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By Bill Fletcher, Jr.

Good afternoon. Thank you for the invitation to address this conference. It is a very great honor.

I am very conscious of the fact that I must split this hour with another comrade. As such I will endeavor to come to the point, recognizing that the topic “Capitalism, Anti-capitalism & the Trade Union Movement” is more than enough for each of us to address for, at least, the entire hour.

I start with my assessment of the “moment” in which we find ourselves. I do not mean by that this particular day, week, month or year. Rather, I am referencing the conjuncture. It is a conjuncture that is represented by the rise to hegemony of finance capital and the dominance of the neo-liberal economic AND political framework. It is also a period from which we must exit by going forward. There is no rear exit, at least none that is progressive. It is along the lines of those tire traps that let you go forward but not reverse without destroying the tires themselves.

During the period 1975-1985 global capitalism underwent a very fundamental reorganization. Those of us who were of age at that moment, and particularly those of us who were trade union activists, felt it in our bones the way that someone can often sense a pending storm.

There has been an on-going debate regarding the emergence of neo-liberal globalization, and specifically this question of globalization. Let us be clear that

capitalism, as a system, has always been global. Ask any of us who are the descendants of those removed from Africa and were transported to the New World. Ask anyone who is the descendants of Native Americans who were invaded, had their land seized, and the riches of their earth plundered and used to subsidize the rise of contemporary European capitalism, a point that Marx and Engels made so clearly in the 19th century.

And of course at the end of the 19th century and leading up to World War I there was extensive international trade and investment. Yet something happened in the 1975-85 that was deeper and more profound than simply a re-tread of the past.

One way to look at what we experienced was the exposure of the rabidity of capitalism, but this time in the global North. As Samir Amin noted, accumulation by dispossession—the modus operandi of neo-liberal globalization—made primitive accumulation permanent. While we did not witness the introduction of a new social system, we did witness a change in the manner in which capitalism came to operate. The features of this have become well known: financialization (the shifting of greater control to the banks and financial accumulation by corporations); casualization; privatization; deregulation; de-unionization.

There are two specific features of this moment that I wish to highlight. One, the emergence of a transnational capitalist class that operates through nation-states. Two, the obliteration of any notion of a social contract or historic compromise between capital and the working class.

The construction of a transnational capitalist class has been one of the most profound developments of our time. We are talking about a shift away from

contending empires, and something more akin to struggles within an oligarchy. Please understand, I am not suggesting a rootless empire along the lines of Hart and Negri. I am also not suggesting that the nation-state has outlived its usefulness. Actually the nation-state is every bit as important as ever. Yet its role has been undergoing a change as we have seen the construction of a transnational capitalist class, a class built through the evolution of multi-national corporations into transnational corporations, and through the transnationalization of finance. This issue of the transnational capitalist class becomes very critical when we explore matters of strategy and the legitimacy of the State. I will come back to it.

One specific point that must be emphasized, made clearly by Sam Gindin and Leo Panitch in their book on global capitalism, is that the USA serves as the principal repressive arm of global capitalism. Whether it carries out policies unilaterally or multilaterally, it is largely looking out for the expansion of global capitalism. This means that it is not *always* operating in the singular interests of the USA, but it is far from generous.

The obliteration of the social contract is as important in understanding the conjuncture, a fact that my colleague Wahl has pointed out with respect to the crisis within the leadership of the trade union movement. Most of the current leadership of the trade union movement in the global North emerged in the context of some notion of a social contract, be it the social democratic welfare state or some other similar understanding.

The rise of neo-liberal globalization has meant the full-blown assault on the working class and its various organizations and institutions. It seeks to eliminate any and all opposition to the accumulation of profits. This is what has made the repeated search for a new social contract or social compact completely fruitless. Global capital has no interest in such a compromise. It seeks our annihilation. This is the case be it in the USA, the Philippines, Greece or Egypt. This realization is much too scary for most trade union leaders because it calls into question their roles, strategies and forms of organization with which they are most comfortable. It also means that our movement runs the risk of being declared illegitimate...to be the riff/raff...the many headed hydra, as it were.

