The EU, Global Europe, and processes of uneven and combined development: the problem of transnational labour solidarity

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Abstract. In 2006, the European Union launched its new free trade strategy Global Europe with the explicit goal of increasing European competitiveness. This article explores the positions of trade unions and other social movements on Global Europe. Importantly, while Northern social movements and trade unions from the Global South reject Global Europe due to its impact of deindustrialisation on developing countries, European trade unions support it in so far as it opens up new markets for the export of European manufactured goods. It will be argued that this has to be understood against the background of the dynamics underlying the global economy and here in particular uneven and combined development. Due to the uneven integration of different parts of the world into the global economy, workers in developed countries may actually benefit from free trade, while workers in the Global South are more likely to lose out. It will, however, also be argued that while these different positions within the social relations of production are shaping the position of trade unions, they do not determine them. Over time, through direct engagement, trade unions in the North and South may be able to establish relations of transnational solidarity.

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Introduction

Resistance to neo-liberal globalisation including the possibility of transnational agency has become an increasingly important topic in International Relations (IR). 1

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- ¹ See, for example, the special issue on Governance and Resistance in World Politics in the Review of International Studies, 29 (2003). Other contributions include Catherine Eschle and Bice Maiguashca, Critical theories, international relations and 'the anti-globalisation movement': the politics of global resistance (London and New York: Routledge, 2005); Stephen Gill, Power and Resistance in the New World Order (2nd edn, London Palgrave, 2008); Barry Gills (ed.), Globalization and the Politics of Resistance (London: Palgrave, 2000); David Held and Anthony McGrew, Globalization/Anti-Globalization: Beyond the Great Divide (2nd edn, Cambridge: Polity, 2008); Ruth Reitan, Global Activism (London: Routledge, 2007); and Paul Routledge and Andrew Cumbers, Global Justice Networks: Geographies of Transnational Solidarity (Manchester: Manchester University Press, 2009).

The demonstrations against the World Trade Organisation (WTO) negotiations in Seattle in 1999 are often referred to as the first important instantiation of this increasing discontent with global restructuring.² The negotiations of bilateral and multilateral free trade agreements (FTAs) have, thus, been the focus of mobilisations against neo-liberal restructuring for some time.³ Together with other social movements, trade unions have played an active part in these struggles.⁴ Globalisation, while considered to be a threat to the livelihood of people around the world on the one hand, has thereby also been perceived as offering new opportunities for transnational solidarity, on the other. As one activist formulated,

under influence of the so-called globalisation, more and more of our experiences are similar; we face the same international institutions attacking our way of life, our economy, our livelihood and so on. Actually, one of the unintentional positive side effects of the so-called globalisation is exactly that the realities we face are more and more similar across the globe, something which also makes it possible to unify our struggles.⁵

In this article, I will investigate the possibilities and problems of transnational solidarity through an analysis of the positions of trade unions and social movements vis-à-vis Global Europe, the free trade strategy of the European Union (EU). Global Europe is the attempt by the EU to open up new markets for European exports through enforcing neo-liberal restructuring in the developing world including countries in Africa and emerging markets such as India or China. The analysis of trade unions' positions on Global Europe is, therefore, a good case study to assess the possibility of transnational solidarity against neo-liberal restructuring as expressed in free trade agreements.

In the next section, the positions on Global Europe by trade unions and social movements will be analysed. Importantly, it will be shown that while trade unions from the Global South are highly critical of Global Europe, European trade unions support Global Europe to the extent that it leads to new markets for European exports of manufactured goods. The second section examines the underlying dynamics of capitalist accumulation in order to understand better this split within the global

- ² See Millennium: Journal of International Studies, 29:1 (2000) with contributions by Mary Kaldor, Jan Aart Scholte, Fred Halliday, and Stephen Gill on the implications of Seattle.
- ³ See, for example, Aziz Choudry, 'Fighting FTAs, Educating for Action: The Challenges of Building Resistance to Bilateral Free Trade Agreements', Journal of Alternative Perspectives in the Social Sciences, 2:1 (2010), pp. 281-308; and Martin Hart-Landsberg, 'Capitalism, the Korea-U.S. Free Trade Agreement, and Resistance', Critical Asian Studies, 43:3 (2011), pp. 319-48.
- ⁴ Contributions on the role of trade unions/labour in the resistance to neo-liberal globalisation include Andreas Bieler and Ingemar Lindberg (eds), Global Restructuring, Labour and the Challenges for Transnational Solidarity (London: Routledge, 2010); Andreas Bieler, Ingemar Lindberg, and Devan Pillay (eds), Labour and the Challenges of Globalization: What prospects for Transnational Solidarity? (London: Pluto Press, 2008); Kate Bronfenbrenner (ed.), Global Unions: Challenging Transnational Capital through Cross-Border Campaigns (Ithaca: Cornell University Press, 2007); Mario Novelli and Anibel Ferus-Comelo (eds), Globalization, Knowledge and Labour: Education for solidarity within spaces of resistance (London: Routledge, 2009); Michael Taylor (ed.), Global Economy Contested: Power and conflict across the international division of labour (London: Routledge, 2008); and Edward Webster, Rob Lambert, and Andries Beziudenhout, Grounding Globalization: Labour in the Age of Insecurity (Oxford: Wiley-Blackwell, 2008).
- ⁵ Asbjørn Wahl, 'Labour and Social Movements: Confronting Neo-Liberal Attacks', paper presented at the Okinawa Forum, organised by the International Centre for Labour Solidarity, Okinawa, Japan (29-30 November 2008), p. 1. Asbjørn Wahl is the Coordinator of the Norwegian Campaign for the Welfare State, an alliance of Norwegian trade unions and social movements in the defence of the public sector, and a key participant in international gatherings such as the European and World Social Forums, attempting to forge cooperation and links of transnational solidarity across borders.

labour movement. Realists, one could argue, would not be surprised by the diverging positions of different labour movements, since they too argue that the different locations of states in the international system would affect the position of these states and their national labour movements on questions of international politics. However, in this article I intend to go beyond the 'realist moment' in IR, in which states are reified as unitary actors and which is also asserted by some Marxists,⁶ and uncover the underlying transnational dynamics of capitalist expansion around processes of uneven and combined development that lie behind diverging interests of different national labour movements. While this leads to some development, in the third section it is then argued that developing countries are generally unable to catch up with advanced countries. The fourth section, in turn, demonstrates how Global Europe is closely related to processes of uneven and combined development at the global level, instituting relationships of unequal exchange between the EU and its partner countries. As a result, workers around the world are related to the transnational social relations of production in a very different way. While workers in the Global South have increasingly suffered from the extension of capitalist social relations of production, workers in the developed world partly benefitted from capitalist expansion, ensuring further high growth rates in the North.

By linking historical discussions of capitalist dynamics with today's trade union positions on free trade, this article combines insights from the historical sociology literature, often focused on past developments, with contemporary debates in International Political Economy (IPE). In other words, by incorporating insights into the emergence and spread of capitalist social relations of production from historical sociology, we are better able to understand different trade union positions on free trade from an IPE perspective. This article, thus, also responds to demands to relate discussions of uneven and combined development to contemporary capitalist developments.8 The Conclusion looks at the possibilities of agency within the overall structuring conditions of uneven and combined development. Importantly, structure does not determine agency and there are always several possible strategies of resistance available to labour, also including developments towards transnational solidarity.

The struggle over Global Europe: neo-liberal restructuring contested

Similar to the EU's internal neo-liberal restructuring since the mid-1980s⁹ the Global Europe strategy of 2006 is equally driven by a rationale of extending neo-liberal

- ⁶ Alex Callinicos, 'Does Capitalism need the state system?', in Alexander Anievas (ed.), Marxism and World Politics: Contesting Global Capitalism (London: Routledge, 2010), p. 21. For an example of a state-centric analysis of global developments from a historical materialist perspective, see Alex Callinicos, Imperialism and Global Political Economy (Cambridge: Polity Press, 2010), pp. 137-227.
- See Robert Brenner, 'Agrarian Class Structure and Economic Development in Pre-Industrial Europe', in T. H. Aston and C. H. E. Philpin (eds), The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe (Cambridge: Cambridge University Press, 1985), pp. 10-63; Hannes Lacher, Beyond Globalization: Capitalism, territoriality and the international relations of modernity (London: Routledge, 2006); and Benno Teschke, The Myth of 1648: Class, Geopolitics, and the Making of Modern International Relations (London/New York: Verso, 2003).
- ⁸ Ian Bruff, 'European varieties of capitalism and the international', European Journal of International Relations, 16:4 (2010), pp. 617 and 621; Adam David Morton, Revolution and State in Modern Mexico: The Political Economy of Uneven Development (Lanham, MD: Rowman & Littlefield, 2011).
- Andreas Bieler, The Struggle for a Social Europe: Trade unions and EMU in times of global restructuring (Manchester: Manchester University Press, 2006), pp. 9-14.

restructuring.¹⁰ In line with the EU's general direction, its main focus is on competitiveness of the European economy:

The purpose of this Communication is to set out the contribution of trade policy to stimulating growth and creating jobs in Europe. It sets out how, in a rapidly changing global economy, we can build a more comprehensive, integrated and forward-looking external trade policy that makes a stronger contribution to Europe's competitiveness.¹¹

