

SCHOLARLY CONTROVERSY: GLOBAL FLOWS OF LABOR AND CAPITAL

Globalization Threatens Labor's Rights

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As seen from Eurasia, the world globalized politically and economically at least three times between the tenth and twentieth centuries:

- In the thirteenth century, when the Mongols built "a continental imperium that ran from eastern Europe and Russia in the west to the shores of the Pacific Ocean in the east, from the forests of Siberia in the north to the plains of Mesopotamia in the south."¹
- In the sixteenth century, when European commercial and military expansion connected the Indian Ocean with the Caribbean through a dense web of exchange and domination.
- In the nineteenth century, when a rush for empire put four-fifths of the world's land area under dominion of European peoples.

Furthermore, Janet Lippman Abu-Lughod argues that during the same near-millennium the world globalized culturally twice before the twentieth century: with the introduction of mass printing in the fifteenth century and with the introduction of the telegraph and telephone in the nineteenth century.² Thus we have at least five candidates for major waves of globalization between 1200 and 1900 A.D. Some of them collapsed; Mongol dominion, for example, seems to have succumbed to a combination of plague, climatic variation that reduced the agricultural productivity of the Mongols' grain-growing prey, and a European maritime outflanking of the overland trade route between East Asia and Europe. Other waves contributed to a stairstep advance in connectedness.

What about the twentieth century? Are new forms and intensities of globalization comparable to these earlier political, economic, and cultural transformations occurring in our own time? Many commentators have said that recent changes far surpass any previous knitting together of the world.³ Any such hyperbole calls for definition and measurement. Ideally, globalization means an increase in the geographic range of locally consequential social interactions, especially when that increase stretches a signif-

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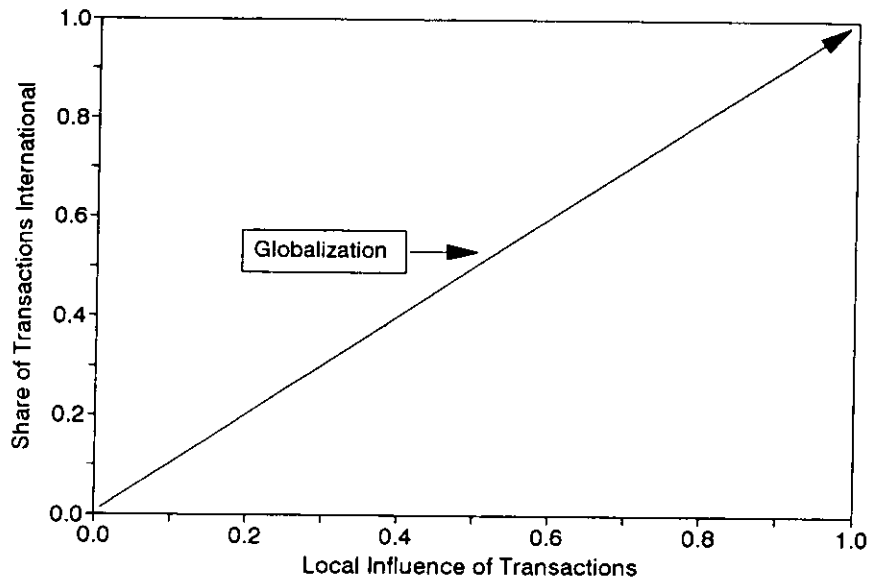
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icant proportion of all interactions across international or intercontinental limits. Each of this millennium's previous globalizations did just that. In an ideal measurement, such a definition would translate into the expression

$$d(\Sigma[DC]*N^{-1})$$

with $D \times C$ summed over all interactions, where d is a time-function, D (range 0–1) represents the continuum from minimum to maximum possible distances on the Earth's surface; C (likewise 0–1) represents consequentiality, from utterly trivial to life-transforming; and N represents the total number of interactions. Any positive value on such an index would register globalization, any negative value parochialization. We remain a long way from the evidence for such a measure.

