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SPECIAL FEATURE

Tilly Reversed? Another Cycle of Labor and Socialism Is Possible

Don Kalb

Department of Social Anthropology, University of Bergen, Bergen, Norway and Department of Cultural Anthropology, Utrecht University, Utrecht, Netherlands
Email: don.kalb@uib.no

Abstract

As labor in the capitalist system practically tripled to some three billion workers, solidary organizations of labor simultaneously dwindled in relative size and power. This is true globally but also for the historical core countries. While this is a paradox, it is not a contradiction. Capital is a (spatialized) social relationship. The globalization of capital since the 1970s has shifted the power relations with localized labor fundamentally in favor of capital, as Charles Tilly noted in this journal almost thirty years ago. Over time, power balances within capitalist states, and between capitalist states and transnationalizing capital, have reflected that basic class-relational shift. This article explains why the globalizing cycle of weakened labor may now be reversing.

Keywords: labor; socialism; neoliberalism; globalization; Charles Tilly

Popular Democratic Sovereignty: Three Linked Cycles

The 200-year cycle of labor and socialism has ended. No one in this collection disputes Van der Linden's opening observation. Wickham (this collection) claims with good evidence that while the cycle has definitely ended in the US, it lingers on in Europe's welfare states as a living legacy filled with social memory that cannot be dismissed. The overall story since the 1970s is indisputable though: As labor in the capitalist system practically tripled to some three billion workers, solidary organizations of labor simultaneously dwindled in relative size and power. This is true globally but also for the historical core countries. While this is a paradox, it is not a contradiction. Capital is a (spatialized) social relationship. The globalization of capital since the 1970s has shifted the power relations with localized labor fundamentally in favor of capital, as Charles Tilly[1] noted in this journal almost thirty years ago. Over time, power balances within capitalist states, and between capitalist states and transnationalizing capital, have reflected that basic class-relational shift.

Marcel van der Linden urges us to look at bifurcation points that might have delivered other outcomes. Such inflection points tend to be conceived on a national

level (but see in this collection Van Goethem and Marwick). Bifurcation moments may or may not have been temporarily positive or negative for labor within any national arena. But could individual inflection points on a national level really have affected the fundamental direction of the global trend? Isn't it rather the global trend that inevitably weighs down on any national arrangements, such as in Trotsky's combined and uneven "whip of history" or Wallerstein's structured "geoculture"? This does not necessarily mean unification around a dumping point zero, but it does point to inescapable tendencies that unevenly combine to exert definite pressures and set hard limits on any discrete territory and its cultural-political-economic ordering.

Either on the field of cooperatives, labor unions, and/or affiliated classic labor parties, the global trend as well as the trends within national units has been largely up until the mid-1970s, and mostly steeply down since then. This, notwithstanding some national contexts where independent unions and/or labor parties remained strong and vital (Sweden, Norway; Belgium, mainly the unions; Brazil, Argentina, in a way). "Really existing socialism" in the Soviet Union and its satellites as well as China and Vietnam, all instantiations of the labor cycle as well, has gone through an almost parallel sequence. And as Therborn (this collection) adds: roughly the same upward–downward curve was true for that other global instantiation of labor and socialism: democratic Left-wing nationalist decolonization movements, as expressed among others in the Non-Aligned Movement.

We are thus looking at three loosely interlinked historical cycles of labor and socialism in the First, Second, and Third Worlds of the time, all arising out of the (spatialized/imperial) class contradictions of historical global capitalism in the nineteenth and twentieth centuries and succumbing back into it during the latter's last quarter. My focus here, as in the section as a whole, is biased toward the first cycle, but we cannot overlook the closely affiliated second and third. The power in history is in combination—hence the brilliance of Van der Linden's "global labor history"—as evidenced by the loose synchronization of both the upward and the downward trends.

The connecting thread among the three cycles can be framed around the notion of popular democratic sovereignty, a sovereignty centering upon labor as potentially the democratic majority force in Western Europe since 1815. Sovereignty of labor, that is, as a powerful vernacular political desire; a desire that was ever more experienced as a perfectly reasonable one, expressed in the rise and the wide popular appropriation of Ricardo's labor theory of value (in a version mostly misattributed to Marx)[2]. This "reasonable popular desire" reached its summit in the revolutionary years at the End of the World War I, with the combined Russian, German, and Hungarian Revolutions and the broad sweep of parliamentary democratization in Western Europe. Its radical democratic form then was crushed by the victories of Italian fascism, Soviet Stalinism, German Nazism, and finally in the debacle of the Spanish civil war. Labor was liberated again at the end of World War II, though generally in less class-radical form. It inspired once again the worldwide decolonial movements, but also the radical spark of the Cuban Revolution and Che Guevara's subsequent failed mainland uprising in Latin America, the hope for a "socialism with a human face" in Eastern Europe, and of course the West European and Scandinavian labor and social democratic movements,