The Commission does not accept that Global Europe would undermine development. Rather, in neo-liberal fashion perceiving globalisation as a win-win situation, it is argued that free trade is the best way towards development. In this sense, the Commission argues, Global Europe should also be understood as a development strategy.¹² Moreover, the Commission makes clear that Global Europe is mainly directed at emerging economies such as China and that there are a whole range of other programmes for developing countries. For example, the EU points to its special relationship with countries from Africa, the Caribbean and Pacific (ACP). The envisaged Economic Partnership Agreements (EPAs) would include the possibility for these countries to retain 20 per cent of their tariffs and phase in the opening up of the other 80 per cent over a period of up to 15 years, while the EU commits itself to 100 per cent liberalisation of EU trade in exchange.¹³ EPAs are justified as necessary to comply with WTO regulations. However, comparing these agreements with past practice, then a clear change in EU policy is noticeable. Previous agreements between the EU and ACP countries, the so-called Lomé Conventions, were based on non-reciprocal trade preferences. The EU granted these countries access to its own markets in certain areas, without expecting that they open up their markets vis-à-vis the EU. This has now changed. 14 Hence, the EPAs are, similar to Global Europe, about the

- ¹⁰ Some assert the EU's normative power beyond commercial interests (e.g. Ian Manners, 'Normative Power Europe: A Contradiction in Terms?', Journal of Common Market Studies, 40:2 (2002), pp. 235-58). This may be the case, but opening up new markets has for some time been the key focus of EU trade deals (Hazel Smith, 'Actually existing foreign policy - or not? The EU in Latin and Central America', in John Petersen and Helen Sijursen (eds), A Common Foreign Policy for Europe? (London: Routledge, 1998), p. 165).
- 11 European Commission, 'Global Europe competing in the world. A contribution to the EU's Growth and Jobs Strategy' (2006), p. 2, available at: {http://trade.ec.europa.eu/doclib/docs/2006/october/ tradoc_130376.pdf} accessed 29 May 2009. In November 2010, the Commission presented the followup strategy to Global Europe in its report 'Trade, Growth and World Affairs'. The message is the same, further internal deregulation and restructuring is closely linked to obtaining concessions by other countries to open up their services and public procurement markets to EU exports as well as to agree on investment liberalisation and stronger enforcement of intellectual property rights (see European Commission, 'Trade, Growth and World Affairs: Trade policy as a core component of the EU's 2020 strategy' (2010), available at: {http://trade.ec.europa.eu/doclib/docs/2010/november/tradoc_146955.pdf} accessed 1 Apr. 2011.
- ¹² European Commission, 'Letter by the European Commission to the Director of the World Development Movement' (23 February 2009), p. 1, available at: {http://trade.ec.europa.eu/doclib/docs/2009/ february/tradoc_142359.pdf} accessed 30 May 2009.
- 13 European Commission, 'Interim Economic Partnership Agreements: Questions and Answers Brussels (27 March 2008), available at: {http://trade.ec.europa.eu/doclib/docs/2008/march/tradoc_138457.pdf} accessed 5 Oct. 2008.
- ¹⁴ European Commission, 'Africa, Caribbean, Pacific: ACP and EU, a long and preferential relationship' (2008), available at: {http://ec.europa.eu/trade/issues/bilateral/regions/acp/lprel_en.htm} accessed 20 Mar. 2009. For an overview and discussion of the Lomé Conventions since 1976 and their nonreciprocal trade preferences, see John Ravenhill, Collective Clientelism: The Lomé Conventions and North-South Relations (New York: Columbia University Press, 1985). The Cotonou Agreement, signed in June 2000, replaced Lomé. It envisaged already the reciprocal nature of the EPAs and included an element of coercion rather than cooperation (see Stephen Hurt, 'Co-operation and Coercion? The Cotonou Agreement between the European Union and ACP states and the End of the Lomé Convention', Third World Quarterly, 24:1 (2003), pp. 161–76).

opening up of new markets for EU exports and investments. As Oxfam International argues, the proposed EPA agreements 'were classic free trade agreements (FTAs), very similar to the EU-Chile and EU-Mexico bilateral deals'. 15 In sum, the EU's bilateral free trade strategy, whether under the Global Europe heading, or whether through EPAs, has the main purpose of boosting the international competitiveness of European business through the opening up of new markets abroad. 16 This is combined with a perceived need for further restructuring at home to support this external drive for competitiveness. The EU is, thus, clearly part of what Cammack describes as the 'convergence club', pushing an agenda of global competitiveness. 17

A whole range of NGOs in the EU are opposed to Global Europe and EPAs. This includes War on Want, which argues that 'if the EU gets its way, vital policy tools to foster future development by supporting local industries will be removed and the pattern of job losses and deindustrialisation will be locked in for decades to come'. 18 The World Development Movement is equally critical of the EU's trade agenda and argues that 'the opening-up of markets by poor countries to rich countries like the EU leads to job losses, falling wage rates and decreased government spending, including on basic services such as health, education and water'. 19 The Seattle to Brussels Network, in turn, demands a re-regulation of global trade, which 'will pave the way towards incorporating some alternative guiding principles into trade policy, producing: a) an internal market orientation instead of an export orientation, b) sufficient policy space instead of relegating more and more competencies to the WTO and c) policies serving the general public instead of a narrow "business first" corporate agenda'.20 Oxfam International considers it possible that trade can lead to development. 'In a fair deal that truly reflects partnership, Europe would fully open its markets to all exports without asking ACP countries to reciprocate, thus ensuring

- ¹⁵ Oxfam International, 'Partnership or Power Play? How Europe should bring development into its trade deals with African, Caribbean, and Pacific countries' (2008), p. 6, available at: {http://www.oxfam.org/ sites/www.oxfam.org/files/bp110_europe_EPAs_trade_deals_with_acp_countries_0804.pdf} accessed 20 May 2009.
- ¹⁶ Even the EU's 'Everything but arms' initiative launched in 2001 and granting the 49 least-developed countries free access to the EU market for all their products except weapons has had neo-liberal implications in that it was used by the Commission to justify EU internal market related reforms of the Common Agricultural Policy (CAP) for sugar and rice (G. Faber and J. Orbie, 'Everything But Arms: Much More than Appears at First Sight', Journal of Common Market Studies, 47:4 (2009), pp. 767–87). It would also be interesting in this respect to investigate the wider European Neighbourhood Policy towards North Africa and Eastern Europe and assess to what extent this policy too is focused on opening up new markets. For overviews see Christopher Browning and Pertti Joenniemi, 'Geostrategies of the European Neighbourhood Policy', European Journal of International Relations, 14:3 (2008), pp. 519-51; and Sami Moisio, 'Redrawing the Map of Europe: Spatial Formation of the EU's Eastern Dimension', Geography Compass, 1:1 (2007), pp. 82-102.
- ¹⁷ Paul Cammack, 'The Politics of Global Competitiveness', papers in the Politics of Global Competitiveness, no. 1 (Institute for Global Studies, Manchester Metropolitan University, 2006), available at: {http://e-space.openrepository.com/e-space/bitstream/2173/6190/3/The%20Politics%20of%20Global% 20Competitiveness.pdf} accessed 14 Feb. 2011.
- ¹⁸ War on Want, 'Trading Away Our Jobs: How free trade threatens employment around the world' (2009), p. 18, available at: {http://www.waronwant.org/attachments/Trading%20Away%20Our%20Jobs.pdf} accessed 31 Mar. 2009.
- ¹⁹ World Development Movement, 'Europe fights for profits from Africa' (19 December 2007), available at: {http://www.wdm.org.uk/news/archive/2007/europeanprofitsfromafrica 19122007.html} accessed 27 Feb. 2009.
- Seattle to Brussels Network, 'The EU Corporate Trade Agenda: The role and the interests of corporations and their lobby groups in Trade Policy-Making in the European Union' (2005), p. 30, available at: {http://www.foeeurope.org/publications/2005/EU_corporate_trade_agenda.pdf} accessed 30 May 2009. The EU Corporate Trade Agenda, p. 30.

ACP countries have the policy freedom to govern their markets in the public interest and pursue regional integration on their own terms and at a pace congruent with regional processes.'21 As the EPAs are, however, constructed, inequality and marginalisation, not development would be the outcome.²²

This generally negative position on Global Europe and EPAs by Northern NGOs and social movements is also characteristic of the positions of trade unions in the Global South. In a statement of 14 May 2009, Central American trade union leaders strongly criticised the ongoing negotiations of a Central America – EU Association Agreement. 'We come to the conclusion', they said, 'that this is nothing else than a pure free market agreement, similar to the Central America Free Trade Agreement [with the US].'23 Human rights at work and the environment would be completely subordinated to the free market and, most significantly, the EU would not recognise access to clean water as a fundamental human right. The latter gives rise to concerns that the privatisation of water may be part of the eventual agreement. Similarly, the South African trade union COSATU calls for the rejection of the Partnership Agreement between the EU and the Southern African Development Community (SADC). COSATU 'believes that the agreement would bring about an unnecessary entrenchment of neo-liberal macro-economic policy framework that undermines the rights of workers and the poor will definitely be first to feel the pinch'.²⁴ The EU strategy is described as a neo-liberal recolonisation tactic. Moreover, Korean trade unions including the Korean Confederation of Trade Unions participated in signing a joint text together with European and Korean social movements against FTAs of the EU with South Korea and other countries in Asia and Latin America. 'The goal of these bilateral or bi-regional free trade agreements is to open and deregulate markets to the benefit of European companies, to increase their access to natural resources, in particular to energy reserves, and to secure their profits by enforcing intellectual property rights and other trade defence mechanisms.²⁵ Noticeably, however, except for the rather small French Union Syndicale Solidaires, there are no big European trade unions amongst the signatories. Similarly, a statement by social movements against the EU – Central America FTA does not include any European trade union.²⁶ What opens up here is a clear difference between the position of European trade unions and trade unions of the Global South over the EU's free trade agenda.

