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Nathan Lillie*

Globalization and Class Analysis: Prospects for Labour Movement Influence in Global Governance**

Abstract – World order structures class relations, and vice-versa, so a shift from a world ordered around insular nationally based capitalist systems to a single integrated global production system and market implies a shift from national to global and transnational classes. Capitalist hegemony has been built on capitalist hegemony in individual nation states, involving the incorporation of subordinate actors into national class compromises. These class compromises are now undermined by globalization. Capitalism has difficulty reestablishing its hegemony on a global scale because labour's global weakness prevents the working class from being integrated as a subordinate actor in a new global "historic bloc."

Globalisierung und Klassenanalyse. Einflußmöglichkeiten der Arbeiterbewegung in der Global Governance

Zusammenfassung – Die Weltordnung und Klassenbeziehungen strukturieren sich wechselseitig. Entsprechend impliziert der Wandel von einer Weltordnung, die auf insular national verankerten kapitalistischen Systemen beruhte, zu einem integrierten globalen Produktions- und Marktsystem eine Verschiebung von nationalen zu globalen und transnationalen Klassen. Die kapitalistische Hegemonie baute auf der Hegemonie des Kapitalismus in einzelnen Nationalstaaten auf unter der Einbeziehung untergeordneter Akteure in nationale Klassenkompromisse. Diese Klassenkompromisse werden heute von der Globalisierung untergraben. Der Kapitalismus tut sich schwer, seine Hegemonie auf globaler Ebene neu zu etablieren, da die globale Schwäche der Arbeiterschaft die Integration der Arbeiterklasse als untergeordneten Akteur in einen neuen „historischen Block“ verhindert.

Key words: **Class Analysis, Transnational Classes, Global Unionism, International Relations**

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Class struggle and world order

The transnationalization of production provides the material basis on which new transnational classes and global politics are built. Some have argued that labour's weakness when faced with capital mobility is not fundamentally new, but rather just another shift in the locus of the "core" of the world system, to new and cheaper locations (Silver 2003). While there undoubtedly has been a shift in production locations, globalization changes more than just the places where things are made. Transnational production also changes the nature of the interstate system, altering power hierarchies within and between states, and providing a shifting new terrain of class conflict. Nation states may not be disappearing as such, but they are becoming less insular, and less able to maintain the national class compromises on which capitalist hegemony in the advanced industrialized world was built.

To understand the capacities and limitations of the global labour movement, one must understand transnational class formation. Workers and capitalists everywhere are embedded in the world order, whether they like it or not, or indeed whether they know it or not. World order structures class relations, and vice-versa, so a shift from a world ordered around insular nationally based capitalist systems to a single integrated global production system and market implies a shift from national to global and transnational classes. Capitalist hegemony in the world order has been built on capitalist hegemony in individual nation states, involving the incorporation of subordinate actors into national class compromises (Cox 1987). On the global level, the working class is fragmented along national lines, and relies on thin and mediated transnational contacts; as a result of this class structure, its transnational capacities are weak. Capitalism has difficulty reestablishing its hegemony on a global scale because of the fundamentally weakened position of labour, and because of the difficulty in creating contexts in which working class interests can be integrated as subordinate actors in the new order. This analysis suggests that trade unions, to the extent they aspire to be actors in the new order, should actively promote the development of a global working class consciousness.

There is considerable debate as to whether transnational classes exist, and whether they are cohesive enough to merit the term "class" (Sklair 2001; Kentor/Jang 2004; Carroll/Fennema 2002; Kentor 2005; Nollert 2005; van der Pijl 1998). This article does not attempt to gauge whether national classes have reached a sufficient level of transnational identity, institutionalization or networking to be worthy the "transnational class" designation, but rather sidesteps the issue by conceiving of class as a structural relationship to the means of production, which does not require collective identity and purpose. In other words, the term "class" as used herein refers to "class-in-itself" rather than "class-for-itself". Transnational classes therefore follow directly from economic globalization, without any requirement that class members identify with each other across national boundaries.

