



Hochschule für
Wirtschaft und Recht Berlin
Berlin School of Economics and Law



GLU

**VI. Global Labour University Conference,
Berlin, 14-16 September 2010**

**Labour and the global crisis:
sharing the burden (!) shaping the future (?)**
Analysis, Short-Term Stabilisation and Long-Term Options

CONFERENCE READER

Introductory Note

“Sharing the burden! Shaping the Future?”

When we decided on this conference theme in April 2009 we were amazed how easy resources had been mobilized to bail out the banks and how little was done to address the root causes of this crisis.

18 month later some countries in particular in Asia and Latin America have returned to growth as has Germany. Stock markets have recovered, banks have been saved, the bonuses of investment bankers are up and speculation in commodities, food and real estate are in full swing again.

However the recovery is uneven and fragile at best. In many cases it is based on fiscal stimuli and not on the expansion of private demand. Six month ago the desperate optimists of national and global governance were already claiming victory and the return to sustainable growth was regarded as more or less a given. Recent data in particular from the US, Japan and several European countries call for a much more cautious reading. A robust recovery based on private demand creating sufficient jobs to reduce unemployment is not in sight. There is the likelihood of an L-shaped development with stagnation or low growth in many countries. For the labour market this means at best no further increase in unemployment.

Meanwhile workers and their families are paying in manifold ways for this crisis

- Many millions of people have lost their jobs
- Millions have had to accept cuts in salaries and wages
- Growth potential has been wasted and economies will be below pre-crisis employment levels for years to come
- The fall in house prices destroyed the wealth and savings of middle income workers, whose sole investment is often their own house
- The massive rise in public debt has been followed by cut backs in universal public services and public investment
- Increases in regressive tax policies like VAT, which hit poor people disproportionately
- Fiscal stimulation has been insufficiently used for needed ecological changes

Looking on the other hand at stock market rallies and the generous bail outs it seems that any assumption of burden sharing was too optimistic. An economic crisis is always first and foremost a crisis. There is no painless crisis, but the way the costs are shared is probably a fairly precise expression of the balance of forces in a society.

Not all countries have been hit to the same extent during the crisis and some countries also seem to have recovered faster. But even in those countries where trade unions can take some pride in being part of comparatively successful crisis management, little or no progress has been made to address the root causes of the crisis. No serious attempt has been made to regulate and downsize global financial markets, hardly anything has been done to rebalance the tax systems in favour of labour and mass consumption. Nothing has been done to address global imbalances and the outrageous level of inequality. Instead international institutions like the IMF or the OECD call for further weakening of protective laws in order to allow for a continuous decline in wages.

Capital and the financial industry have displayed impressive strength in defending their interest and advancing their position despite massive public anger and obvious deficiencies of the pre-crisis economic regime.

Overcoming vested interests and deeply ingrained economic beliefs is tremendously difficult and the broad left needs a combination of vision, solutions and action that can mount a credible challenge to the powerful defenders of an extremely unequal, volatile, unsustainable and potentially dangerous world economic order.

We hope this conference will be a small contribution to this great task. The Global Labour University was initiated to create an international network for new ideas, interdisciplinary and multicultural study opportunities for trade unionists, and cross boarder research cooperation. It invites academics and trade unionists to engage in a collective deliberation process.

The Call for Papers for this conference addressed three main questions:

- what caused the crisis?
- what can and needs to be done as an immediate policy response?
- what are medium and long-term policies and visions for a fairer and more inclusive global society?
- How can a recovery be organized which also helps to solve the ecological challenges

We are encouraged by the overwhelming response to the conference invitation and the many exiting papers that will be presented during the next two days. We are looking forward to new ideas, interesting discussions and joint initiatives to understand the present and to shape the future.

Frank Hoffer
ILO/ACTRAV

Practical Information

Conference Venues

- 1) Berlin School of Economics and Law / Hochschule für Wirtschaft und Recht Berlin (HWR)**, Badensche Straße 50-51, 10825 Berlin

Cafeteria in 5th floor, conference rooms in 3rd and 4th floor

and

- 2) Rathaus (City Hall) Schöneberg**, John-F.-Kennedy Platz 1, 10825 Berlin

Conference room: BVV Saal

Mealtimes & Coffee Breaks

Lunch 15.9. / 1 pm:

City Hall Schöneberg (Brandenburg-Halle)

Lunch 16.9. / 1 pm:

Berlin School of Economics and Law (Cafeteria)

Dinner 14.9. / 7.15 pm:

Berlin School of Economics and Law (Rm. 404)

Dinner 15.9. / 7 pm:

Berlin School of Economics and Law (Entrance Hall)

Farewell Drink 16.9. / 6.30 pm:

City Hall Schöneberg (Brandenburg-Halle)

Coffee breaks:

Within the conference rooms

Emergency Telephone No.

Emergency medical service: 31 00 31

Emergency dental medical service: 89 00 43 33

Transportation

Nearest underground stations:

to Berlin School of Economics and Law: Bayerischer Platz (U4/U7), Berliner Straße (U7/U9), or Kufsteiner Straße (Bus 104)

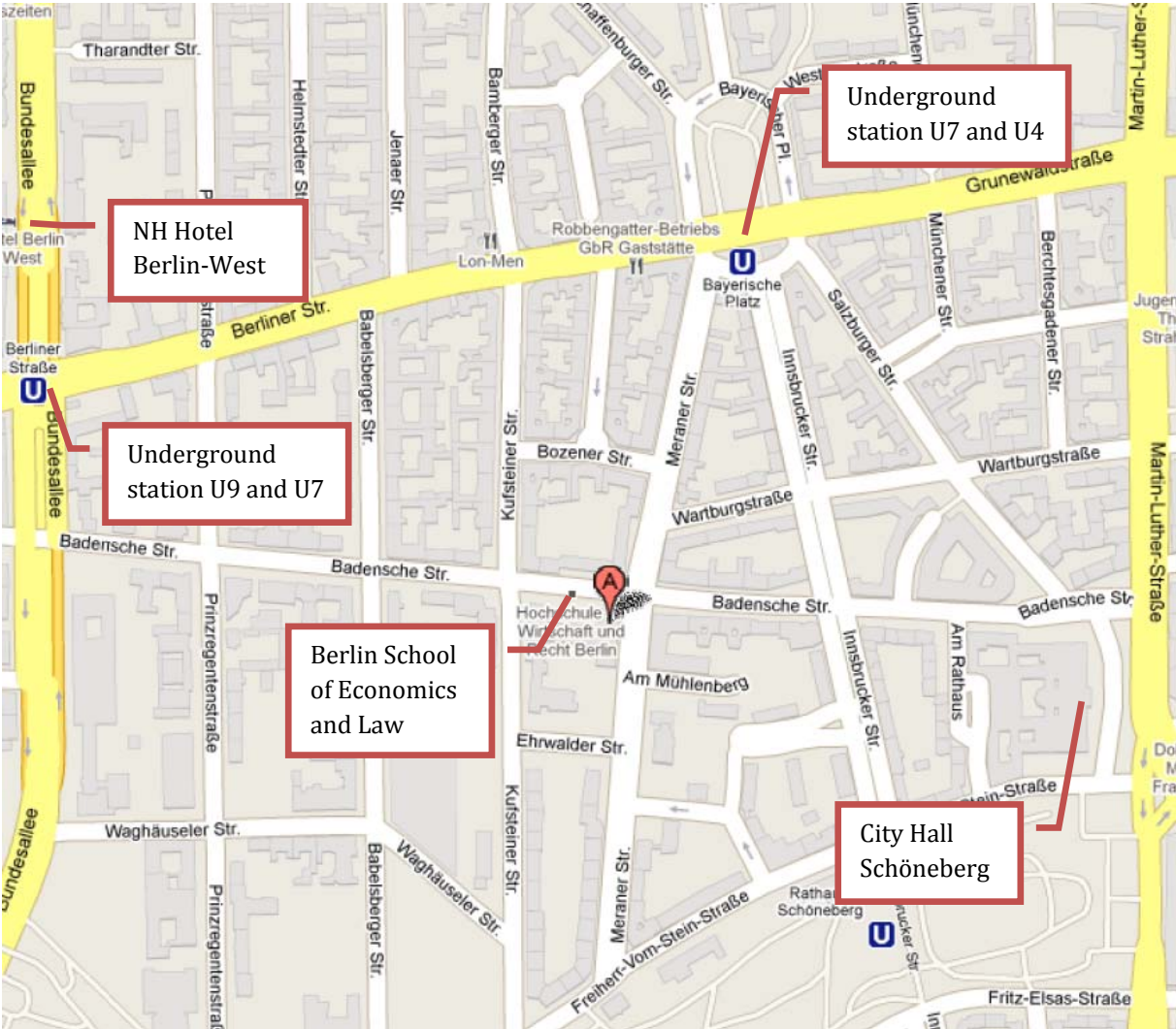
to City Hall Schöneberg: Rathaus Schöneberg (M46/ Bus 104) or Bayerischer Platz (U4/U7)

Taxi Berlin: Tel. +49.30.210 202

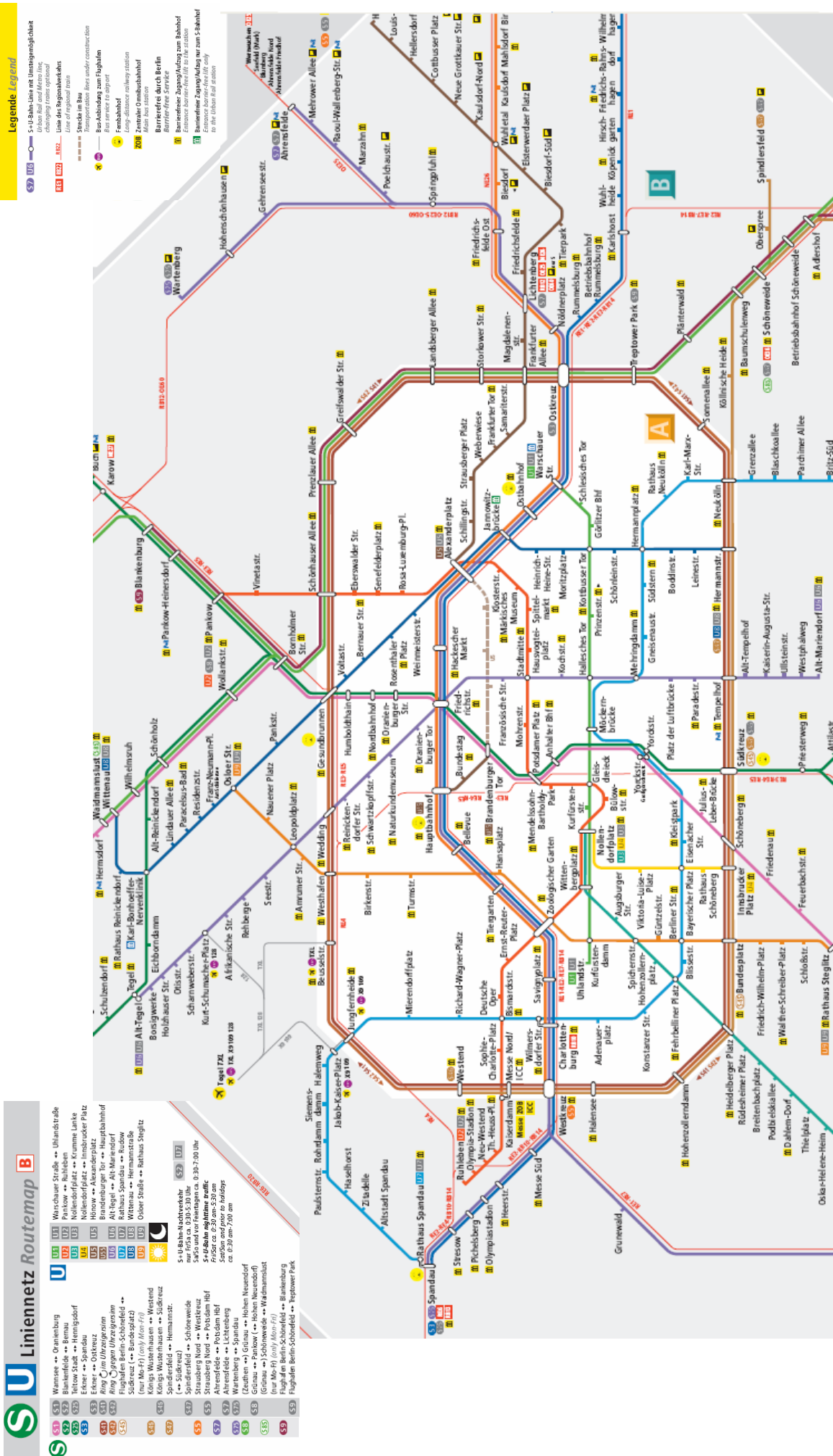
In case of any questions please contact the conference coordination team:

Harald Kröck, Almut Kretschmann or Rita Schwabe

Map of Conference Venues



Berlin Underground Routemap



Programme of the VI. Global Labour University Conference 2010 in Berlin

Tue, 14.9.	Wed, 15.9.	Thu, 16.9.
	City Hall Schöneberg (BVV Saal)	Berlin School of Economics and Law
Arrival Participants	9:00 – 13:00 Opening Plenary Session Thorsten Kurzawa (Vice President HWR) <i>Opening Speech</i> Michael Sommer (Confederation of German Trade Unions/ DGB) <i>A Labour Agenda for Change</i> Q&A session / coffee break Robert H. Wade (London School of Economics) <i>The global economic crisis: what comes next?</i> Amit Bhaduri (University of Pavia) <i>Financialization in a Keynesian perspective</i> Neva Makgetla - tbc (Ministry for Economic Development, S.A.) <i>Rethinking economic development - the impact of the crisis on South Africa</i>	9:30 – 15:30 (Rm 301, 402-404, 444) Paper presentations and discussions about topics: Employment Developments and Labour Market Regulations after the Crisis Looking beyond the horizon – are there fundamental options? Social safety nets and the public sector Financial systems, corporate governance and multinational companies The financial system, distribution and growth
Berlin School of Economics and Law	Berlin School of Economics and Law	City Hall Schöneberg (BVV Saal)
16:00 – 18:00 (Rm 402) Registration of participants 18:15 – 19:15 (Rm 444) Welcome and Opening Hansjörg Herr (HWR) Jochen Steinhilber (FES) Thorsten Schulten (Hans Böckler Stiftung) Frank Hoffer (ILO)	14:30 – 19:00 (Rm 301, 402-404, 444) Paper presentations and discussions about topics: Analyses of the crisis and short-term options Employment Developments and Labour Market Regulations after the Crisis International Framework Agreements (IFAs) and Labor in Globalized Services Changes in the global economy and power structures and global governance reforms The financial system, distribution and growth Social safety nets and the public sector Current Situation of Labor in the USA	16:00 – 18:30 Final Plenary Session Medium term reform options for union movements and summary of conference debates Political mobilization and how to push for reform options
19:15 Welcome Buffet (Rm 404)	19:00 Dinner Buffet (Entrance Hall HWR)	18:30 Farewell drink

