Beyond Elitism: The Possibilities of Labour-Centred Development

Benjamin Selwyn

Working Paper No. 9 April 2016





CENTRE FOR GLOBAL POLITICAL ECONOMY

University of Sussex Brighton BN1 9SN United Kingdom Telephone: +44 (0) 1273 872735 Fax: +44 (0) 1273 723 673563 E-Mail: cgpe@ sussex.ac.uk Website: www.sussex.ac.uk/cgpe

CGPE WORKING PAPER SERIES

The Series aims to publish innovative research that attempts to shed light on and advance our understanding of the forces that influence the production, reproduction and change of our social universe, and thus our multiple ways of being and becoming in the international. To meet this aim the Series will try to foster the inter- and multidisciplinary study of International Political Economy by bringing together scholars, ideas, issues, methods, methodologies, problematiques from different social science disciplines.

INFORMATION FOR SUBMISSION

Papers should be submitted to the series editor Julian Germann <j.germann@ sussex.ac.uk>. All papers will be refereed by CGPE staff or external referees. Changes may be required before publication. The copyright remains with the author(s). Submission specifications: 1. Papers should not exceed 12,000 words. Shorter policy oriented papers of up to 5,000 are also welcomed. 2. A cover page should be included with the title, abstract and author name(s), as well as postal address, telephone and e-mail information. 3. A biographical note of the author(s) should be attached as a separate file. 4. Both the Chicago and Harvard referencing styles are acceptable.

Beyond Elitism: The Possibilities of Labour-Centred Development

Benjamin Selwyn is Senior Lecturer in International Relations and International Development in the School of Global Studies, University of Sussex. He is the Director of the Centre for Global Political Economy and author of Workers, State and Development in Brazil (2012) and The Global Development Crisis (2014).

BEYOND ELITISM: THE POSSIBILITIES OF LABOUR-CENTRED DEVELOPMENT

Benjamin Selwyn

Word count - 8, 776

ABSTRACT

This article outlines the theory and practice of Labour Centred Development (LCD). Much development thinking is elitist, positing states and corporations as primary agents in the development process. This article argues, by contrast, that collective actions by labouring classes can generate tangible developmental gains, and therefore, that under certain circumstances they can be considered primary development actors. Examples of LCD discussed here include shack-dweller's movements in South Africa, the landless labourer's movement in Brazil, unemployed worker's movements in Argentina and large-scale collective actions by formal sector workers across East Asia. The article also considers future prospects for LCD.

Labour-Centred Development, Labouring Classes, Brazil, Argentina, East Asia, South Africa

1-INTRODUCTION

This article advances new ways of thinking about human development. A prior article identified howeie, 31 (ie) -1 (d) -2 99 ieho005 41 558.9999 783 re W n /Cs1 cs 0 0 0

superordinate agents' conceptions

"

reproduction of capitalism simultaneously increases the direct wage-labour force (employed workers) and the reserve army of labour (unemployed workers).⁴

Large labouring classes exist in the rural sector as rural wage labourers and unemployed workers, and as disguised workers within peasantries.⁵ The

п

2 - THE POLITICAL ECONOMY OF LABOUR AND THE THEORY OF LABOUR-CENTRED DEVELOPMENT⁷

In most economic theory capital is understood in relatively simple terms – as stocks of money and assets.⁸ The conception of capital adopted here is of wealth derived from the exploitation of labour by capitalists which is then re-invested to reproduce labour exploitation and extend wealth accumulation. Capital is therefore a fundamentally social relation out of which a particular form of wealth is created.⁹

Elite Development Theory understands the process of development from the perspective of capital. It views capital's needs (of accumulation, enhanced competitiveness and its ability to systematically appropriate workers' unpaid labour) as the basis for achieving human development. It also views labour from the perspective of capital – where labour's needs (for better conditions and higher wages) are achieved on the basis of securing, firstly, capital's needs. EDT's are therefore forms of trickle-down economics. The roots of EDT's elitism is to view the world through the lens of capital, and they represent in one form or another, the political economy of capital.

But this is not the only form of political economy that derives from the analysis of capitalist social (class) relations. These class relations generate an alternative political economy, and deriving from it, alternative understandings of and strategies of achieving human development. This section introduces the twin theories of the political economy of labour and Labour-Centred Development. The former was identified by Marx, the latter represents this article's contribution to development theory.