Transnational production and class struggle

Transnational production allows capital to exit from national class compromises, and play locally rooted actors such as labour unions and governments off against each

other. This dynamic favours coercive solutions to the labour control problem over co-optive ones; alienation and market discipline replace legitimacy purchased with material concessions to the working class. As Wennerlind (2001) shows, capital strategically adopts social and technological innovations to protect its ability to extracting surplus value, by constantly changing production systems, payment schemes, ownership structures and so on. Geographical strategies, such as moving investment, or dividing production chains spatially to optimize the characteristics of workforces involved in specific production tasks, can also be regarded as components of capital's repertoire of strategies protecting the extraction of surplus value.

The shifting geographic scale of capitalist production and accumulation to the transnational level is a part of this ongoing process of segmentation and class conflict. Capital protects its ability to extract surplus by creating global markets and transnational production networks (Gough 2004). Like the division of labour in factories, transnational production allows capital greater control over the production process, and helps to obscure the relations of production in such a way as to make it more difficult for workers to recover a share of the extracted surplus value. Transnational production relocates bits of processes once comprehensively performed under one roof all over the landscape, creating what one might term 'global factories.' Different parts of interconnected production processes locate in different jurisdictions, and often in different countries, complicating the construction of worker solidarity and the maintenance of appropriately structured trade unions. Class consciousness and union organizations must be revised and renewed out of the fragmented relations between now dispersed groups of workers within firms and industries. The geographical division of labour is as much determined by management's need to increase its control and extract surplus as is the organization of work within a factory on the shop floor.

The new global and transnational organization of production is at least initially less amenable to worker resistance, given the national basis of organization of the labour movement – if nothing else because one motivating factor in capital's restructuring along transnational lines is to reduce the capacity of workers to resist. As Harry Cleaver observes, there is a cyclical process of capital restructuring and recomposition of worker class consciousness. "Whatever new 'class composition' is achieved only serves as the basis for further conflicts, because the class antagonism can only be managed; it cannot be done away with" (Cleaver 1992: 7). Possibly, in time, workers will reformulate their own strategies of resistance and recompose their organizations in ways more suited to the new production processes. For now, however, the global labour movement is on a downward slide, with working conditions, wages and labour rights suffering as a result.

Capital has grappled unsuccessfully with the problem of downward spiraling labour standards. Unwilling to grant power and legitimacy to unions, firms are nonetheless concerned about the threat to capitalist accumulation presented by the growing recognition that few workers have gained, or are ever likely to gain, from neo-liberal globalization. The decline in state regulatory capacity inherent in neo-liberal globalization ensures that firms can no longer fall back on the justification that their behaviour is regulated through law or collective agreement. The failure of national

systems to protect labour rights, and the inability of corporate standards to become a legitimate and effective private sector replacement, mean that corporations have increasing difficulty presenting themselves as socially responsible actors in the global economy. Capital attempts to re-assert hegemony while modifying its private, transnational, corporate-authoritarian model of governance as little as possible. In general, this means self-regulation within firms, or within business associations, through corporate codes of conduct. These have become the basis for private corporate sub-systems of labour rights governance within TNCs and their supply chains; the implications of this development for labour union strategies are discussed later in this article.

State sovereignty, national systems, and the international system

Traditional understandings of international relations assume a world order built on sovereign nation states – in Marxist conceptions these sustain and are sustained by the relations of production in their societies (Cox 1987). In principle, these states have the sovereign right to govern and make law within their defined territorial boundaries, and are theoretically free and equal in their international relations with each other. Although in many ways a constraint on capital, sovereignty also serves as an anchoring point for the system of property rights on which capitalism is based (Palan 2003: 87). Although sovereignty in theory acknowledges no higher authority, states are nonetheless constrained in many ways: by hierarchical power relations between states, by the rules of global capitalism, and by various systems of international laws and norms which operate on all levels of government. The increasing invasiveness of these external constraints means that sovereignty is in some respects less meaningful than before; states have declining autonomy to promote national level class compromises through concessions to the working class (Tsoukalas 1999).