We stand at the intersection of three major crises, all overdetermined. An economic crisis that represents a crisis of overaccumulation and financial speculation. An environmental crisis that threatens life on this planet and has only one part of it as that of climate change. The environmental crisis is directly related to the capitalist mode of production and, in that sense, is not simply or mainly a matter of technology. It is a matter of choices, and choices that flow from the form of accumulation and the corresponding priorities of capitalist societies.

The third crisis is the one that I raised earlier in my talk: the crisis of the legitimacy of the State. To be clear, this in no way is to suggest that the masses are prepared to storm the barricades. Rather, neo-liberal globalization and the rise of a transnational capitalist class have together created a legitimacy question that the capitalist class is trying to desperately resolve. Let me explain it this way.

The rise of the transnational capitalist class and the polarization of wealth (and resources) under neo-liberalism means that there is less for the majority. Neo-liberalism has carried out a frontal assault on the public sector, in fact strangling the public sector through tax cuts and privatization. With fewer resources intense competition emerges over what does exist. This competition can result in genocide, e.g., Rwanda, or milder but no less ominous right-wing populist movements.

We need to unpack this for a moment. The countries of the global North have not only had an imperial relationship to those of the global South, but also to the migrants from the global South who have moved North. With the economic reorganization of global capitalism, there have been major changes in the entire process of work, including where things are produced and how. With a weakening living standard, workers in the global North feel their imperial prerogative appearing to disappear. While they continue to have a relatively advantageous position vis a vis migrant workers from the global South, indigenous populations and/or formerly enslaved populations (which, in other words, is not dependent on the economic strength of capitalism but is a reflection of the mechanism of social control within democratic capitalism), the mere presence of these “black” populations reminds the so-called native or white workers of the decline in their living standard. I am here, by the way, using the term “black” in the spirit of the late Steve Biko who suggested that “Black” was less a color and more a relationship to global white supremacy. The transnational capitalist class does not respond to this concern. It is not focused on the conditions of specific working classes except and insofar as it must. All of the fuel, therefore, necessary for intense resentment has built up.

The other aspect of the legitimacy crisis concerns the fact that with the transnational capitalist class operating through the nation-states, the individual nation-states are less and less responsive to the popular demands. This helps us understand how it is that so frequently allegedly progressive and sometimes allegedly leftist parties or movements can be elected or lifted into office only to advance and enforce policies that seem to be diametrically opposed to what they campaign upon. Such a reality promotes broad cynicism and a sense of alienation at the base. The State seems to be out of touch with the masses, unresponsive to their demands.

This disconnect creates a series of additional problems for the transnational capitalist class and their domestic representatives. For one, if the state is not responsive to the needs of the electorate, does something need to be done about not only those elected but the form of governance? This can be answered with a leftist or rightist bent, we should note. Do we retreat into various forms of right-wing, populist nationalism, or proceed forward with a left/progressive or outright leftist internationalism?

The right-wing populists further ask, if the state is not responsive, do we need to take a turn toward smaller states that will protect the benefits of a particular segment of the larger population? Two, three many Kosovos, perhaps? Do we need to go further and outright exclude or annihilate competitor populations? We shall return to this in a moment.

Thus, and quite paradoxically, while wealth is polarizing at an unprecedented scale; while a smaller and smaller class of people are coming to dominate human affairs; the nature of neo-liberal globalization is turning populations against one another, including populations that historically worked together in relative harmony. Fewer and fewer institutions seem to exist that can address this barbarization, which, of course, is why the very actuality of a labor movement—broadly defined—is so critical. We shall return to this in a moment.

In this period of what has been called the ‘empire of chaos’ one must understand that there are genuine and false responses; specifically, there are genuine forms [PLURAL] of anti-capitalism, while at the same time—on the political Right—there are very dangerous and false prophets of anti-capitalism. I would like to spend a few minutes on this before turning to the implications for the trade union movement of this ‘empire of chaos.’

