

GLOBALIZATION, MILITARISM AND LABOUR

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Defining globalization

Globalization has become a buzzword, yet there are widely differing conceptions of what it means. For those who support it in the form in which it has been taking place, there is an assumption that, globalization “leads to development, development leads to democracy and democracy leads to better human rights” (Pierre Pettrigrew), in some automatic manner. On the other hand, those who oppose it comprise a broad political spectrum from the extreme Right, who oppose it from the standpoint of cultural and economic nationalism, to the extreme Left. Even amongst Left groups claiming some affiliation to Marxism, there are widely differing theoretical approaches to globalization, resulting in diametrically opposed responses to it.

Part of the problem is that those who use the word seldom bother to define it. *Prima facie*, it would appear that a ‘globalized world’ is one in which there are no barriers (other than purely natural and technological ones) to the movement of people, products, money and ideas around the world. But globalization in this very general sense pre-dates capitalism and the formation of nation-states. Clearly, this is not the subject of current debates about globalization, although it is not irrelevant to such discussions. It is presumably in order to clarify this point that various adjectives are used to qualify ‘globalization,’ such as ‘capitalist,’ ‘imperialist’ and ‘neo-liberal.’ However this creates new problems, because these adjectives have their own meanings. When they are combined with ‘globalization,’ where do these meanings end and the meaning of globalization begin?

Globalization as Capitalism

That capitalism is inherently global is taken for granted by Marxism. In the graphic words of the *Communist Manifesto*: “The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere.” Moreover, the very survival of capitalism depends on its extraction from wage workers of more value (surplus value) than they are paid in the form of wages; thus exploitation of workers is part of the

definition of capital. The expropriation of petty producers, ruin of small capitalists, and job losses – all seen as characteristics of globalization by its critics – are inherent in capitalism itself. The overlap between globalization and capitalism seems to be complete.

However, the danger of defining globalization as capitalism is that it implies that the real enemy is *international* capitalism, which domestic capitalism and small producers should be protected against. This has been the standpoint of fascist movements, going back to Hitler’s denunciations of international capital in *Mein Kampf*. In India, this is the position taken by the Hindu nationalist RSS. At best, such a conception propagates the illusion that capitalism can solve problems of poverty and unemployment so long as it remains national. At worst, it condones and supports brutal oppression and exploitation by indigenous capitalists. Globalization may be a phase of capitalism, but anti-globalization can never be anti-capitalist, because genuine opposition to capitalist oppression and exploitation does not distinguish between ‘national’ and ‘international’ capital, nor support the former against the latter.

Globalization as Imperialism

There are several theories of imperialism in the Marxist tradition, of which Lenin’s is the most popular. Lenin’s theory emphasizes the export of capital in order to exploit higher rates of profit in the colonies, the dominance of finance capital, and division of the world between imperial powers. It has been criticized on the grounds that the income from British overseas investment exceeded the outflow of capital throughout the nineteenth century and up to 1914. Moreover, Britain, the dominant empire of the time, was characterized by the dominance of old established family firms rather than finance capital. Luxemburg and Trotsky emphasized capital’s need for expanding markets, Luxemburg arguing that in the absence of external markets, the accumulation of capital would come to a halt. Bauer pointed out that accumulation was not impossible in a closed capitalist system, but would be placed within limits; he himself emphasized the role that imperialism plays in expanding the wage-labour force.

Although Marx called it the ‘colonial system’ rather than ‘imperialism,’ his writings contain a critique that includes all these elements as well as a subsidiary theme in the writings of these Marxists, namely capital’s drive to secure sources of raw materials. In this conception, imperialism starts in the earliest stage of capitalism, which he calls ‘primitive accumulation’ (i.e. the transformation of pre-capitalist relations of production into capitalist ones): in Volume 1 of *Capital* he says, ‘The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of ‘blackskins,’ are all things which characterize the dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation.’ As large-scale industry develops, capital’s thirst for markets as well as raw materials alters the global division of labour, ruining manufacturing in the colonies and converting them into raw material suppliers and markets for the imperialist powers.