We thank the following organisations for their financial support:

Timetable Paper Presentations GLU Conference 2010

Venue: Berlin School of Economics and Law (HWR)

Wednesday, 15 Sept. 2010

Session 1: 14:30- 15:50 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 404	HWR / ROOM 402	HWR / ROOM 403
Topics:	1. Analyses of the crisis and short-term options	2. Employment Developments and Labour Market Regulations after the Crisis	3. Changes in the global economy and power structures and global governance reforms	10. International Framework Agreements (IFAs) and Labor in Globalized Services	Info-Session: GLU Programmes Master and Certificate Level with Christoph Scherrer, Frank Hoffer & Stefanie Wahl
Chairpersons:	Esther Busser	Edward Webster	Babatunde Aiyelabola	Mike Fichter	
Presenters, paper no.& titles:	<i>Dale Forbes</i> 24. The role of fictitious capital and the process of self-valorisation of capital	<i>Andrew Watt</i> 36. How do institutions affect the labour market adjustment to the economic crisis in different EU countries?	<i>Bill Dunn</i> 17. Economic change and labour's decline: an empirical qualification concerning their association	<i>Mike Fichter and others</i> Case studies from Brazil, India, Turkey, USA	
Presenters, paper no.& titles:	<i>Bill Rosenberg</i> 30. A rowing boat on the open sea, or in a haven from financial and environmental crises? New Zealand, the GFC, and a union response	<i>Sarbeswara Sahoo</i> 21. Impact of Global Economic Recession on the Livelihood of Diamond Workers: a case study of Gujarat, India	<i>Paulo Sérgio Fracalanza</i> 23. Changes in the World of Work: New Information and Communication Technologies, Pension Funds and Shareholder Activism	<i>Mike Fichter and others</i> Case studies from Brazil, India, Turkey, USA	

Session 2: 16:10- 17:30 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 402	HWR / ROOM 404
Topics:	1. Analyses of the crisis and short-term options	2. Employment Developments and Labour Market Regulations after the Crisis	4. The financial system, distribution and growth	3. Changes in the global economy and power structures and global governance reforms
Chairpersons:	Devan Pillay	Mark Thomas	Eckhard Hein	Alfred Angula
Presenters, paper no.& titles:	<i>Martin Wandera</i> 75. The Impact Of The Global Financial Crisis In Uganda	<i>Lin Yanling</i> 96. Collective actions promote reforming of the Trade Unions in China	<i>Engelbert Stockhammer</i> 18. Determinants of functional income distribution in OECD countries	<i>Thiago Marques Mandarino</i> 53. From the Economic Miracle to the Real Plan: Changes in Industrial Structure and Consequences on Work and Employment
Presenters, paper no.& titles:	<i>Klaus Dörre, Stefan Schmalz</i> 92. In the Shadow of the Crisis: Functional Change of Trade Unions and Social Conflict (Theses)	<i>Saumyajit Bhattacharya</i> 25. The Global Crisis and its 'Resilient Response' in India: Furthering the Neoliberal Labour Reform Agenda?	<i>Hansjörg Herr</i> 98. Reform options of Financial Systems	<i>Nicolas Pons-Vignon</i> 74. An entrenched minerals-energy complex and the capital-labour divide

Session 3: 17:45 - 19:00 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 402	HWR / ROOM 404
Topics:	1. Analyses of the crisis and short-term options	2. Employment Developments and Labour Market Regulations after the Crisis	4. The financial system, distribution and growth	Current Situation of Labor in the USA
Chairpersons:	Martin Upchurch	Seeraj Mohamed	David Bensman	Christoph Scherrer
Presenters, paper no.& titles:	<i>Pierre Habbard</i> A trade union assessment of the G20 Action plan on financial reform	<i>Thorsten Schulten</i> 99. Minimum wages under the conditions of the global economic crisis	<i>Chandra D. Bhatta</i> 67. Creating a Functional State - Redefining Labour-Capital relationship in Nepal	<i>Lee H. Adler</i> 46. Meeting the Right's Attack on Public Sector Unions in the US.....Are there Effective Strategies? <i>Chris Tilly</i> 95. An opportunity not taken...yet: U.S. labor and the current economic crisis <i>Jason Russe!</i> 100. Response of the US Labor Movement to the Economic Crisis
Presenters, paper no.& titles:	<i>Trevor Evans</i> 94. From the so-called euro crisis to cuts in public spending and wages	<i>Neetha Pillai</i> 39. Hard Hit by the Crisis? Women Workers in Export Oriented Garments and Organized Retail Trade	<i>Maria Alejandra Caporale Madi</i> 85. Investment and Labour in the global crisis: Faceless capital and the challenges to trade unions in Brazil	

Timetable Paper Presentations GLU Conference 2010

Venue: Berlin School of Economics and Law (HWR)

Thursday, 16 Sept. 2010

Session 1: 9:30 - 11:20 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 404	HWR / ROOM 402
Topics:	7. Looking beyond the horizon - are there fundamental options?	2. Employment Developments and Labour Market Regulations after the Crisis	2. Employment Developments and Labour Market Regulations after the Crisis	4. The financial system, distribution and growth
Chairpersons:	Bill Dunn <i>Conor Cradden</i>	Lee H. Adler <i>Edward Webster</i>	Hansjörg Herr <i>Gaurang R. Sahay</i>	Trevor Evans <i>Jan Cremers</i>
Presenters, paper no. & titles:	5. Restarting History: Why the global labour movement must challenge the 'corporate theory of society', and how it might go about doing it.	97. Development, Globalization and Decent Work: An Emerging Labour Paradigm	51. Globalisation, Liberalisation and Agrarian Distress. A Study of Suicides among Farmers in India	8. Non-standard employment relations or the erosion of workers' rights
Presenters, paper no. & titles:	<i>Melisa R. Serrano, Edlira Xhafa</i> 15. Consciousness, Capacities and Visions of Alternatives to the Capitalist Logic	<i>Mark Thomas</i> 29. Global Unions, Local Labour, and the Regulation of International Labour Standards: A Case Study of ITF Labour Rights Strategies	<i>Seeraj Mohamed</i> 57. South African industry and labour and the global economic crisis	<i>Eckhard Hein, Achim Truger</i> 16. Finance-dominated capitalism in crisis -- the case for a Global Keynesian New Deal
Presenters, paper no. & titles:	<i>Babatunde Aiyelabola</i> 32. Anti-capitalism and the socialist idea; a critical appraisal of post-capitalist alternatives	<i>Debdulal Saha</i> 35. Decent Work Deficit' of self-employed workers in the urban informal sector: Evidence from street vending in Mumbai	<i>David Bensman</i> 60. Labour market deregulation and climate change	<i>Özlem Onaran</i> 20. Fiscal Crisis in Europe or a Crisis of Distribution?

Session 2: 11:40 - 13:00 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 404	HWR / ROOM 402
Topics:	7. Looking beyond the horizon - are there fundamental options?	2. Employment Developments and Labour Market Regulations after the Crisis	6. Financial systems, corporate governance and multinational companies	6. Financial systems, corporate governance and multinational companies
Chairpersons:	Birgit Mahnkopf <i>Carlos Salas</i>	Bill Rosenberg <i>Andre Luiz Martins</i>	Mariano Laplane <i>Laura Horn</i>	Susan Hayter <i>Sigurt Vitols</i>
Presenters, paper no. & titles:	77. Responses to crisis in Latin America: A comparison between Brazil and Mexico	22. Women in Northeastern Brazilian Labor Market in the 2000s: Growth, Post-Crisis Scenarios and Gendered Job Precariousness	27. Labour and the Locusts: Trade Union responses to corporate governance regulation in the European Union	50. A Corporate Governance Alternative to Shareholder Value? Worker Participation and the Sustainable Company
Presenters, paper no. & titles:	<i>Devan Pillay</i> 89. The eco-logic of the global capitalist crisis	<i>D. P. Singh</i> 44. Employment situation in Mumbai: An analysis	<i>Isabelle Schömann</i> 37. Impact of Transnational Framework Agreements on Corporate Governance	<i>Edwin Anisha</i> 82. Multinational Companies: whose interest do they serve?

Session 3: 14:10 - 15:30 (4 parallel workshops; max. 25 min. presentation/paper; discussion at end of session)

Rooms:	HWR / ROOM 301	HWR / ROOM 444	HWR / ROOM 404	HWR / ROOM 402
Topics:	2. Employment Developments and Labour Market Regulations after the Crisis	2. Employment Developments and Labour Market Regulations after the Crisis	6. Financial systems, corporate governance and multinational companies	5. Social safety nets and the public sector
Chairpersons:	Michelle Williams <i>Marcelo Weishaupt Proni</i>	Nicolas Pons-Vignon <i>Yasemin Ozgun, Ozgur Muftuoglu</i>	Engelbert Stockhammer <i>Martin Upchurch</i>	Philip Bowyer <i>Pragya Khanna</i>
Presenters, paper no. & titles:	65. An Economic Analysis of Unemployment in Brazil	49. Turkish Unions in the face of the Crisis of Capitalism	10. Wild Capitalism in Post Communist Transformation: the Case of Serbia	52. How Secure is National Rural Employment Guarantee as a Safety Net
Presenters, paper no. & titles:	<i>Maya Bhullar</i> 70. Addressing Competition: Strategies for Organizing Precarious Workers - Cases from Canada	<i>Paulo Baltar, José Dari Krein, Eugenia Troncoso Leone</i> 45. Economic Growth, Employment and Labour Market Regulation in Brazil	<i>Hepzibah Munoz Martinez</i> 26. The Double Burden on Maquila Workers: Violence and Crisis in Northern Mexico	<i>David Hall</i> 59. Public sector policies

List of Speakers

Last name	First name	Affiliation	Position
Adler	Lee Howard	Cornell ILR school	Lecturer
Aiyelabola	Babatunde	Nigeria Labour Congress	Head, Special Projects Unit
Angula	Alfred	NAFWU	General Secretary
Anisha	Edwin	Michael Imoudu National Institute for Labour Studies (MINILS)	Principal Research and Development Officer
Baltar	Paulo	Unicamp Brazil	Professor
Bensman	David	Rutgers University	Professor
Bhaduri	Amit	University of Pavia	Professor of Political Economy
Bhatta	Chandra D.	Friedrich-Ebert-Stiftung, Nepal Office	Programme Officer
Bhattacharya	Saumyajit	Kirori Mal College, University of Delhi	Associate Professor
Bhullar	Maya	Service Employees International Union, Local 2, Canada	Research Coordinator
Bowyer	Philip	UNI Global Union	Deputy General Secretary
Busser	Esther	ITUC	Assistant Director Geneva Office
Caporale Madi	Maria Alejandra	Instituto de Economia-CESIT-UNICAMP- GLU Brazil	Head of Department Economic Theory/ Professor
Cradden	Conor	University of Geneva/Public World	Département de Sociologie
Cremers	Jan	Amsterdam Institute of Advanced labour Studies	
Dörre	Klaus	Universität Jena	Professor
Dunn	Bill	Department of Political Economy, University of Sydney	Senior Lecturer in International Studies
Evans	Trevor	Berlin School of Economics and Law (HWR)	Professor / Director, Masters in International Economics
Fichter	Michael	FU Berlin	Senior Lecturer
Forbes	Dale	South African Municipal Workers' Union	Collective Bargaining Officer
Fracalanza	Paulo Sérgio	Unicamp	Professor
Habbard	Pierre	Trade Union Advisory Committee to the OECD	Senior Policy Advisor
Hall	David	Public Services International Research Unit (PSIRU)	Director
Hayter	Susan	International Labour Office	Senior Industrial and Employment Relations Specialist
Hein	Eckhard	Berlin School of Economics and Law (HWR)	Professor
Helfen	Markus	Free University of Berlin	Research Fellow
Herr	Hansjörg	Berlin School of Economics and Law (HWR)	Professor
Hoffer	Frank	International Labour Office/Bureau for Workers' Activities	Senior Research Officer, International coordinator/ Global Labour University
Horn	Laura	Free University Amsterdam	Department of Political Science
Khanna	Pragya	Independent Researcher	
Krein	José Dari	CESIT/IE/UNICAMP	Professor
Laplane	Mariano	Institute of Economics/ University of Campinas	Professor & Dean
Leone	Eugenia	Unicamp Brazil	Lecturer and Coordinator GLU-Brazil
Lin	Yanling	China Institute of Industrial Relations	Professor
Mahnkopf	Birgit	Berlin School of Economics and Law (HWR)	Professor of European Politics
Makgetla	Neva	Minsitry for economic development	Economist
Mandarino	Thiago Marques	Universidade Federal dos Vales do Jequitinhonha e Mucuri	Professor Assistente II (Teacher)
Martins	Andre Luiz	Universidade Federal de Pernambuco, Brazil	Professor

Mohamed	Seeraj	Corporate Strategy and Industrial Development Research Programme, University of the Witwatersrand, Johannesburg	Director
Müftüoğlu	Özgür	Marmara Üniversitesi	Ass. Prof. Dr
Munoz Martinez	Hepzibah	El Colegio de la Frontera Norte	Researcher
Onaran	Özlem	Middlesex University	Department of Economics and Statistics
Özgün	Yasemin	Anadolu Üniversitesi	Assist Prof. Dr
Pillai	Neetha	Centre For Women's Development Studies	Senior Fellow
Pillay	Devan	University of the Witwatersrand	Associate Professor
Pons-Vignon	Nicolas	CSID, Wits University	Senior Research Fellow
Proni	Marcelo	Unicamp	Professor
Raimundo	Lício da Costa	FACAMP	Professor
Rosenberg	Bill	New Zealand Council of Trade Unions	Policy Director/Economist
Russell	Jason	Empire State College - State University of New York	Faculty Member and MA in Labor and Policy Coordinator
Saha	Debdulal	Tata Institute of Social Sciences	PhD student
Sahay	Gaurang	Tata Institute of Social Sciences, Mumbai	Associate Professor
Sahoo	Sarbeswara	MAHATMA GANDHI LABOUR INSTITUTE	ASST.PROFESSOR OF ECONOMICS
Salas	Carlos	Cesit/ IE Unicamp	Professor
Scherrer	Christoph	Kassel University	Professor
Schmalz	Stefan	GEW / University of Jena	Institute of Sociology
Schömann	Isabelle	European Trade Union Institute	Labour Lawyer - Senior Researcher
Schulten	Thorsten	WSI within the Hans Böckler Stiftung	Senior Researcher
Serrano	Melisa	SCHOOL OF LABOR & INDUSTRIAL RELATIONS, UNIVERSITY OF THE PHILIPPINES (U.P. SOLAIR); UNIVERSITY OF MILAN	University Extension Specialist in U.P. SOLAIR & PhD candidate in University of Milan
Singh	Dharmendra P.	Tata Institute of Social Sciences	Professor
Sommer	Michael	DGB	Bundesvorsitzender
Steinhilber	Jochen	Friedrich-Ebert-Stiftung	Leiter Referat Globale Politik und Entwicklung
Stockhammer	Engelbert	Kingston University	Professor
Sydow	Jörg	Free University of Berlin	Professor of Management
Thomas	Mark	Department of Sociology, York University	Associate Professor
Tilly	Chris	UCLA Institute for Research on Labor and Employment	Director
Truger	Achim	Hans-Böckler-Stiftung	Steuer- und Finanzpolitik
Upchurch	Martin	Middlesex University Business School	Professor of International Employment Relations
Vitols	Sigurt	WZB	Senior Research Fellow
Wade	Robert	London School of Economics	Professor
Wandera	Martin	Centre for Labour Research and Studies	
Watt	Andrew	European Trade Union Institute	Senior researcher
Webster	Edward	ICDD	Visiting Professor
Williams	Michelle	University of the Witwatersrand	Professor
Khafa	Edlira	University of Milan	PhD student