I always like to say that right-wing populism is the herpes of capitalism. It is in the system and when the body’s resistance is down, it emerges. Right-wing populism is not an aberration from capitalist politics. It is a tendency that is very much part of the system. But when the system weakens, such as during times of economic crisis, right-wing populism in its various forms, including fascism, surfaces with a vengeance.

It is important, in moments such as this one, to understand that the political Right is far from monolithic. In fact, the tendencies that we see in virtually all so-called democratic capitalist states toward the state moving rightward and in an

authoritarian direction, are not at all the same as being representative of right-wing social movements, though of course they have a relationship to one another.

Neo-liberal globalization is bringing with it an increasingly neo-liberal authoritarian state. As the transnational capitalist class finds it more and more difficult to reign based on mass legitimacy, it finds itself turning towards mechanisms of repression. Such mechanisms are not necessarily and openly violent, at least at first appearance. They can include a narrowing of the parameters of what is considered legitimate political activity. The violence, it should be noted, can be either implied or explicit

This is not to suggest that capitalism can no longer grant reforms, particularly economic reforms. Rather, there is an intransigence within capital given that they believe that they do not have to. And there is no sense of accountability. While, as William Robinson points out, transnational capital may be the dominant fraction of capital, transnational capital does not hold hegemony in the sense of anything approaching a popular acceptance of its leadership and the current form of accumulation. This neo-liberal authoritarian state does need a mass base, but this mass base is seen as an instrument for their rule rather than any attempt to radically terminate and replace the *formal structure of the democratic capitalist state*.

Right-wing and left-wing responses to this have emerged. The right-wing responses, while sometimes being appendages of particular capitalists or segments of capital, must be understood as mass movements. What is particularly dangerous is

that some of these mass movements are using the language, forms of organization, and sometimes the imagery of the Left in order to advance their causes.

Actually, this should not surprise us. Right-wing populism and particularly fascism are radical movements in their own way. They are not the same as military coup regimes, for instance. Out of power right-wing populism, and its fascist variant, seeks to build a movement that challenges the very essence of democratic capitalism, frequently exposing all or most of the hypocrisy of the system. Think about the Italian Fascists or the German Nazis. Though neither was based within the working class, they both had some working class support and presented themselves, on occasion, as above the left/right dichotomy. The Nazi flag, for instance, was in part designed to appeal to those who were sympathetic to the Left! They seek to burn away the deadwood that has accumulated within contemporary capitalism in order that new trees, within an altered and non-democratic capitalism, may sprout.

Japanese fascism, though having a very different historical foundation, presented itself as a radical force. In this case their radicalism was alleged anti-imperialism, more appropriately understood as anti-Western imperialism but pro-Japanese imperialism. Much like today's Al Qaeda, their rhetoric skewered the West for its various crimes against Asia, but its program was nothing approaching progressive.

Today's right-wing response to the crisis of capitalism is not fundamentally different. Appealing to workers and the middle stratum whose lives are collapsing, their rhetoric mixes anti-globalization with anti-corporate, only to throw in a little

anti-Semitism, racism, misogyny and xenophobia. In almost all cases right-wing populists promote myths about the past, recalling days gone-by when all was supposedly well.

The Left's response to the crisis of capitalism has been hamstrung by the crisis of socialism, a crisis that has affected all trends within the Left. The crisis of the Soviet bloc; China; social democracy; and the national populist projects in the global South have contributed to strategic and visionary confusion and paralysis, despite sometimes successful efforts at Left and socialist renewal. While there are Left voices and some Left organizations suggesting a way out of the crisis, entire sections of the Left—particularly Western social democracy and the former communist parties of the Soviet bloc—have found themselves trying to legitimate neo-liberalism, or at least softening the blows of neo-liberal globalization.