Globalization in some sense is the unraveling of the tensions and contradictions between the logic of national sovereignty and the globalizing imperative of capital. This resolution creates problems of its own, and spurs political projects to solve them. As capital breaks free of the constraints of the nation state system, capital also creates, or supports the creation of, state forms needed to preserve and sustain capital accumulation outside and between nation states (Yeung 1998). These state forms are based partly on the structures and opportunities provided by the old inter-state system, and partly on political struggles between new powerful actors seeking to break free of the nation state system (Lillie 2006). The term *state forms* reflects the ambiguous nature of these; they are not necessarily public, but may be public, private, or a combination of the two; their defining feature is that they replace functions formerly carried out by nation states. While these state forms reproduce some of the collective goods formerly provided by nation states, they are also insular and technocratic in nature, seeking to implement specific and narrow policies related to industrial regulation (Cutler et al. 1999) and the enforcement of market discipline (Gill 2003). As a result, the basis in legitimacy of the new governance is brittle, as techno-authoritarian discourse reduces democracy and the social contract “to an increasingly unconvincing procedural legality” (Tsoukalas 1999: 73).

The ideal-type of international system as conceived by traditional international relations and comparative political science is a world of national “varieties” of capitalism

(Hall/Soskice 2001) represented in international politics through national governments (Richards 1999). Nation states, with their national myths, bureaucratic capacities, and sometimes democratic legitimacy, have usually had sufficient authority within their borders to provide stable environments for capitalist accumulation. Shop floor relations of production embedded in national frameworks produce the social forces which form each society's "historic bloc," defining and limiting each state's actions (Cox 1987). Under the nation state system, the state serves as mediator of these domestic interests onto the international stage.

Palan observes that states have never been completely insulated and parallel systems, but rather form interpenetrating regulatory networks. As Palan puts it, the "global market does not inhabit a homogenous judicial space" but is formed from a "patchwork of national system of laws joined together by a set of bilateral and multi-lateral agreements" (Palan 2003: 87). The characterization of the world as composed of parallel national systems has always been a simplification, though in the past a useful one. As transnational connections multiply, it becomes less useful to conceive of national states exclusively as separate and insular systems mediating domestic interests. Domestic interests are capable of acting themselves in transnational political spaces. States remain powerful actors, but are less insular and less autonomous, as they become policy implementers of the rules of global capitalism rather than policy makers in their own right (Tsoukalas 1999: 73).

As the state's mediator role is progressively circumscribed, the relations between world order and production become increasingly direct. National "varieties of capitalism" produce and are reproduced by relatively insular national production relations, so that their loss of insularity results in increasing instability in industrial relations subsystems (Lillie and Greer 2006). National accommodations for reproducing public goods and capitalist hegemony no longer function as well, since these can now be overruled by interests outside the authority of the polity in question: by private actors (Strange 1996), or by international organizations (Waghorne 2006). The roots of this process of transnationalization can be traced back to contradictions embedded in the very inception of nation states (Palan 2003: 63-110), but only in recent decades has the process intensified so that the trend is now away from consolidated, insular states serving as the building blocks of capitalist hegemony.

