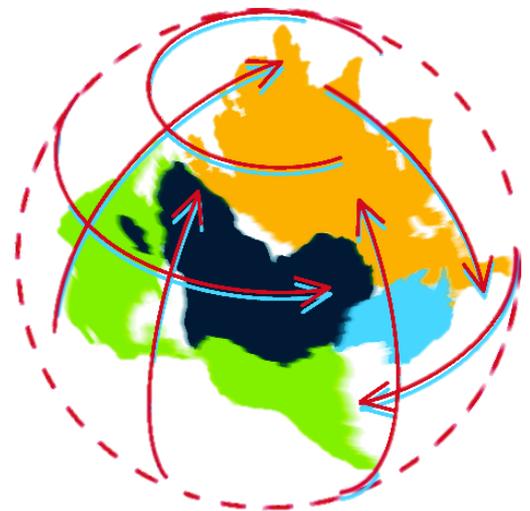


Conference Reader

9th Global Labour University Conference

Inequality within and among Nations: Causes, Effects, and Responses

15-17 May 2014



GLU

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Introductory Note

Inequality is not the price societies have to pay for economic progress, but it is the result of political decisions and non-decisions favouring the rich. The way tax systems are designed, the rules and regulations of labour markets, the provision or absence of universal public services, the existence of tax havens and uncontrolled capital mobility, the tolerance of discrimination, the denial of fundamental social and political rights are the factors that by and large determine the level of inequality in our societies.

In a complex global economy the space for inclusive policies is squeezed at all political levels. Local communities, social movements, even nation states often experience that decisive changes can no longer be adopted at their level of influence. The policy decisions of the last decades have created structural advantages for global companies and global capital that are hollowing out democratic institutions and seem to leave policy makers, companies and entire nations with no other choice than to improve constantly the terms and conditions for capital at the expenses of ordinary people. This results in a widening wealth gap and an unprecedented accumulation of gigantic fortunes at the very top of our societies that is incompatible with the idea of inclusive democratic communities and states.

Societies have increasingly lost their freedom of self-determination to the a-social rule of market forces. The market mechanisms has been overextended to areas of health, education, culture, natural monopolies in order to replace voting power by purchasing power. Furthermore vested interests, well-resourced lobbying and symbiotic ties between politics and business are corrupting the democratic process. Developing a comprehensive policy response to the corrosive role of inequality is at the core of the debate for sustainable and fair development options.

The Global Labour University – celebrating its 10th anniversary this year - is committed to contribute to this debate and to foster global partnerships and institutionalised networks. Answers to these global challenges cannot be found in narrow local or national frameworks, but require cross country collaboration. As a network of universities, trade unions, foundations and international organisations it brings together practical and theoretical expertise in a wide range of policy areas to develop policy proposals for greater social justice and sustainable development.

This year's 9th Global Labour University conference is hosted by the Berlin School of Economics of Law and the Friedrich Ebert Stiftung. We would like to thank them for their tireless work to prepare the conference. We also thank the Hans Böckler Stiftung, the ICDD and the ILO for their generous financial support and the many scholars, trade unionists and GLU Alumni for their intellectual contributions to our debates.

Frank Hoffer, ILO



Practical Information

WLAN access at the Berlin School of Economics and Law:

UserName: Konferenz-HWR

Password: HWR-2014

Mealtimes & Coffee Breaks

- **Thursday, 15th of May 2014**
 - 17:30 – 18:00 – Coffee and tea break
 - 19:30 – Dinner

- **Friday, 16th of May 2014**
 - 10:00 – 10.20 - Coffee and tea break
 - 12:30 – 14:00 – Lunch
 - 17:30 – 18:00 – Coffee and tea break
 - 19:15 – Dinner

- **Saturday, 17th of May 2014**
 - 11:00 – 11:30 – Coffee and tea break
 - 13:00 – 14:00 – Lunch

Emergency Telephone No.

Police: 110

Emergency / Fire brigade: 112

Emergency medical service: 31 00 31

Emergency dental medical service: 89 00 43 33

Map of Conference Venues



Address

Friedrich-Ebert-Stiftung
House 2
Hiroshimastraße 28,
D-10785 Berlin-Tiergarten
Tel. +49 (0) 30 26935-6
Fax. +49 (0) 30 26935-9244

How to get there by public transport

Bus 100, 187: bus stop Lützowplatz
Bus M 29: bus stop Hiroshimasteg
Bus 200: bus stop Tiergartenstraße
From Berlin Hauptbahnhof: bus M41 direction to Sonnenallee/Baumschulenstr, bus stop Anhalter Bahnhof, then bus M29 direction Roseneck, bus stop Hiroshimasteg
From Tegel Airport: Bus 109 or X9 until Bahnhof Zoo, then bus 200 or 100