Searching for easier approximations, suppose we focus on interactions that cross state boundaries and conceive of a two-dimensional space: (proportion of all interactions crossing state boundaries) \times (influence of those interactions on local life). As the proportion and local influence of those interactions increase, globalization occurs; Figure 1 presents that simplified version. Although we lack valid indicators vouching indisputably for the processes' scope and impact, plenty of signs point to globalization, thus defined, as one of our era's dominant trends. Consider these straws in the international wind:



1. Globalization Schematized

- In 1990, Exxon's \$90.5 billion of worldwide foreign sales exceeded the gross national products of European countries Albania, Bulgaria, Czechoslovakia, Greece, Hungary, Iceland, Ireland, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Turkey, and Yugoslavia—not to mention that of most countries in Asia, Africa, and South America.⁴
- Kuwaiti citizens comprised 55 percent of Kuwait's population in 1957 and a mere 40 percent in 1985, when 78 percent of the Kuwaiti labor force were noncitizens.⁵ Other Gulf oil states likewise hosted (although not very graciously) majorities of foreign workers.
- In the 1980s, a Ford Escort assembled in Halewood (U.K.) or Saarlouis (German Federal Republic) contained parts from the U.K., Belgium, the Netherlands, Sweden, Norway, Denmark, Germany, Austria, Japan, Switzerland, Italy, Spain, the U.S.A., Canada, and France.⁶
- From 1970 to 1991, outflows of foreign direct investment increased worldwide at a rate of about 13 percent per year, while real gross domestic product rose at a declining rate averaging in the vicinity of 4 percent.⁷
- The estimated annual human contribution to global warming of major greenhouse gases ran roughly six times higher during the 1980s than it had over the period 1765–1960; the vast majority of this increase resulted from the burning of fossil fuels and the use of chlorofluorocarbons, both originating chiefly in urban-industrial areas but spreading their effects throughout the world.⁸
- “IBM (United States) has alliances with Thomson-CSF (France) to market microprocessor chips, with Toshiba (Japan) to cooperate in the development of static random access memory chips, with Siemens (Germany) for work on advanced dynamic random access memory chips, and with Toshiba and Siemens to develop a new 256 megabyte chip”.⁹
- Although the first recognized AIDS epidemic occurred in North America, by 1990 the world contained an estimated 8.8 million carriers of HIV, 5.8 million of them in sub-Saharan Africa.¹⁰
- Of the 1.95 trillion dollars in worldwide foreign direct investment as of 1992, 1.17 trillion came from the United States, the United Kingdom, Japan, or Germany; about three-quarters of the total was invested in already “developed” countries.¹¹
- At the end of 1990, the world harbored about 17 million officially designated refugees, people displaced from their native countries by state action and/or natural disasters. About 5.7 million of them were then sojourning in Africa, another 7.9 million in Asia.¹² By 1994, the estimated total had increased to 19 million.¹³

These items reveal not merely cross-national, but intercontinental influences of great and increasing scope. Current trends in flows of workers, diseases, other biota, pollutants, weapons, drugs, technology, information,

commodities, political practices, and cultural forms do not pack as neatly into compact statistical wrappers, but in general they too give an impression of globalization.

Not all changes, to be sure, run in the same direction. Of thirty-four poor countries reporting, only twelve—the Dominican Republic, Egypt, El Salvador, Jamaica, Lesotho, Mali, Mexico, the Philippines, Sri Lanka, Swaziland, Tunisia, and Yugoslavia—were gaining a larger share of their total foreign exchange earnings from emigrants' remittances in 1990 than in 1981.¹⁴ Both worldwide recession and a shift to exports probably contributed to that small deglobalization. David Gordon, moreover, has made a case for recent globalization not as an unprecedented world transformation but as a relatively minor phase in long-term processes of capital accumulation.¹⁵ In another vein, Paul Hirst and Grahame Thompson read recent economic transformations as creating larger trade blocs, but actually intensifying state-led competition among those blocs rather than forming an anti-state or nonstate global economy.¹⁶ Almost all observers agree that global connections have been thickening for several decades, but the significance of that thickening remains contestable.

Let us draw three cautious conclusions: (1) If globalization is occurring, it consists not of a one-way tidal wave but of a net flow in a global direction with significant countercurrents; (2) as usual, we run the risk of confusing cyclical fluctuations with long-term trends and permanent transformations; (3) any generalizations we make now call for more differentiated and comprehensive measurement. We cannot be sure the trends will never reverse, but we can be fairly sure that in recent decades the world as a whole has experienced significant increases in the geographic range of locally consequential social interactions.

As is appropriate for a Controversy article, I will take the risk of assuming that if many straws fly in the same direction they must be responding to a single strong wind. I will not concentrate on the tempest's origins or on its nature, but on its consequences. I will argue that globalization threatens established rights of labor through its undermining of state capacity to guarantee those rights. In reasoning about the causal chains involved, I will draw heavily on inferences from Western European history, the history I know best. The paper takes a considerable excursion back into that history on the ground that here, as so often, historical perspective clarifies what is now happening to the world, and what might happen next. Based on a reading of European history, ideas informing this essay run as follows:

1. Rights (publicly enforceable claims) come into being as a result of negotiations that produce contracts, to which authorities, especially governments, are always parties—sometimes principals, sometimes enforcers, sometimes both. Without authorities, no rights exist. The relevant authorities, however, are by no means always sovereign states.