Increasingly, world order is built on integrated global production systems, governed by a fragmented hodge-podge of issue based state forms, without clear mechanisms for incorporating counter-hegemonic social forces. Political opportunity structures in global politics are limited and defined by the immediate needs of global capital, constraining what subordinate actors can do with them. The narrow basis of global regulatory authority inhibits a more substantial "global civil society" from stabilizing and legitimizing global capitalism. While state power has always been contested, and is not necessarily disappearing as a result of global governance, it is argued here that state power is *fragmenting*, and that this creates a fundamentally different situation than one in which states are unified coherent entities. This reconstruction of state authority is not the all-encompassing sort of authority traditionally provided by states operating as parallel self-contained systems, but rather is specific and circumstantial, with the role of state power defined by interactions with private actors, and by inter-

national agreements made in intergovernmental as well as private and quasi-public contexts (Lillie 2006). Authority concentrates in insular transnational systems of governance which emphasize alienation and coercion over incorporation and consent (Gill 2003). Undermining the nation state system also undermines the collective goods and stability states provide, necessitating increased coercion to maintain the accumulation process.

Transnational class formation

The process of transnational class formation shapes the goals and power resources of class actors in global governance. Production systems produce social classes, and vice-versa, causing a circular relationship in the evolution of production systems, classes, and class relations (Cox 1987). The structural definition of class implicit in Cox's analysis is not universally accepted. Many argue for criteria beyond the structural, maintaining that social class requires some element of class consciousness. Under this definition, classes only truly become classes once their constituent members begin to see themselves as part of that class (E.P. Thompson 1968, for example, elaborates this view). This understanding of class, however, does not give enough analytical purchase in understanding the relationship between economic competition and the construction of class consciousness and class capacities. By separating consciousness and capacities from the definition of class as a relation of production, it is possible to judge how various constructions of class consciousness produce different kinds of class capacities. Furthermore, it becomes possible to hypothesize that some constructions of working class consciousness, i.e. those which more closely match the real existing structure of the working class, will be more effective than others in supporting the creation of class capacities to address the problem of global competition. In the context of a global and transnational working class, national constructions of working class consciousness may produce relatively weak transnational class capacities, while certain transnational constructions may produce more powerful capacities.

This analysis, therefore, follows Miliband (1989: 41-44) in asserting an "objective" view of class, arising from the relations of production. Capitalists are part of the capitalist class by virtue of their control¹ of the means of production, and workers are working class by virtue of their being exploited by the capitalist class. Whether members of these classes agree with this assessment is not relevant to the issue of class membership. Transnational classes follow from the material conditions of production created by economic globalization. If a worker in Europe is producing for the same product market as a worker in China, these two workers are in competition whether they know it or not. They share a similar relationship to the world economy, and to the capitalists controlling the means of production. The issue of whether the two workers are aware of the relationship, and undertake cooperative strategies is important, but does not affect their class status.

¹ Use of the term "control" of the means of production rather than ownership is quite important; ownership is no longer everything, as firms tend to be controlled these days by people who own only a small fraction of the stock. This does not change the overall logic of capitalist accumulation, however.

The development of class consciousness, however, is the outcome of social ties between individuals and political construction by groups seeking to more effectively carry out class struggle. The construction of class capacities, defined as the ability of a class to advance its own interests through organization and action, is a political project closely connected to the construction of class consciousness, but “class capacity” invokes a more strategic vision. The development of class capacities is heavily influenced by class structure as shaped by particularities of industrial structure and production relations (Lembcke, 1988) but class capacities and class structure are not the same thing. The way in which transnational class forms between and on top of national classes has implications for the capacities and limitations of global class actors (e.g. unions, TNCs, and transnational business associations). The origin of transnational classes in parallel national classes, the global governance system based on relations between nation states, and the global organization of production and competition all shape and limit the development of transnational class capacities.