Schöneberg Campus

Address

Hochschule für Wirtschaft und Recht Berlin
Berlin School of Economics and Law
Campus Schöneberg
Badensche Straße 52
10825 Berlin/Germany

www.hwr-berlin.de

How to get there by public transport

Bus

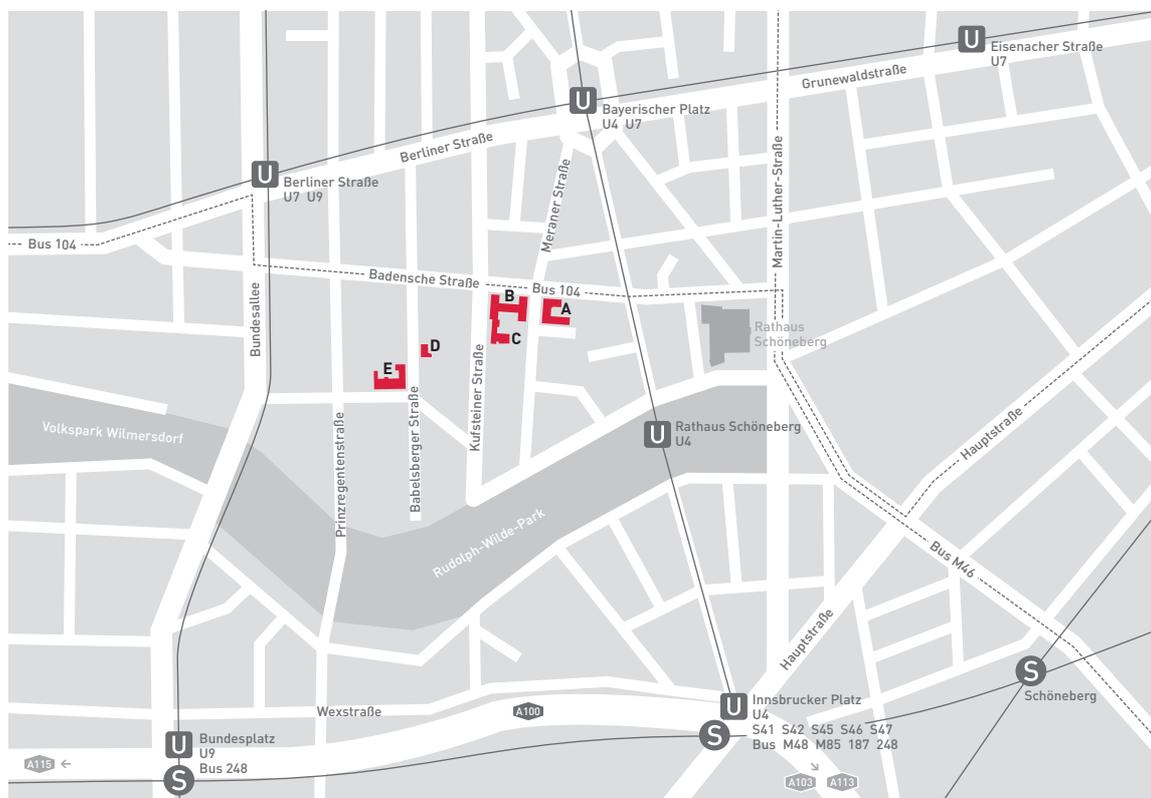
- Bus 104: bus stop Kufsteiner Straße
- Bus M48, M85, 187, 248:
bus stop S+U Innsbrucker Platz

U-Bahn

- U4, U7: station Bayerischer Platz
- U4: station Rathaus Schöneberg
- U7, U9: station Berliner Straße

S-Bahn

- S41, S42, S44, S47: station Innsbrucker Platz



List of Participants

Nr.	Family Name	Name	Affiliation / Institution
1	Adjei	Bernard	Public Services Workers Union of Ghana TUC
2	Abiodun-Badru	Moradeke	Labour Policies and Globalisation (LPG), ICDD
3	Acharya	Rajendra Kumar	Nepal
4	Adeyemi	Grace Favour	Radio, Television, Theatre and Arts Workers Union of Nigeria
5	Ahrens	Martin	
6	Aida	Cama	
7	Aiyelabola	Babatunde	Medical & Health Workers' Union of Nigeria (MHWUN)
8	Akter	Farida	BFTUC
9	Alkareem	Naseer Abd	
10	Altzinger	Wilfried	University of Wien, Austria
11	Andre	Maria Helena	
12	Angel Rafael Segura Gracia		CUSG
13	Anisha	Edwin	
14	Anner	Mark	PennState University
15	Ashaley	William	Graphic Communications Group Ltd. Accra - Ghana
16	Atwoli	Francis	COTU (K)
17	Awude	Hans	General Agricultural Workers Union (GAWU) of TUC , Ghana
18	Ayan	Burcu	International Union of Food
19	Azarhoushang	Behzad	Deutsche Gewerkschaftsbund (DGB)
20	Baltar	Paolo	Universidade Estadual de Campinas, Brazil
21	Barot	Ishani	Trade Union Organisation: "AISA" (All India Shramjivi Association)
22	Bassem Halaka		EFITU
23	Belchamber	Grant	ACTU
24	Belik	Walter	Universidade Estadual de Campinas, Brazil
25	Berber Agtas	Ozge	ILO Ankara Office in Ankara, Turkey
26	Bergmann	Christian	University of Kassel, Germany
27	Betzelt	Sigrid	Berlin School of Economics and Law
28	Bhowmik	Sharit	Tata Institute of Social Science, India
29	Bhuiyan	Mojibur Rahman	BMSF
30	Biavaschi	Magda Barros	CESIT