The European Trade Union Confederation (ETUC) is the main trade union representation within the EU. In its evaluation of Global Europe, it is not uncritical of the Commission's strategy.²⁷ It makes clear its preference for multilateral trade

²¹ Oxfam International, 'Partnership or Power Play?', p. 3.

²² Ibid., p. 34.

²³ PSCC, 'Resolución de la Plataforma Sindical Común Centroamericana (PSCC) sobre el ADA/CA-UE (Guatemala, 14 de mayo de 2009)', available at: {http://www.gruposur.eu.org/Resolucion-de-la-Plataforma.html} accessed 1 June 2009.

²⁴ COSATU, 'COSATU calls for rejection of EU-SADC Partnership Agreement' (3 May 2009), available at: {http://www.gruposur.eu.org/Resolucion-de-la-Plataforma.html} accessed 30 May 2009.

²⁵ La Via Campesina, European and Korean social movements unite against the 'Global Europe' strategy and FTAs' (2007), available at: {http://www.gruposur.eu.org/Resolucion-de-la-Plataforma.html} accessed 1 June 2009.

²⁶ La Via Campesina, 'Social movements reject the Free Trade Agreement EU-Central America' (2009), available at: {http://www.gruposur.eu.org/Resolucion-de-la-Plataforma.html} accessed 1 June 2009.

The ETUC consists of a whole range of national confederations as well as European Industry Federations organising workers according to industrial sectors. Unsurprisingly, not all trade unions share the qualified support for Global Europe by the ETUC (see Andreas Bieler, Bruno Ciccaglione and John

agreements via the WTO and raises concerns about the inclusion of investment, competition, and public procurement in bilateral agreements. Moreover, the ETUC is concerned about the implications for developing countries. 'The ETUC would like to express its disagreement with the proposed general reorientation of European trade policy in favour of an extremely aggressive liberalisation agenda in the developing countries, without consideration for possible social and ecological implications, both positive and negative.'28 It is also worried about the internal dimension of Global Europe and the consequences of the related restructuring. 'For the ETUC, European regulations and standards must not be governed solely by the imperative of competitiveness if this concept is limited to maximizing the share of the global market held by multinationals operating in Europe.'29 Nevertheless, the ETUC is supportive of expanding the markets for European exports of goods and evaluates the contributions of such a strategy as potentially positive for European workers.

The ETUC is not opposed to a partial revision of European trade policy to improve its contribution to growth and the creation of jobs in Europe. It concurs with certain aspects of the Commission's analysis, and the necessity for the EU to be more active in the following areas: a. redirecting European exports to expanding markets in the emerging countries; b. enforcing the commitments made by our trading partners on intellectual property rights when these rights do not affect public health and human development in the developing countries ...; c. maintaining trade defence instruments imposing temporary targeted restriction on certain anticompetitive imports in Europe.³⁰

The ETUC's condition for its support is that a social dimension is part of trade agreements including the promotion of dignified and fair work, the promotion of social protection and the guaranteed application of social rights (for example, the eight fundamental ILO conventions, right to employment, maternity, health and safety at work) plus a social dialogue committee. The latter is to be put in charge of monitoring the implementation of the social dimension.

This support of intensifying international free trade through the reduction of tariffs and non-tariff barriers is even more visible in the ETUC's support for the WTO Doha negotiations round. Here, it is clear in its rejection of including public services into the trade agenda and demands that there should be especially no liberalisation of the water sector. It urges the EU to drop its agricultural export subsidies and grant developing countries better access to its markets. Nevertheless, in relation to issues of Non-agricultural market access (NAMA), it is very determined that the EU secures new markets abroad. 'The European Union, which has very low or zero customs duties on industrial products of interest to the emerging countries, must ask the latter to open up their markets to some degree to high value added, top of the range products, and to dismantle the illegal non-tariff barriers that affect these

Hilary, 'Transnational solidarity, labour movements and the problem of international free trade', paper presented on the panel 'Structures and Strategies in the Emerging Global Labor Movement' at the XVII ISA World Congress of Sociology, Gothenburg, Sweden (11-17 July 2010). At the same time, without the agreement by a vast majority of its affiliate unions, the ETUC would not have been able to develop its official position on Global Europe and free trade policies more generally. Discussing its position is, therefore, to a considerable extent representative of European trade unions more widely.

²⁸ ETUC, 'On the Communication Global Europe: competing in the world' (2006), available at: {http:// www.etuc.org/a/3390} accessed 4 Nov. 2008.

²⁹ Ibid. 30 Ibid.

products.'31 It is this position, the support for further free trade in manufactured goods, which leads to the biggest differences with trade unions from the Global South as well as social movements from North and South. When there were discussions about reviving the WTO Doha negotiations in the summer of 2008, trade union leaders from the Global South made their opposition clear. "If we sign this agreement, Argentina could lose 200,000 jobs," warned Ruben Cortina from CGT, Argentina. The representative of the trade union institute Observatorio Social in Brazil, Felipe Saboya stated that, "the last time Brazil made significant tariff cuts, we lost 1.3 million jobs".'32 Thus, there is a clear understanding that further free trade through the reduction in tariff barriers will lead to the loss of jobs and potential deindustrialisation in countries of the Global South. In a statement by trade union representatives from the Global South including signatories from Brazil, Argentina, Costa Rica, India, Mexico, the Philippines, South Africa, and UNI-Americas, it is argued that

this level of cuts to bound tariffs would imply severe cuts to real applied tariffs, and therefore would result in direct massive job losses for workers in developing countries. Because the commitments taken in the current Round would bind tariffs permanently, it would also foreclose development space for our governments to be able to raise tariffs in strategic or new sectors in the future, based on our national development policies.³³

Similarly, the Trade Union Confederation of the Americas (TUCA-CSA) argues that the current NAMA proposal 'not only continues to violate the industrial potential and generation of decent work, but further restricts the flexibility with which they could exclude certain sensitive sectors from industrial tariff liberalization through the adoption of the so-called "anti-concentration clause" that is under negotiation'.³⁴

The ETUC is not unaware of these problems and attempts to counter-balance disagreements through its emphasis on the necessary social dimension of trade agreements (see above).³⁵ This should include the building of global citizenship, incorporating the ILO as a party to trade negotiations; establishing a trade union inspectorate to monitor applicability of standards and labels as well as integrating social and environmental standards into world trade.³⁶ 'Governments both within the European Union and beyond should pledge themselves, as a matter or priority, to integrate the decent work agenda into all macroeconomic policies and development assistance frameworks at national as well as European and international levels', declared ETUC General Secretary John Monks.³⁷ Cooperation between the ETUC and trade unions

³² ITUC, 'WTO Ministerial: Serious jobs impact in developing countries' (24 July 2008), available at: {http://www.ituc-csi.org/spip.php?article2318} accessed 1 June 2009.

Alliance of Progressive Labour, 'Statement by Trade Unions at the "mini-Ministerial" of the WTO' (23 July 2008), available at: {http://www.apl.org.ph/?p=332} accessed 1 June 2009.

35 ETUC, 'What ways forward for including fundamental rights at work in world trade?' (2008), available at: {http://www.etuc.org/a/5379} accessed 4 Nov. 2008.

ETUC, 'Routes towards respecting human rights at work within the framework of the WTO agreements' (2008), available at: {http://www.etuc.org/a/5355} accessed 4 Nov. 2008.

³⁷ ETUC, 'UN member states must make decent work a prime commitment, say Global and European Trade Union Confederations' (2008), available at: {http://www.etuc.org/a/4535} accessed 4 Nov. 2008.

³¹ ETUC, 'Position of ETUC on the 6th WTO Ministerial conference, Hong Kong (13-18 December 2005)'. 'Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 19-20 October 2005', available at: {http://www.etuc.org/a/1746} accessed 31 May 2009.