Хu

2.1 The Political Economy of Labour

In his inaugural address to the First International Marx provided two examples of the political economy of labour. The first example, the Ten-Hours Act (introduced in England in 1847 which legally reduced the working day to a maximum of ten hours), was the first time that 'in broad daylig

п

(goods to sell on the market), and surplus value (K'), through the institutionalised capture of workers' unpaid labour. As noted, the reproduction of a wage labour force entails the simultaneous reproduction of a reserve army of labour (the unemployed). In what follows therefore, the wage labour category refers to employed and unemployed workers.

From this vantage point, any disruption to capital's employment of wage

п

ways that reject the primacy of capital and its determining

"

labouring classes rather than from that of abstract individuals. Secondly, it argues that these expanding needs are achieved through collective actions by labouring classes, rather than by the state on behalf of 'the poor'. Thirdly, contrary to Sen, it does not consider the capitalist market as a sphere of freedom where these needs can be attained. Rather, it views it as a sphere where capital's needs are naturalised and labouring classes are ideologically encouraged and materially impelled to subordinate themselves to, and identify their needs with those of capital, i.e. to conceive of the fulfilment of their needs through the K – WL – K'

п

The value of labour-power looks different from the two sides of the capital/wage-labour relation. Just as for capital it is the cost of an input for the capitalist process of production, for workers it is the cost of inputs for their own process of production.

Consequently:

Two different moments of production, two different goals, two different perspectives on the value of labour-power; while for capital, the value of labour-power is a means of satisfying its goal of surplus value...for the wage-labourer, it is the means of satisfying the goal of *self-development*.¹⁴

The existence of two potentially rival political economies is constitutive of the capitalist development process in (at least) two ways. On the one hand, 'capital does not merely seek the realisation of its own goal, valorisation; it also must seek to suspend the realisation of the goals of wage-labour'.¹⁵ This denial is observable in EDT's ideological legitimation and practical contribution to policies designed to demobilise labouring classes and subject them to elitedirection.¹⁶

However, the potential existence of a rival political economy is constitutive of capitalist development in a second way. Workers' collective gains against capital are won through 'negating competition, [and] infringing on the 'sacred' law of supply and demand and engaging in 'planned co-operation'.¹⁷ Such collective actions, elite responses to them, and the institutional formations that occur subsequently, often engender the more progressive features of capitalist

! Nu

development, such as workers' rights, welfare provision, and various forms of democracy.

Whilst EDT claims to point to a future characterised by a high and rising level of human development, the way it views the capital – wage-labour relation (K - WL - K') illustrates how for labouring classes that future will be one eternally circumscribed by the needs of capital. If capital is unable to realise its objectives of accumulation and enhanced competitiveness, labouring class needs are expendable, hence the continual presence and expansion of the reserve army of labour. However, as will be discussed below, members of the reserve army of labour are able to engage in collective actions to enhance their human development in different ways, although often in conjunction with, those pursed by employed workers.

LCD's view of the capital – wage-labour relation (WL - K - WL) suggests both a variety of ways in which labouring classes can reproduce themselves visa-vis capital (including various forms of control/regulation of capital), and opens the way to enquiring how, and under what circumstances,

discussed range from formal to informal sector, and across agriculture and industry (table 1).

Countries	Example, Sector, formality
South Africa	Abahlali baseMjondolo (informal)
Argentina	Piquetero's, Unemployed Workers Movement,
	Recuperated Factory Movement (informal to formal)
Brazil	Agrarian-based Movimento dos Trabalhadores Sem
	Terra (informal)
South Korea and	Industrial Wage Workers (formal)
China	

Table 1: Contemporary	Labour-Centred Development: Some Examples
-----------------------	---

3.1 The Reserve Army in South Africa: Abahlali basemjondolo

Contemporary South Africa is characterised by extreme wealth and mass poverty. Despite the ending of apartheid and the Black Economic Empowerment initiative established by the ANC government, poverty continues to be racialized. Approximately 47% of the population live under the poverty line (US\$43 per month in 2013), of which over 90% are black.²¹ The numbers living on under US\$1 a day doubled – from approximately 2 to 4 million – between 1994 and 2006. The average rate of unemployment was 26% in 2004, whilst for black South

union is inviting us into the cities or into what remains of democracy in South Africa. We have no choice but to take our own place in the cities and in the political life of the country.²⁷

3.2 Challenges from the Informal Sector in Brazil: The MST

The Landless Labourers Movement (*Movimento dos Trabalhadores Rurais Sem Terra*/MST) represents a significant case of LCD in Brazil. Since its foundation in 1984 and the mid 2000's the MST's membership grew to over one

п

and when the environment is preserved adequately. Whilst these definitions were formulated in intentionally vague terms, in the context of the transition from dictatorship to democracy at the end of the 1980s, they have nevertheless provided the MST with ideological justifications for land occupations.