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31	Bibra	Bernd	
32	Birner	Kathrin	ver.di
33	Bliadze	Lasha	Begl. Petrishvili
34	Bolsheva	Anna	Building and Wood Worker's International (BWI)
35	Botoudi	Rémi Henri	SEKRIMA
36	Britwum	Akua	University Cape Coast, Ghana
37	Britwum	Atta Gyamfi	University Cape Coast, Ghana
38	Buckel	Simone	GLU, University Kassel
39	Buketov	Kirill	International Union of Food
40	Buraimoh	Opeyemi	
41	Burrow	Sharan	The International Trade Union Confederation
42	Campos	Luis	
43	Cavaluzzo	James	
44	Certeza	Ramon	Confederation of Labor and Allied Social Services (CLASS-TUCP)
45	Cheng	Ran	
46	Chikarmane	Poornima	
47	Cindra	Natália	
48	Coleman	Neil	Cosatu, South Africa
49	Corazza	Rosana Icassatti	
50	Costa	Hermes	International Center for Development and Decent Work (ICDD)
51	Cottle	Eddie	Building and Wood Worker's International (BWI)
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53	D'Cruz	Premilla	
54	Dahal	Khila Nath	NTUC
55	De Andrade Machado	Cyntia	Labour Policies and Globalisation (LPG), ICDD
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57	Detzer	Daniel	Berlin School of Economics and Law
58	Diallo	Ahmadou	CNTG
59	Diermann	Melanie	Hans-Böckler-Stiftung
60	Dobrusin	Bruno	
61	Dombeck	Irene	ILO
62	Drechenberger	Daniela	
63	Ebagnerin	Joseph Leon	UGTCI
64	Ehmke	Ellen	
65	Ehnts	Dirk	Berlin School of Economics and Law
66	Elbe	Heinz Joachim	

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67	Ernst	Ekkehard	ILO
68	Fair	Ely	
69	Familia	Eulogia	CNUS
70	Farzad	Fawad	NUAWE
71	Fischer	Karin	Johannes Kepler University, Austria
72	Flinn	Michael	Australian Services Union
73	Fontana	Natale	IG Metall. Wilhelmshafen
74	Forbes	Dale	South African Municipal Workers' Union, Cape Town, South Africa
75	Foster	Sheena	Worker's Interfaith Network
76	Fracalanza	Paulo	
77	Frosecchi	Giulia	Labour Policies and Globalisation (LPG), ICDD
78	Fuqaha	Husain	PGFTU
79	Furtado	Marco	Berlin School of Economics and Law
80	Gallas	Alexander	University of Kassel, Germany
81	Gasparini	Anne	ACTRAV
82	Gerasimova	Elena	
83	Ghosh	Jayati	
84	Gonzalez	Luz Mary	CTC
85	González-Gorosarri	Maria	
86	Gross	Tandiwe	International Labour Office, Bureau for Workers' Activities (ACTRAV)
87	Gruber	Veronika	
88	Guindo	Hammadoun	
89	Hachmann	Luciana	International Center for Development and Decent Work (ICDD)
90	Hagen	Mark	
91	Hasan	Zafrul	BJSD
92	Heaney	Matthew	
93	Hein	Eckhard	Berlin School of Economics and Law
94	Helwerth	Ulrike	
95	Herr	Hansjörg	Berlin School of Economics and Law
96	Hermann	Christoph	Forschungs- und Beratungsstelle Arbeitswelt
97	Hertwig	Rike	
98	Hetterscheidt	Dagmar	GLU, University Kassel
99	Hirschel	Dierk	ver.di
100	Hille	Kristina	Berlin School of Economics and Law
101	Hlalele	Hlalele	Women Working Worldwide-Lesotho Project
102	Hoffer	Frank	International Labour Orga-

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			nization
103	Horn	Gustav	Hans Böckler Foundation, Germany
104	Husain Foqahaa		PGFTU
105	Hyman	Richard	London School of Economics and Political Science
106	Hyman	Rebecca	
107	Jansen	Martin	Workers' World, Media Production
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109	Kamanisha	Muleka	Labour Policies and Globalisation (LPG), ICDD
110	Kamel	Ahmed	
111	Kandukutu	Michael	Zimbabwe Congress of Trade Unions
112	Kanya	Pop Aine	IndustriALL Global Union - Cambodia Office
113	Karadag	Bulend	Private Company: Display Flash Communication
114	Katila	Yacouba	UNTM
115	Kavihuha	Mahongora	TUCNA
116	Kazandziska	Milka	
117	Kesper	Christiane	Friedrich-Ebert-Foundation
118	Keyter	Martle	FEDUSA
119	Keyter	Martle	
120	Kharate	Amar	LEARN
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127	Kröck	Harald	International Labour Organization
128	Kruse	Ben	Australian Services Union
129	Künkel	Mara Neele	
130	Lamichhane	Shankar	UNI Global Union - Nepal Liaison Council
131	Lauber	Johanna	Labour Policies and Globalisation (LPG), ICDD
132	Lavinas	Lena	
133	Lazou	James	
134	Ledwith	Sue	Ruskin College, UK
135	Lee	JooHo	Labour Policies and Globalisation (LPG), ICDD
136	Leubolt	Bernhard	University of Wien, Austria
137	Mahnkopf	Birgit	Berlin School of Economics and Law