List of Participants

Last name	First name	Affiliation	Position
Adoquaye Tagoe	Andrews	General Agricultural Workers' Union (GAWU) of Ghana TUC	Head of Programme (Education and Training)
Adeke	Anne	ENGAGE	Student
Aklar	Zeynep	Global Labour University	Student
Anjali	Bedekar	TISS	Alumni
Ansah,	Franklin	Global Labour University	Student
Arif	Sardar	Global Labour University	Student
Aydemir	Fatih	Global Labour University	Student
Bandekar	Supriya	Centre for Studies in Ethics and Rights	Researcher
Belser	Patrick	International Labour Office	Economist
Berber Agtas	Özge	ILO	Programme Assistant
Bernard	Adjei	Public Services Workers Union of Ghana TUC	Industrial Relations Officer
Bhattacharai	Yadab	Global Labour University	Alumni
Bodemer	Andreas	International Labour Office	Associate Expert, ACTRAV
Bourque	Reynald	University of Montreal, Canada	Professor
Braß	Dorothee	Berlin School of Economics and Law (HWR)	Coordinator
Bruche	Gert	Berlin School of Economics and Law (HWR)	Proffessor
Budiarti	Indah	Global Labour University	Student
Cameron	Ronald	Global Labour University	Student
Carstensen	Lisa	GLU Tandem partner	
Charpe	Matthieu	International Labour Office	Economist
Chen	Yuguo	Global Labour University	Student
Chong	Patricia	Public Service Alliance of Canada (PSAC)	Union Organizer
Compton	Mary	www.teachersolidarity.com	Moderator
Corneliusson	Arnljot	Universitetet i Stavanger (University of Stavanger)	Director
Cotton	Elizabeth	Middlesex University	Senior Lecturer
Craig	Leonard	Global Labour University	Student
Cuervo	María Graciela	Global Labour University	Student
Di Bello Monteiro	Cintia	Global Labour University	Alumni
Dimitris	Steve	Department of Political Science, Colorado State University	Professor of Political Science
Dreyling	Justus	Freie Universität Berlin: Otto-Suhr-Institut für Politikwissenschaft/Institut für Management	Student Assistant
Ehmke	Ellen	ICDD	PhD student
Ehnes	Ulrike	Friedrich-Ebert-Stiftung	Programme Manager Global Trade Union Programme
Elias	Zacharia	Institute of Finance Management - Dar es Salaam	Assistant Lecturer
Fair	Ely	Global Labour University	Student
Ganter	Sarah	Friedrich-Ebert-Stiftung	Trade Union Coordinator Latin America and the Caribbean
Gartenberg	Indira	TISS, Mumbai, Indien	
Giovanelli	Marcia	ENGAGE	Student
Gomes Macedo Neto	Vicente	Global Labour University	Student
Gürkan	Baris Erdem	Global Labour University	Student
Hamilton	Sheri	Ditsela	Head of Research
Haotoongo	Ronald	Global Labour University	student
Hippmann	Petra	BMZ	Deputy Head of Division
Hobden	Claire	International Labour Office	Junior Project Officer
Hui	Elaine	Global Labour University	Alumni
Hwang	Hyunil	ENGAGE	ENGAGE student
Ibrahimi	Engjellushe	Global Labour University	Alumni
Ju	Wenhui	China Institute of Industrial Relations	Professor
Kango	Bhalchandra	National Council AITUC	General Secretary
Kateryna	Yarmoluk	ICDD /Kassel University	PhD student

Klessen	Mirjam	Berlin School of Economics and Law (HWR)	Coordinator GLU Programme Germany (Berlin)
Klusmann	Janis	DGB	DGB Youth, International working group/GLU tandem
Koulemou	Jacques	Global Labour University	student
Kretschmann	Almut	Berlin School of Economics and Law (HWR)	Conference assistant
Kristensen	Tina	Global Labour University	Alumni
Kröck	Harald	Global Labour University	Conference Coordinator
Künkel	Mara Neele	Global Labour University	Student
Laliberté	Pierre	ACTRAV/International Labour Office	Research Officer
Lee	Sangheon	International Labour Office	Research and Policy Coordinator, Conditions of Work and Employment Programme
Lekhoona	Lisama	SACCAWU	International Relations Officer
Lütticke	Frank	IG Metall Youth	Volunteer (International Working Group)
Macaulay	Hannah Z.	Global Labour University	student
Mahnkopf-Praprotnik	Silke	Berlin School of Economics and Law (HWR)	Academic
Maier	Friederike	Berlin School of Economics and Law (HWR)	Professor
Malguth	Tina	Global Labour University	student
Mambetova	Elmira	Global Labour University	Alumni
Manborde	Ian	Ruskin College / MA International Labour & Trade Union Studies	Programme Co-ordinator
McCallum	Jamie K.	City University of New York Graduate Center (CUNY)	Doctoral Candidate in Sociology
Meisterernst	Monika	ILO Berlin	Publication and Information
Metuge	Ekomenzoge	Global Labour University	student
Monaisa	Chere	Naledi/ENGAGE	Researcher
Morillo Santa Cruz	Laura	Global Labour University	student
Müller	Julia	Friedrich-Ebert-Stiftung	Coordinator of FES Trade Union Policy in Asia
Odigie	Joel	International Trade Union Confederation-Africa	Coordinator, Human and Trade Union Rights
Opanasenko	Iryna	Global Labour University	Student
Oshima Roberto	Denis	GLU Germany	Student
Paasch	Rolf	Friedrich-Ebert-Stiftung	Desk Officer China
Pabon	Rebeca	Global Labour University	Alumni
Parulekar	Padmashri	ICDD	intern
Pfaffe	Peter	Global Labour University	Student
Phiri	Boniface John	Global Labour University	Alumni
Portilho	Jo	CONTRAF/CUT	Direction Board Member
Rabisch	Sönke	LPG 6 /Ver.di	Student
Radermacher	Reiner	Friedrich-Ebert-Stiftung	Coordinator Global Trade Union Programme
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Abstracts of Conference Papers

Wednesday, 15 September 2010

Session 1

Wednesday, 15 September 2010, 14:30 – 15:50

Topic 1: Analyses of the crisis and short-term options, HWR Room 301

24. The role of fictitious capital and the process of self-valorisation of capital

Dale Forbes

Huge amounts of public money has been pumped into the economy to stimulate demand and prevent the complete seizure of the financial system. Unprecedented macro-economic stimulus in the form of ultra low interest rates and large government deficits has pulled the global economy back from total collapse, at least for now. But what comes next? Conventional economic wisdom is setting the stage for deep and damaging cuts to public expenditures, if labour and the radical left do not win the argument for expanded public services and a significant redistribution of wealth.

Marx predicted the immiseration of working people and Lenin foresaw the subordination of the production of goods to financial capital's accumulation of profits based on the purchase and sale of paper instruments. Their predictions are far superior to the "risk models" of conventional economists who argue for more credit and more debt are the solution to the economic crisis.

The roots of the crisis are located in the core of the capitalist system, viz. the commodification of labour power, exploitation and dispossession of the working class and the insatiable greed for extraction and actualization of surplus value.

This paper will consider the role of fictitious capital and the process of self-valorisation of capital. Credit says that sometime in the future not only enough surplus value will be produced, but it will also be realised, i.e. it will be turned into money. This scenario is unsustainable while the real incomes of the world working class continue to decline and the countervailing factors offsetting the tendency of the rate of profit are unable to correct the decline.

30. A rowing boat on the open sea, or in a haven from financial and environmental crises? New Zealand, the GFC, and a union response

Bill Rosenberg

By some measures, New Zealand did not suffer as much from the Global Financial Crisis as many other OECD countries, especially Europe and the US. Yet New Zealand had its own mini financial meltdown and a housing asset price bubble preceding the crisis, realised during the crisis how dependent it was on the Australian financial system (four banks in New Zealand which own around 90 percent of banking assets are Australian owned), and was threatened by frozen international finance markets because of the dependence of those banks on short term foreign borrowing to finance domestic mortgage lending. New Zealand also suffers from a chronic current account deficit driven by remittance of income on foreign investment assisted by a underperforming export sector. It has unresolved problems of child poverty and income inequality which rose steeply during the 1990s. Union density fell sharply due to substantial

deregulation of labour relationships during that period. The response to the crisis coincided with a change to a more conservative government which on the one hand has acted surprisingly pragmatically but on the other appears to have no vision beyond the crisis other than more of what had preceded it, and is now embarking on attacks on labour rights, reviews of the public services and social assistance, and has moved to less progressive tax structures. Unions are concerned that the expected long period of high unemployment is not being adequately addressed, and that automatic stabilisers and social protections are being weakened rather than strengthened. The peak body to which most New Zealand unions are affiliated, the New Zealand Council of Trade Unions Te Kauae Kaimahi, has responded with an Alternative Economic Strategy. This proposes alternative paths to address the exposure of New Zealand to the GFC, to confront longstanding social deficits in New Zealand and to grapple with the environmental crisis. This paper describes how New Zealand came to this position, the events described above, and the thinking behind the union response.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

36. How do institutions affect the labour market adjustment to the economic crisis in different EU countries?

Andrew Watt

The economic crisis has had severe effects on European labour markets. Although no country has escaped the crisis, the extent of output losses and the number of jobs lost, as well as the resulting rise in unemployment, vary considerably between countries. This paper examines empirically how the current economic crisis has affected the different European economies in terms of the impact on output, and the knock-on effects, influenced by the specific institutional frameworks, on employment and unemployment. A number of countries depart from the average European outcomes considerably, showing either very large or very small buffers either between output and employment or between employment and unemployment. The most important source of differences between the countries in terms of sensitivity appears to result from changes in average working hours. The institutional frameworks underlying these differences are analysed with a focus on four countries: Denmark, Germany, Spain and the UK. Labour market performance in the crisis (at least in the short-run) has generally been best in those countries characterised by high internal flexibility at the workplace and well-developed and responsive institutions and government policies. Combinations of high external flexibility with weak labour market institutions, and especially labour market dualism, have produced poor outcomes for workers in terms of unemployment.

21. Impact of Global Economic Recession on the Livelihood of Diamond Workers: a case study of Gujarat, India

Sarbeswara Sahoo

Gujarat is one of the most economically progressive provinces of the Indian Sub-Continent. Diamond Industry and the Diamond Workers have played a significant role in the high economic growth estimated at 12% SGDP per annum. It is estimated that Surat city alone employs 4.5 Lakhs in the diamond industry and roughly around 1 million people work in the diamond industry. Rough and cut diamonds worth of \$43 Bn are imported from Antwerp to Surat and other cities of Saurashtra region of the Gujarat State and are polished here and again export to

countries like US and other European countries. On the onslaught of Global recession especially in the US the fate of million of these workers became uncertain who lived a dignified life .The plight of the workers were reported in the media and even the film industries captured the woe of the life of the workers. Most of the diamond units closed in the mid of 2008 and virtually the whole diamond industries closed down during the early 2009 .Workers migrated back to their village and fall back upon cultivation and other non-farm activities like weaving, vegetable vending, sewing and stitiching,embroidery and so on. Interestingly the workers cope with the changed situation by taking up alternative employment. Keeping the grim situation of the workers, present paper would try to understand the impact of Global Recession on the livelihood of the Diamond workers through a primary field study of Saurashtra and South Gujarat. The study will also try to find out means of coping strategy of the workers and impact of employment guarantee and other social safety measures initiated by the Government. In any case recession reoccurs; what precautions the diamantaries, the workers and the Government has to take in advance.

Topic 3: Changes in the global economy and power structures and global governance reforms, HWR Room 404

17. Economic change and labour's decline: an empirical qualification concerning their association

Bill Dunn

The decline of labour organisation has been widely attributed to structural changes in the global economy. Labour is understood to have suffered indirectly through 'state retreat' and as a direct consequence of spatial reorganisation and social changes in the relations within and between firms. However, this interpretation should at least be qualified. Most generally, the relationship between economic structure and social agency is always conditional and mediated. The experiences both of restructuring and of labour are uneven. While we would not expect any one-to-one correspondence, claims of a connection between restructuring and the fate of labour organisation should therefore be susceptible to empirical verification. Drawing primarily on secondary statistical data, this paper investigates several key claims. It considers a range of indicators of economic change and compares the experiences of different groups of workers across different economic sectors and in different countries. It suggests there are reasons to be cautious about general claims of economic restructuring and its role in undermining labour.

23. Changes in the World of Work: New Information and Communication Technologies, Pension Funds and Shareholder Activism

Paulo Sérgio Fracalanza

The paper deals with recent changes in the *world of work* and their relations with the emergence of New Information and Communication Technologies (NICT). It is pointed out that these transformations must be understood in a specific social and economic context that requires an investigation of the *political economy* regarding their introduction and development. In this sense, the article points to the paradoxical situation where workers' money is used in a way that hurts the very workers and their legal representatives. Finally, the article suggests the fallacy in adopting Social Balances and Ethical Funds as forms of mitigating the trouble caused by that central paradox.

Topic 10: International Framework Agreements (IFAs) and Labor in Globalized Services, HWR Room 402

Case studies from Brazil, India, Turkey, USA

Michael Fichter, Jörg Sydow, Markus Helfen and the Project Country Teams

This panel will present preliminary findings on the implementation of International Framework Agreements (IFAs) in Brazil, India, Turkey and the US. The focus of the inputs will be on the service sector, and, where possible, will use the case of ISS, a Danish Transnational Corporation primarily offering cleaning services, which has signed an IFA (Global Agreement) with the Global Union Federation UNI to shed light on the implementation process. By way of introducing these findings we will lead off with a general description of the research on which the case study findings are based. We will also give a general overview of the service sector (property services) and the ISS corporation.

