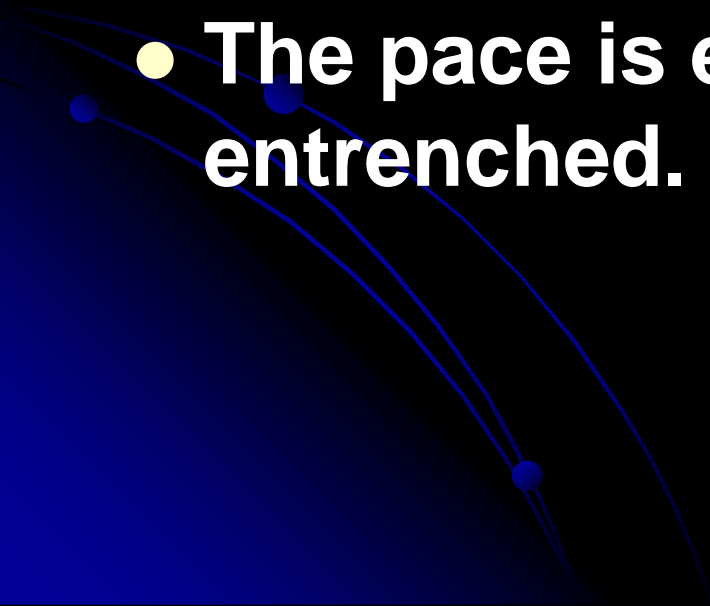


PRIOTIES IN TRADE UNION RESEARCH IN AFRICA: Why do Trade issues concern trade unions?

By

Comrade T. KALUSOPA

The Changing World order...

- Globalization has taken a centre stage and now rules the world economic order
 - Technology, trade and foreign direct investment are some of the most key indicators that are driving globalisation
 - The pace is evidently fast and now entrenched.
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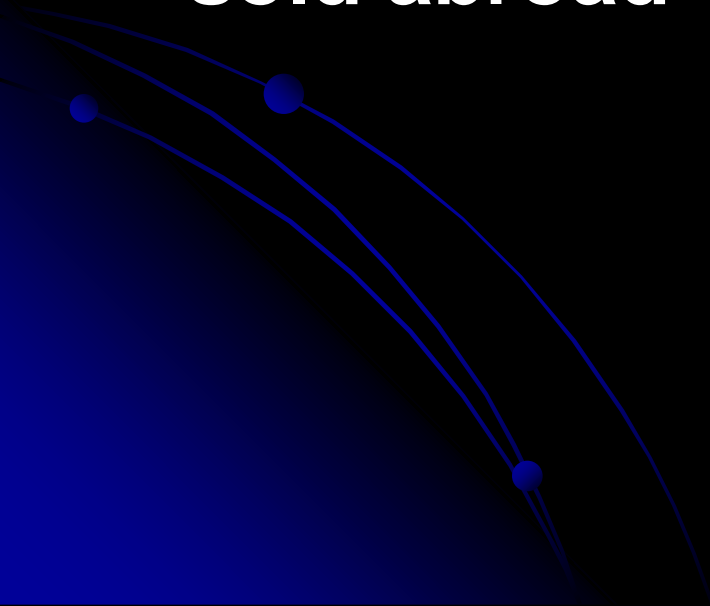
**The working of the world economy
is thus changing in a number of
ways**

● Through:

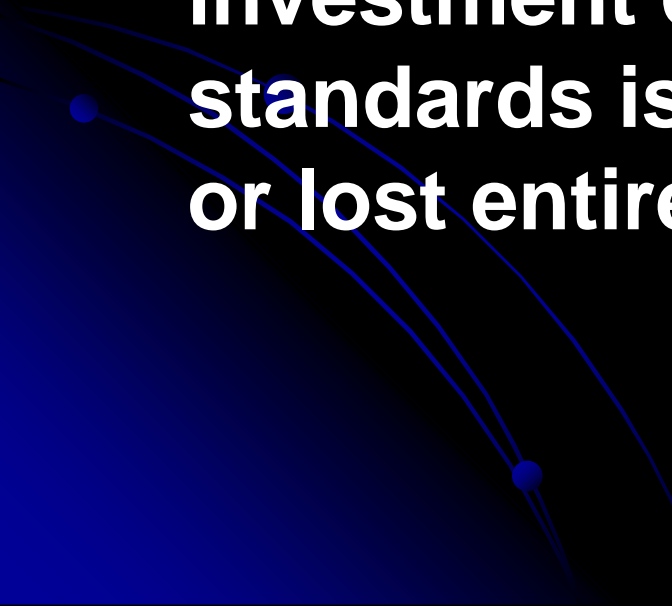
- **Multinational investment**
- **Capital markets**
- **Technology and;**
- **Trade driven by the World Trade Organisation (WTO)**

What does this World Trade entail?