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138	Mahnkopf-Praprotnik	Silke	
139	Malguth	Tina	International Trade Union Confederation
140	Malmberg	Jonas	
141	Maltes	Francisco	CUT
142	Manborde	Ian	Ruskin College
143	Manzano	Marcelo	
144	Maruping	Mpho Shadrack	Trade Union Critic bei Solidarity for Ever (from Lindedin)
145	Masuku	Percy	Labour Policies and Globalisation (LPG), ICDD
146	Mathis	Sunanda Lara	
147	Mattei	Lauro	Federal University of Santa Catarina, Brazil
148	Meisterernst	Monika	ILO
149	Melli	Ana Paula	Central Única dos Trabalhadores, Brazil
150	Melo	Frederico	Departamento Intersindical de Estatística e Esotodos, Brazil
151	Merliak	Lizaveta	Labour Policies and Globalisation (LPG), ICDD
152	Mgaya	Nicholas Ernest	TUCTA
153	Mohamed	Seeraj	University of Witwatersrand, South Africa
154	Moisa	Laura	
155	Montano	Allan	FFW
156	Moore	Madelaine	
157	Mosoetsa	Sarah	University of Witwatersrand, South Africa
158	Mufrej	Naser	
159	Musso de Almeida Pinto	Gabriel	Labour Policies and Globalisation (LPG), ICDD
160	Mutyanda	Nunurayi	
161	Namupala	Ndeshi	
162	Ncongwane Vincent Vus'Muzi		TUCOSWA
163	Nicke	Katrin	
164	Nkiwane	George	ZCTU
165	Noronha	Ernesto	
166	Nunes Ferreira	Adriana	
167	Nyamekye	Marinna	Ghana Trades Union Congress
168	Oba	Mecbure	
169	Oberko	Daniel	Labour Policies and Globalisation (LPG), ICDD
170	Obst	Thomas	
171	Odigie	Akhator	

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172	Oelz	Martin	International Labour Organization
173	Otoo	Kwabena	International Center for Development and Decent Work (ICDD)
174	Paetz	Christoph	Berlin School of Economics and Law
175	Pavanelli	Rosa	Public Services International
176	Pedussel-Wu	Jennifer	Berlin School of Economics and Law
177	Perry	Ian	Labour Policies and Globalisation (LPG), ICDD
178	Petriashvili	Irakli	GTUC
179	Pillay	Devan	University of Witwatersrand, South Africa
180	Pinzón	José	CGTG
181	PonsVignon	Nicolas	
182	Portilho Lins	Juçara (Jô)	
183	Priewe	Jan	HTW Berlin
184	Qaderi	Maroof	NUAWE
185	Rajev	Meenakshi	Institute for Social and Economic Change, India
186	Rani	Uma	International Labour Organization
187	Recker	Jacqueline	
188	Reiner	Hoffmann	Deutsche Gewerkschaftsbund (DGB)
189	Reissert	Bernd	Berlin School of Economics and Law
190	Reni Aryanti	Reni	Labour Policies and Globalisation (LPG), ICDD
191	Renvert	Nicole	Stiftung für Wissenschaft und Politik, Berlin
192	Rezende de Campos Souza	Maira	Labour Policies and Globalisation (LPG), ICDD
193	Rhein	Claudia	ver.di
194	Ribeiro de Mendonça	Ana Rosa	Universidade Estadual de Campinas, Brazil
195	Rimal	Bishnu	GEFONT
196	Ristovski	Alek	
197	Roberts	Laura	
198	Rohm	Lukas	
199	Rolland	Claire-Anne	
200	Ruoff	Bea	Berlin School of Economics and Law
201	Russell	Helen	Labour Policies and Globalisation (LPG), ICDD
202	Russner	Kathrin	
203	Saha	Debdulal	Tata Institute of Social Science, India

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204	Sahoo	Sarbeswara	
205	Salahuddin	Abul Fazal MD	Labour Policies and Globalisation (LPG), ICDD
206	Salas	Carlos	Universidade Estadual de Campinas, Brazil
207	Sari	Dora	PennState University/Assistant Anner
208	Sarkar	Prabirjit	
209	Satgar	Vishwas	University of Witwatersrand, South Africa
210	Sauviat	Luciole	
211	Scherrer	Christoph	University of Kassel, Germany
212	Schober	Henrik	Hertie School of Governance Berlin
213	Schröder	Tobias	
214	Schützhofer	Timm	University of Kassel, Germany
215	Schwartz	Christopher	
216	Schwärzer	Constanze	Referentin
217	Scully	Ben	University of Witwatersrand, South Africa
218	Serrano	Melisa	School of Labor and Industrial Relations, University of the Philippines
219	Shaba	Wezi Galera	University of Livingstonia, Malawi
220	Skinner	Lara	University of Cornell, US
221	Solga	Heike	Berlin Social Science Research Center (WZB)
222	Sopheaktra	May	CCU
223	Sproll	Martina	Institute for Latin American Studies, FU Berlin
224	Srivastava	Deepak Kumar	Tata Institute of Social Science, India
225	Stuth	Stefan	Social Science Research Center Berlin
226	Sweeney	Sean	University of Cornell, US
227	Tagieva	Tamilla	University of Kassel
228	Taylor	Phil	University of Strathclyde, UK
229	Tofazzal	Mohammad	BSSF
230	Toff	Steven	
231	Torres	Juana	MISA
232	Tovar	Domingo	CUT
233	Troncoso Leone	Eugenia	Universidade Estadual de Campinas, Brazil
234	Truger	Achim	Berlin School of Economics and Law
235	Trzeciak	Miriam	