The transnational capitalist class

Institutions for constructing and maintaining capitalist hegemony arise out of efforts by the state and capital to minimize the threat posed by class conflict to the accumulation process. The technocratic and market-oriented nature of the current system of global governance reflects the domination of the transnational capitalist class over the weak and fragmented transnational working class. For capital, the construction of transnational class capacities is not as difficult as for labour, because transnational production not only creates common class interests, but also hands capital the means to pursue class struggle from above, by undermining nationally based trade unions, and facilitating “exit” from national class compromises. Transnational firms, some of which employ tens or hundreds of thousands of people, rival medium sized states in their wealth, control production and exercise power in multiple countries. These firms are controlled by a global business elite, with a common ideology advocating free market capitalism (Sklair 2001). Interlocking firm directorships (Nollert 2005) and cross-national ownership structures (Kentor 2005) evidence the increasingly transnational character of corporate control. Transnational production networks, alliances, and business associations give further coherence to the common interests of otherwise competing firms (Cutler et al. 1999).

This is not to suggest that nationality is no longer a salient factor for capital. Inter-firm networks continue to be more cohesive at the national level than across borders (Nollert 2005). Corporations still struggle to manage different kinds of global business organizations, and to overcome ethnocentricity while retaining the advantages of national models (Ramsay 2000). Despite divisions based on national and local peculiarities, neo-liberal globalization remains a broad and encompassing project of the most powerful segments of the capitalist class, with national capital fractions more or less permanently on the defensive. Corporate executives identify themselves as global, and see restriction to one national setting, or one ethnocentric model of management as “old fashioned” (Sklair 2001: Cptr 3). Corporations are driven by necessity, or at least by perceived necessity, to become more transnational, and to lose their national perspective.

Given structurally common interests, common ideology, and degree of transnational organization, it is clear that the transnational capitalist class is conscious of the common interests holding it together. Global politics is dominated by capital because the transnational capitalist class is not only structurally more powerful, but usually also better organized as well. The transnational capitalist class has captured the agenda of key global institutions, and successfully portrayed its agenda as the common agenda, relying on market “freedoms” and consumerism to assert Gramscian hegemony (van der Pijl 1998). Internal contradictions threaten to undermine this hegemony (Sklair 2001: 255-288), creating disagreement between those capital fractions seeking to incorporate labour at the global level to reestablish capitalist hegemony, and those advocating more effective alienation and coercion. Capital fractions more vulnerable to worker resistance favour incorporation in various ways, while those less vulnerable seek to avoid it (Lillie 2006: Cptr 5-6). Incorporation and class compromise at the global level is problematic, however, because, among other things, a “genuine and lasting set of trade-offs between competing interests” has yet to develop in global politics (Sinclair 1999: 161). The global working class does not have the class capacities to serve as a viable “competing interest.”

Transnational working class

Transnational working class consciousness is much weaker than transnational capitalist class consciousness because working class consciousness tends to be heavily tied into national identity. Labour historians and sociologists have typically looked at how relations in workplaces and communities build ties of solidarity among workers in frequent contact with one another. Workers in the same workplace and same geographic space rely on one another at work, share social networks in community and leisure activities, and find common cultural reference points (cf. Brody 1993; Kimeldorf 1988; Gilbert 1992; Koo 2001). All these supports for class formation either do not exist or are much weaker across national boundaries. Unlike the transnational capitalist class, which has at least a minimal degree of cultural coherence and identity outside its organizations, transnational working class capacities remain essentially a construct of labour union activity and strategy.

The effect of mediation through union structures is that unionists come together in transnational contexts not as members of a coherent working class, but as representatives of parochial groups of workers who at best feel limited and abstract solidarity with one another. Strategically, unionists have an interest in promoting transnational solidarity, but often find themselves constrained by their constituents. As Sidney Tarrow shows, this is common in transnational networking dynamics. Tarrow notes that while intermediaries who connect the parts of transnational movements gain influence over the manner in which issues and contentious repertoires are transnationalized (Tarrow 2005: 209), achieving consensus is also complicated by the demands of domestic constituents whose views are not as heavily influenced by transnational contacts (Tarrow 2005: 161-163). Although unionists involved in international work have some room to shape strategy to be more solidaristic and less competitive, they also refer constantly back to the need to preserve the jobs of their members, and to abide by national collective agreements and labour laws. Likely, this is merely a case of the

glass being half-empty rather than half-full -- trade unionists in international work, using their positions in the centre of inter-union networks, have power to shape the character of the global labour movement, but this power is usually too limited to build authoritative structures to control global inter-union competition (Anner et al. 2006).