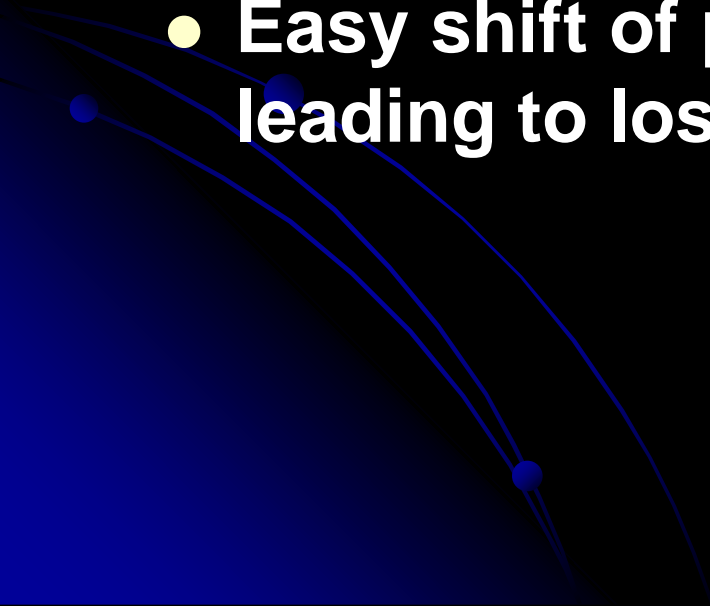
- In today's world, increasing proportion of the products bought, in virtually any country, come from overseas, and more of countries' own products are sold abroad



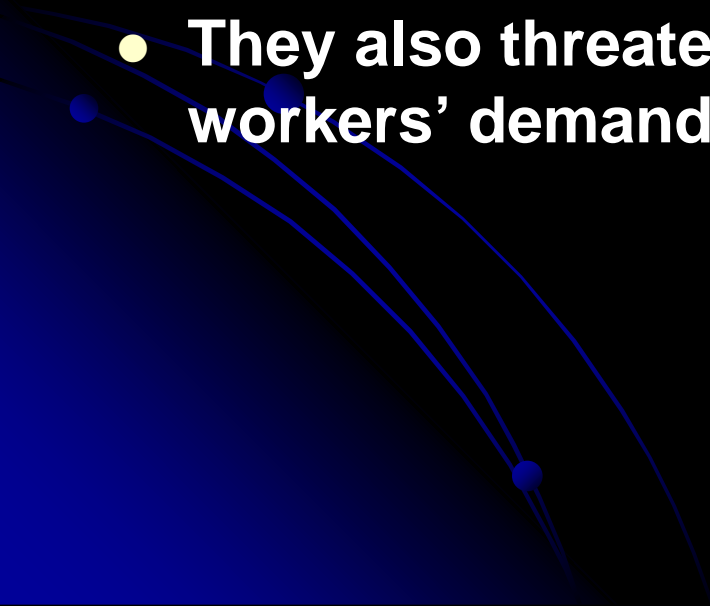
The World Trade Organisation (WTO)

- **The WTO drives this global trade agenda**
 - **Thus the capacity for national governments deciding on subsidies, investment controls and environmental standards is being greatly diminished or lost entirely**
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Impact of trade and trade related issues on workers

- **High reward tilted in favour of high skilled workers while the majority low skilled are removed from the production system by technological advances**
 - **Workers are the first target of cutting costs**
 - **Easy shift of production of capital flight leading to loss of jobs**
- 

Impact of trade and trade related issues (FDI) on workers

- **Worker rights are being violated and standards lowered in the name of achieving higher productivity for export**
 - **Employers often use "international competitiveness" as a pretext to fight union organising and refuse to negotiate at the bargaining table**
 - **They also threaten to move in order to refuse workers' demands or union organising drives**
- 

Impact of trade and trade related issues on workers

- If unemployment levels are high, it's easier for companies to find others willing to work for less
- Governments are desperate for investment - and since foreign and local investors prefer a "docile" workforce which has no collective voice, governments are often willing to suppress the basic human rights of workers
- In the name of low labour costs, some governments allow the use of child and forced labour, even in production for export markets
- Governments advertise their 'non - union' workforces as proof of a good investment situation

Impact of trade and trade related issues on workers

- Governments will either obstruct collective bargaining mechanisms or set slave wages themselves, in order to keep wages and conditions down
- Some governments create EPZ's or tax-free zone to attract investors where labour laws are flouted at will and trade unions almost outlawed
- Workers in agriculture often face hazardous work environments
- International rules on trade and investment do not penalise those who undermine worker rights

Impact of trade and trade related issues on workers

- **Workers often sacrifice wages and benefits when companies act to protect or increase profit margins - they rarely share equitably in the wealth which is generated**
- **WTO rules protect the party with the resources, i.e. investor, patent owner and exporting company**
- **WTO rules have no worker agenda hence no worker protection**

What can workers do about this?

