

Beverly J. Silver, *Forces of Labor: Workers' Movements and Globalization since 1870*

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WORKERS OF THE WORLD

By now the prospect of reading another 'globalization' book has lost its lustre. The lines of argument are all too familiar. The state, or at least its power to control economic matters, is disappearing as predatory corporations cross borders at will (usually heading South) aided by multilateral agreements and institutions dragging the world's working classes into a 'race to the bottom'. Not quite, says the other side of the debate. There may indeed be a race to the bottom, but the corporations need the state for social damage control, to step up repression of resistance, to negotiate further 'liberalization' and to pump tax dollars into corporate coffers as well as, indirectly, the stock and bond markets of the world. In any case, most mobile capital moves around within the North. What both sides usually agree on is that in either scenario, the organized working class gets weaker. The only question being: is this weakening of labour permanent and irreversible, or is there a role for the international working class in the fight to control or end capitalist globalization? Anyway, isn't globalization, to paraphrase Henry Kissinger, just another word for us dominance?

In *Forces of Labour*, Beverly Silver looks at globalization from a different and original perspective. First of all, it is a longer perspective than most, spanning from 1870 to the mid-1990s. Second, her emphasis is on working-class activity rather than corporate misdeeds or IMF austerity; i.e., on resistance rather than victimization. Third, she challenges the race-to-the-bottom thesis typical of much globalization analysis. She does this not by denying the downward pressure on working-class incomes and conditions produced by capital mobility, but by arguing that as capital moves it does what it has always done: it creates a working class in its new location,

exploits it to the hilt, and almost invariably faces the resistance of that new class. The picture that emerges from *Forces of Labour* is one of a moveable class struggle that both pushes and is pulled by capital's outward trajectory from Europe, North America and Japan to select parts of the Third World, and finally, perhaps, to China, the latest site of rapid accumulation.

What is unique about this work is its focus on working-class activity in its industrial, spatial and temporal aspects. As Silver puts it, 'this book attempts to create a narrative of working-class formation in which events unfold in dynamic time-space'. Examining product cycles and various business strategies for maximizing or recovering profit rates—what she calls 'fixes'—Silver looks at the rise and decline of labour unrest in relation to the locations of different industries over time. Strikes tend to increase as the industry enters its mature phase, roughly the 1870s through the 1930s for textiles and the 1930s through the early 1970s for automobiles, and decline when production becomes standardized. It is in the standardization phase that the industry is likely to begin the trek to lower-wage sites. These new sites of lower-cost production can be within the same country, but typically they rest on the continuing and worsening uneven development that divides North from South.

Silver argues that as capital subjects a largely agricultural and rural population to urbanization, discipline and exploitation, labour—the 'fictitious commodity'—rebels at being treated like one. She distinguishes between two types of resistance. The first, a 'Polanyi shift' based in worker experience in the market, is a pendulum-like swing into resistance which is then mollified by a social compact through government social legislation which, in turn, faces a crisis of profitability and legitimacy. The second she labels a Marx-type shift in which the class develops permanent organizations of resistance: unions and parties. They are not exclusive of one another and often lay the basis of successful resistance, which modifies to some extent the race-to-the-bottom tendency. Silver also has an interesting discussion of how, in forming its resistance, working classes and their various sections 'draw boundaries'. These may be exclusive, as with us craft unions when they formed in the late nineteenth century, or inclusive, as in the case of both Brazil and South Africa, where union links with working-class and poor communities were an essential part of the fight for democracy.

She takes it as axiomatic that each epoch of capitalist development has a paradigmatic industry. For the nineteenth century it was textiles, for the twentieth, automobiles. Both of these industries show the 'innovation, maturity, standardization' product cycle described above. Silver's discussion of the twenty-first century is necessarily more speculative, looking at producer services, education as an industry and the manufacturing of information technology. In addition, Silver has an important discussion

on the role and strategic place of the transportation industry in the production process itself. Particularly in the age of lean production, with its extensive and often international outsourcing of manufacturing combined with Just-In-Time inventories and parts delivery, transportation becomes a key element in the development of working-class militancy. What is missing—oddly, in the era of globalization—is an examination of telecommunications as a site of resistance.