In this phase, backing from the state is crucial for the expansion of capitalism. Abroad, military and political intervention is necessary in order to establish and retain an empire; this might be overt colonization or covert intervention to put ‘friendly’ governments in power, the latter being the preferred strategy of US imperialism. At home, the imperialist state engages in protectionism, and contains class struggle by extending welfare benefits to the working class or whipping up war fever and hatred of an external enemy. Globalization, on the contrary, is characterized by a rollback of the state, with some degree of state sovereignty being handed over to global regulatory institutions. It is therefore not only different from imperialism, but in some ways opposed to it. This is why the US has always been opposed to any encroachment of global institutions on its national sovereignty. Thus, paradoxically, anti-globalization helps to perpetuate imperialism.

Globalization as neo-liberalism

The term ‘neo-liberalism’ has been used to describe the economic stabilization and structural adjustment policies imposed by the International Monetary Fund (IMF) and World Bank, set up in 1944, on Second and Third World countries in return for loans. These policies included free trade policies, but went much further, especially in pressing for privatization of public services and cuts in government expenses on social security and welfare.

There is certainly an overlap between the policies of the World Bank and IMF (which have come to be called the ‘Washington Consensus’ because these institutions are headquartered in Washington) and the globalization agenda of the World Trade Organization or WTO (set up in 1995 and headquartered in Geneva), which seeks to remove barriers to international trade and capital flows. Yet there are also crucial differences. The IMF and World Bank have an inbuilt dominance by First World countries, whereas the WTO is a one-country-one-vote institution, creating the potential for Third World countries to influence its policies if they act collectively. Moreover, its emphasis is not on deregulation – which will always benefit the stronger party, namely capital, at the expense of the weaker, namely labour – but on shifting regulation from the national to the international level. This, again, creates the potential for the labour movement to contest the imposition of pro-capitalist policies, provided it can act internationally. Thus neo-liberal policies, while compatible with globalization, are not inevitable. It is possible to fight for an alternative agenda.

A new phase of capitalism

We could usefully define globalization as a new phase of capitalism, marked by: (a) a capitalist world economy covering more or less the whole globe; (b) large-scale decolonization, and the emergence of some Third World countries as powerful players in the world economy; (c) a changing relation between capital and the state, where the most advanced capitals do not need protection and support from the nation-state, but instead need porous national borders and global regulation; (d) the emergence of Information and Communication Technologies (ICT), both as a new and increasingly dominant branch of industry in itself, and as a factor affecting manufacturing and finance; and (e) the emergence and increasing importance of new institutional investors, including pension funds, whose assets amounted to 57.1 per cent of Gross Domestic Product (GDP) in the US and over 87 per cent of GDP in The Netherlands in 1995.

The WTO is not the only institution of global regulation and governance. Various UN institutions, including the ILO, are examples of weaker institutions of the same sort. The Rome Treaty establishing the International Criminal Court (ICC) in 2002, set up to prosecute people in power who are guilty of core crimes – war crimes, crimes against humanity, genocide and aggression – is potentially a more powerful institution of global governance than the UN, because it is less subject to manipulation by the big powers.

Globalization and Militarism

Militarism played a positive role for capital during its imperialist phase, enabling it to expand geographically and accumulate rapidly. The destruction caused by war, like that caused by crises, could re-establish conditions for accumulation, although at the cost of the certainty that some capitals would perish. Luxemburg and other Marxists also suggested that the market for military production assured by the state could temporarily serve to boost employment, thus smoothing over business cycles. Initially, there were also 'spin-offs' from Research & Development (R&D) in military production to civilian production, leading to major innovations which increased overall productivity, such as the use of computers. Luxemburg also pointed out that the heavy taxation required to fund military spending led to the bankruptcy and expropriation of the peasantry within the imperialist countries, adding to the potential for capitalist expansion. Yet there are inherent problems in militarism that came to the fore as imperialism matured.