I cannot go into a full analysis of the crisis of socialism today, though I would love to discuss it with you during the course of this week. What I will say is that the weakness of the Left has contributed to the crisis facing the global trade union movement. The absence of a Left alternative that is present in order to advance a strategy that ultimately aims to achieve a post-capitalist revolutionary, socialist and democratic objective has meant that much of the trade union movement has not only found itself plateauing but, worse, fighting a permanent rear-guard action that has resulted in what South Korean theorist Lee, Byoung-Hoon has described as “interest group unionism,” with the corresponding breakdown of any semblance of solidarity.

Thus, for those of us on the Left, the task of rebuilding the global trade union movement and actually transforming it into a global labor movement is inseparable from the task of rebuilding the Left. It is not that one follows the other. The tasks have to go on simultaneously. Rebuilding the Left is about both the building of organizations that are an expression of the Left as well as building components of a broader popular democratic bloc that seeks to fight for power.

So, let us turn to the question, then of the trade union movement. What needs to be said, has largely been said, and I do not mean just here. The movement in the global North is largely stuck. Within the global South there remain key examples of renovation and experimentation. Globally, however, the movement is stuck in two old paradigms. Many of the unions that have been associated with the ITUC have variations on the theme of corporatist trade unionism, specifically the view—and I would suggest that it is more of a prayer—for the reestablishment of tri-partism. For many of the unions of the WFTU there is a variation on revivalism and nostalgia for the rhetoric of the Soviet bloc and a caricature of class struggle, without an appreciation of the existing conjuncture and the total reshaping of the class struggle that we have experienced over the last 30 years.

As unions find themselves under the gun of neo-liberal globalization, the retreat into interest-group unionism or, in the USA, Gompers-ism means not only a retreat from the actuality of the class struggle but a retreat from any conception of unions having a social mission that goes beyond the limits of those it directly represents. In this period of semi-barbarism this is most dangerous since unions specifically, and labor more generally can be a civilizing and educational force in the

midst of the empire of chaos. Unions can and should serve as an organizing committee for the larger popular democratic bloc. No, not replacing a political party or parties, but as the major social force exerting a gravitational pull on other progressive social movements.

In order for this to occur we must insist upon a badly needed *labor reformation*, to borrow from the words of my late friend, Jerry Tucker, a one-time leader of the reform movement in the United Auto Workers of the USA. This means the reconceptualization of trade unionism to fit into what I have termed “social justice unionism,” a unionism that while conducting and advancing class struggle domestically, must be operating simultaneously at an international level (including within the context of existing nation-states).

Labor reformation focused on constructing social justice unionism and the building of a popular democratic bloc does not aim to turn unions into political parties. I emphasize this again because I have seen, in various part of the world, in a response to the crisis facing the Left, leftists entering into labor unions and attempting to get them to operate as if they are themselves political parties. This is dangerous and sectarian since unions are united fronts of workers, within which struggle takes place over myriad of issues and directions. The Left must fight to win over workers rather than administratively hijack them. In shifting unions towards social justice unionism we are suggesting that the union must take on a different role in the 21st century. They are to play a major role in a profoundly political and economic struggle with the dominant forces in capitalist society whereas the fight is actually for power and the restructuring of the state and society. The sorts of reforms for which we must

fight might have, at one point, been considered radical or revolutionary, but today they have come to be more common sense, whether they focus on housing, healthcare, economic development, taxes, the environment or foreign policy. For any of this to happen, however, it is not just the election of new leaders with new rhetoric, but a struggle which we must engage within our ranks, a struggle that includes significant education and debate such that there is an actual and verifiable mandate for the sorts of changes, indeed, transformations, that are necessary in order to respond to the urgency of labor reformation.

Thank you very much.

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Co-editor of "Claim No Easy Victories: The Legacy of Amilcar Cabral"

See: <http://www.codesria.org> and <http://www.daraja.net>

Author of "'They're Bankrupting us' - And Twenty other myths about unions"

See: <http://www.beacon.org/productdetails.cfm?PC=2262>

Co-author of "Solidarity Divided: The Crisis in Organized Labor and A New Path Toward Social Justice"

See: <http://www.ucpress.edu/books/pages/11121.html>