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236	Viajar	Verna Dinah	Graduate School of Socio-Ecological Research for Development International Center for Development and Decent Work
237	Vollmann	Carolin	WSI-Mitteilungen/Hans-Böckler Stiftung
238	von Hold	Karl	
239	Wahl	Stefanie	Universität Bamberg
240	Walsh	Tracy	Ruskin College
241	Webster	Edward	University of Witwatersrand, South Africa
242	Weinblum	Shay	
243	Werikhe	Peter Christopher	NOTU
244	Westermeier	Christian	
245	Whitehead	Paul	PennState University
246	Wilhelm	Benjamin	University of Erfurt
247	Williams	Michelle	University of Witwatersrand, South Africa
248	Wodrich	Benjamin	
249	Wright	Judith	Australian Services Union
250	Wrobel	Claudia	Junge Welt
251	Khafa	Edlira	ILO/Geneva
252	Yarmolyuk	Kateryna	International Center for Development and Decent Work (ICDD)
253	Yenigün	Bilge Pinar	Labour Policies and Globalisation (LPG), ICDD
254	Yetisen	Pinar	Hans-Böckler-Stiftung
255	Young	Brigitte	Universität Münster
256	Yun	Aelim	
257	Zafar	Shah Muhammad Abu	BLF

Abstracts of Presentations, Friday, 16th of May 2014, 10:20-12:30

1-Labour Markets

Chair: Carlos Salas **Room:** B 1.01

Labour Market Deregulation and Trade Union Response in West Africa: A Comparative Analysis of Ghana and Nigeria

Aiyebola, Babatunde

The entrenchment of a labour flexibility regime, as being good for doing business, has been a major plank of the narrative and practice of states, International Finance Institutions and (big) business, enamoured with global neoliberalism. The attendant labour market deregulation has fostered economic and social inequality with increasing precarity in the world of work stretched over the thinning lines between many a form of “employment”, under-employment and outright unemployment.

This worrisome development has grown to become a worldwide phenomenon over the last thirty years, taking on even bolder relief in some advanced capitalist countries in the wake of the Great Recession. The problem however has some fundamental place in the stunting of “opportunities for individual and social development” for the immense majority of working people in economically backward countries. This paper critically examines the situation in West Africa, with Ghana and Nigeria, which have both the strongest economies and the most virile trade union movements in the sub-region.

Tracing the trajectories of “reforms” in the two countries since the introduction of the Structural Adjustment Programmes in the mid-1980s, it analyses the impact of formal, substantive and organisational flexibilisation on attempts at “reducing poverty” and forging fairer and more inclusive societies. Particular note is paid to the gender and generational dimensions of labour flexibilisation and its impact.

Importantly, the paper’s central concern will be the responses of trade unions to the dilemma, and the effects of these on such labour market institutions as: minimum wage; employment protection legislation; mandated benefits/social security, and; collective bargaining/union organizing rights. Such responses would include: the ideational such as education/training of members and organisers, articulation of alternative frameworks and policy thrusts and the establishment of research-to-policy linkages, and; praxis, such as anti-casualization campaigns, alliance/coalition-building with other social movements, parliamentary lobbying, social dialogue/participation in government organs and strikes.

While there is a significant array of studies on each country, the paucity of comparative study of both is a noteworthy gap which this paper will attempt to fill. Utilising qualitative research methods, it will try to grasp the dynamics of interactions within and between actors in the labour movement, the state and broader civil society such as: unions; national trade union centres; global union federations; NGOs, other “non-state actors”, and (opposition) political parties, and; the state (its different agencies and apparatuses of concern). This would involve

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the use of questionnaires, conducting interviews, focus group discussions and extensive literature review.

Building on insights from a recent study of labour market deregulation and flexibility in Africa, by the African Labour Researchers’ Network (which the author is involved in), the paper will sum up with a rigorous reflection on the problems and prospects of reducing economic and social inequality in the sub-region, through reforms of the labour market, mediated through informed union actions.

The transformation of the Construction Sector in South Africa since Apartheid: Social Inequality and Labour

Cottle, Eddie

In 1994 the first democratically elected government of South Africa led by the African National Congress (ANC) saw the Reconstruction and Development Programme (RDP) a redistributive economic policy as its main policy instrument which would direct the ‘progress of the transformation strategy’. The development strategy linked six principles of which, ‘The key to this link is an infrastructural programme that will provide access to modern and effective services like electricity, water, telecommunications, transport, health, education and training for all our people.’

Since then, South Africa’s construction sector has undergone significant transformation and marked expansion since the period of apartheid where it was constrained by sanctions and racial policies which curbed its growth. An important outcome of Apartheid is the lack of redress of inherited backlogs in social and economic infrastructure, especially in the delivery of social services including housing, water and electricity. State policies of black ownership together with the growing internationalization of South African construction MNC’s has increased social inequality and the wage gap amongst blue and white collar workers. The massive public works expenditures including the 2010 World Cup have not led to the sector to reduce unemployment but instead increased unemployment with the consequent pool of informal workers far exceeding formalized work relations. The fundamental problem in South Africa lies in the stratification of employment on racial lines in the construction sector which had been entrenched through apartheid. The sector is renowned for its preferred choice of precarious employment relations. Construction workers are largely black, unskilled and semi-skilled; are casual, part-time, self-employed or employed on limited duration contract mostly by sub-contractors or labour brokers with little work benefits and limited possibilities of formalized skill training.