with important French and Italian "euro" communist Left flanks. As Wickham rightly underlines, the late 1960s and 1970s saw a fairly generalized return of radical labor and socialist claims basically all through the capitalist system but certainly also in Europe, leading among others to the end of fascism in Spain and Portugal. But from at least 1982–1985 (Poland: Solidarnosc; the anti-Thatcher miner strike in England) the desire for the democratic sovereignty of labor was exhausted and began evaporating fast the world over, allowing a final flickering in Ukraine in 1992 (see Siegelbaum, this collection), marking the end of the Soviet Union, and in South Africa around the end of Apartheid in 1994. The subsequent "Third wave of democracy" (Huntington) would have to make do without the formative influence of organized labor that had been essential as a driver for the first two waves, with often pernicious socially polarizing consequences.

Traces of Reversal?

Tilly noted thirty years ago that neoliberal globalization, in particular the globalization of the capitalist value chain, was inevitably going to weaken existing national level labor rights. Van der Linden's "end of the cycle" is a confirmation of Tilly's observation. However, the last years have given reason to think that a new cycle of labor may be in the offing, as Van der Linden suggests and Poy further corroborates. Surprisingly and importantly, the US, where unions had declined more than anywhere else, may play a leading role in it. In 2021, there were big teacher strikes in parts of the US. Then, in 2022, the Graduate Student Union at the University of California organized an impressive strike throughout the University of California system and gained very substantial wage increases for teaching; this, after a decades' long decline in such salaries in much of the Western world. 2023 saw, first, a rare, widespread, and long-lasting strike among the workers of Hollywood studios, mainly in response to the threat to their jobs from artificial intelligence. Note that none of these strikers were "classical" workers but rather "creative" and "cognitive" workers, all facing powerful proletarianization tendencies. In the following months, the legacy car industry in the US Midwest, an industry, like Hollywood, in an ongoing and fundamental technological transition, was confronted by a fast-moving and extremely well-organized sequence of strikes at the Big Three car corporations.[3] Led by a charismatic young union leader, it aggressively targeted the most essential car production departments in order to conquer chokeholds and press bold claims to the corporations. Despite their early refusals to bargain, soon all succumbed. This was a militant labor mobilization the like of which had not been seen since the 1970s. The corporations agreed to long-term collective contracts with some 25 percent gains in salaries and guarantees for health, pensions, schooling, and employment, encompassing plants that were transitioning to electrical car production in which substantially fewer workers are in principle "needed" but whose jobs are now protected. To underline the surprise: A decade earlier, during the financial crisis, President Obama had forced the same car workers' unions into substantial wage and pension concessions in exchange for governmental support for their industries. Now the same humiliated unions welcomed President Biden into their picket line. Remarkably, Biden stood by his symbolic claim that unions have been and should again become the bedrock of the US middle class.

Nonunion car plants in the US South, including Tesla, seeking to thwart unionization, now all began offering pay rises (but decidedly lower than the wage gains in the North). The United Auto Workers has boldly announced a membership drive among their personnel.[4]

Next, a small group of just over a hundred mechanics put down work for Tesla in Sweden in order to press for a collective contract, which Elon Musk had consistently rejected anywhere. Swedish postal unions, dock worker unions, and unions in the supply chains, now refused any further work for Tesla. Unions in neighboring Norway and Denmark joined the strike in an act of international solidary with their Swedish and American colleagues. Everyone at my moment of writing was waiting whether German unions, also in a simmering antagonism with Elon Musk, might follow.[5] This seemed more a question of when than if.

What made all this particularly impressive was not only the international solidarity within a part of Tesla's global value chain, but also that these fierce class struggles were actually happening in the US, and forcing US capital, including techno-disruptive capital a la Musk, into bargaining and concessions on pay, benefits, and labor rights. Since the Taft Hartley Act of 1947, as Van der Linden's data show and Van Goethem's contribution on the International Labour Organization (ILO) further underlines, the US had indisputably been the heartland and therefore the key geopolitical driver of the global decline of labor. It had never been feasible for any individual country to row back durably against the global tide directed by the hegemon, though labor and socialist parties in various places certainly tried and often partly succeeded in preventing a similar descent within their national societies, though without ever being able to actually reverse the overall tendency of neoliberalization.