A transnational working class consciousness could logically evolve out of the globalization process eventually. The way in which global capital undermines national class compromises also serves to build commonalities of interest between workers in different countries, and between the global North and South (O'Brien 2004), providing a structural basis for transnational class formation. Worker migration also brings more direct contacts between workers, and sometimes spurs contacts between unions as well. Lillie and Greer (2006), for example, show that construction unions in some cases have made cross-border ties to deal with the issues of migrant construction workers in the EU. However, it is also true that this effect is limited by employer strategies that seek to isolate migrants from their host societies in order to more effectively exploit them (Lindio-McGovern 2004; Hunger 2001).

Technical advances, such as use of email and web technology, as they spread deeper into society, create a basis for class formation in virtual spaces. Unions have used the internet strategically to support campaigns and so on. The widespread growth of internet access goes beyond the uses unions have put it to, defying hierarchical strategic direction, and facilitating direct contact between workers in dispersed geographical locations. As Martinez Lucio and Walker (2004) point out, "there is a political dimension to way the internet is approached which means that it raises the possibility for...a broader range of activity beyond the formal remit of trade union hierarchy." Mediation by technology comes with its own problems of course, such as uneven access, but the spread of communications technologies and the emergence of global communities of interest within virtual spaces make possible a degree of direct contact which can compensate for the lack of traditional sources of solidarity.

Richard Hyman underlines the importance of unions as "schools of class struggle" in generating working class capacities (Hyman 2001). Because weak and fragmented class consciousness constrains union strategy and undermines union power resources, it is in the interest of the labour movement to encourage the growth of a transnational working class consciousness. To some degree the worldwide decline of the labour movement may be due to the inability or unwillingness of many contemporary unions to play such a role. Nonetheless, the degree to which the global working class is fractionalized by national boundaries is changing, in part through deliberate top-down union strategy. The global labour movement largely consists of the parallel structures of the International Confederation of Free Trade Unions (ICFTU), and the Global Union Federations (GUFs). All these international union bodies are federations of national union affiliates, who fund them, govern them, and appoint their staff. Although Cox observed 35 years ago that transnational labour union activity was then the prerogative of relatively senior officials in national union organizations (Cox 1971), over the past two decades unions have developed extensive multi-level cooperation, with worker representatives throughout union hierarchies drawn into transnational union activities. At the start of the 21st century, the institutional structure of the global labour movement is becoming more substantial, with industry level GUFs more

experienced and better resourced, and with more company level inter-union networks being established.

There is a definite sense of a coherent global “movement,” but also a lack of consensus and coordination on specific issues. A key indicator of how successfully the international labour movement is coordinating its activities in a particular sector is the extent to which unions are able to induce employers to bargain collectively, whether formally or in *de facto* bargaining patterns, above the national level. Even where unions attempt transnational coordination, bargaining authority remains firmly invested in national or local unions, except in the unique case of the maritime shipping industry, described below. Unions still lack the ability to consistently produce solidaristic rather than competitive outcomes through transnational networking. GUFs, in general, do not have authority to make binding decisions, or to enforce them. Without a transnational source of union authority, common positions on contentious issues like wage levels remain difficult to achieve and maintain. As a result, efforts have gravitated either toward loose agreements which are routinely ignored (as in European bargaining coordination), or minimum standards built on basic labour rights (as in Global Framework Agreements). Except in maritime, the labour movement has focused mostly on building networks within transnational firms and production chains.