The findings are part of a larger research project funded by the Hans-Böckler-Foundation of the German Trade Union Federation. The purpose of the research is to increase our understanding of International Framework Agreements (IFAs) negotiated by Transnational Corporations (TNC) and Global Union Federations (GUF) as instruments for regulating labor standards and employment relations within TNCs and throughout their global production networks. In the context of discourses on global governance, corporate social responsibility and global production networks, and in regard to the question of arena creation through the transnationalization of labor relations, our thirty month research program based on local case studies in Brazil, India, Turkey and the US focuses on the questions of the motivation for and the implementation of these agreements. Our project extends the scope of previous research on IFAs to include the strategies of central management as well as those of subsidiaries charged with implementation, and their suppliers. Thus, we add significantly to a general understanding of motivation and implementation of such agreements throughout global value networks, of their relevance in conjunction with other measures of regulation, and finally, of the conditions under which IFAs as instruments of "good practice" may be used and proliferated.

Session 2

Wednesday, 15 September 2010, 16:10 – 17:30

Topic 1: Analyses of the crisis and short-term options, HWR Room 301

75.The Impact Of The Global Financial Crisis In Uganda

Martin Wandera

This paper examines the impact of the global financial crisis in Uganda. The paper is based on review of government reports on the performance of the Uganda's economy in 2008/09. Initially it was thought that Uganda would not be affected by the global financial crisis because Uganda's financial sector remains small and with limited linkages to the global financial system. However, analysis of the country's key economic indicators shows that the crisis had both direct and indirect effects on the economy. Direct impacts include the decrease in capital flows like remittances and Official Development Aid (ODA). Because of a liberalized capital account the financial sector also witnessed flight of investors from government securities and the stock exchange. The all share index fell for example by over 30% between 2008 and 2009. Exports also reduced and are yet to recover due to constrained demand in Europe and the USA. On the social

front, the reduction in aid has impacted negatively on the provision of social services including ARVs and Malaria drugs. Further the paper will show that the reduction in remittances and ODA resulted into less private consumption and consequently higher levels of consumption poverty. Constrained private consumption has also impacted negatively on government revenue. The shilling has also continued to depreciate. No labour survey has been conducted since the crisis. It is therefore difficult to assess its impact on the labour market in detailed quantitative terms. However there were reported cases of firm closures in the export sector which definitely caused job losses. While the crisis has been an indictment against the neoliberal free market policies that the government of Uganda has religiously pursued for the last 20 years, there is no indication that a policy reexamination is likely by the government. The labour unions have also not ceased the opportunity to renew demands for the adoption of economic policies that put people first.

92. In the Shadow of the Crisis: Functional Change of Trade Unions and Social Conflict

Klaus Dörre, Stefan Schmalz

It has become a common place among scholars that the global financial crisis has weakened labor in continental Europe. There are several reasons for this assumption: First, closures and soaring unemployment worsened the bargaining power of trade unions. Also, unions missed a unique historic opportunity to challenge the power of finance capital and shareholder value capitalism. Instead of pushing for an alternative economic model, they continued to rely on social partnership agreements as well as they supported huge bailout programs and stimulus packages that mainly aimed at restoring finance capital's power. However, at the same time, in particular German trade unions were able to use the stimulus packages to implement a crisis alliance to weaken the social impact of the crisis. Even after the new conservative-liberal government assumed office by 2009, this "crisis corporatism" was successfully continued. Today, German trade unionist are highly welcome by government officials, so that important German newspapers even talk about a "comeback of trade unions". Thus, the development of the German trade unions also could be interpreted as a successful continuation of its role as a intermediary institution in industrial relations. This paper challenges both the "labor in crisis" and the "intermediary institution" argument and argues that additional factors should be taken into account to understand the overall impact of the crisis on labor. Rather, the crisis reveals an underlying structure that characterizes today's industrialized nations. Increasing precariousness has reinforced the internal division of the working class. Consequently, the recent "crisis corporatism" of (industrial) unions mainly includes core workers, while the risks of the crisis had been "outsourced" to precariously employed workers. The political decision of German trade unions to represent core workers' interests, however, highlights a more general problem of today's trade unionism. Trade unions in industrialized countries tend to be no more able to represent the working class as a whole, but only larger class segments – a situation that is rather common to (semi)peripheral states. This paper presents several theses on this new phenomena.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

96. Collective actions promote reforming of the Trade Unions in China

Lin Yanling

25. The Global Crisis and its 'Resilient Response' in India: Furthering the Neoliberal Labour Reform Agenda?

Saumyajit Bhattacharya

This paper examines the impact of the global crisis on employment and labour conditions in India and evaluates the claim of a 'resilient response' made by the Indian State. It deconstructs the meaning of economic resilience in the specific context of the employment forms in the economy's neoliberal phase. With pervasive informality and flexibility that have seen new dimensions, particularly in recent years in the phase of high growth and extensive globalisation, terms like unemployment itself need to be understood in a different light. Further this growing informality not only disguises unemployment but also provides an overall setting for Capital to adjust flexibly and therefore, the crisis may have provided the opportunity for Capital to undertake certain fundamental restructuring in its favour.

The paper examines quarterly surveys conducted by the Ministry of Labour in the wake of the crisis as well as other fragmented evidence in order to understand the post-crisis situation. These inferences are then placed in the overall context of growing structural informality in labour markets and labour processes that have been the dominant characteristics of the Indian economy. The paper evaluates such claims of buoyancy and resilience in this larger backdrop.

The paper further examines and critiques the policy framework advocated by India in the G20 labour ministers' meet from a 'decent work' and labour rights perspective. It argues that the Indian State is showcasing the "successful tackling of the crisis" as an alibi as well as an opportunity to set an agenda to justify and push forward neoliberal perspectives on labour in general and introduce reforms to curb the rights of organised labour in particular.

Topic 3: Changes in the global economy and power structures and global governance reforms, HWR Room 404

53. From the Economic Miracle to the Real Plan: Changes in Industrial Structure and Consequences on Work and Employment

Thiago Marques Mandarino

This work intend to realize a historic review of the Brazilian industrialization process from the 70's to the 90's of twentieth century. The structural changes occucred in the Brazilian industry in this period are strongly linked to Neoliberalism and the appreciation and monetary stabilization contained in the plan to combat inflation of 1994 - the Real Plan. Moreover, the consequences of these changes on the structure of the labor market are strong, increasing rates of structural unemployment, precariousness work and informality, thus solidifying the weakening of unions and other labor organizations. Finally, from these limits the work is a reflection about the nationwide autonomy (dependence).

74. An entrenched minerals-energy complex and the capital-labour divide

Nicolas Pons-Vignon, Seeraj Mohamed, Lotta Takala-Greenish

A recent paper by Mohamed (2009) detailed the links between economic and political structure in South Africa by looking at how the policy evolution in the post-apartheid period has enhanced the power entrenched within minerals and mining related activities (minerals-energy complex). The South African developments have mirrored global trends in financialisation, casualisation of labour, disinvestment from domestic manufacturing and a shift in global policies towards those disproportionately favouring the needs of shareholders, corporations and capital. As a result, unemployment remains high, workers (rights) marginalized, labour-intensive sectors are either slowly declining in the face of global competition or are being turned into capital-driven units maximizing shareholder value. On a macroeconomic level, capital is fleeing the country and recently emerged thriving sectors such as services are unable to meet the gap left in new employment generation let alone the need for domestic investment. These trends are being exacerbated by the pro-market policy choices of the late 1990s and early 2000s where liberalization and open access have exposed much of the core employment sectors as well as domestic manufacturing to global competition. This bleak picture can offer insights into three current debates regarding the relationship between capital and labour:

- how economic structure changes and financialisation are shifting power to capital
- how policy and structural trend enhance the power associated with the minerals-energy complex in South Africa
- how policy options have been reduced under global pressure and a weakening economy (declining investment, declining manufacturing, capital flight, declining employment)

The paper is divided into three sections linking post-apartheid policy and economic developments in South Africa, looking at how this policy and economic evolution has strengthened the minerals-energy complex and marginalized labour, and commenting on policy space limitations, implications for capital-labour relations and future theoretical avenues. These sections are detailed further below.

First, it questions the success and applicability of the neoliberal ideology behind the post-apartheid policies. The rapid liberalization and removal of more targeted sector support has resulted in a decline in domestic investment, employment, domestic production and has altered the structure of the surviving industries to match the needs of shareholders and capital rather than consumers, manufacturers or labour. (This section includes insights of structural change in forestry, discusses the myth of services-led economic growth, as well as drawing on the experience of a decline in labour-intensive textiles and clothing sectors despite the presence of policy support).

Second, the structural change resulting from the global pressures and domestic policy stance has strengthened the political and economic power associated with the domestic capital-intensive industry (minerals energy complex) and has enabled these to extend their links to globally linked and driven sectors such as financial services. This concentration of power alongside the deterioration of capital controls and the labour voice has damaged the economy's ability to provide employment as well as made it more difficult to upgrade ailing sectors through reinvestment or diversify investment into new industries.

Third, as a consequence of this concentration of power with capital that seeks to be global rather than local, policy options are limited and policy impact is slow and influenced by global pressures. Policy space overall has been reduced despite desperate needs for more carefully designed and targeted policies to support domestic manufacturing, diversification, employment

generation and inward investment. The government hands are increasingly tied by their own actions and global policy pressures but the need for strong domestic policy intervention is high and rapidly increasing. This trend in the capital-labour relations is present across the globe but South Africa provides an insight into how domestic conditions, economic structure and policy choices can exacerbate global trends. The case of South Africa raises the need for a review of industrial and macroeconomic policy with a particular focus on managing the interaction between these two in the face of global policy and capital pressures.

Topic 4: The financial system, distribution and growth, HWR Room 402

18. Determinants of functional income distribution in OECD countries

Engelbert Stockhammer

Wage shares have fallen substantially over the past 25 years. In the Euro area the (adjusted) wage share declined by almost ten percentage points. Recently, there has been a renewed interest in the determinants of functional income distribution. IMF (2007a) and EC (2007) find that technological change has been the main cause of the decline in the wage share and that globalization has been a secondary cause. This study, firstly, tries to replicate these studies to investigate the robustness of their findings. Secondly, the estimated wage share equation is extended to allow for distributional effects of financial globalization and for different effects of union density according to social security system. We find that the estimations on which the conclusions of IMF and EC are based suffer from serious econometric problems and that their findings are not robust. In particular, the effect of technological change is often not statistically significant. Globalization (in production), however, has a robust effect. Results from the extended model suggest economically important (and mostly statistically significant) effects of financial globalization and of union density of non-Ghent countries. However, overall the results are sensitive to the specification and the estimation method.

98. Reform options of Financial Systems

Hansjörg Herr, Rainer Stachuletz

The neoliberal globalisation project gained speed in the late 1970s through market-radical policies in the United Kingdom and the United States. Domestic and international financial systems have been increasingly liberalised and deregulated with the following important results:

a) Integration of financial systems

The deeper integration of international financial markets resulting from the deregulation of capital flows together with the switch to flexible exchange rates after the breakdown of the Bretton Woods System created a new source of shocks and uncertainty and a new field of speculation.

b) An increasing role of non-bank financial institutions

Non-bank financial institutions like investment banks, hedge funds, private equity funds, etc. became important players. These institutions usually have a speculative orientation, look for high short-term returns and work partly with extreme leverages. Non-bank financial institutions did not only use their own huge funds for their speculative activities; moreover they tapped the commercial banking system to mobilise additional funds for diverse investments in- and outside the financial markets. Thus commercial banks became automatically more exposed to extreme

kinds of risk. In addition, once sheltered segments of the financial market like the real estate sector had become fully integrated in financial markets.

c) Development of a shadow financial system

A shadow financial system with a low level or no regulation flourished and became an important part of the financial system. Low regulated offshore centres became international financial centres providing tax evasion, money laundering and other internationally organized criminal activities.

d) Securitisation, financial innovation and derivatives

Securitisation exploded after the 1970s: Firms and financial institutions preferred to hold short-term marketable papers instead of bank deposits; economic units of all types issued a growing variety of debt securities to get funds; banks sold their rearranged credit portfolios to non-bank financial institutions and rating agencies without any legally binding mandate and any government supervision were put in a ridiculous dual position: first they were consulting how to design those credit derivatives, then taking the function of even evaluating their quality.

Derivatives originally are to reduce price related risks of financial instruments e.g. changing asset prices, the price of foreign currencies or changing interest rates. The pricing of those derivatives is relatively transparent, the derivatives are marketable. Default risks and other qualitative risks (weather, temperature, natural disasters) are evidently hard to price, thus less tradable. Nevertheless those products – hardly to standardize or even to value – were developed and actively traded on less regulated Over the Counter (OTC) markets.

The fundamental problem with risk markets is that risk will not disappear by trade but differently allocated. As in many cases both contract partners were speculators, the market transformed finally into a big casino where governments and tax-payers became unquestioned the guarantors.

e) Central banks and supervisors became toothless

Central banks in the new financial system became harmless onlookers. In fact the interest rate remained as their only tool to control price level changes, asset price bubbles, exchange rate movements and GDP growth. Whatever central banks are doing, evidently any case of credit expansion or contraction policy triggered by them cannot be guided to productive purposes as they have no instruments to influence credit allocation. Due to unstable international capital flows monetary policy in many historical episodes had to follow the primacy of external stabilisation.

As a consequence, asset price bubbles in all asset markets with partly disastrous economic consequences have become more frequent and much graver. At the same time exchange rate volatility and increasing current account imbalances added to the instability of financial markets.

Frequently price bubbles went along with credit expansion, in many cases not financing real activities. The general picture is that indebtedness partially increased in an extreme way. For example, private household's debt in percent of GDP in the US increased from below 50 per cent in the 1970s to over 100 per cent in the end 2000s, enterprise's debt increased in the same period from around 75 per cent to over 125 per cent.¹ Also government's debt to GDP in many countries increased sharply over the last decades.

The deregulation of financial systems starting in the 1970s produced an unsustainable credit expansion for almost all sectors in many countries and a general layering of debts. Bubbles, unsustainable credit expansions, international exchange rate turbulences and growing current account imbalances indicate a more and more fragile financial system. Even the current crisis

¹ Fed, Flow of Funds Accounts Database 2010.

could be overcome, without fundamental changes a new bubble with probably even more disastrous consequences will necessarily develop. As a fundamental reform option we favour a financial system in the tradition of the Glass-Steagall Act and the original Volker Plan. These plans were much more radical than the watered-down legislation which were passed in the US in July 2010.

How could a blueprint of a stable financial system which serves economic development look like?

The financial system should be divided into banks and non-bank financial institutions. Such a regulation implies a distinctive wall between banks, being the major source of finance for the firms, and more risk-oriented and even speculative non-bank financial institutions. Commercial banks are then forbidden to engage in proprietary trading, e.g. speculating with own or borrowed money; they are not allowed to own investment banks, hedge funds or private equity funds and even not allowed to give credit to those institutions and other non-banks. If the latter want to get funds for their businesses they are forced to attract money held by households. These funds will create sufficient risk capital for start-ups and risky innovations which are not financed by commercial banks. Financial or any other business relations to institutions outside the regulated financial systems (e.g. offshore) are strictly banned.