- Know the issues
- Make our voices heard
- Need for solidarity to fight these issues
- Fight for new rules and world order by ensuring that comparative advantage is not sought and gained through the violation of fundamental workers' rights

.....RESEARCH IS KEY TO ALL THIS.....

ANSA

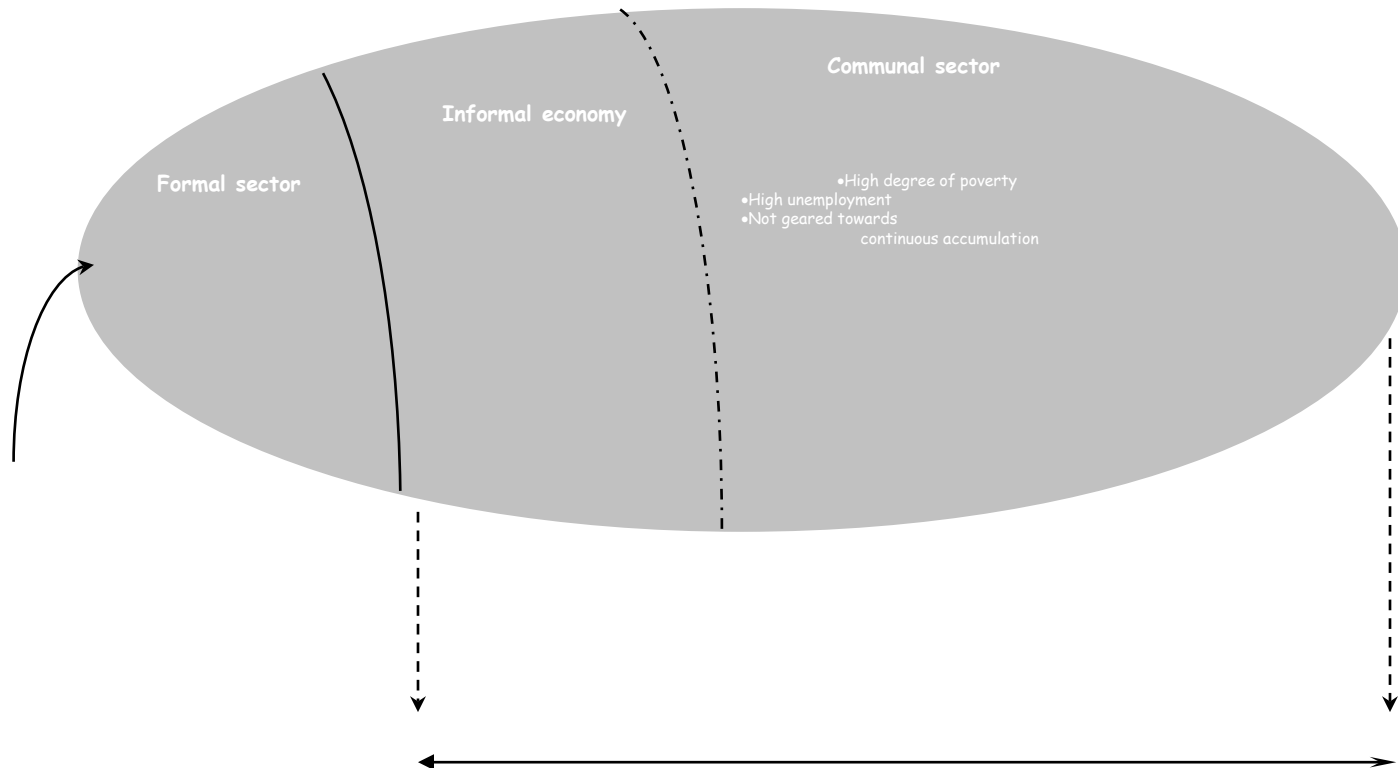
Alternatives to Neo-Liberalism in Southern Africa (ANSA)

ANOTHER AFRICA IN THE MAKING....