³⁴ TUCA/CSA, 'Trade unions of the Americas call on their negotiators in Geneva to reject latest WTO proposal' (Geneva, 29 July 2008), available at: {http://www.sudnordnews.org/cgi-bin/sudnordnews/ index.cgi?l=3&A=557} accessed 20 Feb. 2011.

of the Global South in support of a social dimension of FTAs is possible. For example, the ETUC signed together with the Trade Union Coordinating Committee of Central America and the Caribbean (CSACC) as well as the Central American Confederation of Workers (CCT) an open letter to the negotiators of the Central America-EU Association Agreement including demands for the protection of human and labour rights, a social-labour chapter, regular trade union involvement in monitoring the agreement, and 'approval of a social cohesion fund designed to eliminate inequalities in the Central American region'. 38 What the ETUC does not sign up to, however, is a fundamental rejection of the FTA as voiced by social movements in Europe and Central America³⁹ or Central American trade unions.⁴⁰

Tensions between European trade unions and unions from the Global South over international free trade developed into an open confrontation during the talks over the revival of the WTO Doha round in 2008. The European Metalworkers' Federation (EMF) cooperated with the European Automobile Manufacturers' Association (ACEA) in the publication of two joint press releases. First, on 22 May 2008 they heavily criticised new NAMA proposals, which would allow emerging markets to restrict European exports by sheltering some of their sectors through so-called 'flexibilities' and non-tariff barriers. 'We are in favour of lowering EU import tariffs', the joint press release states, 'but insist that our industry gets equitable market access in return.'41 This position was reaffirmed in a second press release on 29 July 2008. 'Auto industry and metal workers demand a thorough review of the pending Doha compromise in order to achieve reciprocal market access in developed, emerging and developing countries, and a long-term solution to eliminating the so-called "flexibilities" and "non-tariff barriers". '42 These joint statements led to an angry response by Rudi Dicks from the South African union COSATU. He accused the EMF of undermining workers' solidarity, since their cooperation with European employers in demanding equal market access would imply job losses in the Global South and undermine the internal unity of the International Trade Union Confederation.⁴³ Hence, the question of how transnational solidarity between unions in the North and the South can be established on free trade remains open, especially as far as the relations between European trade unions and unions in the Global South are concerned. The next

La Via Campesina, 'Social movements reject the Free Trade Agreement EU-Central America' (2009), available at: {http://www.viacampesina.org/main_en/index.php?option=com_content&task=view& id=699&Itemid=61}accessed 1 June 2009.

PSCC, 'Resolución de la Plataforma Sindical Común Centroamericana (PSCC) sobre el ADA/CA-UE' (Guatemala, 14 de mayo de 2009), available at: {http://www.gruposur.eu.org/Resolucion-de-la-Plataforma.html} accessed 1 June 2009.

ACEA-EMF, 'European metalworkers and auto manufacturers urge EU to better balance trade negotiations' (2008), available at: {http://www.acea.be/index.php/news/news_detail/european_metalworkers_ and_auto_manufacturers_urge_eu_to_better_balance_trad} accessed 1 Apr. 2010.

⁴² ACEA-EMF, 'European metal workers and auto industry warn that pending Doha deal puts EU manufacturing at risk' (2008), available at: {http://www.acea.be/index.php/news/news_detail/european_ metal_workers_and_auto_industry_warn_that_pending_doha_deal_puts_e} accessed 1 Apr. 2010.

⁴³ COSATU, 'COSATU CEC Statement'. Statement of the COSATU Central Executive Committee held on 1-3 September 2008', Johannesburg (2008), available at: {http://www.cosatu.org.za/show.php?include= docs/pr/2008/pr0905a.html&ID=1693&cat=Media%20Centre} accessed 2 June 2010; P. Scherrer, 'Open reply letter to the accusations of Rudi Dicks from COSATU by Peter Scherrer, General Secretary of the EMF' (2008), available at: {http://www.velferdsstaten.no/Forsiden/?article_id=42425} accessed 1 Apr. 2010.

³⁸ CSACC-CCT-ETUC, 'Open Letter from the CSACC-CCT-ETUC concerning the Central America -EU Association Agreement, addressed to the negotiators of both regions' (5 March 2009), available at: {http://www.ituc-csi.org/IMG/pdf/CartaAbierta-EN.pdf} accessed 2 June 2009.

sections will analyse the underlying dynamics of the global economy and the place of Global Europe within it in order to understand better why there is this difference in positions between trade unions in Europe and labour movements in the Global South.

Development and the capitalist social relations of production

In a liberal understanding of capitalist development, free trade is regarded as a winwin situation, a positive-sum game. As David Ricardo famously argued, if every country concentrates on producing and exporting at what it is best, that is, its comparative advantage, and engages in trade for all the other necessities, an optimum outcome with everybody benefitting will be the result. Neo-liberal economic thinking about the extension of free trade in times of globalisation builds on this understanding. States should refrain from intervening into the economy and deregulate and liberalise markets including the labour market in order to facilitate free trade. This is ultimately the rationale underlying not only European integration including its Global Europe project, but also general global trade policy within the WTO. If developing countries open up to free trade and foreign direct investment, development would follow and allow them to catch up with developed countries.⁴⁴ Thus, the Commission makes clear that 'a guiding principle of EU trade policy is indeed that it should be at the service of development in its broadest sense'. 45 Trade unions, interested in the development of their particular country, should logically support free trade as a result. Nevertheless, as the previous section has shown, this assumption is not born out in reality. Moreover, although neo-liberal economics has been the dominant policy of the global economy since the 1990s, the results are far from impressive. In a recent study by the NGO War on Want, it is illustrated that global economic growth in the 1980s and 1990s – the time of neo-liberal globalisation – is slower than in the 1960s and 1970s. Moreover, 'the number of people unemployed and the number in unstable, insecure jobs has actually increased – from 141 million to 190 million (1993 to 2007) and from 1,338 million to 1,485 million (1997 to 2007) respectively'.46 Especially developing countries lost out during this period. 'Trade liberalization contributed to the deindustrialization of many third world countries, thereby increasing their import dependence.'47 An analysis of the consequences of trade liberalisation in Africa and Latin America during the 1980s and 1990s reveals widespread job losses, increasing unemployment and declining wages in both continents.⁴⁸ While trade liberalisation as part of the North American Free Trade Agreement led to the creation of jobs in the labour-intensive maquila sector in Mexico, 'they were offset by vast job losses for agricultural workers. Employment in agriculture fell from 8.1 million in the early 1990s to around 6 million in the first

⁴⁴ Ray Kiely, The New Political Economy of Development: Globalization, Imperialism, Hegemony (London: Palgrave, 2007), pp. 13-16.

⁴⁵ European Commission, 'Letter by the European Commission to the Director of the World Development Movement', p. 1.

⁴⁶ War on Want, 'Trading Away Our Jobs', p. 4.

⁴⁷ Martin Hart-Landsberg, 'Neoliberalism: Myths and Reality', Monthly Review, 57:11 (2006), p. 7. Available at: {http://www.monthlyreview.org/0406hart-landsberg.htm} accessed 16 Jan. 2009.

⁴⁸ War on Want, 'Trading Away Our Jobs', pp. 5-13.

quarter of 2006.'49 Inequality between countries has also increased. The Gini coefficient (0 signifies perfect equality, 100 signifies complete inequality) rose from 43 in 1980 to 54 in 1999 to 67 in 2005. This rising inequality between countries is also reflected in increasing inequality within countries (for example, Eastern Europe, India, and China).⁵⁰ The crisis of the global financial markets since 2008 is only the latest sign that the neo-liberal focus on a deregulated economy is misguided. Ultimately, this is far from surprising. In a detailed analysis of the assumptions underlying free trade theory, Martin Hart-Landsberg illustrates the highly artificial conceptual understandings and simulations, which are at the heart of Ricardo's theory of comparative advantage and its contemporary further developments.⁵¹ Rather than a scientific understanding of capitalist development, neo-liberal economics is unmasked as an ideology, a project of transnational capital to serve its particular interests.⁵² Clearly, the dynamics of global development and capitalist accumulation need to be analysed from a different perspective.

An alternative perspective is offered by historical materialism and its focus on the capitalist social relations of production. 'Uneven and combined development' can be identified as the first key dynamic. It was Leon Trotsky, who introduced the notion of uneven and combined development in his book Results and Prospects in 1906,⁵³ when analysing the particular location of Russia within the world economy. While Russia was economically backward based on a large sector of inefficient agriculture indicating the unevenness of development in relation to advanced Western countries, a number of small pockets of highly developed industries especially in military related production were established as a result of foreign pressure by more developed neighbours in the West. 'The Russian State, erected on the basis of Russian economic conditions, was being pushed forward by the friendly, and even more by the hostile, pressure of the neighbouring State organizations, which had grown up on a higher economic basis.'54 Hence, capitalist expansion is 'combined' as a result of 'the sociological outcome of international capitalist pressures on the internal development of non-capitalist societies'.55 It was especially foreign capital, which drove industrialisation in Russia leading to a situation in which a highly centralised and advanced working class in certain sectors and specific geographical locations, especially St. Petersburg and Moscow, confronted a rather weak national bourgeoisie.⁵⁶ And it is on the basis of that particular situation of uneven and combined development that

⁴⁹ Ibid., p. 13.

⁵⁰ Andreas Bieler, Ingemar Lindberg, and Devan Pillay, 'The future of the global working class: an introduction', in Andreas Bieler, Ingemar Lindberg, and Devan Pillay (eds), Labour and the Challenges of Globalization: What prospects for Transnational Solidarity? (London: Pluto Press, 2008), pp. 8-11.

⁵¹ Hart-Landsberg, 'Neoliberalism', pp. 2-4.

⁵² See, for example, W. I. Robinson, A Theory of Global Capitalism: Production, Class, and State in a Transnational World (Baltimore: John Hopkins University Press, 2004), pp. 80–1.

Leon Trotsky, 'Results and Prospects', in Leon Trotsky, The Permanent Revolution & Results and Prospects. With introductions by Michael Löwy (London: Socialist Resistance, 1906/2007), pp. 24-100.

⁵⁵ Justin Rosenberg, 'Why is there no International Historical Sociology?', European Journal of International Relations, 12:3 (2006), p. 319.