The allocation of loans originated by banks should be regulated by the central banks. Loans to the real estate sector can be as well quantitatively restricted as consumption credits. Equity holdings for such credits could be discretionary changed by monetary authorities. This would allow anti-cyclical equity holding in contrast to Basel II which leads to unwanted pro-cyclical effects.

Real estate financing and large parts of the private equity industry with their special social and finally also financial dimensions could be considered a special case and permitted only to specialised and state licensed institutions. The real estate market can be made a special segment with regulated credit relationships to the rest of the financial system.

Banks in a liberalized environment are triggered to follow aggressive and risky business strategies to defend or increase their market share. To bring the cop back to the beat, in a regulated financial system competition among commercial banks could be limited by fixing for example real deposit rates of commercial banks. Also ceilings for interest rates could be given by central banks. In a very highly regulated system the central bank could even fix interest rates and at the same time the quantity of credits the banks are allowed to give. The advantage of such a regulated credit rationing system is that restrictive monetary policy can be implemented without increasing interest rates.

Derivatives should be sold and bought only in regulated and controlled markets. Strictly controlled position limits shall exclude speculative attacks. Only certain standardized and by a supervision agency checked products should be allowed and only certain agents with licences should take part in the market. Securitisation of credits to a certain extent should be possible. If the originator of a loan is forced to keep a substantial part of the loan in its books and derivatives are standardized securitisation is harmless.

Last not least such a system needs international capital controls to give central banks instruments to control unstable international capital flows. Current account imbalances should be kept small. The debates during the Bretton Woods negotiations in the 1940s could be a starting point for the development of such a system.

A financial system outlined above is not imaginary. It existed in the US as well as in most other industrial countries after World War II. Even comprehensively regulated systems existed and partially still exist in different versions in all East Asian miracle countries after World War II. The Chinese financial system after 1978 also fits to such a system. Financial systems in these

countries offered sufficient and cheap credit for the enterprise sector and thus stimulated growth and employment without financial market instability.

For many the above blueprint of a reformed financial system seems to be politically not enforceable. However, the fragility of the financial system will continue. History may create a window of opportunity for a change. If such an opportunity comes it should be known what to do.

Session 3

Wednesday, 15 September 2010, 17:45 – 19:00

Topic 1: Analyses of the crisis and short-term options, HWR Room 301

A trade union assessment of the G20 Action plan on financial reform

Pierre Habbard

94. From the so-called euro crisis to cuts in public spending and wages

Trevor Evans

This paper will briefly trace the main phases of the crisis in the euro area. Firstly, the financial crisis which broke in August 2007 and intensified dramatically in September 2008, in which euro area banks were drawn in, encouraged by the EU policy of promoting greater competition in the financial sector as part of the Lisbon strategy. Secondly, the economic crisis which developed in the final quarter of 2008 and the first quarter of 2009, when the euro area was hit due to its dependence on exports, which fell by some 20%, and the banking system responded to its losses with a major contraction of credit. Thirdly, the sovereign debt crisis, which has affected peripheral European countries most strongly, in response to rising deficits caused by rescuing financial institutions, expansionary fiscal programmes to counter the slump, and sharply reduced tax revenues. Finally, under the supposed threat of a supposed crisis of the euro in Spring 2010, governments were forced to, or chose to, make widespread cuts in public spending, including for wages and pensions, which threaten a deepening social crisis.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

99. Minimum wages under the conditions of the global economic crisis

Thorsten Schulten

39. Hard Hit by the Crisis? Women Workers in Export Oriented Garments and Organised Retail Trade

Neetha Pillai

The common perception of financial crisis in India is that of a fairly fared economy which could overcome the shocks of the crisis through a comparatively good macro economic performance. Though this may be true at the macro level, the crisis seems to have hit differently the various sections of the population with the marginalised bearing the major brunt - resulting in a further economic and social polarisation. Women who are disproportionately concentrated in the informal economy are one of the worst affected categories. Notwithstanding this, so far, little scholarly attention has been paid either to capture the impact of the crisis on women and its

implications on the economy at large. In this backdrop, the paper, apart from the analysis of macro data, focuses on two broad groups of women workers – garment industry and organised retail trade. The data sources include secondary data and published reports, besides field level insights from certain research work pertaining to the identified sectors. Based on the analysis of the macro data, the paper argues that the financial crisis has adversely affected overall female employment - as evident in a steep decline in women’s work participation rates. The sectoral analysis shows that many women working in export oriented garments have become jobless or have forgone part of their wages or wage increases. Many also have joined the rank of unemployed with the shifting of industries, closing down of factories or retrenchment of women workers. Married women were the first to lose jobs though their income are critical for the survival of the families, especially during periods of rising food prices and increase in all cost of living expenses. Organised retail trade sector, which is largely domestic oriented, was also affected by the crisis, the signs of which are reflected in closing down of some of the outlets or in the poor business of many units. Women who constitute for a considerable number of retail trade workers at the floor level either lost jobs or had to surrender benefits within an already poor conditions of work. For those who are in employment are at the threat of dismissal and are forgoing many benefits which have direct impact on the survival of the families. The sectoral analysis, thus, reveals that women are stretching their work in order to compensate for job losses and resulting declines in overall household income. Furthermore, field level insights show that a significant proportion of women are forced to accept any job irrespective of lower wages and deplorable working conditions.

Topic 4: The financial system, distribution and growth, HWR Room 402

67. Creating a Functional State. Redefining Labor-Capital Relationship in Nepal

Chandra D. Bhatta

The global financial crisis has brought about new crisis and challenges for labour, capital and the state. Since 2007, we have been living through economic crisis – the worst economic downturn since the 1930s and its repercussions are felt everywhere. During 1930s the financial crisis was not felt in the agrarian economies, the current financial crisis, for its part, has hit each and every economy in the world. Likewise, the Washington Consensus – the heart of the “capitalist system” has also received severe setback. Historically, capitalism has been termed as the crisis-ridden cyclical economic system largely motivated by the culture of capital accumulation thereby undermining the value of labour. Nepal is no exception to this phenomenon. The absence of concrete policy has resulted in the huge gap between labour and capital. The successive political classes after 1990 assumed market ideology and left the promises of socio-economic transformation articulated by trade unions and other stakeholder of society in limbo. They adopted more centralised polity, represented the interests of the dominant classes of society such as bureaucracy, political classes, big business houses and urban professionals whereas large number of workers were left out. The gap between the rich and the poor continued to galore and deteriorated labour-capital relationship for a harmonious evolution of society. This has vertically polarised society and produced hegemony of the capital against the labour. In the long term, these factors have contributed towards political instability one after another and finally pushed Nepal on the vortex of class-based Maoist insurgency.

This paper argues that balancing between the capital and the labour and hard-ware (foundations) and soft-ware (values and norms) of democracy is essential for the functional

state, which is both just and legitimate. The overarching aim of this paper is to make an endeavour to redefine labor-capital relationship for democratic peace through inclusive socio-economic development to accomplish democratic state-building agenda. The major theoretical framework for this study is based on the premises that political economy of the modern state should be governed by three variables: state, social classes (labour) and the economy. State should remain neutral but active between economies and labour whereas labour force (trade unions) should try to mediate between state and capital and engage actively to formulate labour friendly policies in order to maintain harmonious societal as well as industrial relationship to streamline distributional justices. The current contribution critically analyses state of labour-capital relationship within the current trend of “capital formation”. It also traces the role of the state, trade union and capital. It argues that trade unions should mediate both politics and policies as their movements are emancipatory form of politics. It is the politics of life-chances because it tried to achieve what Jurgen Habermas calls liberation of the life-world from the penetration of technological, bureaucratic and economic rationality in everyday life.

85. Investment and Labour in the global crisis: Faceless capital and the challenges to trade unions in Brazil

José Ricardo Barbosa Gonçalves, Maria Alejandra Caporale Madi

In the current global crisis, the impacts of private equity buyout investments on labour markets have been raising growing concern since private equity funds have been responsible for employment standards of tens of millions of workers. Truly, as workers are confronted with over US \$ 1 trillion in worldwide concentrated buyout power, the relevance of the private equity investments and exit deals is outstanding in an analysis on the transformations and perspectives of organized labour. Global Unions have reported their concern on this “secretive industry” where, beyond the fund managers’ restructuring actions in the portfolio companies, social tensions have been strengthened to favor capital liquidity and short-run returns. The threatens to protections negotiated by trade unions through collective bargaining reveal the presence of private equity funds as major “invisible” transnational employers. We state that capital reproduction turns out to benefit the investors’ return that is extracted on behalf of the whole set of alternatives at disposal of the fund manager to maximize returns in the fastest way. Thus, the faceless capital could affect working conditions and the rights of workers because of its “limited responsibility” toward the portfolio companies. Considering this setting, the cooperation among many Global Unions have been mobilizing efforts against this business model, mainly related to private equity buyouts, that poses risks not only to the sustainable growth of national economies but also to the stability of the international financial system. Besides new organizing, bargaining and cooperation strategies, Global Unions’ agenda has included universal demands of political nature. In Brazil, investments in infrastructure and civil construction, energy and natural resources, besides consumption of goods and services, turned out to attract fund managers of private equity firms after the crisis. The challenges to workers and unions could open up new perspectives on organized labor.

Current Situation of Labor in the USA, HWR Room 404

46. Meeting the Right's Attack on Public Sector Unions in the US ... Are there Effective Union Strategies?

Lee H. Adler

Layoffs, furloughs, undermining of job security, and loss of health care and pension uncertainty are prominent throughout the US public sector workplace. Although budgetary crisis is advanced as the formal explanation, the US public sector is 500% more densely union organized than its private sector, and, for the first time in the US' history, more union jobs are found in the US public than private sector. Lessening union power in this sector is a key part of the Right's political agenda for this fall's election cycle.

Unions are having difficulty in confronting this rapidly changing political reality, but the United Federation of Teachers (UFT, AFL-CIO, New York City) has sought through a series of initiatives and campaigns to orient itself much more to the need of the City's minority communities. These efforts have somewhat repositioned the UFT in the city and the state's politics, and created an opportunity for the union to realign, long term, its needs with those of the communities it serves, thereby strengthening the political power of each.

This paper both explains the attack on the US unionized public sector and examines some of the UFT' efforts and suggests that more "community" listening to" and campaigning by public sector unions based upon equating union and community needs are the beginning of formulating a strategy against the Right's efforts to minimize public sector union power in the US.

95. An opportunity not taken...yet: U.S. labor and the current economic crisis

Chris Tilly

Two years since the financial crash of 2008 and nearly three years into the recession, what is perhaps most noteworthy about U.S. trade unions' response to the economic crisis is how limited and unfocused it is. The trade union movement divided into two major federations in 2005 as Change to Win (focused on organizing) separated from the AFL-CIO (which focused on political campaigns). To date, their main reactions to the crisis have been to lobby the U.S. federal government for new policies, such as those oriented to job creation; there has been little by way of member mobilization. Though this may at first seem surprising, in fact it reflects both long-term weaknesses in the labor movement and new difficulties imposed by the conjuncture. However, despite these obstacles the U.S. labor movement has developed new and innovative strategies in recent decades, which hold out hope for a stronger reaction in months and years to come.

100. Response of the US Labor Movement to the Economic Crisis

Jason Russell

The US Labor attempted to respond to the economic crisis that began in 2008. The effectiveness of this response has been complicated by a range of factors including the movement's regional concentration, and party politics. This paper will provide an overview of the US labor movement's national efforts to respond to the crisis, while also focusing on organized labor's response to the impact of the crisis on two American states. The responses of both private and public sector unions in New York and Michigan will be examined. This discussion will also

consider how the coming November mid-term Congressional elections in the United States will impact organized labor's ongoing response to the crisis.

Thursday, 16 September 2010

Session 1

Thursday, 16 September 2010, 9:30 – 11:20

Topic 7: Looking beyond the horizon – are there fundamental options? HWR Room 301

5. Restarting History: Why the global labour movement must challenge the 'corporate theory of society', and how it might go about doing it

Conor Cradden

The call for papers for the GLU conference observes that we live in a society dominated by what it calls 'the conservative view that today's world is by and large the end of history'. In this paper we want to suggest that the substance of this conservative view can be summed up in what we call the 'corporate theory of society'. This theory involves two related basic proposals. The first is that market forces are objective, autonomous and meaningless in a similar way to the forces of nature. The second proposal is that management is the non-political, technical practice of interpreting the demands of the market and translating them into effective organizational structures and strategies. Together these ideas form an essential part of the 'background consensus' that underpins both the practice of business and public policy-making on the economy, employment and industrial relations.

The paper argues that the corporate theory of society is what supplies the 'rational' justification for the power that corporate executives wield within contemporary economic, organizational and (consequently) social life. If we accept that the imperatives of the market should be conceived as analogous to those of the natural world, then we are also obliged to accept that responding to them is not a question of what is normatively legitimate, but of what is technically effective. From this perspective, the ethical and political aspects of corporate decision-making fade out of view, allowing management to appear no more political than chemistry or engineering.

Through the lens of the corporate theory of society, trade unionism is at best an irritant, and at worst a politically-motivated challenge to the disinterested professional practice of management. It is crucial, therefore, for the global labour movement to be able to mount an effective critique. The paper identifies the key points at which the corporate theory of society is vulnerable, but also argues that the response of the global labour movement cannot be focused on the traditional union strategies of organizing, bargaining and regulation. Rather, the long-term goal of trade unionism must be the development of radically democratic approaches to economic and industrial management centered around positive worker participation in decision-making and the abolition of hierarchical employment relationships.

15. Consciousness, Capacities and Visions of Alternatives to the Capitalist Logic

Melisa R. Serrano, Edlira Xhafa

Capitalism is not The Economy. Alternative and other economies – people’s economies – already exist. Human needs and relationships and not competition and profit-making are at the center of many non-capitalist micro and community economies. Forms of solidarity economy built on the principles and values of cooperation, equality, self-determination and democracy already exist and/or are taking shape in many parts of the world. These forms include household economies, barter economies, collective economies including cooperatives, worker-controlled economies, subsistence market economies, community budgeting, community-based local currency exchange system, ethical trading, and many more. Many labor organizations have also become spaces and/or provided spaces for struggles and political resistance in building capacities to challenge capitalism.

The paper aims to contribute to the literature on alternatives to capitalism by first reviewing recent literature on the alternatives to capitalism (and neoliberalism) question. Secondly, it investigates how various forms of peoples’ solidarity economies and state-initiated democratic participatory schemes become spaces or provide spaces for the development of counter consciousness (outside the capitalist common sense) and concomitantly build capacities for the development of projects, initiatives and economies beyond the capitalist logic. We argue that many of these organizations, projects and initiatives, by addressing changes in the mode of production and the labor process within these spaces, are the condensation or materialization of an alternative discourse (and practice) to capitalism.