The pull of firm level networks has an opportunistic logic to it, particularly in Europe where the supranational politics of the EU have resulted in legal backing for European Works Councils (EWCs). Though basically limited to Europe (although their influence sometimes extends outside Europe as well), these are now the most widespread vehicles for transnational union contacts, with about 750 of them in operation in 2005.² EWCs bring together thousands of plant level worker representatives from different site in TNCs on an ongoing basis. Although EWCs have been known on occasion to facilitate cross-national union mobilization,³ they function unevenly, are not necessarily union controlled, and often have difficulty bringing about common positions on contentious issues because of competition between production sites (Whittall 2005), among other problems. Global union networks, set up by GUFs, also exist in some TNCs, but have similar difficulties to those encountered by EWCs, which are exacerbated by a shortage of resources in cases where management does not contribute to their funding (Müller/Platzer/Rüb 2004).

GUFs, GUF affiliates and firm level networks negotiate Global Framework Agreements (GFAs), which are essentially corporate codes of conduct which unions have signed on to, in exchange for influence over their content, and participation in their monitoring. GFAs serve to shield TNCs from negative publicity, foster positive relations with unions, and in some cases provide access to “socially responsible” niche markets (Christopherson/Lillie 2005). With a few exceptions, GFAs have only been signed by European based firms, with a heavy bias toward northern Europe. Advocates of GFAs assert that union involvement makes them different from normal cor-

² http://www.etuc.org/IMG/pdf/7c-EWCs_Coverpage-EN.pdf

³ This occurred, for example, in the transnational “euro-strike” against the closure of the Renault plant in Vilvoorde, Belgium in 1997 (Lillie 1999).

porate codes (Tørres/Gunnes 2003), although the difference may be more nuanced than fundamental. As Tørres and Gunnes point out, codes of conduct usually have weak or nonexistent labour clauses. As documents of corporate policy, they have no legal weight, and are enforced, or not, at the discretion of the company. GFAs provide for union participation in monitoring, but the response to uncovered violations is at the discretion of the firm. There is, however, an assumption that TNCs will attempt to correct problems because to fail to do so would be to lose the benefit of the agreement, and invite a campaign from the union side. Regardless of their effectiveness (or lack thereof) in practice, the content of GFAs does not take unions beyond the lowest-common-denominator approach to bargaining: GFAs protect basic labour rights, to the extent they protect anything at all.

Industry level networks might be more functional in producing effective bargaining leverage, following the classic J.R. Commons (1909) approach of taking wages out of competition across entire product markets, although at the global level this has proven difficult to achieve. So far only the International Transport Workers' Federation (ITF) has made a serious effort as part of its campaign to regulate conditions on Flag of Convenience (FOC) shipping. The FOC campaign institutionalizes transnational cooperation through a global network of union ship inspectors in ports around the world. The world network bypasses national union offices and places local unionists into direct and regularized contact with one another, enabling the ITF to force employers into industry level global collective bargaining using coordinated industrial action. However, most union leverage derives from secondary industrial action by port workers, so it is possible to bargain without any need to involve the seafarers whose pay is being negotiated.⁴ Efforts to bring about transnational industry level bargaining coordination in other industries have so far not evidenced success in terms of wage outcomes, although there has been a good deal of discussion between European metalworking unions about setting Europe-wide bargaining frameworks.⁵

The shift to a global stage ensures that national union structures are unsuited to effectively organizing and channelling worker resistance, but the company based transnational networks which are most often the alternative tend to structure inter-union contact in competitive ways. Although labour unions are increasingly pushed by threats of economic competition and pulled by opportunities for influence into constructing transnational class capacities (Anner et al. 2006), the weak relations between the groups they represent allow management to set them into competitive games with one another fairly easily (Tuckman/Whittall 2002). One common response to employer whipsawing is concession bargaining, but unions also go well beyond contract concessions, sometimes developing competitive political strategies as well. Ian Greer shows how unions engage in "political entrepreneurship", involving actively supporting bids by localities to attract capital. Competition and political opportunities "push" and "pull" unionists into local development projects and political action to save jobs, and away from cooperating with workers and unions in competing locations (Greer

⁴ For an analysis of the FOC campaign, see (Koch-Baumgarten 1998, 1999 or Lillie 2004, 2005, 2006).