Land occupation serves a double purpose of pressuring the Brazilian state to begin negotiations over its appropriation and redistribution, and to establish the material and ideological basis for MST settlement communities. Settlements seek to produce their own food and to sell surpluses, often under brand names, onto local markets.³⁰

The movement rejects a market-based conception of land simply as a commodity to produce other commodities. As Wendy Wolford (2005) describes, its form of land use derives from a conception of human-natural relations that emphasise work, community and God. The movement is influenced by liberation theology and Paulo Freirie's theory of the pedagogy of the oppressed. ³¹ Individuals within the movement take on a range of socio-political responsibilities according to the principle that 'here we are all leaders'.³²

The MST aims to transform Brazilian agriculture from its current agroindustrial model to a more family-farmer centred form. Key demands include producing food for local and national consumption rather than export, introducing agro-ecology through eliminating agro-toxins and job c

!]"

"

3.3 From Informal to Formal Sector: The Piquetero's, Unemployed Workers' and Recovered Factory Movements

Since the 1990s Argentina has witnessed multiple economic crises but also the rise of myriad, interconnected forms of LCD. Between 1991 and 1995 the national unemployment rate increased from 6 to 18 percent partially caused by falling competitiveness due to an appreciating Peso.³⁷ Following the 1997 East Asian crisis and the 1998 Brazilian devaluation, Argentinian economic competitiveness vis-à-vis Brazil fell further and costs of international loans increased (following rising interest rates in Europe and North America). Despite cutting wages and shedding jobs, Argentinian firms could not regain competitiveness. These dynamics were magnified by the turn of centu

run by the central state.³⁹ In 2001 *Piquetero* collective actions escalated, with over one hundred thousand people participation in shutting down over three hundred motorways and effectively paralyzing the economy. These actions pressured the Argentine state to provide thousands of minimum wage temporary jobs and food allowances to local communities.⁴⁰

The *Piquetero* movement generated new forms of collective agency and autonomy vis-à-vis the state. Their actions were orientated simultaneously upwards (towards the state) and outwards (through their communities). The Unemployed Workers' Movement (UWM - Movimento de Trabalhadores Desocupado) emerged from the *Piquetero's* in the late 1990s. It continued the prior strategy of blocking roads, but also began pressuring the state for more resources and for the political autonomy to manage those resources across their communities. The UWM's community projects include maintaining and repairing schools, hospitals and other public buildings, construction and running of community soup kitchens, recycling rubbish, organising volunteers in retirement homes, healthcare provision and visits to the disabled, establishing small-scale craft production, provision of child-care, milk-provision in schools, establishment of bakeries, basic education provision and health promotion and improving sanitation.⁴¹ State-funded temporary jobs are distributed by the UWM through collective decision making and are based on considerations such as families' needs and their members' participation in the UWM.⁴²

One of the regions where the UWM have had their biggest impact is the town of *General Mosconi* in the *Salta* region of North West Argentina. By the early 2000s the movement had generated numerous community projects to provide food for the unemployed both within and beyond the UWM.⁴³ These

^{JV}"-+(\$4;,\$+(@)B<,/(/1'"+("K9,+("B1\$4+:95@J]Y"

^{NW}">\$,49;*d*)k(\$10%/`\$="&/4D\$4;5"1/.\$1\$(,5*d*76""

N! "-+(\$4; ,\$+(@)23\$">/%,+: ;"/0"B<,/(/1'"+("K9,+("B1\$4+:956""

^{N7}">\$,49;@)k(\$10%/'\$="&/4D\$4;5"1/.\$1\$(,56""

^{NJ}">\$,49;@+G+=@"\$;,+19,\$;",3\$"(<1G\$4"/0":/11<(+,'"04/T\$:,;"9;"3+A3"9;"JWW6"

included organic gardens, bakeries, first aid clinics, and water purifying plants. The extent of the UWM's coordination of the local economy meant, according to James Petras, that the town was 'ruled de facto by the local unemployed committee, as the local municipal offices have been pushed aside'. Furthermore, illustrating the potential for a self-generating political economy of the labouring class '[t]he emergence of a parallel economy, on a limited scale, in *General Mosconi*, sustains popular support between struggles and offers a vision of the capabilities of the unemployed to take command of their lives, neighbourhoods and livelihoods'.⁴⁴