⁵⁶ Leon Trotsky, 'The Permanent Revolution', in Leon Trotsky, The Permanent Revolution & Results and Prospects. With introductions by Michael Löwy (London: Socialist Resistance, 1929/2007), p. 196; Leon Trotsky, History of the Russian Revolution (Chicago: Haymarket Books, 1932/2008), p. 8. See also Hugo Radice and Bill Dunn, 'Permanent Revolution: Results and Prospects 100 Years On', in Hugo Radice and Bill Dunn (eds), 100 Years of Permanent Revolution: Results and Prospects (London: Pluto Press), p. 6.

Trotsky then developed his notion of 'permanent revolution', that is, the possibility of the Russian working class to move directly from the bourgeois to the socialist revolution, thereby providing the spark for revolutions to follow elsewhere in the advanced industrialised countries.57

The exact relationship between uneven and combined development and the capitalist mode of production is contested. On the one hand, Rosenberg understands uneven and combined development as a transhistorical phenomenon and, thus, as intrinsic to the historical process itself.⁵⁸ In line with research by Lacher and Teschke, ⁵⁹ he agrees that capitalism emerged in an already existing international states system. Because this inter-societal plurality precedes capitalism, he argues, such a transhistorical notion is necessary to understand geo-politics. 'The issue of the geopolitical cannot be fully grasped from within a theory of capital.'60 On the other hand, Callinicos, while accepting that uneven and combined development is relevant beyond the capitalist historical period, argues that the concrete dynamic of uneven and combined development within a specific historical period cannot be understood without reference to the dominant mode of production of that period. Uneven and combined development is a transhistorical phenomenon, but yet specific depending on the particular mode of production.⁶¹ While the feudalist expansive dynamic within uneven and combined development was driven by political accumulation, that is, the conquering of new territories and people, 62 the specific economic pressures through a focus on competitiveness within the capitalist mode of production required a constant process of technological innovation. Hence, while accepting the transhistorical importance of uneven and combined development, its specific nature in relation to current capitalist development in general and Global Europe in particular can only be grasped through an understanding of the capitalist social relations of production.

The exact definition of the capitalist social relations of production is, however, also contested. World-systems theory⁶³ as well as dependency theorists⁶⁴ understand capitalism as a market-based system and focus on production for profit in a market.⁶⁵ For example, Wallerstein dates the emergence of capitalism back to the 'long sixteenth century' starting around 1450.

⁵⁷ Trotsky, The Permanent Revolution, p. 253.

⁵⁸ Rosenberg, 'Why is there no International Historical Sociology?', p. 309.

⁵⁹ Lacher, Beyond Globalization; Teschke, The Myth of 1648.

⁶⁰ Alex Callinicos and Justin Rosenberg, 'Uneven and combined development: the social-relational substratum of "the international"? An exchange of letters', in Alexander Anievas (ed.), Marxism and World Politics: Contesting Global Capitalism (London: Routledge, 2010), p. 171.

⁶¹ Ibid., p. 176.

⁶² Robert Brenner, 'The Agrarian Roots of European Capitalism', in T. H. Aston and C. H. E. Philpin (eds), The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe (Cambridge: Cambridge University Press, 1985), p. 238; Teschke, The Myth of 1648, p. 99.

⁶³ See, for example, Giovanni Arrighi, The Long Twentieth Century: Money, Power, and the Origins of Our Times (London & New York: Verso, 1994); Immanuel Wallerstein, World-Systems Analysis: an Introduction (Durham and London: Duke University Press, 2004).

⁶⁴ See, for example, Andre Gunder Frank, Capitalism and underdevelopment in Latin America: historical studies of Chile and Brazil (Harmondsworth: Penguin, 1969).

⁶⁵ Adam David Morton, 'Reflections on Uneven Development: Mexican Revolution, Primitive Accumulation, Passive Revolution', Latin American Perspectives, 37:1 (2010), pp. 13–15; Teschke, The Myth of 1648, pp. 129-42.

What was happening in Europe from the sixteenth to the eighteenth centuries is that over a large geographical area going from Poland in the northeast westwards and southwards throughout Europe and including large parts of the Western Hemisphere as well, there grew up a world-economy with a single division of labor within which there was a world market, for which men produced largely agricultural products for sale and profit. I would think the simplest thing to do would be to call this agricultural capitalism.⁶⁶

Giovanni Arrighi, in turn, dates the start of capitalism back to the thirteenth and fourteenth centuries and medieval Italian city states. He argues that 'an agency of capital accumulation is capitalist precisely because it reaps large and regular profits by investing its stock of money in trade and production or in speculation and the credit system'.67

These definitions of capitalism, however, overlook the importance of the social property relations/the social relations of production for the creation of wealth in capitalism. The world market alone cannot explain the transition from feudalism to capitalism. 'As the feudal monarchies of Spain and Portugal were to discover, the wealth plundered during the mercantile period did not fuel an industrial revolution on the Iberian Peninsula precisely because social relations were not transformed.'68 By contrast, Brenner argues that it was in medieval England that a specific set of social property relations based on landlord/capitalist tenant/wage-labourer structure emerged, in which both landlord and tenant relied on the market for their reproduction.⁶⁹ 'This system was unique in its dependence on intensive as distinct from extensive expansion, on the extraction of surplus value created in production as distinct from profit in the sphere of circulation, on economic growth based on increasing productivity and competition within a single market – in other words, on capitalism.'70 Thus, capitalism is defined as a system, which is based on wage-labour on the one hand, with workers being 'free' to sell their labour power on the market, and the private ownership of the means of production, on the other.

It is this particular set-up of the social relations of production, in which workers oppose capital, but both depend on the market for their reproduction, which leads to the second key dynamic of capitalist accumulation, the relentless search for higher profits. Because capitalists too have to reproduce themselves through the market, they constantly need to ensure that they remain competitive vis-à-vis their fellow capitalists. As Ernest Mandel writes, 'there is only one basic driving force which compels capital in general to step up capital accumulation, extraction of surplus value and exploitation of labour, and feverishly to look for profits, over and above average profits: this is competition'.71 This is clearly visible in today's EU and its overarching emphasis on competitiveness. As the then Commissioner for Trade Peter Mandelson stated at the launch of Global Europe, 'the purpose of the policy review that the Commission has adopted today is to set out the external aspects of that

⁶⁶ Immanuel Wallerstein, 'The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis', Comparative Studies in Society and History, 16:4 (1974), p. 399.

⁶⁷ Arrighi, The Long Twentieth Century, p. 230.

⁶⁸ Sam Ashman, 'Capitalism, uneven and combined development, and the transhistoric', in Alexander Anievas (ed.), Marxism and World Politics: Contesting Global Capitalism (London: Routledge, 2010), p. 194.

⁶⁹ Brenner, 'Agrarian Class Structure', pp. 46–9.

⁷⁰ Ellen Meiksins Wood, 'Global Capital, National States', in Mark Rupert and Hazel Smith (eds), Historical Materialism and Globalization (London: Routledge, 2002), p. 23.

⁷¹ Ernest Mandel, 'The Laws of Uneven Development', New Left Review I, 59 (1970), pp. 26–7.

competitiveness'.72 Increases in productivity and the role of technology in achieving this play a crucial role in this dynamic.

Competition impels capitalism towards perpetual revolutions in the productive forces by whatever means of whatever sort ...; once the competitors have caught up, the original innovators have every incentive to leap ahead once more in order to sustain the relative surplus value they were previously capturing.⁷³

The inner logic of capitalism in this relentless search for higher rates of profits, however, also implies that there is an inner tendency towards crisis, the third key dynamic of capitalist accumulation. While the constant search for higher profits through the introduction of new machinery and technology into the production process may be a logical thing to do for the individual capitalist, for capitalism as a whole it is disastrous. 'At a certain point in this development, however, the increased organic composition of capital and the limit to the number of commodities that can be sold to the "final consumer" must lower the rate of profit and also induce a relative contraction of the market.'74 This results in a falling rate of profit and general economic recession. In addition, if all capitalists attempt to produce more goods at cheaper prices and with fewer workers, then eventually there will be a lack of demand for their products resulting in crisis. 'We see here the necessary contradiction that arises when each capitalist strives to reduce the share of variable capital in value added within the enterprise while speculating on selling his output to workers employed by other capitalists.'⁷⁵ In times of crisis, capital has several possible options. As Marx and Engels wrote in 1848, 'how does the bourgeoisie surmount these crises? On the one hand through the enforced destruction of a mass of productive forces; on the other through the capture of new markets and a more thoroughgoing exploitation of old ones.'76 First, devaluation in the form of the partial destruction of production capacities will bring development back down to a level from where it can start afresh. This devaluation can take different forms. 'Capital held in money form can be devalued by inflation; labour power can be devalued through unemployment and falling real wages to the labourer; commodities held in finished or partially finished form may have to be sold off at a loss; the value embodied in fixed capital may be lost as it lies idle.'⁷⁷ Second, capital can intensify the exploitation of the existing workforce.⁷⁸ Measures here include longer working days without additional pay, lower wages, and cut-backs in labour related costs. Third, capital attempts to secure new markets and locations for cheaper production costs abroad in competition with other capitalists. As Trotsky noted in 1929, 'in the process of its development, and consequently in the struggle with its internal contradictions, every national capitalism turns in an everincreasing degree to the reserves of the "external market", that is, the reserves of world

⁷² Peter Mandelson, 'Global Europe: competing in the world. Speaking points by Commissioner Mandelson, Press room, European Commission, 4 October 2006'. Available at: {http://ec.europa.eu/commission_ barroso/ashton/speeches_articles/sppm117_en.htm} accessed 20 Mar. 2009.