For Silver, the major ‘push’ factor driving industry to the South is increased militancy in the original sites in the North. The time-space unfolding of this exit and entry of capital is measured by the level of strike activity, first in the old sites, particularly Europe and North America, and later in the newer sites of the South, as capital eventually moves on to even cheaper locations. As industries mature, intensified pressure on the workforce brings forth increased militancy and organization. This, in turn, pushes these industries to lower-wage nations where a new class formation begins and the cycle of maturity and resistance is repeated—as it was in South Africa and Brazil, then in South Korea (where the capital involved was mostly indigenous), and now in China, the latest location not only of semiconductor production but of textiles and automobiles as well.

Silver, of course, is not saying what neoclassical economists like to say, namely that all this investment will turn these developing nations into prosperous economies. On the contrary, she makes the point that ‘spatial fixes relocated the social contradictions of mass production (including strong working classes), but they have not relocated the wealth through which high-wage countries historically accommodated those same contradictions’. The North–South income gap has in fact grown, which in turn encourages more spatial fixes and more dislocation between the two hemispheres.

The measuring rod for labour unrest is a database compiled over many years by the World Labour Group with which Silver worked, and which collates ‘mentions’ of strikes in various countries in the *New York Times* and *The Times* of London from 1870 to the mid-1990s. At first this seems a slender reed upon which to base such a lofty theoretical model. The argument for such a database is that these two newspapers represent the centres of the two world hegemonic regions, the one looking West and South, the other East and South, in effect covering the globe. Though she admits that this might leave out many instances of industrial action, Silver argues that their goal has been to examine the relative level of strike activity over time. The database has a global reach, being also divided between the ‘metropolitan’ and ‘colonial and semi-colonial worlds’. The book as a whole, however, rests on a far broader examination of the literature.

Another problem with this measure, as Silver acknowledges, is that it misses other important forms of working-class resistance, such as workplace

actions, community struggles, crucial elections and the occasional revolution. It also leaves out the key questions of organization and politics, revolutionary or reformist. 1905 in Russia is one thing, 1937 in the us another. Does an upsurge produce or strengthen a mass working-class party, as in Brazil in the 1980s? Or does it give rise only to new trade unions, as in the us in the 1930s? Still, the graphs based on the WLG database conform to the recognized major periods of labour upsurge, even if they cannot give us the qualitative picture.

What the WLG database shows is that strike activity rose from 1870, with moderate peaks in the mid-1880s, a larger one in the years just prior to the First World War, reaching an all-time high immediately afterwards; peaking again before and after the Second World War, and then gradually declining in the 1980s to a slump in the 1990s. This is consistent with what we know generally about those periods of labour unrest. When we see the world as split between metropolitan and colonial and semi-colonial nations, however, the patterns are somewhat different. The metropolitan countries follow the world trend, except that the two pre- and post-war spikes are sharper. In the South these peaks are less pronounced, but the post-World War Two one is longer, remaining very high from the 1940s to the 1960s, reflecting labour's role in many national liberation movements. Even in the 1970s and 1980s it stays well above the level in metropolitan countries, no doubt due largely to militancy in South Africa and Brazil. By the 1990s it has collapsed there as well, leaving what looks like a global trough for the present. Silver argues, however, that the capital now accumulating in China has already begun to produce resistance, if little organization so far. Yet what of the rest of the world, including the metropolitan areas from which capital has allegedly fled?