Under capitalism, according to Marx, labour is either productive – in the sense that it is exchanged with capital and produces surplus value or profit – or unproductive, in the sense that it is exchanged with capitalists' revenue or workers' wages, and does not produce any profit. However, this definition of productive labour is relevant only from the standpoint of individual capital: labour is or is not productive according to whether it does or does not produce profit for the individual capitalist. A problem arises, however, when we look at production from the standpoint of total social capital, as Marx himself realized when he considered the capitalist production of articles of luxury consumption. Unlike raw materials, machinery, and means of subsistence for workers, which come back into the production cycle, these products are not recycled either as means of production or as labour power; they are a dead loss so far as total social capital is concerned. The same is true of military spending, which is vastly greater than luxury production. It is funded out of taxes on capital and labour, and its products do not re-enter production; they are, in Marx's words, 'unreproductive articles,' and one could characterize the labour that produces them as 'unreproductive,' or socially useless. To illustrate: capitalist production of raw materials, machinery and food for workers is both productive and reproductive; housework and childcare is unproductive but reproductive; and military production is productive, in the sense of being highly profitable for individual capitalists, but unreproductive.

Consequences of Military Overspending under Globalization

The channelling of taxes into military spending occurs at the expense of state expenditure on infrastructure, which is necessary for the smooth functioning of capital, and on the social sector – education, health, and social welfare – which is necessary for the smooth reproduction of labour power. As military production becomes more high-tech and specialized, the spin-offs decline, and R&D in the military sector starves civilian R&D. Moreover, the 'cost-plus' pricing formula of industries producing for the military means that there is no incentive to improve productivity, which therefore falls behind productivity in countries with less military spending. The US exemplifies all these trends. Hurricane Katrina showed the rest of the world the disastrous state of infrastructure in the US, as well as the widespread poverty resulting from cut-backs in social spending. And Seymour Melman has argued that the massively larger military spending by the US, in comparison with Germany and Japan, resulted in its lagging far behind these two countries in terms of productivity.

In a globalized world, where the most advanced sectors of capital need global regulation and porous borders rather than backing from the nation-state in terms of geographical expansion and protection, militarism becomes a drag on the economy. The result, in the US, has been enormous fiscal deficits that would have wrecked any other country's economy. The only reason why they did not, was that US financial dominance of the world economy, underpinned by the role of the US dollar as the only world currency, ensured an equally huge inflow of capital to offset the deficits. However, this system has come under threat ever since the creation of the euro offered a potential alternative to the dollar as a world currency. Many countries, including China and Japan which have the most massive dollar reserves, have started diversifying their foreign exchange assets. In a significant move, George Soros pulled his assets out of dollars, and many US investors followed suit. This does not mean that the dollar is liable to crash in the near future, since countries that have large dollar reserves and rely heavily on the US market will no doubt continue to prop it up. Yet in the long run, it means that the US economy is doomed unless the government changes its policy of military over-spending and tax cuts for the rich. In a globalized world, military power no longer ensures economic dominance.

Implications for Labour

One consequence of globalization has been the worldwide expansion of the proletariat, which has occurred much faster in the Third World, with more women than men joining the labour force. At the same time, there has been a convergence in conditions of employment, which came out very clearly in the project I was working on with Women Working Worldwide, an organization working with women workers in several countries. For example, we produced an educational booklet on Codes of Conduct, which was translated into various local languages. One of the examples was of a factory in El Salvador which was supplying garments to The Gap - a major US retailer - where the workers, mainly women, responded to oppressive conditions by forming a union. The employer retaliated by dismissing those involved; this was followed by an international campaign in support of the workers, as a result of which a Code of Conduct guaranteeing basic workers' rights was introduced.

Women workers from the Free Trade Zones in Sri Lanka, some of them also working for companies supplying The Gap, read this story out loud in a workshop, and when I asked what they had learned about codes, one woman said, in awe and wonder, 'They too had problems getting permission to go to the toilet!' Another added, 'And they too were forced to do compulsory overtime.' A third commented, 'They were thrown out for forming a union, just as we were!' There was an immediate sense of identification with these women workers on the opposite side of the globe, which I found very moving. The potential for this kind of identification has been created by the convergence resulting from globalization. Along with the expansion of the proletariat, whom Marx saw as 'grave-diggers' of capitalism, this convergence of conditions, with its potential for leading to solidarity and common strategies, would have been seen as a positive development by classical Marxism. If capital is inherently global, its grave-diggers too have to be global. And ICT can be an immensely useful tool in creating a global labour movement.