The first chapter provides an overview of recent discourses on possible alternatives to neoliberal globalization and capitalism. The second chapter deals with questions of consciousness and counter consciousness and how these processes relate to building capacities to enable the construction of alternatives. The third chapter, the main part of the paper, analyses how 13 selected case studies (of peoples’ solidarity economies, workers’/producers’ cooperatives, alternative production systems and state-initiated citizen democratic participation schemes) have become or have the potential to become spaces or provided spaces for the development of counter consciousness (outside the capitalist ‘common sense’) and concomitantly capacities for the development of projects, initiatives and economies beyond the capitalist logic. Also, some generalized lessons and insights drawn from the case studies are posited in this chapter. Finally, chapter four links the main points underscored by the various discourses and proposals on alternatives to capitalism reviewed in chapter one with the case studies analyzed in chapter three, arguing that the need for coherence on discourses of alternatives to capitalism can come from the material practice of peoples’ struggles. This final chapter also provides some areas for further research.

32. Anti-capitalism and the socialist idea; a critical appraisal of post-capitalist alternatives

Babatunde Aiyelabola

This paper will critically appraise socio-economic, environmental and political alternatives beyond the horizons of capitalist development; within the emancipatory logic of the socialist idea. These suffered an ideological setback with the oppressive experiences of state- and party-led social transformations during the last century. However the global economic crisis reinforces the crucial need for creative and workable alternatives to capitalism, rooted in a democratic

economic and political ethos. That capitalism is not sustainable had been obvious even before the recent crisis. Stupendous wealth for a few and abject poverty for billions of people; widening inequalities between and within countries and; continued despoliation of the environment for profit, all pointed to the human race's precipitous position, particularly so in the past three decades of neoliberal globalization and deregulation. These developments were met with strikes and other forms of workers' resistance across the world. In addition anti-capitalist resistance has included the formulation of diverse post-capitalist alternatives including: workers cooperatives, such as the Mondragon cooperatives in Spain; Solidarity Economy Networks in North and Latin America; the autonomous movement in Argentina and participatory economics propagated by Michael Albert and Robin Hahnel. The paper will analyse these as cases, from an historical materialist standpoint; using primary and secondary sources for its desk research. Rooted in the realist premise of another world's birth being possible only from the womb of what is, this paper will explore the tensions between the trends for: the hegemonic cooptation of these alternatives as radical paradigms of the *status quo*, and; as a more deeply rooted alternative, the emergence of a fundamental paradigm shift from capitalist development, drawing strength and lessons from them. The implications of the paper's analysis for movement-building and grassroots networking as counter-hegemonic and revolutionary strategies for the liberatory self-activity of workers and other subaltern classes will be developed. The paper would conclude by reposing "socialism from below" as a self-emancipatory strategy within the context of today's world and developing from the existing worker resistance and anti-capitalist activity.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

97. Development, globalization and decent work: An emerging labour paradigm?

Edward Webster

There is a widespread view that the concept of decent work has no relevance to developing societies. With its large scale unemployment and even larger informal economy, most workers it is believed are happy to have any source of income. Better a bad job, they argue, than no job at all!! The paper identifies a new labour paradigm emerging where decent work is not seen as an obstacle or add-on to development, but is integrated into an alternative developmental path. It is argued that decent work is not something that can be immediately realised in developing countries. Instead, the paper develops a framework for the progressive realisation of decent work by identifying three phases, with distinct job strategies and decent work indicators. But there are no great social advances without the backing of powerful social movements in combination with state capacity. Without these two forces working in some sort of a combination the goal of universal coverage of social security and the progressive realization of decent work will remain elusive. What is required is a social and political alliance between the state, labour and social movements.

29. Global Unions, Local Labour, and the Regulation of International Labour Standards: A Case Study of ITF Labour Rights Strategies

Mark Thomas

Growing corporate power, the geographic fragmentation of production, and the predominance of neoliberal policies have undermined traditional methods of labour market regulation and have produced downward pressures on labour standards in the global economy. While these processes have reshaped labour markets for several decades, their impacts were intensified during the latest global economic crisis. Yet these processes have also prompted the emergence of new labour movement strategies, with the conditions of the global crisis creating potential and opportunity for organized labour to advance more progressive strategies for labour market regulation. This paper is a case study of the labour rights strategies adopted by the International Transport Workers Federation (ITF), a Global Union Federation that represents workers in a wide range of transport industries, including seafarers and dockworkers in the international shipping industry. The ITF has developed a unique labour rights strategy for maritime workers that involves a transnational collective bargaining agreement and a local-level worksite inspections process undertaken by ITF inspectors. This paper addresses three key questions. What are the labour rights principles that frame the ITF's inspection program? How are these principles implemented and enforced in workplace-level contexts? To what extent does the ITF's approach offer potential to other global unions seeking to challenge downward pressure on labour standards in transnational industries? In light of growing scholarly and public awareness of the need to improve the regulation of international labour rights, the paper analyzes the ITF's inspection program as an emerging labour movement strategy in the contemporary global economy.

35. 'Decent Work Deficit' of self-employed workers in the urban informal sector: Evidence from street vending in Mumbai

Debdulal Saha

In view of the present economic situation, especially given the recent global financial crisis and the large number of formal-sector jobs that have been lost, the informal sector will expand further in the years to come in all the developing countries including India. Since street vending is one of the easiest ways to get into the urban informal sector, especially in India, the number of street vendors is very likely to increase drastically in the near future. Therefore, it is interesting to look and necessary to reveal the working conditions of street vendors. This study is also important since there has been no previous study based on decent work as it applies to street vendors, who are self-employed workers. Hence, this paper tries to explore the working conditions of the street vendors in Mumbai in relation to the concept of "decent work".

In analytical framework, the present study considers that level of income corresponds to the decent work indicators of employment and income opportunities. In addition, working hours, safety in the workplace, and indebtedness with regard to business activity has also been considered. Access to social security and indebtedness correspond to the decent work indicators of social protection. Social security involves maternity benefits, access to medical facilities, children's education, and accidents. This study also highlights the role of membership-based organisations with regard to social security, access to finance, and other issues in order to evaluate the potential of collective action for improving the decency of work. Collective action facilitates the decent work indicators of social dialogue.

The study contains 400 sample and it is based on mixed methods. This study is an exploratory in nature which shows that the street vendors depend on moneylenders especially for social security purposes but also for their economic activity. The study shows that they are forced to borrow money at an exorbitant rate of interest (amounting to 5–10% per month), which in turn leads them to fall into a “debt-trap” situation. The current working hours of the vendors and the safety and security conditions in their workplace, together with the illegal activities of local authorities, are contributing to a deteriorating working environment and the deprivation of the workers. Therefore, looking at the findings of the present study as a whole, it can be concluded that there is a ‘decent work deficit’ in the ‘working life’ of these self-employed workers in the urban informal sector in Mumbai.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 404

51. Globalisation, Liberalisation and Agrarian Distress: A Study of Suicides among Farmers in India

Gaurang R. Sahay

It is an acknowledged fact that rural/agrarian India was an extremely backward social formation and faced numerous development-related problems such as landlessness and lack of resources and assets, poverty and indebtedness, lack of educational facilities and illiteracy, malnourishment and poor conditions of health and sanitation, etc. during the pre-economic reform phase. India’s official approach to resolve these problems was critically disliked by several scholars, development practitioners, and national and international financial institutions such as the World Bank. It was argued that the official approach deliberately created barriers to agricultural development or growth in agricultural surplus by skewing the terms of trade against agriculture through protectionist trade policies and an overvalued exchange rate. Therefore, liberalization or opening up of agrarian sector by adopting the primary policy instrument of the neo-liberal economic agenda, i.e., structural adjustment programme, would lead to higher price or correct price of agricultural produce resulting into increase in incentive in agriculture and consequently in the growth of agricultural activities and agricultural production. Since India had major comparative advantages in diversifying its cropping pattern in favour of highly valued and universally sought-after crops such as fruits, vegetables and flowers, it was believed that free trade and openness would maximize efficiency and gains in agrarian sector. In this context, it was also contended that the process of liberalization would make terms of trade favourable to agricultural growth in India by cutting down on subsidies and doing away with the policy of output support prices and procurement of food which was fiscally unsustainable and had usually suppressed prices of agriculture produce and proved inefficient and costly to farmers. The process of economic reform promised to make agrarian sector competitive, efficient and productive through deregulating agricultural credit, contract farming, raising land ceilings or putting an end to state-led land reform programme, private sector-based agricultural research, and making non-government organization a partner in the agricultural extension system.

However, the data pertaining to agriculture in India during the period of economic reforms, which systematically started from 1991, clearly point out that the Structural Adjustment based policy turn did not keep its promises and in fact resulted into various undesirable new developments in agriculture that currently employs around 57 per cent of India’s population. During the period of economic reforms there has been increasing landlessness and inequality in landholdings. Productivity in agriculture has declined leading to an increased marginalization of

peasantry. The changing cropping pattern from food crops to cash crops has drastically diminished India's food security status. There has been a substantial decline in growth rates of agriculture which has considerably diminished profitability of agriculture leading to erosion in the real incomes of farmers and consequently gross capital formation in agriculture. This period has also witnessed a noticeable slowdown of exports of agricultural commodities and an increased uncertainty vis-à-vis cultivation. A large cut in public investment in agricultural research and extension, irrigation and input subsidies during the economic reforms period has adversely affected agriculture and the farming community. This is also associated with the decline of social and development banking and the return of the non-institutional and highly usurious moneylenders in rural India. The economic reform has increased by a long way the uncertainty and risk that has been traditionally associated with agriculture in India.

The above listed developments in the realm of agriculture in India in the reform period have brought about a severe crisis in rural India that manifests itself, among other things, in the ongoing incidence of suicide among farmers. A number of significant studies substantiate this observation. According to the annual reports on accidental and suicidal deaths in India published by the National Crime Records Bureau (henceforth NCRB) of the Ministry of Home Affairs, as many as 199,132 farmers committed suicide in India during the twelve years from 1997 to 2008. Thus, on an average around 16,000 farmers committed suicide every year from 1997 to 2008. NCRB data show that every seventh suicide in the country was a farmer's suicide during this period. Though this number is quite large and distressful, many believe that this official number is actually an underestimation of the actual number of suicides by farmers in India. This incidence is happening at a higher rate in states with input-intensive cash crop cultivation like Andhra Pradesh, Punjab, Haryana, Maharashtra, Tamil Nadu, Kerala, and Karnataka.

57. South African industry and labour and the global economic crisis

Seeraj Mohamed

The South African economy had an unemployment crisis and poor industrial performance before the current crisis. The global financial and economic crisis has further negatively affected the economy. The economy is in recession, aggregate demand has collapsed, unemployment has increased and home foreclosures and car repossession numbers have escalated. This paper argues that to fully understand the social and economic impact of the crisis in South Africa it is necessary to understand

the evolution of that economy and the entrenchment of its industrial structural weaknesses through the financialisation of the economy.

60. Labor Market Deregulation and Climate Change

David Bensman

The alliance between unions, environmentalists, environmental justice activists and public health advocates to clean the air at American ports while enhancing the rights of truck drivers to decent jobs is a movement full of strategic promise and ideological power. The failure of the port trucking system at American ports illustrates the weakness of neo-liberal social policy, for it creates both unacceptably polluted air and a hopelessly degraded labor market. The success of the blue-green alliance's campaign against the shipping interests at one of the greatest ports in the world suggests possibilities for a renewed attack on neo-liberalism.

Topic 4: The financial system, distribution and growth, HWR Room 402

8. Non-standard employment relations or the erosion of workers rights

Jan Cremers

An assessment of the “exit” strategies that are proclaimed to get out of the crisis leads to serious concerns that the welfare state will be further demolished and labour laws and social security systems watered down, all in the name of economic recovery. Although several opinion makers and politicians expressed that the crisis could create a chance to reverse the disastrous economic policy agenda that still threatens the financial stability of the European monetary union the main message is nowadays to cut deficits, expenditure and wages. The effect is a continuation of the policy of unequal redistribution of income and profits. Neoclassical thoughts remain to challenge the welfare state.

In this paper I want to explore parts of my research in recent years on the erosion of workers' rights.

Europe's more interventionist institutional arrangements, characterised by a certain degree of income redistribution and the common notion of a “European social model”, always had a positive effect on the quality of the working lives of millions of men and women in the bottom segments of the labour market. However, we may notice that these provisions and arrangements are under serious threat. The neo-liberal deregulation agenda that has dominated the European legislative procedures (and the World Bank policy) in the last decennia is not really questioned and the planned “exit” strategies will lead to a new push of policies of reduction of job and income security and wage freezes.

Europe has to return from the slow but steady dismantling of social protection and job security provisions. Otherwise it will be quite probable that two types of erosion, “working poor” on the one hand and atypical labour relations on the other hand will further accumulate at the lowest echelon of our labour markets.

The result is precarious employment that encompasses forms of work involving job insecurity, low income, limited (or no) social benefits or statutory entitlements and low societal participation. Low-wage work tends to reproduce itself from generation to generation and thus limits access to good education, good health care and other basic living conditions. It contravenes the political goal of equal opportunities.

16. Finance-dominated capitalism in crisis – the case for a Global Keynesian New Deal

Eckhard Hein, Achim Truger

We analyse the long-run imbalances of finance-dominated capitalism underlying the present crisis – which began in 2007 – with a focus on developments in the US and Germany. We argue that beyond inefficient regulation of the financial sector, the severeness of the present crisis has been mainly caused by increasing inequalities of income distribution and rising imbalances in the world economy associated with finance-dominated capitalism. From this it follows that in the near and not so near future, the US will no longer be able to act as the driving force for world demand. In order to avoid a period of deflationary stagnation in major parts of the world economy, we finally propose the policy package of a Global Keynesian New Deal which should consist of: 1. re-regulation of the financial sector, 2. re-orientation of macroeconomic policies along (Post-)Keynesian lines, and 3. re-construction of international macroeconomic policy coordination, in particular on the European level, and a new world financial order.

20. Fiscal Crisis in Europe or a Crisis of Distribution?

Özlem Onaran

We are in a new episode of the global crisis: the struggle to distribute the costs of the crisis. The financial speculators and corporations are relabeling the crisis as a “sovereign debt crisis” and pressurizing the governments in diverse countries ranging from Greece to Britain to cut spending to avoid taxes on their profits and wealth. In Europe the crisis laid bare the historical divergences. At the root of the problem is the neoliberal model which turned the periphery of Europe into markets for the core. The EU’s current policies are still assuming that the problem is a lack of fiscal discipline and do not question the structural reasons behind the deficits. The crisis calls for a major change in policy framework within Europe. This is a crisis of distribution and a reversal of inequality at the expense of labour is the only real solution.