Might we then indeed be looking at the first signs of a reversal in the classic US role of leading global neoliberalizer of labor? If indeed so, one must surely point to three key contextual political conditions of possibility, conditions that in their turn reflect further and deeper reversals of prior trends. The first of these conditions of possibility is the escalating electoral competition for the working-class vote between Liberalism/social democracy and Right-wing nationalist populism, a competition that is even sharper in the US than elsewhere; and given this is the hegemon of global liberal capitalism there is also much more at stake. Second, and closely related: the overt return of varieties of political capitalism in the West (and the sidelining of the World Trade Organization) in the form of very substantial governmental subsidy programs for domestic "green" manufacturing and for bringing back strategic high end silicon chip manufacturing to the US, the EU, and Japan. All this came under the banner of "resilience" and was a response to the rise to world power status of China's dramatically successful post-Maoist political capitalism (and hence intimately related to bifurcations within the global cycle of labor). Third, and overarching: the stunningly fast decline of US and Western hegemony (but not of dominance[6]) over the global system, and thus potentially also its control over global value chains.

The globalization of capital that Tilly had singled out as the key threat to labor rights has thus gradually gotten stuck in its own deep contradictions, ranging from inequality to financialization and environment, from technology to geopolitics, contradictions that were beyond the time horizon of Tilly's ILWCH article. Altogether,

these contradictions are now producing a veritable "poly-crisis." Even if globalization is not "over" yet, and will probably never "be over" in that definite sense, its most fundamental ideological and material push, integrating labor and resources from China and the postcommunist world into Western accumulation, certainly is.[7] What remains is securitizing, fine-tuning, and rebalancing the existing globalized value chains, "resilience" rather than a further push and penetration, combined with open geo-military rivalry.

As a result, the slow deflation combined with rock-bottom interest rates that had lasted for three decades as unprecedented masses of cheap labor, assets, and resources became available to globalizing capital, supporting both capitalist profits and worker purchasing power even in the absence of effective wage bargaining, seems to be giving way to structural inflation and to higher corresponding interest rates. As our contributions to this theme section highlight, such inflationary conjunctures have historically always been a harbinger of worker mobilization. Austerity is another historical (though more ambivalent) harbinger, and this is what is in fact announced in the fast rise of interest rates. These conditions combine with that other key harbinger of labor mobilization: comprehensive technological change and energy transitions. These technological changes are as transformative as those of the Second Industrial Revolution in the late nineteenth and early twentieth centuries and the consequent turn toward oil as the major source of energy. The Second Industrial Revolution was the necessary backdrop for the emergence of the Second Socialist International and the first wave of electoral social democracy in the 1890s; and of the revolutions and (first wave) democratizations of the 1900s, including the spread and multiplication of labor rights theorized by Tilly.

At the same time, domestic inequality in the West (and many places in the global south and east, including China, Russia, India, and Ukraine) has obviously reached a point where it has begun to destabilize Western polities and the Western "global" state system itself; see the "populism" scare among the liberals and the return of "fascism" talk among the Lefties. The populism scare led for a while in the 2010s to the remarkable return among neoliberal policy makers (International Monetary Fund, World Bank [WB], Organisation for Economic Cooperation and Development, etc.) of what Therborn has aptly called "enlightenment egalitarianism."[8] People, territory, sovereignty, security, control over assets and over the local productive base are thus coming back as policy interests in the form of fledgling political capitalisms (more "semi-liberal" or less "semi-liberal," but no longer of the "disembedded neoliberal type").

The drive toward a "green transition" that Western capital after decades of hypocritical denial finally seems to have decided on (but only on its own terms) is another major factor. It is probably also a further driver of inflation, and a further cause for international and domestic labor contestation about the distribution of costs and benefits, as the French "Yellow Vests" were possibly the first, but not the only ones, to make clear. The return of political capitalism is even happening at the level of the European Union Commission, which was formed precisely to do away with such political interventions in production, accumulation, and exchange. As a consequence, and in a historical reversal of Tilly's observation, class struggles are likely to increase, and, if waged well as in the 2022 and 2023 US strikes, and connected throughout the spread-out value

chains, may begin to bolster labor rights again. Poy's observation (this collection) that reading Kautsky is becoming exciting again fits well within this wider set of concurrent processes.

The cycle of decline and its possible ending

Let's get back to the opening paradox that was not a contradiction: The decline of labor institutions amid a simultaneous massive expansion of the space of circulation of capital and a tripling of the global proletariat during the downward swing of the 200-year cycle of labor. A paradox is merely an "*apparent* contradiction." This outcome is a paradox for liberal assumptions of ongoing temporal progress, progressive "reform," and "modernization," where markets, democracies, civil societies, and shared prosperity are "good institutional things all coming together."[9] For bodies of thought that build on the idea of capitalism as an evolving set of essential contradictions this result cannot be a surprise.