⁷³ David Harvey, The Limits to Capital (new and fully updated edition, London: Verso, 2006), p. 120.

⁷⁴ Ernest Mandel, 'The Industrial Cycle in Late Capitalism', New Left Review I, 90 (1975), pp. 3–4.

⁷⁵ Harvey, Limits to Capital, p. 134.

⁷⁶ Karl Marx and Friedrich Engels, 'Manifesto of the Communist Party', in Mark Cowling (ed.), The Communist Manifesto: New Interpretations (Edinburgh: Edinburgh University Press, [orig. pub. 1848]

⁷⁷ Harvey, Limits to Capital, p. 196.

⁷⁸ Mandel, 'The Industrial Cycle', p. 25.

economy.'⁷⁹ Hence, there is a general expansive outward dynamic of capitalism.⁸⁰ Capitalist crises are contained within a particular geographical area by a further expansion of capitalist production. Global Europe, the EU's attempt to open up new markets for its exports, operates exactly according to this logic. 'The frontiers of the region can be rolled back or relief gained by exports of money capital, commodities or productive capacities or imports of fresh labour powers from other regions. The tendency towards overaccumulation within the region remains unchecked, but devaluation is avoided by successive and ever grander "outer transformation".'81 And it is here that we come full circle as it is this third strategy of how to overcome crisis, which leads then to a further spread of capitalism along uneven and combined lines, the first key dynamic identified above. In the next section, it will be discussed in more detail what the implications of processes of uneven and combined development as exemplified in Global Europe are for the development possibilities of developing countries.

Uneven and combined development and the question of developmental catch-up

While the implications of permanent revolution were at the forefront of Trotsky's thinking in Results and Prospects (1906), in his later book The History of the Russian Revolution (1932), he returned to processes of uneven and combined development in more detail. He argued that backwardness in a general situation of unevenness can actually be an advantage:

A backward country assimilates the material and intellectual conquests of the advanced countries ...; a repetition of the forms of development by different nations is ruled out. Although compelled to follow after the advanced countries, a backward country does not take things in the same order. The privilege of historic backwardness – and such a privilege exists – permits, or rather compels, the adoption of whatever is ready in advance of any specified date, skipping a whole series of intermediate stages. Savages throw away their bows and arrows for rifles all at once, without travelling the road which lay between those two weapons in the past.82

Trotsky does indicate the possibility that countries can catch up with the development of others in this process and identifies Germany and the United States, which had overtaken the frontrunner England in industrial production by the end of the nineteenth century. Neil Davidson adds the examples of Italy and Japan,83 as well as Scotland, the latter having been able to draw on England's earlier accomplishments. At the same time, he warns against generalising, for example, from the Scottish experience. 'No other country would ever complete the transition from feudal agriculture

⁷⁹ Trotsky, The Permanent Revolution, p. 137.

⁸⁰ Mandel, Late Capitalism (London: NLB, 1975), p. 47.

⁸¹ Harvey, Limits to Capital, p. 427.

⁸² Trotsky, History of the Russian Revolution, p. 4; Alexander Gerschenkron, Economic Backwardness in Historical Perspective (Cambridge, MA: Harvard University Press, 1962), very similar to Trotsky, rejected linear conceptions of development. Unlike Trotsky, however, he did not incorporate the central importance of class relations and a strong understanding of the barriers to late development in his analysis. For a detailed analysis of the two authors, see Ben Selwyn, 'Trotsky, Gerschenkron and the political economy of late capitalist development', Economy and Society, 40:3 (2011).

⁸³ Neil Davidson, 'From deflected permanent revolution to the law of uneven and combined development', International Socialism, no. 128 (2010), p. 10. Available at: {http://www.isj.org.uk/?id=686} accessed 12 Sept. 2011.

to capitalist industrialisation so quickly or completely. The moment was too brief, the result so uniquely decisive, for any theoretical generalisation from this experience to be possible.'84 In short, there are only a few examples of countries, which have succeeded in developmental catch-up. These were generally located in the core of the world economy with the possibility of participating in imperialist expansion to sustain this process of catch-up. Amongst the advanced capitalist countries, according to Mandel, 'the law of uneven development continues to operate inexorably, causing the relative decline of previously supreme powers and the emergence of newly strengthened imperialist forces'.85 Inter-imperialist rivalry in the core is, however, combined with increasing inequality in the world economy as a whole. John Weeks distinguishes between primary and secondary uneven development in this respect.

Primary uneven development arises because of the more dynamic expansion of capitalist countries relatively to countries in which capitalism is incipient. This difference is inherent in the social relations of capital. Secondary uneven development occurs within the group of predominantly capitalist countries, due to competition and adoption of technical innovations within the social relations of capital. The former generates divergence; the latter exhibits a cyclical pattern of convergence and divergence, with convergence the long term tendency.86

Thus, while convergence dominates the core of the global economy, the vast majority of countries have been unable to catch up development wise. As Trotsky highlighted, the extent to which a country is able to adopt capitalist features depends on its 'economic and cultural capacities'. 'The backward nation, moreover, not infrequently debases the achievements borrowed from outside in the process of adapting them to its own more primitive culture',87 slowing down overall development. 'Not infrequently the result is only a form of modified backwardness.'88 Instead of a full-blown adoption of capitalist social relations of production, a mixture of traditional and advanced forms is the likely outcome. Elements of old social formations continue to coexist with capitalist social relations.⁸⁹ This is the moment when uneven development becomes linked to combined development. 'From the universal law of unevenness thus derives another law, which for the lack of a better name, we may call the law of combined development – by which we mean a drawing together of the different stages of the journey, a combining of separate steps, an amalgam of archaic with more contemporary forms.'90 It is these forms of combined development, first observed by Trotsky in Russia at the beginning of the twentieth century, which ultimately prevent countries from catching up with advanced industrialised countries.

Throughout the 1990s and early 2000s, Greece, Portugal, Spain, and especially Ireland were held up as the paradigmatic examples of a successful developmental catch-up strategy through a liberal strategy focusing on free trade within the Internal Market of the EU. This illusion has now vanished with all four countries facing a sovereign debt crisis. Development in the EU too has been characterised by uneven

85 Mandel, 'Laws of Uneven Development', p. 33.

87 Trotsky, History of the Russian Revolution, pp. 4-5.

⁸⁴ Neil Davidson, 'From Uneven to Combined Development', in Hugo Radice and Bill Dunn (eds), 100 Years of Permanent Revolution: Results and Prospects (London: Pluto Press, 2006), p. 13.

⁸⁶ John Weeks, 'The Expansion of Capital and Uneven Development on a World Scale', Capital and Class, 74 (2001), pp. 9-10; see also Davidson, 'From Uneven to Combined Development', p. 23.

⁸⁸ Marcel van der Linden, 'The "Law" of Uneven and Combined Development: Some Underdeveloped Thoughts', Historical Materialism, 15 (2007), p. 149.

⁸⁹ Morton, 'Reflections on Uneven Development', p. 10.

⁹⁰ Trotsky, History of the Russian Revolution, p. 5.

and combined development without catching-up effects. The emerging markets and here in particular China are often referred to as examples of countries, which have greatly benefitted from globalisation and free trade. And indeed, Chinese economic growth with double digit levels of GDP increases year on year is very impressive indeed. What this picture, however, overlooks is first that uneven and combined development as a key dynamic of the capitalist social relations of production is not only taking place between countries and regions but also within countries. Especially processes of combined development are being played out at the national level.91 'They may have adopted the most modern forms of technology, industrial organisation and scientific thought in certain areas, but most of society remains at a much lower level.'92 Hyper-modern coastal regions are counterpoised to backward inland areas in China. Second, the highly impressive GDP figures hide the miserable working conditions of millions of Chinese workers, who work long hours for low wages in often hazardous work places and without access to basic labour rights. 93 Especially the plight of around 200 million migrant workers is noticeable. In short, 'although China develops more dramatically than any of the countries, like India, with which it is usually bracketed, it is unlikely on any remotely foreseeable scenario, to "catch up" with the West in any overall sense'. 94 As for Gross National Income per head, for example, the gap between China and the US is enormous. In 2010, 'China's \$4,260 was only 9 percent of the US's \$47,240. In order, to close the per capita gap in 30 years, Chinese GDP per head would have to grow about 10 percent per year for three decades, or expand to nearly 18 times its current size in that period.'95 In short, developmental catch-up is the exception, while a continuation and extension of unevenness is the norm. 'The theory of uneven and combined development explained what occurs when the same "overleaping" process takes place in the colonial or neo-colonial world, where it is impossible to fully "catch up" with, let alone "overtake" the developed West, but to do so instead in a fragmentary or partial way.'96 The next section will discuss in detail how Global Europe is part of these dynamics as well as the related consequences for the various national labour movements.

Global Europe, the mechanisms of uneven development, and trade unions

For Neil Smith, it is 'the contradictions inherent in the very constitution and structure of capital',97 which underlies uneven and combined development. On the one hand, there is the tendency towards equalisation. As already noted above, if one capitalist

⁹¹ Davidson, 'From deflected permanent revolution', pp. 15–16.