A third area which is potentially positive is the fact that if capitalism no longer needs militarism to boost its expansion, the possibilities of successful opposition to war and militarism would be greatly enhanced. Unfortunately, the labour movement today is not nearly as consistently opposed to war and militarism as Marx, Engels, Lenin, Luxemburg and Clara Zetkin were, so this possibility has scarcely been explored.

Nor has the possibility of shifting public expenditure from armaments to the social sector, although many women's organizations have called for it. This is partly due to support for nationalism, with its inevitable link to militarism, in the labour movement.

The 'Race to the bottom'

Globalization has also had a negative impact on workers, often summed up by saying that it has resulted in a 'race to the bottom' so far as workers' rights are concerned. By removing barriers to the movement of commodities and capital, it has facilitated the migration of capital to, and sourcing of imports from, countries and sectors where labour rights are weak. This puts pressure on countries where labour rights are stronger to lower their standards. However, it is worth looking at this phenomenon more closely.

It is only because there are some countries and sectors which *already* had poor labour standards prior to globalization that sourcing of imports and capital investment could shift to them once barriers were removed. But what is responsible for these low standards? One obvious reason is colonialism, which destroyed indigenous manufacturing capacity and plundered indigenous wealth, leading to widespread poverty. Theories of underdevelopment and neocolonialism also pointed to mechanisms by which wealth continued to be drained out even after colonial rule itself had ended. But imperialism was not the only culprit. In India, for example, traditional labour control systems based on gender and caste hierarchies were very rigid and at times cruel and barbaric. British rule created a veneer of modern labour relations, but left the vast majority of workers untouched. Successive governments in independent India too found it convenient to preserve this huge informal labour force unprotected by labour legislation. The distinctive characteristic of informal labour is the fact that these workers have no legal recognition of their status as workers, and no proof of employment. Many labour laws are explicitly formulated to exclude them, but even those which are not, cannot be implemented. For example, all workers may legally have the right to organize, but if informal workers ever do so, they are almost invariably sacked, and getting their jobs back is virtually impossible in the absence of proof that they were ever employed. Even getting the legal minimum wage usually turns out to be impossible, forget about any benefits. The lack of rights means that employers often deliberately use informal labour - for example contract workers, who are hired through a labour contractor - for hazardous work, as a result of which the rate of serious and

fatal accidents is extremely high in their case. Informal women workers are often subjected to sexual harassment, and their only remedy is to quit the job. Homeworkers, who are mostly women, are sometimes required to work flat out to complete an order, while at other times they get no work at all – and no pay – for weeks on end. Sometimes illegal deductions are made from their abysmally low piece-rates, and if they protest, they are told that they need not take the work if the pay doesn't suit them.

In India, informal workers already accounted for about 90 per cent of the labour force before economic liberalization, which is unusually high. One consequence of globalization has been the spread of this system of labour-without-rights to parts of the world that did not have it before. For example, Sri Lanka and Bulgaria did not suffer much from this particular problem earlier, but informal labour was spreading to them by the early 21st century. It is an irony of history that an ancient system of labour relations in India, which gave workers (*shudras* and *dalits*, the latter regarded as untouchable) no rights, was perfectly compatible with a neo-liberal dispensation that was equally hostile to workers' rights.

The other reason for the so-called race to the bottom is the fact that despite the internationalism of early socialists, labour law and labour movements have developed within national frameworks. When global capital which is highly mobile confronts nationally restricted legislation and unions, it has a huge advantage. Many unions have concluded that the way to resist is by trying to curb the mobility of capital. But this is both unrealistic and unhelpful from the standpoint of billions of workers in the world whose employment conditions are already highly exploitative. It makes more sense to utilize one of the advantages of globalization – the fact that it is creating the conditions for global coordination and solidarity – to overcome these problems.