A third form of LCD emerged in Argentina in the late 1990s, expanded rapidly in the early 2000s, and has maintained itself to the present. The recuperated factory (*fábricas recuperadas*) movement responded to the threat of

ı

in Santa Fe... they also promoted, together with unemployed workers, a program of public works under the slogan 'jobs for all'. They make monthly donations to soup kitchens and hospitals.⁵⁰

3.2 Formal Sector Mass Movements in East Asia

Contemporary statist political economy's (SPE) analysis of East Asian industrial upgrading advocates a strong role of the state in generating rapid economic growth and industrial diversification.⁵¹ It also advocates, often explicitly, labour repression as a means of achieving large economic surpluses.⁵² It does not consider how labouring class collective actions are themselves developmentally beneficial for large segments of the population.

In contrast to SPE, however, Dae-Oup Chang details how in South Korea collective actions by labouring classes rose during the 1980s, and how, consequently, between 1983 and 1986 real wages increased in manufacturing by about 8.95 % per annum. From 1987, at the peak of workers' mobilisations, real wage increases in manufacturing accelerated: 10.4% in 1987, 16.4 % in 1988, 20% in 1989 and 16.8% in 1990. Furthermore 'working hours decreased from 51.9 per week in 1987 to 47.5 in 1993, without decrease either in the workforce or in [the] real wage'.⁵³

Chang also notes, however, that the upward curve of workers' struggles was met by a state/employer counter-

1999...Real wage increases... slowed down, even showing a 9% real wage decrease in 1998. Increasing competition among workers has also increased the intensity of labour.⁵⁴

This attempt to demobilise labour and increase its rage of exploitation was partially achieved throughout the 1990s by a shift in elite development strategy, away from statism towards a more recognisably market-orientated form of capital accumulation.⁵⁵

Comparable dynamics – of labourer's collective actions attempting to alter the behaviour of states and corporations – are observable in contemporary China. From the 1990s onwards China has been characterised by an intense and highly exploitative labour regime where workers' living standards have been squeezed to ensure rising profits for capital. Consumption as a percentage of Chinese GDP has fallen from 44% to under 39% between 2002 and 2010.⁵⁶. Its one party system leaves little room for dissenting political organisation or expression. Despite this deadening political and economic regime Chinese workers have engaged in largescale collective actions and have been able to defend and in many cases to ameliorate their conditions. Beyond wage increases, Silver and Zhang argue that these protests have made the Chinese government increasingly fearful of political instability and sociopolitical breakdown. In response:

Between 2003 and 2005, the central government and the Chinese Communist Party began to move away from a single-minded emphasis on attracting foreign capital and fostering economic growth at all costs to promoting the idea of a 'new development model' aimed at reducing inequalities among classes and regions as part of the pursuit of a 'harmonious society'...Likewise... the [state run] All-China Federation of Trade Unions, amended its constitution to "make the protection of workers' rights a priority" in 2003'.⁶⁰

3.5 External Barriers to Labour-Centred Development: Class and State Power, Market Forces and Political Incorporation

Gains to labour can be neutralised and/or reversed through counter-movements by organised capital and capital-friendly sections of the state. Capitals' ability to respond to labouring class demands, through new strategies of exploitation and accumulation, can undermine labouring class movemeET (20) 18.00...-y 58 0 0 giesvp

external constraints suggests the need for a focus, by advocates of LCD, upon internal responses to these barriers through the formulation of novel organisational strategies and designs, and an identification of and attempts to generate counter socio-institutional forces that can protect and advance labouring class gains. Analysis of what such organisations and institutions have looked like and speculation of what they might look like, whilst beyond the scope of this article, would contribute to the extension of the theory and practice of LCD.

4 SUMMARY AND CONCLUSIONS

Part one of this article argued that Elite Development Theories rest upon an unresolvable ideological paradox – that the oppression and exploitation of labouring classes by states and capital is held to be good for those labouring classes.⁶⁵ While EDT's claim that they represent the most practical route to human development, even within their theoretical reasoning they tacitly or explicitly confirm that such development occurs through the reproduction of an Elite-Subject – Subordinate-Object relationship. This relationship confers primary agency to elites and, at best, secondary agency to subordinates. EDT's confirm theoretically that labouring classes will be forever locked into this inferior relationship. The empirical history of elite-led development verifies this theoretical claim.