Towards new collective bargaining, wage and social protection strategies in South Africa – Learning from the Brazilian experience

Coleman, Neil

The Congress of South African Trade Unions COSATU has recognised that the South African labour movement is facing a major challenge in the functioning of labour market institutions inter alia because: collective bargaining institutions are fragmented and being constantly destabilised; there is no coherent wage policy in the country, to address poverty and inequality amongst workers; or a coherent framework to link our labour market strategies and institutions to a broader economic development strategy. At the heart of this paper therefore is an attempt to analyse fundamental shortcomings in wage and income policies and their failure, as well as the failure of our voluntaristic collective bargaining institutions, to transform our apartheid labour market; and to then look at what shifts are required to meaningfully address these challenges. These shifts can only succeed, particularly in fighting the scourge of unemployment, if they are accompanied by radical restructuring of our economic policies. We therefore propose:

- the need of campaign for adoption of a national minimum wages;
- the need for development of Federation-wide collective bargaining strategies, to reconfigure the wage structure, and introduction of legislated mandatory centralised bargaining;
- the need of campaign for universal income support to cover all adults;
- this package of labour market and social protection measures should lay the basis for a national agreement, connected to an overhaul of our macro-economic policies; and
- where employment is threatened in crisis hit industries, a package of rescue measures needs to be devised and implemented by parties together with government.

Gender regimes and inequalities in labour markets, pay and trade union leaderships

Ledwith, Sue & Munakamwe, Janet

In a world where women make up around half the workforce and are increasingly constituting the majority of trade union membership, gender inequality nevertheless still underpins global inequalities. This is due to complex and shifting power relations, some of which we explore in this paper.

Our proposal focuses on and links two of the eight research areas for the GLU conference; Labour Markets, and Trade Union Strategies. We offer a gender analysis using South Africa as an illustrative case study.

We do so by first drawing on secondary data and statistical evidence published in/by South African organisations, as well as the wider literature. We use the widening gender pay gap as an indicator and outcome of gender segregation and inequality in South African labour markets, both formal and informal, and where the pay gap is being linked to sexual harassment in the workplace and gender –based violence in the broader South African society. We go on to discuss the paradox of such a situation in a state where trade union density remains rela-

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tively high and collective bargaining the main method/route of setting workplace pay and conditions.

Drawing on our own empirical research with female [mainly] South African leaders and activists, we discuss the relative absence of women in union positions of power and leadership, and from the bargaining table. This is especially significant since our findings include the view that collective bargaining is the most important aspect of trade union leadership. Through analysis of questionnaire surveys, group discussions and interviews as well as observations at union conferences and meetings in South Africa, we evaluate union strategies for women’s voice and for gender democracy and leadership in trade unions.

Through our analysis we conclude that gender trade union deficits are closely implicated in the gender inequality regimes in South Africa.

2-Financial Markets

Chair: Trevor Evans **Room:** A 2.04

Inequality and the Financial System – the German Case

Detzer, Daniel

This paper examines the relationship between changes in the financial sector and the increasing inequality in Germany. For this, first an overview about the development of the main inequality indicators for Germany is given, which show inequality has been rising since the 1980s. Thereafter, the main features of the German financial system and its main changes in the last decades are reviewed. It is also looked at employment and incomes in the financial sector to determine, whether exorbitant growth of the financial sector, as observed in other countries, could be responsible for the increasing inequality. Thereafter, the relation of the financial sector with the non-financial sector is examined. First, a look at the financing structure of non-financial firms is taken. Subsequently, it is studied how changed behaviour in the financial sector may have led to increased inequality. It is argued that a multitude of factors including the retreat of the big banks from the German Inc., the changes in securities market regulation, the occurrence of new types of financial investors have all changed the corporate governance system in a way that made it more conducive to inequality. Then, the most important regulatory reforms and reform proposals for the financial sector are outlined. In the last section of the paper the main results are summarised and some general conclusions are drawn.



The role of Brazilian public banks facing inequality: some reflections on the case of

BNDES, Caixa and the Federal Regional Banks

Mendonça, Ana Rosa & Ferreira, Adriana & Deos, Simone

In capitalist economies, money is a strategic asset because liquidity is desirable as the future is unknown and there is uncertainty. In these economies, banks are key agents, as money creators. They play an important role in financing fundamental spending decisions, which contribute to income and employment creation, and are also crucial to promote economic and social development. The supply of credit, as a result of the banks' decisions of capital application, and taken into account their liquidity preference, will not necessarily be balanced into different activities, agents, sectors and regions. Important to highlight that uncertainty and liquidity preference are prone to be higher in the less developed ones, influencing credit supply. From this perspective, we defend the presence of institutions and policies to minimize the effects of the typical market behavior. In this sense, the aim of this paper is to discuss some lines of action of the Brazilian public financing system that have effects on inequality - even when they do not have the purpose of facing inequality as a central goal. The first will be the countercyclical action of the Brazilian Development Bank (BNDES), as the main provider of long-term investment and its estimated impact on employment generation; the second will be the program “Minha Casa Minha Vida” (MCMV), which intends to face the low income families housing deficit and also has an important countercyclical impact, and is carried out by Caixa Econômica Federal (Caixa); and the third will be the use of the Constitutional Funds by the federal regional banks and Banco do Brasil (BB) in actions that deal with regional inequalities.