Globalization of value chains has always been a marked feature of capitalism since its inception (however we date it). And it has always been aligned with those vital parts of the Western imperial state system that answers to the imperatives of accumulation. One of the latter's objectives in the twentieth century has been the disciplining of labor at home through the exploitation of new, cheaper, and more fragmented proletariats abroad. Patrick Neveling's work[10], for example, finds an alliance between US capital, international consultancies, the WB, and the US state department, starting in 1947—just about the same time that President Truman would give his first speeches about "world development" and 'the end of poverty'[11]—that laid the basis for the first Special Economic Zone (SEZ), in Puerto Rico. An SEZ is a territory legally carved out from the regulations of national welfare regimes that socialists in both Third and First World were expanding in the same years. An SEZ, then, is a territory of "bare labor exploitation" for cheap exports, which does not demand any further responsibilities for capital and where national labor regulations made with an eye on the social reproduction of labor are lifted. Hundreds of SEZs would follow the Puerto Rico example. They were offered to the Third World as a Cold War choice for Western aligned prosperity versus domestic socialism enabled by Import Substitution Industrialization. The fast spread of SEZs was reflected in the 1970s New International Division of Labor[12], which comprised still primarily light consumer industries at that time. This SEZ phenomenon accelerated massively in the 1980s as the Volcker interest rate shock bankrupted many indebted Third and Second World states. Subjected to IMF/WB-led Structural Adjustment Programs, these states were now being told to privatize their public enterprises to foreign capital, deregulate labor and markets, and seek hard earnings in export manufacturing to pay back IMF loans. They were in name and in fact transformed into competitive "emerging markets" without any further political ambitions. By 1990, SEZs were multiplying by an unprecedented rate. By the 2020s, more than a hundred million mostly female workers were employed in such special manufacturing zones, putting systemic downward pressure on prices, wages, rights, and standards of life for workers worldwide.[13] China's rise was all but predicated on the internalization into Chinese socialism of the SEZ concept.[14] Many new manufacturing areas in China, Vietnam, India, Indonesia, and Eastern Europe replicate the concept (sometimes in a slightly more "sovereign" way). Interestingly, against all expectations

of gradual uplift, the number of mobile rural/urban Chinese workers without a Hukou (rights to urban residence and related public services) that forms the backbone of the industrial working class on the East China coast seems to actually have doubled over the last ten years to some 300 million migrant workers.[15] This echoes the SEZ concept: create a mobile and largely young female working class without any rights to social reproduction "near the factory"; exploit it efficiently during a limited time frame of five to ten years against low pay and without a social wage, disconnected from their territories of origin; then throw it back into its rural home territories where kinship obligations and official subaltern ethnic identities are waiting for them, while fresh young mobile cohorts replace them in the industrial zones.

Added to this big picture of capitalist dumping are the "surplus populations" pushed out from rural areas after the 1970s.[16] Key factors here: the capitalization of agriculture (nitrogenic "green revolution"; chemo-industrial agriculture) and the associated downward pressure on food prices; and the end of pro-peasant policies after the 1970s under the regime of Structural Adjustment. These "surplus populations" comprise the almost 50 percent of the global proletariat that work as "informal workers" according to the ILO, cited by Van der Linden, a staggering 1.5 billion people. They are also the people, together with the (former) SEZ workers, who inhabit the slots in the WB statistics of those who have escaped extreme poverty or even the category of "the poor" altogether. Mike Davis overdoes his case only slightly when he notes the spread of "urbanization without industrialization" since the 1980s, which in his vision is responsible for the rise in the number of people outside the West who have come to live in urban slums in these years.[17] What this formulation underplays is the manifold ways in which such "surplus populations" in fact contribute with their labor to the global valorization of capital in waste sorting, transport services, personal services, interest payments on micro-loans, circular and seasonal labor migrations in the plantation, construction, health, agricultural, fishery sectors, etc. Thus, they can be reliably relied on to push down the price of commodities along with the price of irregular labor in the system. "Informal" and "surplus" in the eyes of capitalist societies, and reputedly "having a different culture and identity," and thus neither deserving of nor apparently needing modern "rights to the city," "standard employment" and labor rights, they mightily contribute to both the global returns on capital and the system-wide deflation of the last thirty years, and not only as a classical "reserve army of labor."[18]