Parts of Silver's analysis do point to new opportunities for labour here. Her discussion of the vulnerability of lean production with its JIT-linked manufacturing and assembly sites points out that strikes in supplier firms can close down an entire corporation in short order, as was the case with several General Motors strikes in the us between 1994 and 1998. Also, her emphasis on transportation as an increasingly essential aspect of production and, indeed, globalization as a whole, is important and provides some strategic insights. When discussing the growth of financial activity as part of OECD GDP from 4 per cent in 1980 to 44 per cent in 1991, she points out that labour militancy resumed after a similar rise in speculation in the late nineteenth century. Finally, as she argues, the period of accord results when capital is able to afford the wages and conditions that buy relative peace in the standardization era. As that erodes, the material basis of the accord dries up. Whether or when conflict returns depends on other factors, of course.

There are, however, some problems with this analysis. First is the emphasis on labour unrest as the major factor driving capital abroad. Surely capitalism's internal dynamics, the recurrent profitability problem that stems from accumulation itself, explains capital's relentless tendency to expand geographically, quite apart from the level of labour unrest? The levels of strike activity during the classic age of imperialism (1873 to 1919) seem too low to explain the European rush for Africa, or America's adventures in the Pacific and the Caribbean. In any case, that acceleration of imperialism did not involve the relocation of existing production so much as investment in very different industries. More likely the panic of 1873 turned European eyes to Africa's natural resources, while that of 1893 sent us warships to pick off the remnants of Spain's decaying empire along with Hawaii and assorted smaller islands. The interwar years, though characterized by intense class conflict in the metropolitan countries, were more a time of economic isolation than globalization. The postwar era fits the theory better, but even there a falling rate of profit is certainly a contender as a relentless 'push' factor.

There is also a problem with the picture that emerges, even though this effect was probably unintended. Silver's emphasis is on the movement of capital outward from the metropolitan to the colonial and semi-colonial nations, though she is careful to point out that the bulk of foreign direct investment is between metropolitan countries. However the impression given by the various bar graphs and descriptions is that capital has not simply expanded the world over, but has virtually vanished from its older sites. This is suggested particularly strongly by her discussion of the automobile industry. Her graph shows labour unrest moving from the us in the 1930s to Europe in the upheaval of 1968–73, and then to Brazil, South Africa, South Korea, and finally to China (with a question mark). While the figures on strike activity may be accurate, the implication is that as militancy moves from one site to another, history and, possibly, the industry concerned comes to a close in the older sites.

In the us this is simply not an accurate picture. The automobile industry remained very big throughout the postwar period. Its workers participated in the 1968–73 upheaval with levels of strike activity equal to or, by some measures, above those of the late 1930s. Auto workers in that era organized sizeable rank-and-file movements, including revolutionary-minded Black caucuses such as DRUM and others in Detroit. While the auto corporations moved out of inner-city plants in key production centres such as Detroit and Flint and accelerated investment abroad, they also invested within the us in the 1970s. In addition, Japanese and European car manufacturers moved into the us, opening several large plants on a non-union basis. As of the late 1990s the us auto industry employed as many production

workers as it did in the late 1970s, when it reached its highest employment level. But the industry had changed, with more non-union plants in the us South, a decline in the proportion of the workforce organized (associational power in Silver's terminology), more outsourcing and union participation in various labour-management co-operation schemes. The political atmosphere had also changed significantly in the 1980s and imports were threatening some jobs. Strike activity slumped, though not to the point of disappearing altogether.

Still, it seems possible that the new plants will be organized eventually and something like a turnaround achieved. In other words, the effect Silver sees in the new production sites of the Third World can be created in the midst of the old sites when investment occurs in a new or old industry. A recent example of this would be the strike at the Nissan plant in northern England, a plant thought to be a bastion of union co-operation and complacency. Despite holding out considerable possibilities for the revival of class struggle, Silver seems to pass over the issue of renewed struggle in the North.