Session 2

Thursday, 16 September 2010, 11:40 – 13:00

Topic 7: Looking beyond the horizon – are there fundamental options? HWR Room 301

77. Responses to crisis in Latin America: A comparison between Brazil and Mexico

Carlos Salas

During the 1990s both Brazil and Mexico were presented as “success stories” in terms of neoliberal economic policies. But after 2003, Brazil started changes in economic and social policies, weak at first, but deepened after 2007. Those changes account for better labor market conditions, including increasing GDP rates of growth, lower unemployment rates, rises in labor income, and a growth in the share of protected wage workers. In contrast, Mexico’s economic performance was one of stagnation and of weak labor market outcomes.

This paper will contrast governmental responses to the 2008 crisis in Brazil and Mexico, with particular emphasis on the labor market results of those policies. To better analyze similarities and differences, we will examine first, economic and labor policies in both countries during the 2000s. In this section we will underline the historical origins of different labor market structures, in particular, women’s labor market participation rates and differences in labor income between men and women.

After discussing the economic and social performance of both countries during the 2008-2009 period, we will show that the main differences arise from different economic policy perspectives, that have been defined by the outcome of social and, in particular, political struggles in each country. The final section of the paper will discuss the opportunities and threats for an inclusive development process, that arise from the specific way in which the crisis was confronted in each country.

89. The eco-logic of the global capitalist crisis

Devan Pillay

South Africa has been severely affected by the global financial crisis. Despite a return to growth in 2010, the crisis will come back, as long as its fundamental roots are not addressed. Indeed, we need to ask whether the crisis is a purely ‘financial’ one, or multi-dimensional. Is it of recent origin, or something that began with the market liberalisation of the late 1970s – or does it go right back to the origins of capitalism as a world system, of which South Africa is a microcosm?

Despite the fact that SA's financial sector was much better regulated than at the centres of the global system, the financial crisis has deepened an already severe socio-economic crisis. It accelerated declining manufacturing output or the de-industrialisation of the economy, partly because of a decline in global demand and partly because of the rand's rise against the British pound and US dollar. Most severely, up to one million jobs were lost in 2009, in a context of massive unemployment (unofficially close to 40 per cent of economically active citizens), rising social inequality and persistent poverty. To take two telling indices: over one-third of the population is food insecure, and a quarter of children under six years of age is malnourished (Human Sciences Research Council, cited in Andrews, 2008).

At a fundamental level, there are increasing indications that the country's growth trajectory faces a crisis of 'sustainability' in both senses of the word – sustainable growth that creates decent jobs and rising living standards for all, as well as sustainable growth that protects the natural environment and leaves the earth with sufficient resources for future generations. This crisis is rooted in the structure of the South African economy, which was inherited from the colonial past.

In South Africa, racial capitalism emerged as a result of a minerals-energy complex (Fine and Rustomjee, 1996) – a synergy between the mining industry and fossil energy systems that sustain it, as well as a financial sector that grew out of it. This minerals-energy-financial complex remains central to South African capitalism, subordinating all other economic activities, including manufacturing. It rests on the exploitation of fossil fuels and risky mining operations that have seen the death of tens of thousands of people over the last century. A slowly de-racialising minority experiences the only tangible benefits, whilst the (mainly black) majority live in conditions of underdevelopment in the predominantly rural former homelands, or in polluted slums and townships in the urban areas.

Efforts to move out of this dependence have been half-hearted. The only strategy the state has so far embarked on is a combination of limited redistribution (mainly poverty alleviation through grants), an incoherent land redistribution programme, short-term public works programmes, repeated attempts at an industrial policy and a gradually visible but hitherto lame 'sustainable development' effort. These are undermined by a logic of accumulation that maintains at its centre the minerals-energy-financial complex – as well as a culture of consumerism that rests on ever-expanding, unsustainable wants, fuelled by a sales effort (the advertising/media industry) that is essential to the production/accumulation process.

This logic of uneven (or enclave) capitalist development is, in many ways, a microcosmic expression of global capitalist development. The crisis of sustainability is integrally linked to the global economic/ecological crisis, and can only be fully understood in relation to the global context. This contribution discusses the dimensions of the poly-crisis in historical perspective, and asks whether capitalism has reached both its natural and its social limits. Is the answer a 'green capitalism' (or for some a 'green New Deal') or does capitalism need to be completely transcended (a form of 'eco-socialism')?

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

22. Women in Northeastern Brazilian Labor Market in the 2000s: Growth, Post-Crisis Scenarios and Gendered Job Precariousness

Andre Luiz Martins

The wave of job precariousness that has hit the Brazilian occupational structure since the early 1990s had strongly gendered impacts. Considered the case of Northeastern Brazil, where precariousness levels are overwhelming – due to an unsolved, historical employment problem –, the economic recovery of the last five years has depended very much on public spending and on natural resource-intensive production, with all available indicators portraying not only the growth of workforce demand but also the recovery of formal employment. But the growth of female labor participation rates was closely associated to greater female labor force vulnerability and to crescent job precariousness. Portraying persistent statistical regularity, gender inequalities manifest themselves *hierarchically* and also *by economic sector*. Such a scenario did not change in the post-2008 crisis, along with the structural transformations of the female labor market dating to the 1990-2000s. Regionally, this that niches like domestic, paid work remain segregated as it always used to be, and also that the growing entry of female labor force in manufacturing has been through the subcontracting of domestic production. Economic crises thus highlight the gender dimension of job precariousness.

44. Employment situation in Mumbai: An analysis

D. P. Singh

Liberalization and globalization policy of Indian government since 1991 has resulted in many changes in Indian economic scenario. This paper examines the employment situation in the Mumbai city, the commercial capital of India. The migration to the city has always been one of the main factors of Mumbai population growth and also the city has observed a shift from manufacturing sector to tertiary sector. Using the latest available information from National Sample Survey of 2007-08 and Census of India, 1981 - 2001, this paper provides information on the changing pattern of employment and workforce in the city during last 20 years. The differences in industrial and occupational profile of workers in terms of sex, age and migration are analyzed.

Due to the global economy many industries in Mumbai could not cope up the competition with multinational companies. It has resulted in loss of employment, nearly fifty per cent workers who were unemployed have reported lack of work in enterprises or area and closure as main reason for being unemployed. The proportion of employment in the manufacturing sector has declined from 41 percent in 1961 to 20 percent in 2001 and the same for the trade and commerce sector is 18 percent and 33 percent respectively. Another major change observed is the increase in the self employed workers as compared to regular wage and salaried jobs. An interesting observation was made from census data that work participation rate of males has declined by 5 percent while women work participation has increased by nearly 12 percent during 1961-2001. As per Economic Census (2005) it is observed that the number of non-agricultural establishments increased by 18 per cent while employment in non-agricultural establishments has declined considerably by 17 per cent in Mumbai.

**Topic 6: Financial systems, corporate governance and multinational companies, HWR
Room 404**

27. Labour and the Locusts: Trade Union responses to corporate governance regulation in the European Union

Laura Horn

In the immediate aftermath of the financial and economic crisis, many observers argued that there was now a 'window of opportunity' for organised labour, and the left in general, to formulate and push for alternatives to neoliberal hegemony with regard to the regulation of financial markets and regulatory oversight. Corporate governance, in particular the debate over executive remuneration, constituted a central focus in this discussion. In the crisis it had become abundantly clear that perverse incentive structures the financial crisis had aggravated the excessive risk-taking that fuelled financialisation. In the European Union, corporate control and corporate governance have become politicised and contested even before the crisis, often in tandem with the broader debate about corporate ownership and the debate about alternative investment structures (i.e. the so-called 'locust' debate about the role of private equity and hedge funds). Organised labour at the EU level, e.g. the ETUC, and the European Parliament criticised the neoliberal policies of the European Commission in this policy domain. This paper investigates these processes before and after the crisis. While there have been several policy initiatives at the EU level imposing stricter (re)regulation on financial markets and corporate governance, do these initiatives indeed point towards a fundamental change in EU policy?

37. Impact of Transnational Framework Agreements on Corporate Governance

Isabelle Schömann

Research questions addressed: The aim of the paper is to analyse the impact of transnational agreements (TFAs) on social dialogue processes and decision making processes inside multinationals as well as on industrial relations based on the role trade unions, workers representatives and management play in the monitoring and implementation of TFAs at local, national and European level. Through the evaluation of the role of trade unions and workers representatives as well as the assessment of management's involvement in the implementation of TFAs, the paper intends to test the following hypotheses: Do TFAs use existing social dialogues structures and processes in order to secure effective implementation or do TFAs create incentives and momentum to elaborate ad hoc structures of social dialogue?

Do TFAs impact on labour – management relations at the European based multinationals, thus increasing the status of social dialogue within multinationals via the recognition of workers representatives and /or trade unions as legitimate formal partners? Do TFAs create new processes and structures of alternative dispute resolution mechanisms, thus impacting on working conditions and core labour standards? Do TFAs impact on industrial relations systems in creating a new level of transnational private regulation of labour conditions, thus compensating a lack of enforceable European/international legal tools?

Methodology: The research is based on previous research results (amongst others own research on international framework agreements as new forms of governance at company level (2007), international framework agreements as new paths to workers' participation in multinational's governance (2008). Furthermore, further studies will be taken into account such as 'international framework agreements - a stepping stone towards the internationalisation of industrial relations' (2009), but also recent studies in industrial relations systems. Empirical

analysis is based on interviews of the most active European industry federations in the field of TFAs (analysing their policy paper, strategic positions, own guidelines in respect of negotiations and monitoring and implementation of TFAs signed in the sector concerned). Furthermore, empirical analysis is complemented by interviews with a selection of active European works councils in the field of TFAs.

When possible and appropriate, interviews will be organised with international trade union organisations. Finally empirical evidences is collected through case studies. A selection of TFAs is based on different variables such as the date of signature - that should allow for sufficient time for implementation-; the representation of different most active industry sectors (EMF, UNI, ETUF, TCL, EFBWW) and management of the selected multinationals; ensuring a variety of geographical location of operations; the participation of European works councils or world works councils (in form of signatory party and/or in the role of monitoring / implementing TFAs); as well as a selection of issues implemented via the TFAs (focus on workers rights, trade unions rights, working conditions). This selection will be also based on a range of best practices throughout TFAs using for example performance indicators and/or having achieved a clear improvement of workers rights and working conditions, thus solving local issues via the implementation of the specific measures foreseen in the TFAs.

Topic 6: Financial systems, corporate governance and multinational companies, HWR Room 402

50. A Corporate Governance Alternative to Shareholder Value? Worker Participation and the Sustainable Company

Sigurt Vitols, Norbert Kluge

This paper will examine the current debate on and developments in the area of the sustainable company, focusing on the current and potential role of worker participation. It argues that a new paradigm is needed for corporate governance, and that worker participation is necessary in the development of reporting systems for monitoring progress on the achievement of sustainability goals, in the formulation of these goals at the company level and in the creation of incentive systems for achieving these goals (particularly for top executives).

The paper will include 1) conceptual work contrasting the ideal type “sustainable company” with both the shareholder value-oriented and traditional stakeholder companies, 2) empirical examples of elements of the sustainable company in specific firms (based in part on a survey of experts in more than 20 European countries, 3) a statistical analysis of the relationship between worker participation and sustainability performance and 4) concrete policy proposals for moving towards the realization of the sustainable company in practice.

82. Multinational Companies: whose interest do they serve? Debating regulation and development strategies in the context of economic crisis

Edwin Anisha

The role of Foreign Direct Investment (FDI) resonates very frequently in the discourse on development strategy. In comparison to much criticized short term capital flows, FDI elicits considerable appeal as a potentially veritable means of facilitating social and economic transformation of societies. However, there have always been concerns about FDI, verging on its growth and development effects as well as the appropriate kinds of regulatory frameworks that should belie such investments. Although there was a strong movement against capital controls

before the Second World War, there emerged afterwards widespread agreement about the appropriateness of these measures. The commitment to the welfare state after the war in a sense represented the more visible sign of that seeming compromise. However, things appear now to have changed in the context of the ascendancy of neo-liberalism. Nowhere is the changed circumstance more evident than in the power relations between multinational companies and developing countries on the one hand, and in the activities of multinational corporations (MNCs) operating in developing countries on the other. The increasing weakness of developing countries to control MNCs is obvious in the capacity of the latter to extract huge regulatory concessions in the form of exemptions from environmental and labour laws. The unevenness of this relationship can be gauged from deficits in terms of development indicators among many developing countries- a situation that is aggravated by the global financial crisis. Although, the dominant approach seems to emphasize the weakness of developing countries to regulate MNCs in this neoliberal phase, this paper argues that developing countries are not necessarily powerless in the circumstance. Otherwise, this will be imposing a more or less structuralist reading of the entire process. Indeed, some enterprises from emerging economies have been able to amass sufficient capital, knowledge and know-how to invest abroad on their own merit within this economic regime. What appears critical is the need for developing countries to evolve appropriate policies industrial, macroeconomic and social- that would be effectively aligned to their national interest and development needs. The global crisis makes this approach compelling.

Session 3

Thursday, 16 September 2010, 14:10 – 15:30

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 301

65. An Economic Analysis of Unemployment in Brazil

Marcelo Weishaupt Proni

The recent international financial crisis has had serious negative impacts on various national economies, affecting consumption, production and labor market. The unemployment rate has almost doubled in some countries after September 2008, which indicates the severity of the social consequences of economic crisis. In most developed countries, the recovery rate of economic growth has been slow. Therefore, unemployment remains high, which has provoked a discussion about the most appropriate policies to address the problem.

In Brazil, the impact of the crisis was felt more in 2008-Q4 and 2009-Q1/Q2. Brazil's PIB was a sharp decline during this period. As a result, the unemployment rate rose from 7.5% in October 2008 to 9.0% in March 2009. Since June 2009, the Brazilian economy has been showing clear signs of recovery. Although PIB has not increased in 2009, in various branches of activity was job creation. Thus, the unemployment rate returned to 7.5% in October 2009.

The aim of this paper is to analyze the recent evolution of unemployment in Brazil and put into question the reasons that explain why the crisis is not expressed with higher intensity on the job search. In particular, we seek to highlight the policies of the federal government that avoided a more serious impact on the Brazilian labor market.

70. Addressing Competition: Strategies for Organizing Precarious Workers — Cases from Canada

Maya Bhullar

Due to a variety of factors, the growth of precarious work is outstripping the growth of standard work relationships around the world. As such, it has become a growing component of the Canadian employment landscape as well. In 2008, part-time, contract and temporary work and self employment comprised one third of the jobs in Canada.² As Canada partially recovers from the global recession, the preponderance of jobs being added are temporary work, temporary seasonal work, contract work and casual work.³ Indeed, the year to year growth between 2008 and 2009 in full time jobs has been negative, while the other four types of jobs mentioned above have all grown by over 10 percent since 2008. Therefore the growth of 'precarious jobs' in our economy is intensifying as a response to the crisis.