⁹² Neil Davidson, 'China: Unevenness, Combination, Revolution?', in Hugo Radice and Bill Dunn (eds), 100 Years of Permanent Revolution: Results and Prospects (London: Pluto Press, 2006), p. 211.

⁹³ Étienne Cantin and Marcus Taylor, 'Making the "workshop of the world": China and the transformation of the international division of labour', in Marcus Taylor (ed.), Global Economy Contested: Power and conflict across the international division of labour (London: Routledge, 2008), pp. 62-7.

⁹⁴ Davidson, 'China', p. 226.

⁹⁵ Jane Hardy and Adrian Budd, 'China's Capitalism in the Aftermath of the 2008 Crisis', paper presented at 11th conference of European Sociological Association, Geneva (7-9 September 2011), pp. 30-1.

⁹⁶ Davidson, 'From Uneven to Combined Development', p. 23.

⁹⁷ Neil Smith, Uneven Development: Nature, Capital, and the Production of Space (3rd edn, Athens, Georgia: The University of Georgia Press, 2008), p. 4.

makes a new invention in a particular area, competitors have to follow to match the same level of productivity. 98 On the other hand, capitalist expansion is characterised by a tendency towards differentiation. First, 'at the scale of individual capitals, the differentiation process is quite direct; capital is concentrated and centralized in some places at the expense of others'. 99 Second, differentiation results from the division of the economy into specific sectors. Here, 'it occurs in a cyclical manner according to the equalization of the profit rate within a given sector, and the resulting movement of capital between sectors, from those with a low rate of profit toward those with a higher rate of profit'.100

The 1970s were characterised by world-wide economic recession and a falling rate of profit. The Fordist accumulation regime in developed countries, based on mass production and mass consumption and supported by national class compromises between trade unions and employers' associations, had been exhausted. 101 As Beverly Silver outlines, in response to declining profitability capital drew on four different, yet combined strategies. 102 First, in a financial fix more and more financial market instruments were developed as accumulation points in their own right and finance capital became delinked from industrial capital. An integrated, global financial market emerged as a result. 103 Second, there was a product fix with increasing activities being concentrated in the services sector as the new growth point. As the Commission reports, in Europe, for example, services represent now 77 per cent of GDP. 104 Third, there was a spatial fix with the labour intensive parts of production being shifted towards developing countries. This was combined with a technological shift in developed countries through an increasing introduction of new technologies in the workplace. In other words, while labour intensive and, thus, low productivity production was shifted abroad, new technology with related higher rates of labour productivity was introduced in industrialised countries. These developments have brought industrial capacities to developing countries and are a reflection of the tendency towards equalisation within capitalist expansion. At the same time, this is mainly based on outdated technology indicating the tendency towards differentiation. 'While spatial fixes tended to erode the North-South divide, technological fixes, product fixes, and protectionism [for example, in the form of non-tariff barriers such as technical standards] tended to reconstitute the divide continually.'105 Some development in the Global South resulted, but in an uneven way.

Capitalist expansion along these uneven and combined lines has, thereby, led to a situation of unequal exchange between countries, integrated into the global economy. Unequal exchange is generally a term used by world-systems analysis. It is considered to be the result of the appropriation of surplus value by countries in the core from countries in the periphery on the basis of monopoly production.

⁹⁸ Ibid., p. 155.

⁹⁹ Ibid., p. 152.

¹⁰⁰ Ibid.

¹⁰¹ Gerard Duménil and Dominique Lévy, Capital Resurgent: Roots of the Neoliberal Revolution (Cambridge, MA: Harvard University Press, 2004), pp. 14-43.

¹⁰² Beverly J. Silver, Forces of Labor: Workers' Movements and Globalization since 1870 (Cambridge: Cambridge University Press, 2003).

¹⁰³ Bieler, Struggle for a Social Europe, pp. 47–9.

¹⁰⁴ European Commission, Global Europe, p. 8.

¹⁰⁵ Silver, Forces of Labor, p. 170.

When exchange occurs, competitive products are in a weak position and quasi-monopolized products are in a strong position. As a result, there is a constant flow of surplus-value from the producers of peripheral products to the producers of core-like products. This has been called unequal exchange. 106

However, this understanding is problematic in that world-systems analysis and dependency theorists, as already discussed above, define capitalism as a market-based system and overlook the underlying social relations of production. 107 Instead, when linking the notion of unequal exchange to the discussions of uneven and combined development, I draw on Smith, who argues that unequal exchange has to be understood as the consequence of uneven and combined development, 108 and Mandel, who makes clear that it is not the difference in the nature of goods, which is the cause of unequal exchange. Rather, it is the difference in the productivity of labour, which is decisive. ¹⁰⁹ Of course, a monopoly position of a product also implies that labour productivity of workers producing this particular product is very high. Nevertheless, 'monopoly is one source of surplus profits, but much more important is technological innovation that, by increasing productivity, reduces the innovator's costs of production below the sectoral average'. 110 A monopoly ensures the longer feasibility of higher productivity rates, but it is not in itself the cause of unequal exchange. Rather, on the world market, the labour of a country with a higher productivity of labour is valued as more intensive, so that the product of one day's work in such a nation is exchanged for the product of more than a day's work in an underdeveloped country'. 111 In other words, 'capitalist expansion is a dynamic but also an uneven process, and in contrast to the neo-liberal (and pro-globalization) positions, this unevenness is not seen as a result of market imperfections, but is in fact a product of the way competitive markets work in the real world'. Market leaders, often in areas of new technology, have a competitive advantage and are, therefore, interested in free trade and open competition. Developing countries, on the other hand generally operate in 'old industries'. Free trade intensifies these imbalances in trade and production. In sum, uneven and combined development ensures the continuity and intensification of different productivity rates between developed and developing countries and, thereby, unequal exchange. 'International movements of capital constantly reproduce and extend the international productivity differential which is characteristic of the history of modern capitalism, and are themselves in turn further determined by this differential.'113

Global Europe as a free trade strategy is clearly part of European and global restructuring. By enforcing the opening up of other countries to European exports based on high productivity, it also intensifies uneven development in that those competing production sectors in these countries, which are based on lower productivity levels, are driven out of business. A certain level of deindustrialisation is the result. 'On the EU's own figures, the EU-Mediterranean FTA will cause the loss of almost 3.4 million manufacturing jobs in the partner countries.'114 Only the low productivity

¹⁰⁶ Wallerstein, World-Systems Analysis, p. 28.

See here also the critique of Frank by Mandel (*Late Capitalism*, pp. 366–7).

¹⁰⁸ Smith, Uneven Development, p. 189

¹⁰⁹ Mandel, Late Capitalism, pp. 66, 359 and 368.

¹¹⁰ Callinicos, 'Does Capitalism need the state system?', p. 23.

¹¹¹ Mandel, Late Capitalism, pp. 71-2.

¹¹² Kiely, The New Political Economy of Development, p. 18.

¹¹³ Mandel, Late Capitalism, p. 343.

¹¹⁴ War on Want, Trading Away Our Jobs, p. 20.

level, labour intensive production sectors are often the sectors, which survive the lowering of tariff barriers, and then, in turn, become the areas which are most likely to attract foreign direct investment. In China, for example, foreign direct investment is mainly concentrated in the area of assembling manufactured components for exports to locations outside East Asia and, thus relies on cheap labour.¹¹⁵ 'China's growth in manufacturing exports must in part be explained through its (subordinate) role in East Asian production networks, and it essentially concentrates on exporting the lower value end of such goods.'116 Global Europe is, therefore, a mechanism of locking developing countries and emerging markets into a relationship of unequal exchange in that these countries are forced to trade low productivity goods in exchange for high productivity goods. Unequal exchange in a way functions as the key mechanism of exploitation here. 117 Moreover, since the mid-1990s the international trade agenda has been significantly expanded. It now also includes the trade related intellectual property rights (TRIPs) accord as well as negotiations for a general agreement on trade in services (GATS). 118 In other words, the trade agenda has been expanded in order to incorporate the product fix towards services, based on high productivity levels in developed countries. This move to commodify traditional parts of the public sector is equally part of the EU's Global Europe strategy. The Commission highlights in its strategy the elimination of non-tariff barriers, access to resources, intellectual property protection, services, investment, public procurement, and competition. Public services are especially singled out as an area, where the EU intends to open up new markets.¹¹⁹ Similarly, it argues that 'in terms of content new competitiveness-driven FTAs would need to be comprehensive and ambitious in coverage, aiming at the highest possible degree of trade liberalisation including farreaching liberalisation of services and investment'. 120 Services are the new growth area characterised by high levels of productivity increases in Europe. Opening up other countries to exports in these areas will inevitably integrate them into new relations of unequal exchange. Investment by European corporations into service delivery in developing countries will lead to some development, but in a very uneven way and a combination of modern technology with traditional social forms.

When relating these developments to the situation of workers in the global economy, it is clear that as a result of uneven and combined development, workers across the globe, in the twentieth century as today, are not automatically in the same economic position. As indicated above, the nature of combined development prevents countries from catching up. In turn, however, combined development then maintains

¹¹⁵ Martin Hart-Landsberg and Paul Burkett, 'China and the Dynamics of Transnational Accumulation: Causes and Consequences of Global Restructuring', Historical Materialism, 14:3 (2006), p. 13. Trotsky focused on international lending and investment in his assessment of uneven and combined development in Russia at the beginning of the twentieth century. Free trade as pushed in programmes such as Global Europe has similar implications due to its impact on which industrial sectors survive and which collapse in backward countries.