Perhaps a deeper problem with *Forces of Labour* is that it is embedded in hegemony theory. According to this conception, the period of us hegemony in the world economy that followed the Second World War allowed for a social compact between capital and labour in the developed capitalist nations. As this hegemony declined, when faced with growing competition from Japan and Europe, so the social compact broke down first in the us and then in Europe (albeit more slowly) and even Japan. In economic terms, the erosion of us hegemony now appears a temporary phenomenon of the 1970s and 1980s. Of course, the world is a looser collection of nations and a more complex place since the end of the bipolar Cold War, and America's proportion of world trade and investment remains below what now appears as the atypical and brief levels of the 1950s and 1960s. But Japan has faded as an economic power and Europe has yet to achieve the unity and economic cohesion it would require to best the us economy. Of course, Silver is right that the recent 'health' of the us economy rests on an unhealthy foundation. It floats on financialized growth, military spending, falling profit rates (hidden by the financial fix as well as accounting miracles), foreign investment, the weakening of unions and the subsequent fall in real wages, which still remain well below their 1973 level. But hegemony is not about means.

Militarily, the us outstrips the rest of the world combined. And what other nation has an armoured presence on the ground in 130 countries? Its leaders, as we have seen, do not hesitate to use both troops and hardware. This is not just Bush's arrogant rush to perpetual, pre-emptive and unilateral war. Clinton invoked the War Powers Resolution sixty times to send

planes or troops abroad and did so unilaterally in many cases—though care was taken to label these interventions ‘humanitarian’. It is, of course, arguable that all of this imperial aggression is meant precisely to compensate for a real loss of hegemony. But this is to miss two points. Firstly, military hegemony is, tragically, real hegemony—a doomed hegemony, I would argue, but real enough at the moment. In addition, the idea that a nation has to have and maintain a majority of world trade and investment to be hegemonic seems mistaken. Such a position could never be maintained for long. The us remains the economic bull in the world’s china shop. Its military breaks down whatever barriers to trade, investment and energy sources the wto and IMF cannot. Its internal contradictions, not simply its relative position in the world economy, drive it outward like all imperial powers. With capitalism, enough is never enough.

A further objection to Silver’s theoretical framework concerns the notion of the social compact itself. This idea, the gift of regulation theory, presents the wrong picture of how labour in the developed industrial nations achieved its higher standard of living, namely through economic and political conflict. It also, at least in the case of the United States, misunderstands the motives and behaviour of the American capitalist class in the postwar years. With a handful of exceptions, capital never accepted unions or unionism, nor did it willingly grant the gains made by labour after 1945. Strike levels in the 1950s equalled those of the 1930s, and in the 1960s they exploded in an uncontrollable rebellion of industrial workers alongside the rapid growth of public-sector unions. Furthermore, capital developed union-avoidance strategies during and immediately after the Second World War. These included, among other things: the migration of facilities away from highly unionized urban areas to more rural sites in the South; passage of the Taft–Hartley Act in 1947 (which severely limited union actions); the calculated use of McCarthyism and anti-Communism in general; the open attacks on union workplace power at General Electric and us Steel in the 1950s and in auto, airlines, trucking and elsewhere in the 1960s; and various tough bargaining stances that produced continuous strikes during the whole period of the ‘compact’.

To understand the behavior of us capital in the world today, it is necessary to understand its view toward labour in those best of times. Predatory then, predatory now. The difference is that then capital was still on the defensive from the enormous labour upheaval of the 1930s and 1940s, and faced growing competition in the world from the Soviet Union. In other words, the domestic and global restraints were greater. On the other hand, profitability was higher and international competition much less intense, making concessions possible if not painless. The behaviour of us capital in the 1950s was not a compact or even a truce, but a measured war of position,

to use Gramsci's phrase. There was never any doubt, however, that when the probing missions of the 1950s and 1960s paid off and the balance of forces shifted sufficiently, aggression would follow.

Despite these differences, *Forces of Labour* is a thought-provoking and valuable work which provides an antidote to the victimization themes of so much globalization literature. Its long view is a reminder that globalization is not entirely new, although it is important to understand more recent developments, such as international production systems. More importantly, it reminds us that resistance comes not only from today's confrontations on the streets, but from those who are the system's human commodities, and that corporate power is unlikely to go uncontested by those it exploits.