3-Green Growth

Chair: Birgit Mahnkopf **Room:** B 5.44

Green New Deal, Green Economy and Green Jobs: Consequences for Environmental and Social Justice

Hermann, Christoph

The financial and economic crisis was preceded by an energy, food and climate crisis. Until 2008, prices for oil, food and various minerals were increasing due to accelerating scarcity in peak capitalism. With the outbreak of the financial turbulences, the environmental problems shifted somewhat to the background, but various academics and policy makers emphasized the multiple nature of the current crisis. A number of organizations, subsequently, called for the adoption of a Green New Deal to tackle ecological and economic problems. The idea was that investments in energy efficiency and renewable energy production would improve ecological sustainability, while at the same time generating growth and creating jobs. Some organizations saw the adoption of a Green New Deal as a first step in a transition towards a green economy. This paper critically examines the content of various Green New Deal proposals and analyzes the nature of a green economy with respect to their impact on equality. The major finding is that current concepts do not address the unequal distribution of environmental and economic assets and even tend to fortify gender inequality.

Making green jobs decent: the role of public policy and public investment in solid waste management and recycling

Chikarmane, Poornima & Narayanan, Lakshmi

The economic growth that urban India has experienced during the past decade has led to increased consumption and consequent increase in waste generation. Municipal governments that are charged with managing the waste in cities have traditionally relied on collection, transport and burial of waste in landfills. Materials recovery, secondary commodities trade and recycling are market driven activities carried out by informal workers and enterprises in a parallel ‘private’ domain. The formal municipal and informal recycling domains have both been labour intensive, employing large numbers of workers. The recent years have seen public policy shifts away from community bins to door to door collection; from public to private service provision; from free services to full cost recovery; from manual to mechanised, and from waste dumping to waste processing through private sector participation. There has also been unprecedented public investment in infrastructure and technology that is driven by aspirations of world class cities. Some of these changes have led to the informalisation and casualisation of municipal labour and dispossession and impoverishment of informal recycling workers and enterprises, and facilitated accumulation by private industry. The imperatives of climate change, jobless growth and increasing inequality make waste

management, resource conservation, recycling and integration of the informal sector an extremely important area for government intervention. It is against this backdrop that the authors use the case study of the SWaCH Coop of waste pickers in Pune, India to argue for policy initiatives and greater public investment to make the existing informal jobs in waste management and recycling, decent.

The ‘Green Economy’ in South Africa: A ‘symbolic’ response to a growing socio-ecological crisis

Pillay, Devan

Since 1994, the new African National Congress government, in alliance with the SA Communist Party and the Congress of SA Trade Unions, promised a new post-apartheid era of prosperity based on economic growth, jobs for all and the eradication of poverty through the redistribution of wealth and the empowerment of the black majority. By then, however, it had already compromised with the economic elite, embedded in the minerals-energy-financial complex, to pursue redistribution through growth – as opposed to the demand from its trade union allies for growth through redistribution. By 1996 this re-focus had crystallised into a fully-fledged neo-liberal emphasis on a shift away from public investment to achieve socio-economic transformation, to a reliance on the market – through privatisation, foreign investment and liberalised trade. The resistance to privatisation and other aspects of neo-liberal policies, by labour and other social movements, forced a partial retreat by government after 2002, with increased investment very basic social grants, free water to indigent communities up to a very basic; and subsidised electricity, also at a very low level. Free health care in public hospitals and clinics has also expanded – but within a context of a crumbling public system. While all schools charge school fees, the children of poor families pay little or no fees – but many have to endure inferior education in badly equipped schools.

The end result of almost 20 years of democracy and economic liberalisation is, despite the improvements in certain areas, persistent and widespread poverty, unemployment at around 34% and rapidly rising social inequality. In recent years growing global awareness about climate change has forced government to make commitments to reduce carbon emissions significantly, and invest in renewable energy. However, the social deficit overshadows the ecological deficit, as the drive to create jobs through expanded economic growth (using fossil fuels such as coal, oil, gas and nuclear power) has severely constrained efforts to move towards a genuinely green economy. Instead, indications of policy shifts have been half-hearted, grossly inadequate or symbolic,

This paper will consider these issues within the context of the global poly crisis, and argue that the increasing public discourse about a green economy masks a business-as-usual approach to economic development, with the minerals-energy-financial complex firmly in place, and the growth imperative over-shadowing substantive shifts away from a fossil-fuel based economic system, such that true sustainability and social justice remain a distant dream. Although various environmental and developmental NGOs and community groups

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remain active and offer alternative perspectives, they are relatively marginalised in public discourse and policy-making. The largest social organisations, trade unions, however, are beginning to add their voice to the green economy debate, in particular the National Union of Metalworkers (Numsa).

Promoting “Energy Democracy” as a Climate Solution and a Means to Address Inequality

Sweeney, Sean & Skinner, Lara

“Energy Democracy” is the public ownership and democratic control over energy resources and options and the principal vehicle to transition to a renewables-based and more decentralized system. It offers a framework for significant job creation and a more equitable distribution of political power and economic wealth.