¹¹⁶ Ray Kiely, Rethinking Imperialism (London: Palgrave, 2010), p. 225.

¹¹⁷ Mandel, Late Capitalism, p. 346.

¹¹⁸ Jens Mortensen, 'WTO and the Governance of Globalization: Dismantling the Compromise of Embedded Liberalism', in Richard Stubbs and Geoffrey R. D. Underhill (eds), Political Economy and the Changing Global Order (Oxford: Oxford University Press, 2006), p. 175.

¹¹⁹ European Commission, 'Global Europe', p. 8.

¹²⁰ Ibid., p. 11.

and potentially even increases unevenness at the global level. 121 Hence, different national labour movements are situated in rather diverse locations within the global economy and workers in advanced industrial countries with higher rates of productivity have to some extent benefited from the privileged position of their country in the overall situation of unequal exchange. As Mandel already wrote in 1970, 'it is hard to deny that American workers participated to a certain degree in the benefits of US imperialism's monopoly of advanced industrial productivity (technology)'. 122 This is the same situation European workers find themselves in today. Harvey highlights the potential geographical dimensions of class formation. The coping with economic crises at the regional level, organised together by capital and labour, may lead to strategies at the expense of others outside this region. 'In so far', he argues, 'as class struggle, yields a terrain of compromise between capital and labour within a region, organized labour may rally in support of such alliances in order to protect jobs and privileges already won.'123 The ETUC's and EMF's support for further trade liberalisation can be understood as part of such a regional class compromise, benefitting European workers and be it at the expense of workers elsewhere in the world. Indeed, external strategies such as Global Europe may not only lead to cross-class compromises at the regional level, they may also facilitate intra-class compromises. The EU too is characterised by uneven and combined development and transnational solidarity within the EU between different national labour movements is not automatic in the current crisis of the Eurozone and the pressure on Greek, Irish, Portuguese, and Spanish workers as a result of budget cuts by their governments. Policies such as Global Europe, which focus towards the rest of the world, allow trade unions to paper over their EU-internal conflicts.

Conclusion: agency within the structures of uneven development

Capitalist expansion is inevitably characterised by uneven and combined development as a result of the contradictory tendencies towards equalisation and differentiation and the resulting difference in productivity rates. Because capitalist expansion has taken place within a pre-existing system of nation states, different levels of development based on different rates of productivity in various industrial sectors have become consolidated within particular countries. Countries with different average rates of productivity as a result of different developmental levels are subject to a situation of unequal exchange within international free trade. Global Europe is clearly driven by a rationale of increasing international competitiveness of European exports. By focusing on the opening up of other countries, it locks them into a relationship of unequal exchange, in which high-productivity goods and services are traded in

¹²¹ In his analysis of Russia at the beginning of the twentieth century, Trotsky discussed how combined development in Russia, the fusion of advanced and backward social forms, as a result of international unevenness led to a situation of potential permanent revolution. In turn, however, combined development also maintains and potentially increases international unevenness as a consequence of missing developmental catch-up. It is the empirical focus of this article on potential transnational solidarity between various national labour movements, different from Trotsky's focus on one specific national labour movement, which shifts the emphasis on the second moment, the increasing unevenness, in this

¹²² Mandel, 'The Laws of Uneven Development', p. 25.

¹²³ Harvey, Limits to Capital, p. 441.

exchange for low productivity goods. Development NGOs and farmers' movements strongly oppose Global Europe. Especially the rather poor record of neo-liberal restructuring, of which free trade agreements and the qualitative extension of the trade agenda into new areas are a core aspect at the international level, explains the latter's opposition. Interestingly, however, while trade unions from the Global South agree with NGOs and social movements and their negative position on Global Europe, European trade unions give qualified support. The opening up of markets in emerging economies is considered an important task of the EU and free trade is supported, as long as services are excluded and a social dimension becomes a part of agreements. In a second step, it was argued that these divisions between the labour movements of the North and South have to be understood against the background of the transnational dynamics of capitalist expansion around processes of uneven and combined development. While the nature of combined development, itself a consequence of unevenness, makes it impossible for developing countries to catch up with developed countries, the resulting continuation of, and potential increase in, international unevenness puts various national labour movements in rather different positions within the global economy. This, in turn, may lead to different labour strategies vis-à-vis free trade. In other words, as a result of the uneven and combined expansion of capitalism within a pre-existing international states system, workers in advanced industrial countries, under certain circumstances, may be in favour of an expansive strategy, from which they benefit in the form of secure employment and more jobs.

It is important to remember, however, that the objective condition of the working class and trade unions as their institutional expression does not determine their strategic outlook. The general dynamics of capitalist accumulation and here in particular uneven and combined development provide the structural setting for agency. Consequently, in the first instance the strategies of labour are influenced by its particular location in the capitalist social relations of production. Nevertheless, structure is not sufficiently determinate, as concrete strategies are established in processes of class struggle and interaction with other labour movements as well as capital. How social forces operate in a particular situation in the final instance, therefore, depends on the outcome of class struggle and has to be established in an empirical investigation. 'The class-based relations of production under capitalism create the possibility of particular kinds of agency, but this potential can only be realised through the political practices of concretely situated social actors.'124 In short, structure does not determine strategy. Rather, within a particular structural setting, there are always different possible strategies available to actors. 125 The fact that there is currently no solidarity between European workers on the one hand, and trade unions in the Global South on the other, does not imply that this is always going to be like that. Considering that Global Europe also entails EU internal restructuring, European trade unions may change their positions on Global Europe during these struggles.

¹²⁴ Mark Rupert, Ideologies of Globalization: Contending visions of a New World Order (London: Routledge, 2000), p. 14.

¹²⁵ Andreas Bieler and Adam David Morton, 'The Gordian Knot of Agency-Structure in International Relations: A neo-Gramscian Perspective', European Journal of International Relations, 7:1 (2001), pp. 16-27.

The experience of trade unions in the Americas is illustrative in this respect. When the North American Free Trade Agreement (NAFTA) came into force on 1 January 1994, there was no common trade union position. While the Canadian Labour Congress had been opposed, the main Mexican trade union confederation supported the agreement. The US trade unions presented a mixed picture. 126 As a result of experiences with NAFTA, however, a common position emerged over time. This new position does not only include a rejection of neo-liberal free trade agreements such as the defeated Free Trade Area of the Americas (FTAA) initiative, but as Bruno Ciccaglione makes clear, it also 'seeks to design a model of integration that is an alternative to free trade, not only because it proposes alternative trade rules, but because it aims at moving away from neoliberalism by giving a new centrality to the State, and to a new democratic and participatory process'. 127 The related strategies include both cross-border cooperation with trade unions as well as alliances with other social movements and, thus, provide the basis for a common consciousness at the transnational level. Hence, as a result of concrete struggles against free trade initiatives in the Americas, labour has moved beyond the structural conditions of uneven development towards transnational solidarity. As Mohanty makes clear, 'solidarity is always an achievement, the result of active struggle to construct the universal on the basis of particulars/differences'. 128 Such a development could become equally possible between European trade unions and their counterparts in the Global South.

Due to an increasing frustration about the ineffectiveness of social clauses in FTAs, the ETUC has recently called for the suspension of the EU's free trade negotiations with Peru and Colombia in response to the continuing assassination of trade unionists in the latter country. 129 Similarly, in May 2010 the ETUC issued a joint statement together with the ITUC and the Trade Union Confederation of the Americas, calling - in vain - for the EU's free trade agreements with Central America, Peru, and Colombia not to be signed. 130 Are these the first steps towards transnational labour solidarity between European trade unions and labour movements from the Global South? As Trotsky emphasised, the combined element of development in backward countries implies a particular politically volatile situation, more likely to provide the terrain for revolutionary movements.¹³¹ It is perhaps unlikely to see European trade unions at the forefront of resistance and the view has to go to the labour movements of the Global South, which may perform a similar role to the Latin American trade unions in the successful struggle against the FTAA.

¹²⁶ Bruno Ciccaglione, Free Trade and Trade Unions of the Americas: Strategies, practices, struggles, achievements (Vienna: Chamber of Labour, 2009), pp. 2-3.

¹²⁷ Ibid., p. 30.

Chandra T. Mohanty, Feminism Without Borders: Decolonizing Theory, Practicing Solidarity (Durham/ London: Duke University Press, 2003), p. 7.

¹²⁹ ETUC, 'EU Trade negotiations with Colombia and Peru'; resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 1-2 December 2009', available at: {http://www.etuc. org/a/6736} accessed 2 June 2010.

¹³⁰ ETUC/ITUC/TUCA, 'Appeal to European Union, Latin American and Caribbean Heads of State and Government'; statement of the LAC-EU Trade Union Summit held in Madrid on 4-5 May 2010', available at:{http://www.etuc.org/IMG/pdf_LLamamiento_Cumbre_Madrid_-_EN_-_Final-ING.pdf} accessed 2 June 2010.

¹³¹ Davidson, 'From deflected permanent revolution', pp. 13, 17-18; Selwyn, 'Trotsky, Gerschenkron', p. 432.