. The workers of this sector offer voice and leadership to a wider range of popular forces because they are centrally located in the class contradictions that constitute these societies as peripheral capitalist ones. The limited and partial mode of transformation is decisive not just for a society’s current position in the global division of labour but also for the likely routes open to it in seeking to address the welfare aspirations of its citizens. Working class organisations are situated in the nexus that connects society to the world economy and they develop responses that go beyond the immediate issues of employment and wages. The emergence of alternative popular democratic organisations is simultaneously obstructed by the predominance of self-employment, fragmented class relations, and multiple class identities. This, of course, does not turn unionists into popular democrats. They may be inept in responding to the needs of both their own members and wider society. Their ability to realise the potential as a popular democratic force is therefore an empirical issue. The argument, however, points to the need to pay particular attention to the way in which unions combine strategies of defending their own base with interventions to influence the direction of national development.

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Conclusions
Despite their apparent differences, the paper suggests that unions play a critical role in enforcing popular accountability. Their mode of insertion in an a highly unequal global order defines their commitment to the modernisation of society in opposition to the prevailing market economy. The wider credibility of unions as a popular democratic force depends on being seen to be fighting for people’s right to voice grievances and organise in defence of their views and interests.

In conclusion the paper discusses why the current global crisis is unlikely to generate a reform movement at the level of states and international firms that change the balance of forces in favour of the working classes and a more popular and democratic agenda. The reverse is more likely. The crisis tips the balance radically against labour and even generates new opportunities for state and capital to repress and sideline the organisational efforts of the working classes. Formal wage employment is bound to be under particular pressure. Workers all over will be compelled to make major concessions, not just in terms of wage demands but in terms of organisational rights and achievements, for instance, rights of collective bargaining. Although ruling classes are anxious to rein in miscreant financial institutions primarily with the help of massive public spending, the net result will at most be a re-regulation of financial markets, including possibly the regulation of some politically sensitive issues such as ‘tax-havens’ and directors’ bonuses. No significant changes are likely to occur in the dominant anti-union, market-orientation of the neo-liberal order.

Trade unions in South Africa and Nigeria respond very differently to the global economic crisis. In the South African case, unions play a leading role in formulating official strategy. It does so on a tripartite basis, involving both government and the organised (mostly white) business community. The outcome is therefore bound to reflect the views of the other parties, including those of a government that is anxious to have everyone on board. Although such constraints have to be considered it does not prevent unions from pushing their own positions and to influence the general orientation of the joint response. Unions are used to negotiate on a tripartite basis both internationally, as in the ILO, and locally, as in Nedlac. By participating actively, unions provide an important element of popular political influence.

In the case of Nigeria, no such procedures exist that give unions an institutionalised say in the making of policy. There is an element of lobbying in relation to the National Assembly and
unions and employers act together in petitioning the government on grievances that are specific to a particular sector, for instance, textile unions and the textile employers make joint demands relating to tariffs, custom services, illegal imports, and public subventions. The primary avenue, however, lies in the ability of the unions to rally other social groups, students, market women, professionals in support of particular policy or, rather, in opposition to government policy. In recent years, LASCO, the Labour-Civil Society Coalition, has provided a forum for such broad alliances. In the absence of credible political institutions for popular representation, the trade unions in Nigeria are assigned a leading role in voicing popular grievances as part of such alliances.

The current global financial crisis has caused a drastic contraction of world trade. The collapsing neo-liberal financial order causes leading trading economies and international finance institutions to engage in rescue operations. Economic stagnation and decline are accompanied by mass unemployment and political turmoil. One outcome is a more interventionist state, compensating for market failures through state spending and tighter financial regulations. It is unlikely an end of the neo-liberal trading regime but more likely to lead to its reconstruction. The crisis may even open up for further ‘liberalisation’, not the least in labour relations. Capitalists and the states that look after their interests take advantage of the crisis to shift the balance of forces to the further disadvantage of organised labour.

I argue in this study that trade unions, although representing only a small fraction of the population, especially in Africa, provide an alternative to the neo-liberal world order, including an alternative route out of the current crisis. They have a self-interest in modernisation as manifested in the growth of formal wage-employment and constitute the best organised section of civil society. Others popular groups look to them for leadership. In the global South, the importance is enhanced by imperialism, that is, the domination of the global order by economically and militarily powerful societies and the way it structures the chances to social welfare. Local ruling classes are subordinated, leaving little scope for a ‘national bourgeoisie’ to lead the way.

**End note: The context of research**

This draft is fragmentary and will be completed, including proper referencing. It draws on current research, including the project “African trade unions and the politics of reform” that looks at unions in Nigeria and South Africa. An early outline of the project has been published in *Transition. Critical Perspectives on Southern Africa* (2002), and in Harriss,
Stokke and Tornquist (eds) (2004). The South Africa section (Part I) draws in particular on my exposure to the National Congresses of SACTWU (2001, 2004, 2007) and the daily releases and media reports of COSATU. The engagement with trade unions in Nigeria (Part II) goes back to my time as teacher at Ahmadu Bello University, Zaria. I visit Nigerian unions regularly. A joint study with Gunilla Andrae of the textile workers’ union was published in 1998. The recent collapse of Nigeria’s textile industry and attempts at alliances across the formal-informal divide are discussed in papers with Gunilla Andrae (2007;2008a,b). Fresh research on this topic was undertaken in Nigeria and Ghana in late 2009 and will be more fully reported in a revised version of this draft.

The argument on globalisation and national development, popular democracy, and civil society (Part III) has been pursued in bits and pieces in Beckman 2001, 2007, 2008, 2009 and in Beckman and Sachikonye 2009.

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