The upward cycle of labor featured an exactly opposite tendency: making capital pay for the social reproduction of labor through rights to labor, to independent representation, to collective contracts and collective bargaining, to democracy, to living wages, decent housing, education, health, pensions, child benefits, leisure, public transport, modern urbanism, etc. Comprehensive rights for labor were ultimately grounded in the labor theory of value, in vernacular-practical versions shared by capital and workers alike. The rise and decline of that popular theory had been preconditioned on capital becoming industrial, after centuries of capitalist development in which it had appeared largely in the financial or mercantile form. Capital now also became more tied to territory than before. Accelerating massive fix investments in place in the twentieth century made capital dependent on particular territories and constituencies of labor, their skills (including numeracy and literacy), their social reproduction, their discipline and stability. Comprehensive bargaining between labor and capital resulted in virtuous cycles

of development, in which skills, organizations, production processes, and territorial infrastructures became all more complex and more reliant on each other, all steadily in competition with similarly complexifying arrangements elsewhere, what Harvey has called a "spatial fix."[19] War only reinforced that internal and external dynamic. Western democratic industrial welfare states—of variable but mutually recognizable constitution—were the outcome.[20] The globalization and financialization of capital, including the cyber technologies that helped to enable these uprooting processes, resulted in the great unwinding of those interdependent class positions and the abandonment of earlier spatial fixes. Neoliberalism was the ideology and the policy process that facilitated this "counterrevolution" by capital and that supported the management of the new upwardly redistributive (local) state structures.

The plausible reversal of the conditions that Tilly found causal for the decline of labor rights in the 1990s may now be creating a possible return of labor and socialism. But not more than that: a possibility. Whether that possibility can and will be used depends on agency and will power. A second cycle is possible. It is also necessary if we want to forestall the rise of nationalist-authoritarian or outright fascist new localisms.[21] Marcel van der Linden's call for attention to bifurcation points in the history of labor and socialism is therefore extremely timely. One important conclusion we can draw from my approach here is that labor's classical archive of responses to exploitation by capital in place needs urgently to be augmented with a concerted capacity to intervene beyond place in the circulation of capital; and not just industrial capital but financialized speculative and platform capital as well. That means an urgent call for new fiscal and monetary ideas, and a more critical approach to property rights. In the next cycle, even more than in the first, labor internationalism is therefore essential. A call for a cosmopolitan democratic labor politics.

Notes

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6. See, persuasively, Tom Stevenson, The Guardian, 30 November 2023.
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8. Göran Therborn, "Inequality and World Political Landscapes," *New Left Review* 129: 5–26, (May/June 2021).
9. Albert Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph, 2nd* edn (Princeton: Princeton University Press, 2013).
10. Patrick Neveling, "Special Economic Zones: The Global Frontlines of Neoliberalism's Value Regime," in *Insidious Capital: Frontlines of Value at the End of a Global Cycle,* ed. Don Kalb (New York and Oxford: Berghahn Books, 2024) (in print), pp.…(chapter 1).
11. See Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World, 2nd edn* (Princeton: Princeton University Press, 2011).

12. Folker Fröbel, Jürgen Heinrichs and Otto Kreye, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries* (Cambridge: Cambridge UP, 1981).
13. Patrick Neveling op. cit. 2024.
14. See Aihwa Ong, Neoliberalism as Exception: Mutations in Citizenship and Sovereignty," (Durham and Oxford: Duke University Press, 2006).
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16. See three recent edited theme sections: Jacob Doherty and Kate Brown, "Labor Laid Waste: An Introduction to the Special Issue on Waste Work," *ILWCH* 95 (2019): 1–17; Franco Galdini, Maurizio Totaro and Laura Tourtellotte, "Precarious Labor, Capitalist Transformation, and the State: Insights from Central Asia," *ILWCH,* no. 103 (2023): 1–7. Tom Cowan; Stephen Campbell and Don Kalb, "Theorizing peripheral labor: Rethinking "surplus populations," *Focaal – Journal of Global and Historical Anthropology*, no. 97 (2023): 7–21. See also the "depeasantization debate": Deborah Bryceson, Critobal Kay and Jos Mooij, *Disappearing Peasantries? Rural Labour in Africa, Asia and Latin America* (Bourton on Dunsmore: ITDG Publishing, 2005).
17. Mike Davis, *Planet of Slums* (London: Verso, 2017).
18. Cowan, Campbell, Kalb 2023, op cit.
19. David Harvey, *The Limits to Capital* (London: Verso, 2018 (1985)).
20. This is also the backbone of Tilly's argument in "Democracy", Cambridge: Cambridge UP, 2007.
21. For a compact overview of arguments about class and the Right, Don Kalb, "Double Devaluations: Class, value, and the rise of the right in the Global North," *The Journal of Agrarian Change* 23, no. 1 (2023): 204–19.

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