This article, against EDT, argues for a new paradigm of Labour-Centred Development where, conceptually, labouring classes are allocated primary agency. Labouring class collective actions are, it has been argued here, generative of immediate material improvements to their and their communities' livelihoods, and of new collective resources derived from those collective actions. That such ameliorations are established by

7]"

that wage labour seeks to replace progressively capital's determining role in the

...

REFERENCES:

...

- Chinese Labour Bulletin. 'A Decade of Change: The Workers' Movement in China 2000-2012'. Hong Kong. Chinese Labour Bulletin. 2012.
- Chang, D. O. 'Korean Labour Relations in Transition : Authoritarian Flexibility'. *Labour, Capital and Society*. 35 (1). (2002): 10-40.
- Chang, D.O. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*. London: Routledge. 2009.
- Dinerstein, A. 'Autonomy in Latin America: Between Resistance and Integration. Echose from the *Piqueteros* Experience'. *Community Development Journal.* 45 (3). (2010): 356-366.
- Dinerstein, A. *The Politics of Autonomy in Latin America: The Art of Organising Hope*. Basingstoke. Palgrave Macmillan. 2015.
- Elliot, P. 'Zanon Workers in Argentina Still Waiting for Security'. *Upsidedownworld*. Accessed on 20th August, 2015 at <u>http://upsidedownworld.org/main/argentina-archives-32/336-zanon-</u> *workers-in-argentina-still-waiting-for-security*
- Foster, J,B, R, McChesney and R, Jonna. 'The Internationalization of Monopoly Capital'. *Monthly Review*. 63: 2. (2011): 1-18 available at

Foster, J,B and R, McChesney. 'The Global Stagnation and China'.

Monthly Review

ı

- Gibson, N. Fanonian Practices in South Africa: From Steve Biko to Abahlali baseMjondolo. Scottsville: University of KwaZulu Natal Press. 2011.
- Harman, C. 'Argentina: rebellion at the sharp end of the world crisis'. International Socialism Journal. 2, 94. (2002): 1-35.
- Jessop, B. 'Institutional Re(turns) and the Strategic-Relational Approach'. *Environment and Planning* A, 33 (7): (2001): 1213-1235.
- Jessop, B. State Power: A Strategic-Relational Approach. Cambridge, Polity. 2008.
- Klein, N. The Shock Doctrine. Picador. 2008.

ı

- Lebowitz, M. Beyond Capital: Marx's Political Economy of the Working Class. Basingstoke, Palgrave MacMillan. Second Edition. 2003.
- Lebowitz, M. "Karl Marx: The Needs of Capital vs. the Needs of Human Beings." In D, Dowd (ed) Understanding Capitalism: Critical Analysis from Karl Marx to Amartya Sen. London: Pluto. 2002. 1-24.
- Levy, C. 'Ocupando o Centro da Cidade: Movimento dos Cortiços e ação coletiva'. In Otra Economia. 5 (8): (2011): 73-96.
- Lucas, K. 'Here we are all leaders'. International Viewpoint. 333: (2001) 31-32.
- Marx, K. Inaugural Address of the International Working Men's Association (1864). Downloaded on May 15th 2015 from http://www.marxists.org/archive/marx/works/1864/10/27.htm
- Marx, K. 'Rules and Administrative Regulations of the International Workingmen's Association' (1867). Downloaded from in January, 2012,

and available at:

http://www.marxists.org/archive/marx/iwma/documents/1867/rules.htm

Marx, K. Capital: A Critique of Political Economy. London, Penguin. 1990.

- Meyer, L and M, Chaves. 'Winds of Freedom: An Argentina Factory under Workers' Control'. *Socialism and Democracy.* 23:3. (2009): 167-179.
- Panitch, L and C, Leys. 'Preface' In the *Socialist Register 2001*. Edited by L, Panich and C, Leys. Merlin: London. 2000.
- Petras, J. 'The Unemployed workers movement in Argentina'. *Monthly Review. (2002):*

п

Selwyn, B.

"

Zobel, G. 'We are Millions'. New Internationalist online. Issue 428, December (2009). Accessed 6tt February, 2013. <u>http://newint.org/issues/2009/12/01/</u>

ı