⁵ For more details, see the work of Thorsten Schulten (1998, 1999a, 1999b, 2002, 2003).

2005). In this way, unions become instruments of global capitalist competition, and the marketization of local politics. Active engagement in “political entrepreneurship” (to borrow Greer’s term) deepens the acceptance of neo-liberal competitive ideology within the labour movement, undermining its credibility as a “school of class struggle.”

The structure of the transnational working class, enforced on the labour movement by its origins in the nation-state system and the transnational capitalist class’ divide-and-conquer strategy, pushes unions down competitive paths in the context of a globalizing economy, limiting the development of transnational working class capacities. As a result of labour’s weakness, global governance is being constructed largely as a market based capitalist project. More substantive and “democratic” governance capable of legitimating capitalist hegemony will have to await the development of stronger working class capacities.

Democracy, labour and global governance

With the breakup of national class compromises, workers can no longer hope that their interests will be represented in national liberal democratic contexts. The constraints of the global marketplace and demands of global capital put the true nexus of power outside and above the nation state, and there are no democratic institutions for influencing it. Nor are global democratic forms likely to be constructed unless strong counter-hegemonic social forces appear in global arenas. Global governance as an effort to re-establish capitalist hegemony in a global neo-liberal environment (Brand 2005) is not likely to succeed without some way to incorporate the working class into a global “historic bloc.” Historically, organized labour served as a force for building and maintaining democratic institutions in advanced capitalist countries (Crouch 1993). Class compromises and the legitimacy of national capitalist rule grew out of class conflict driven by the development of national labour movements, rather than the technocratic design of intellectuals or visions of capitalist reformers. Labour could play a similar role in global politics, if more effective class capacities can be constructed out of the fragmented structure of the transnational working class. Under the current structure, however, global governance is developing as technocratic market regulation rather than into a polity based on ideas of citizenship and justice.

Regardless of whether the forms are democratic or not, global governance is being constructed by a transnational capitalist class in need of governance institutions (Gill 2003). Global politics is not being built on anyone’s assessment of what would be a nice global political system to have. Rather, the transnational capitalist class is constructing a system to solidify its control, based on the resources available right now. There is no particular reason to believe that these will take on democratic forms; rather governance follows the functional need to resolve imminent problems and conflicts. Thus, global governance arises out of the collective action dilemmas of transnational capitalism, global class conflict, and the existing structure of the global inter-state system (Lillie 2006), rather than out of reasoned debate, democratic theory, or the incorporation of subordinate groups into an historic bloc. Without strong counter-hegemonic social forces threatening to disrupt the process of capital accumu-

lation, global governance will continue to favour technocratic, market-based, insular, and fragmented state forms.

The lack of a viable interlocutor for capital at the global level is thus a serious problem for the re-establishment of capitalist hegemony, because hegemony, in the Gramscian conception requires that the dominant class be able to deploy carrots as well as sticks, mixing ideological co-optation with real concessions, which, though substantial, can never touch at the core of capitalist control of the political economy (Gramsci 1971: 161). Global capitalism has built its legitimacy on the promise of consumerism (van der Pijl 1998; Sklair 2001), but this is a thin reed, and in any case probably unsustainable as intensified exploitation reduces worker purchasing power. The transnational capitalist class does not have the capacity to limit itself – this requires an independent political force. While there are a great many movements out on the global stage now, only the global labour movement has enough long term cohesiveness provided by consistent structural opposition to the interests of the capitalist class (Miliband 1989). Global capitalist hegemony, ironically, may depend on the growth of a global labour movement capable of forging a transnational working class out of many national working classes, and using the power thus gained to force real material concessions and institutionalized power from capital.

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