The Principles of ANSA: Conceptual Analysis

- There are various forces that shape our societies and can bring about the fundamental changes that are needed to improve the lives of working people.
- The major players are firstly, **the people themselves** and their organisations at grassroots level: key agents of change and must drive the process.
- Secondly, there is the **state**, which is a very important site of struggle. States rule in the interest of those who control it and thus working people have to regain control over the state, not only at national level but also within the SADC region and Africa as a whole.
- Thirdly, there are the **global actors** including the World Bank, IMF, the World Trade Organisation (WTO), G8 and Transnational Corporations (TNCs) who have a strong influence over African states and whose interests are opposed to those of working people. These global actors can be described as “the Empire”.

Structural Socio-economic analysis: question of enclavity



Formal economy distortions

- This sector is driven by external interests as shown by its exports (mostly of primary products and lower level manufactured goods).
- The sector tends to be influenced by external/imported technology and techniques of production.
- It has benefited from government policies such as subsidies, infrastructure, foreign exchange allocation, research, education and training, land allocation, favourable legal frameworks, linkages to donor aid and FDI.
- The formal sector generates most income and taxes and benefits from most government expenditure. However, most workers in the formal sector are underpaid, although they are better off than those in the informal and communal sectors.
- The formal sector is currently biased towards large-scale enterprises and against the evolution of small and medium-size enterprises.
- It is also biased in favour of relatively capital-intensive methods that cannot absorb the large number of unemployed.

Urban informal economy distortions

- **Urban informal economy distortions:** This sector has primary, secondary and tertiary activities that cater primarily for a low-income market. It is an absorber of labour “of the last resort” and most of its activities tend towards saturation.
- It lacks capital, technology and value chains. The sector specialises in traditional products and services but can hardly offer modern products and services.
- The sector cannot compete with the formal businesses and tends towards self-exploitation in the manner it uses its own labour through long working hours and low pay (including “free” family labour).
- Thus, the households, operators and workers in this sector tend to cover the hidden social costs of production.

Communal sector distortions:

- This sector does not show dynamic growth and accumulation due to the manner in which it was linked to the modern economy during colonialism and due to the neglect it experienced after independence.
- Essentially served as a pool of cheap labour for the formal economy and this link never served to transform the character of the communal sector.
- Continues to be based on subsistence and effectively subsidised wages in the formal economy.
- sector was not integrated into modern forms of organisation but has to cope with population growth, depletion of resources and natural disasters.
- It shares some of the problems experienced by the urban

International economic linkage distortions

- The global environment perpetuates Africa's enclave economies.
- It reinforces primary exports and import dependency and thus prevents the transformation of the domestic economy.
- The terms of trade have been to the disadvantage of Africa's formal sector as the price for exported raw materials declined relative to the price of imported manufactured and capital goods.
- Monopolistic tendencies and protectionism among industrialised countries prevented African producers from competing on an equal footing.
- African countries only attracted small amounts of FDI that was not able (and not interested) to transform domestic economies.

ANSA's Resolve???

- A human rights or centred approach to development
- People are the agents of change
- A holistic approach
- Engaging with the state
- Right to self-determination

A holistic bottom-up approach

- The “**social factor**”, meaning how people’s basic human rights are safeguarded and how vulnerable people are protected against poverty and exploitation.
- The “**democratic factor**”, meaning how the political system functions, how decisions are made and implemented, how resources and opportunities are distributed and how justice and fairness is achieved.
- The “**global factor**”, meaning how the system works at global level, how decisions are taken and implemented, how global resources are controlled and distributed and how this global system affects Africa.

10 Point Summary of ANSA

The main elements of the proposed ANSA strategy can be summarised into 10 points:

- i) It is a people-led (as opposed to an IMF-World Bank-WTO donor-led) strategy. It proposes:
- ii) An alternative production system primarily based on domestic demand and human needs and the use of local resources and domestic savings. It also proposes the “horizontal” integration of agriculture and industry;
- iii) A grassroots-led regional integration as opposed to the current fragmentation by the Empire;
- iv) A strategic, selective de-linking from neo-liberal globalisation and the preparation for a negotiated re-linking to a fundamentally different global production and distribution system;

10 Point Summary of ANSA

- v) An alternative policy on science and technology based on harnessing the collective knowledge and wisdom of the people;
- vi) Forging of strategic alliances and networks with progressive forces at national, regional and global levels;
- vii) A politically governed redistribution of wealth and opportunities from the formal to the non-formal sectors of the economy;
- viii) Women's rights as the basis for a healthy and productive society;
- ix) An education system that addresses the needs for sustainable human development by improving technical, managerial, research and development skills;
- x) The creation of a dynamic, participatory and radical democracy, which regards peoples' mobilisation, demonstrations, open hearings as part of the struggle for an **ethical and developmental** state.