2. Although in Western countries some groups of workers enjoyed rights enforced by municipalities and other organizations prior to 1800, states were rarely parties to such contracts before the nineteenth century. Otherwise said, workers enjoyed few rights at a national scale.
3. Through intense struggles, incremental changes, and alterations in the organization of states, workers in capitalist countries acquired substantial collective rights after 1850 or so. Those rights expanded irregularly through World War II.
4. Citizenship and democracy came to depend on the maintenance of those rights.
5. Those rights attached workers collectively to particular states, and therefore depended on the capacity of those states to enforce workers' claims on others, notably on capitalists.
6. In general, the same states' capacity to pursue social policies, including the enforcement of workers' rights, also depended on the creation of substantial, effective controls over the stocks and flows of persons, diseases, other biota, pollutants, weapons, drugs, money, other capital, technology, information, commodities, political practices, and cultural forms within well-delimited territories.
7. After 1850 or so, capitalist states actually succeeded in imposing significant controls over most of these stocks and flows.
8. As a result, citizens (including workers) demanded increasingly that states enact programs expanding and guaranteeing their rights, and thereby sanctioned even greater state control over stocks and flows.
9. Both globalization of many economic activities and creation of powerful supranational organizations are now undermining the capacity of states to monitor and control such stocks and flows—hence, undermining their capacity to pursue effective social policies, including the enforcement of workers' rights.
10. Current changes therefore threaten all rights embedded in states, including workers' rights.
11. On the whole, capitalists have recognized and taken advantage of the shifts faster and more effectively than workers have.
12. Nonetheless, chauvinism and other workers' reactions represent a growing awareness of the transformation.
13. Chauvinistic and protectionist responses will not defend labor's effective rights.
14. The capitalist world has therefore reached the end of the cycle of rights-establishment it began around 1850.
15. If workers are to enjoy collective rights in the new world order, they will have to invent new strategies at the scale of international capital.
16. That does not seem to be happening. On the contrary, even at the level of individual states, rights seem to be decaying.

17. In the long run, such decay threatens not only labor's rights, but democracy in general.

My theses risk error to the extent that I have misread European history, that I have misinterpreted current trends, that my general reasoning contains logical mistakes, and that past European experience simply does not apply to the current situation. I have surely made at least some of these errors, perhaps all; the question is which ones, how, and with what consequences for the overall chain of reasoning. As this paper's critic, for instance, I would rush to point out how differently the evolution of labor's rights ran in the Netherlands, Finland, and the Balkans. Whether my neglect of variation vitiates the main argument, however, remains unclear.

Many of these ideas, in any case, have a familiar ring; the later ones on the list, for instance, have frequently appeared in discussions of labor in the European Community and the North American Free Trade Agreement. Anarchists, anarchosyndicalists, and advocates of centralized union federations have battled over the consequences of collaborating with states for more than a century. If my set of conjectures has any original merit, it is in connecting familiar themes more explicitly and over a longer time span than usual.

1. Rights (publicly enforceable claims) come into being as a result of negotiations that produce contracts, to which authorities are always parties—sometimes principals, sometimes enforcers, sometimes both. Without authorities, no rights exist. The relevant authorities, however, are by no means always sovereign states.

Rights are publicly enforceable claims. People make plenty of unenforceable claims: for respect, for divine intervention, for peace and quiet, for much more. Many claims that have private force—for example, moral claims for help from co-workers—lack public enforceability. We know that claims concern *rights* when third parties, including agents of government, intervene regularly to enforce the claims. (By "government" I mean an organization controlling substantial coercive means and enjoying priority in the use of such means over all other organizations within a delimited territory.) Broadly speaking, rights take the form of public contracts, including unwritten and implicit contracts; they specify permissible and enforceable claims of one party on another and engage third parties as arbiters and guarantors. Many contracts operate outside the zones of government, as when friends enforce collection of a lost wager or village youngsters give "rough music" to an adulterer. Some rights arise incrementally, as when years of transit over technically private land establish a right of way. But on the whole rights emerge as a result of struggle, bargaining, treaty, and settlement.

At the limit, different agencies of government constitute two-thirds of the triangle; military veterans' rights, for example, give a whole category of