Towards a Global Labour Movement

Unfortunately, only a small minority within the labour movement globally are working according to such a perspective. In India, for example, the party-linked national unions waste their time tilting at the windmill of globalization, while the real enemies under their noses – such as informal labour, or caste and gender oppression – are not confronted. Even where enemies like imperialism and neo-liberalism are correctly identified, the fact that they are incorrectly assumed to be inseparable from globalization prevents a viable strategy for fighting them from emerging. The answer is seen to be

economic nationalism, yet just as cultural nationalism divides workers within a country (Sinhala versus Tamil, Hindu versus Muslim), economic nationalism divides workers in different countries. Any kind of nationalism is part of the problem, not part of the solution, because it constitutes an obstacle to solidarity.

Once this is accepted, the agenda is clear. One important part of it is a campaign to ensure that basic workers' rights are enforced globally. The conditions for this have already been created by the ILO, whose Conventions constitute the basis for a body of international labour law; the campaign could start by pressing for the incorporation of the Core Conventions – dealing with freedom of association and the right to organize and bargain collectively, freedom from forced and bonded labour, the abolition of child labour, equal remuneration, and equality of treatment and opportunity – in the labour law of all countries. There can be no doubt that if these conventions are incorporated in legislation, and implemented, they would make a huge difference to workers in India and elsewhere. For example, the ILO estimated that there were 90 million child workers in India, some working in hazardous occupations that threaten their lives and health, others in conditions of bondage resembling slavery, many of them vulnerable to abuse. These children are denied their right to adequate rest, play, education and childhood itself. Moreover, it has been shown that child labour in a labour-surplus country like India causes adult unemployment and thus perpetuates poverty. Where organizations have succeeded in taking children out of employment and putting them into school, it has been found that men get more days of work per month, and women's wages rise. Even in Sri Lanka, where child labour was earlier not a major problem, some of the worst forms of child labour, like the use of children as soldiers and prostitutes, have emerged as serious abuses. For all these children, enforcement of the ILO Minimum Age Convention would be a huge advantage.

However, some additions need to be made to these Core Conventions. For example, the right to a formal employment contract and proof of employment needs to be incorporated, so as to eliminate informal labour. Conventions on the rights of migrant workers are also very important, given that one element of globalization is the increased mobility of labour. Even where migrant workers have crossed borders legally, they are usually denied labour rights in the country where they work, and their home country does not ensure their protection. Where these workers are regarded as 'illegal,' they are even more vulnerable to super-exploitation and abuse. It is therefore important for the labour movement to

demand not only that migrant workers be given the same labour rights as citizens, but also that workers seeking employment in other countries should not be treated as criminals or 'illegal aliens.' It is appropriate that as globalization progresses, the right to rights should not be restricted to citizens, but should be extended to all residents of a territory.

The main drawback of the ILO is that it has no power to enforce the implementation even of its Core Conventions. Consumer campaigners have sought to remedy this by threatening companies which sell products produced in violation of the Core Conventions with adverse publicity, and in some cases this has resulted in workers' rights being recognized. Solidarity campaigns by workers and unions in other countries have achieved the same end. Another proposal is that these basic workers' rights should be incorporated into the multilateral trade agreements of the WTO itself. Sadly, nations have not been able to agree on the need for such a

clause, but it would seem to be the most appropriate way to counteract the aggressive drive by capitalists to incorporate protection for property rights – for example, intellectual property rights – into WTO agreements.

Finally, it is time to rebuild the close connection between the labour movement, internationalist Left politics, and opposition to war and militarism, which has been so badly damaged by almost a century of nationalism in trade unions and Left parties. This would allow for a much more focussed campaign to redirect public spending to the social sector. If this is combined with efforts to combat the gender division of labour in the home, it would reduce the burden of overwork on women, and prevent the devastation of families which usually occurs when women migrate abroad for employment.

It is not anti-globalization, but these measures, will reverse the 'race to the bottom.' ■

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