The growth of precarious jobs is, in part, a response to the strength of workers organizations and unions in developing strong protections for traditionally employed workers in countries around the world. To circumvent these protections, employers have developed ways in which to make the labour market more flexible or inherently 'precarious'. As work becomes precarious, workers organizations of all sorts are developing strategies to combat this trend, and organize precarious workers. Above and beyond merely organizing, has been difficult to raise standards for work that is inherently about less job security and where the job is maintained at the employers' discretion. Instead, in Canada, we are witnessing increasing income inequality, relative wage stagnation for the majority of people, despite increased productivity. The task before us is not just to organize precarious workers, but to work together to raise standards to make precarious jobs, 'good jobs'.

The key issue to understand is that employers have far less flexibility today to raise standards for the long term, unilaterally. At the firm, or company, level labour has become increasingly diversified and the average size of enterprises has been reduced by restructuring. At the macroeconomic level, liberalization of trade, deregulation, and privatization have all created more competition and at the firm level, financialization, mergers and acquisitions, relocation and supply chain management, have all created intense competition within industries. It is increasingly difficult for a union to organize a company, raise standards substantially and to expect that the unionized company will be able to sustain the increased costs for the long term. This is particularly true in countries that lack industry wide bargaining but, due to the macroeconomic factors, to some extent, nation-states are competing like firms. Scale is a factor. Small companies and firms find it harder to sustain raised standards than an industry or nation state. That said, at some point we must address the competitive dynamic to be able to sustain increases in work standards. In Canada (except in Quebec), most bargaining is at the company level not at the industry level.

This paper studies two examples of organizing at a community level and at an industry level of which SEIU Local 2 Canada has been a part: the *Justice for Janitors* campaign across Canada, and the *Good Jobs For All* campaign in Toronto. Our premise in organizing precarious workers must be that a job must be made into a good job. This is how our predecessors in the labour unions and in workers associations did it. They took jobs where they were risking their lives in mines, in factories, in fields and fought to build standards that made sense in their workplaces, in

² Chaykowski, Richard P. & George A. Slotsve. 2008. "The Extent of Economic Vulnerability in the Canadian Labour Market and Federal Jurisdiction: Is there a Role for Labour Standards" *Social Indicators Research*. 88: 75-96.

³ Yalnizyan, Armine "The Temporary Recovery", *The Progressive Economics Forum* <http://www.progressive-economics.ca>, April 11, 2010

understanding the dynamics of their industries, and demanding more. Precarious workers must organize in the same way, and they have been. These are just two drops in the ocean of addressing precarious work, illustrative examples of how we have been addressing competition in our organizing strategies.

Topic 2: Employment Developments and Labour Market Regulations after the Crisis, HWR Room 444

49. Turkish Unions in the face of the Crisis of Capitalism

Yasemin Özgün, Özgür Müftüoğlu

It is not possible to think of the crisis of the unions as free from the crisis of capitalism and the process of the transformation for the exit from the crisis.

From the early 20th century the union movement made a quantitative development till the 1970's within the conditions of workers' struggle in 19th century; the threat of reel socialism over the capitalist system; the structure of the Fordist production system for the workers' organization and the availability of the existing accumulation regime for the labour- capital conciliation.

Within this period, not only the number of the unions increased but also the unions became widespread in many of the periphery countries. Nevertheless, this quantitative development gave rise to the disappearance of the class perspective of the union movement which used to be the basis of the emergence of the union movement. This conciliation and the structuring process to the conditions of the capitalism made the unions so dependent to the capitalist system in such a way that the crisis of the capitalist system in 1970's turned into the crisis of unions.

Being dependent to the capitalist system, the crisis of the unions on the basis of the transformation of the system both increased the control of the capital over labour and strengthen the social power. Thus, what we have seen is the increase in the number of the unorganized labour, unemployment, poverty and insecurity; the surplus value and the profit margins have been increased too.

The weakness of the unions as against the neoliberal policies also weakened the working class struggle significantly. In this context, the capital has gained the dominance solely in the new order based on the global competition. Besides, the ascribed role of this weaken unions have also changed dramatically in this restructuring process in which the rights of the labourers have been abolished. Thereby, from now on, the unions, instead of being organizations which struggle for the rights of the workers, have turned into the conciliatory structures based on "social dialogue" discourse. The new role of the unions in this new structure is to legitimize the policies in accordance with the interests of the capital and enable them to be seen as being "democratic". The unions in Turkey have also got through the same process with the other capitalist countries, whereas the important difference for Turkey was the 1980 coup which aimed at the abolishment of the working class and the unions. As the creation of the coup, the repressive constitution and the laws have subdued the union movement until today. After 1980, Turkey has witnessed two big crises in 1994 and in 2001 when the unions couldn't prevent the labourers pay the bill; in contrast they have cooperated with the political power and capital in many crucial points. So, what are left were the crisis of representation and the trustworthiness of the unions.

Within this framework the aim of this paper is to look at the mechanisms within which the crisis of the capitalism turns into the crisis of the unions in the world and in Turkey and also discuss the outflow conditions of the crisis of the unions in the axis of the 2008 crisis.

45. Economic Growth, Employment and Labour Market Regulation in Brazil

Paulo Baltar, José Dari Krein, Eugenia Troncoso Leone

Brazil was able to keep its economic activity during the recent world crises. The economic growth perspectives now are relatively good for this country. In this scenario, it is important that organized workers evaluate the possibilities that this greater economic activity happens together with more regulation in the labour market. In this sense, higher GDP growth rate will be followed by greater active population absorption; even more than what was noticed between 2004 and 2008. This paper analyses the labour market performance in the period between 2004 and 2008, emphasising the importance of higher economic growth to be followed by a more adequate labour regulation.

Topic 5: Social safety nets and the public sector, HWR Room 402

52. How secure is national rural employment guarantee as a safety net

Pragya Khanna

Globalization and Neo-liberal policies have majorly impacted the labour economy of many nations, wherein there has been a sudden influx of unemployed reserve labour into the unorganized/informal labour economy. Taking India's case, one finds that almost the entire semi-skilled organized workforce has shifted its base to the unskilled unorganized sector, due to the non-availability of employment as a resultant of protracted economic recession. The adoption of Neo-liberal policies impacted the labour market of India profoundly, especially with regards to the employment opportunities that it provided. In order to safeguard itself from the above phenomenon, with inputs from economists and a resultant of lobbying through various social movements; the National Rural Employment Guarantee Act was formulated. The conservative neo-liberal policies argue that most of economic activity should be left in the hands of the private sector, marking the public or the government sector as inefficient and unprofitable. In this regard NREGA is a landmark legislation that has been made as; it is a step towards the realization of wage employment as a right, providing a right to work and thus a right to life with dignity. It is also expected to enhance people's livelihood on a sustained basis, by developing the economic and social infrastructure in rural areas. The Right to Information Act is supposed to act as its guardian and ensure transparency in the implementation of NREGA. Several studies have proved that this act has not only enabled generation of productive assets but has also led to higher food and income security for landless workers and other vulnerable sections of the rural poor, protecting environment, empowering rural women, reducing rural-urban migration and fostering social equity etc.

While the immediate objective of NREGA is to overcome deprivations faced by households by providing them work at guaranteed wage rates, the larger objective of the act was to address the social and power relations in the society. NREGA absorbs around 4.49 crores of rural unskilled wage labour, wherein the male labour force constitutes around 50.85% and women around 49.15% (<http://nrega.nic.in/netnrega/home.aspx>). However NREGA has been faced with problems both at the implementation and policy levels. Problems like unavailability of the provision of work on demand, creation of unproductive assets, problems in wage calculations and payments, unscrupulous grievance redressal through social audits, access for all etc, but also in the form of the incentives it provides have not been able to counter the gigantic impacts on Neo-liberal policies in the labour market. There also has been a parallel rise in unemployment

which has created a growing reserve of cheap and unorganized labour that can be used as per market terms and conditions.

NREGA can also be seen here as an opportunity to organize these unorganized masses that find alternative sources of income through the NREGA programme and broaden our struggle. Since women form an essential part of the labour force that is engaged in NREGA works in most of our areas, it becomes essential to understand the problems they face with respect to the implementation of the programme as well as whether their participation can be used as a base to ensure the formation of an organization/ association that furthers their empowerment as a paid workforce and as unpaid labour in the domestic and social sphere. This paper traces the history of the act, critically analyzing its role as a social safety net. It presents an argument that public safety nets in themselves are not the only way forward towards securing the rights of the masses. It also explores the roles played by various actors like NGOs, trade unions, people's organizations in providing a prolific partnership towards fulfilling the larger goals of the programme).

59. Public sector policies

David Hall

The two powerful mechanisms for progressive redistribution have been union organisation and its impact on the distribution between wages and profits, and the public sector, both in terms of transfer payments via benefits, and the under-rated equalisation effect of public services themselves. Both of these mechanisms have been systematically weakened over the last 30 years, resulting in a growth in inequalities in distribution of income, both between capital and labour, and between high- and low-income households. One consequence was the phenomenon of sub-prime mortgages, where individual incomes were unable to sustain the individual debts required in the absence of socially financed housing programmes. Yet public finance has been promoted to play a central role in managing the crisis, both by guaranteeing the existing financial system, partly through public ownership, and by stimulating demand in the economy. International institutions, including the IMF and the EU, and rightwing politicians, now express consistent alarm at the possibility that public spending may rise to new higher levels in the economy, with their primary attention focussed on the supposed 'demographic time-bomb', while faced with the contradiction that high public deficits remain essential for maintaining demand. The future role of public spending in the global economy may be greater than in the recent past, as the rapid growth of developing economies is accompanied by an increasing role for public finances, and high-income countries face contradictory pressures, and far higher levels of social conflict, over the future of spending levels. This economic context raises the possibility of creating a new politics of the public sector to reshape economies, as an engine of equality, security and social and economic investment.

Topic 6: Financial systems, corporate governance and multinational companies, HWR Room 404

10. Wild Capitalism in Post Communist Transformation: the Case of Serbia

Martin Upchurch

Post Communist transformation has often been framed within liberal democratic western concepts of varieties of capitalism. However, other commentators have noted specific spatial and socio-political variants within transformation states. Marketisation has been stalled or delayed

in some post Communist states, and the role of the state in maintaining control over production and distribution of goods and services remains strong. Other commentators focus their attention more precisely on dysfunctional corporate governance and point to the deleterious consequences of market liberalisation on business ethics and governance. A more nuanced interpretation of developments is necessary, which takes special account of the nature of legacies from the past, as well as the dependent nature of many transformation states on western MNC investment. In particular, poor business ethics and bad corporate governance may be a consequence of the combination of market liberalisation, dependence on labour exploitation for comparative advantage, and the abandonment of one party authority over control of industrial production. This chemistry of events allowed rapacious rent-seeking by a minority of individuals well placed to benefit from the newly de-regulated regime (Filatov, 1994). A by-product of unrestrained rent-seeking capitalism has been high incidence of gangsterism, corruption, mafia crime and a burgeoning informal economy. Such illegal or semi-legal business activity is characterised by insider dealing as privatised state assets are bought up by individuals who are well connected with (sometimes) competing elites within the political class. The clientelism and reliance on personal networks sits side-by-side and interplays with more conventional ownership patterns reflecting transnational corporate activity and foreign direct investment. Standards of corporate governance are weakened by the fragmentation, while state regulation, even where it exists, is sometimes ignored. Employment relations are similarly fragmented, with state-owned enterprises retaining union membership and some form of collective regulation, while newly privatised enterprises seek to marginalise union activity and former collective agreements are abandoned. Many inward investing multi-nationals often prefer to construct or take advantage of non-union environments. Commentators have referred to the darker side of post Communist capitalism as 'wild' capitalism (Lane Bruner, 2002; Harper, 2006), 'crony' capitalism (Gustafson, 1999; Peev, 2002), or 'patrimonial' capitalism (King, 2007). This paper considers these dilemmas as they have arisen in the former Yugoslavian state of Serbia, focusing especially on the post Communist regime after the fall of Milošević in 2000. Central to the paper is an analysis of the emergence of wild capitalism as a significant element within the new Serbia. We examine why Serbia has diverged so significantly from the Slovenian case. We focus on the interplay between structure and agency factors in producing wild capitalism. Giddens (1986), for example, emphasizes that actors have power to shape their own actions but that the consequences of actions are often unintended. While structure may be defined as the rules and resources that give similar social practices a systemic form, it is only through the activities of human actors that structure can exist. Structure can be constraining to actors, but can also enable actors to do things they would not otherwise be able to do. A social system is thus a set of reproduced social practices and relations between actors. If we are to analyse the phenomenon of wild capitalism we must seek to determine the specific set of norms of behaviour as a product of both structural and agency dynamics. In particular we must attempt to determine how and why specific patterns of behaviour are reproduced (or not). In examining structure we record from Serbian Government and World Bank documents the Government's strategies for confronting difficulties, including privatisation. We analyse and evaluate the Serbian Privatisation Agency's programme and review evidence on business transparency produced by the World Bank and the United Nations Development Programme as well as the NGO Transparency International. In order to understand the impact of agency we record key labour and societal disputes around the programme. Evidence is gathered from documentary records such as trade union statements and appeals, Serbian and international press reports, semi-structured interviews with trade union leaders and activists conducted between 2004 and 2008. The researchers also held a Round Table Focus Group of trade union

activists, employers and journalists funded by the British Academy in Belgrade in 2008. We conclude by locating wild capitalism as an integral, rather than deviant mode of behaviour in Serbia. We also assess the response of trade unions in Serbia and conclude with an assessment of prospects for change in corporate governance.

26. The Double Burden on Maquila Workers: Violence and Crisis in Northern Mexico

Hepzibah Muñoz Martinez

During 2010, production and sales increased and investment recovered in assembly-for-export or maquilas in Mexico's northern border, including in those cities with high rates of drug-related crime, in the aftermath of the 2007 credit crisis. The case of maquiladoras in Mexico's northern border challenges those interpretations that render insecurity and economic liberalization incompatible and associate export-oriented development with the enhancement of political, economic and civil rights. The paper argues that the Mexican state has mediated the relationship between global processes of competition and local contexts of violence by transferring the costs of insecurity and restructuring onto maquila workers through downward pressures on wages and benefits.

The paper focuses on maquiladora production and labour activism in the border city of Matamoros, located in the state of Tamaulipas. Matamoros is one of the oldest maquiladora cities, along with Tijuana and Ciudad Juarez. Also, the concentration of the local economy on auto parts production and dependence on US investment and American markets intensified the effects of the American financial and the auto sector crises on this city. In addition, maquiladoras in Matamoros are characterized by some rank-and-file unionism that focuses on the protection of workers' wages and fringe benefits. This activism is led by the Union of Day labourers and Industrial Workers of Maquiladoras (Sindicato de Jornaleros y Obreros Industriales de la Industria Maquiladora or SJOIIM).