Energy democracy is gaining ground in the international trade union movement and more than 30 unions and 4 global union federations are participating in a project called Trade Unions for Energy Democracy. <http://energydemocracyinitiative.org/>

Why energy democracy? Privatization and liberalization has failed and is unpopular all over the world. The projected increase in emissions from fossil fuels constitutes a planetary emergency—threatening a catastrophic 6 degrees Celsius of global warming by the end of the century according to the International Energy Agency. Market measures and conventional regulatory approaches have failed to either constrain the rising use of fossil fuel use or lead to the deployment of renewable energy to the levels required in order to achieve science-based emissions reduction targets. Still 1.5 billion people have no access to electricity.

Unions can help reclaim the energy system by joining with other social movements in the effort to build a renewables-based energy system that incorporates community choice, public control, and regards emissions reductions as a public good.

4-Taxation, Social Policies and Redistribution

Chair: Karin Fischer **Room:** B 4.01

Targeting and universalism – complementary or competing paradigms in social policy? Insights from Brazil, India and South Africa

Leubolt, Bernhard & Fischer, Karin

The paper deals with the prevailing paradigms of social policies. Drawing on the distinction between universalist (i.e. rights-based) and targeted (i.e. focused on the poor) social welfare policies, we examine the welfare regimes and recent policy innovations in Brazil, South Africa and India, namely conditional cash transfers, food transfer schemes and employment programs.

In order to reassess the relationship between targeting and universalism, we analyse which groups have historically been included or excluded into the social welfare system. On these grounds, we arrive at the conclusion that the two approaches need not necessarily be contradictory. In our view, a “targeted universalism” avoids the traps of both and could be a more appropriate approach to social welfare for emerging countries with widespread poverty and durable reproduction of social inequality.

A long way from tax justice: the Brazilian Case

Lavinás, Lena in collaboration with Moellmann Ferro, Thiago Andrade

This paper presents the major characteristics of the Brazilian tax system, after underlining the modifications it went through since 1988, when the country adopted a new and democratic Constitution. One important feature is the marked incidence of indirect consumer and production taxes (49% of all tax revenues) in place of direct taxes on income, inheritance, and capital gains. This imbalance between indirect and direct taxes explains, in large part, the elevated regressivity of the Brazilian tax system, which both expresses and reproduces the profound inequalities that characterize Brazilian society.
effect.

Impact of DBT Scheme on Poverty and Inequality: a study of few selected districts in India

Sahoo, Sarbeswara

After the success of the MNREGA, the Central Government announced one of its most ambitious DBT programme in January 2013 on few selected district on pilot basis. The aim of this scheme is calculate monetary value of the selected schemes and zero down to an



amount and send the money to the account of the beneficiary having an account linked to the Aadhar (UID)

Card. It has been established that despite of plethora of poverty alleviation and other welfare programmes; due to leakages and lack of efficient delivery mechanism they are not reaching effectively to the intended beneficiary. On the other hand it has been observed that since the Government has introduced the Liberalization-Privatization and globalization strategy economic growth has increased but its dent on poverty is far from satisfactory and the number of people living below poverty line in India has increased. Not only that the severity of poverty and inequality is quite visible. Cash transfers are direct payments provided to people either based on certain criteria or otherwise. Direct benefits of Transfer are not new and there are many countries in the world have introduced this programme. For example Bolsa Familia in Brazil, Oportunidades in Mexico, Samrudhi Kosh in Srilanka. In the beginning 20 districts and 7 schemes are chosen for this programme.

The objective of the present study is make an extensive review of the DBT programme implemented elsewhere in the Globe and examine it's efficacy.

With this input we would try to make an assessment of the impact of direct cash transfer scheme on poverty and inequality in the Indian context. Some of the major research questions that the study will try to address are as follows;

1. What would be the impact of DBT on inequality in then society?
2. What should be the distributional impact of this scheme inside the family?
3. As the beneficiary would receives the cash; the poor household without proper knowledge of financial planning they use the money elsewhere like marriage or other social function. Then what would be the impact?
4. The major problem in our country is not with the delivery rather with the selection of the beneficiary. In this context what impact the scheme is going to have on poverty? Whether we should adopt a universal model of cash transfer or Conditional cash transfer schemes?

5-Macroeconomic Governance

Chair: Seeraj Mohamed **Room:** B 5.12

The Macroeconomic Policy Regime in Germany: No regime shift, but mainly just good luck and some better policies

Truger, Achim

After an extended period as the ‘sick man of Europe’ the German economy has impressively recovered and evolved into something like the ‘powerhouse of Europe’ since the crisis. The paper argues that the improved economic performance cannot be explained by ‘structural’ reforms as most mainstream economists would try. Instead, we use the theoretical concept of a ‘Macroeconomic policy regime’ in order to explain the longer term economic trends. The corresponding analysis of monetary, fiscal and wages policies and the external constraints identifies Germany to have been characterised by an export-led mercantilist growth regime which was responsible both for the past German underperformance and the built-up of international imbalances. The current success story can mainly be explained by good luck in terms of a quick and strong unexpected recovery supported by more favourable monetary and fiscal policy effects. However, the necessary shift towards a domestically driven and externally balanced growth regime cannot be identified and is, indeed, unlikely given the institutional constraints for fiscal policy (‘debt brake’ and Stability and Growth Pact).

The Income Inequality in China’s Emerging Economy and Its Interaction with China’s Growth Pattern

Cheng, Ran

The feature of economic inequality as a macroeconomic issue is much larger at the beginning of the twenty-first century. Especially after the financial crisis, the issue of income inequality has attracted increasing attention and has been gradually linked to the issue of growth and development. Interest has been renewed in the issue of “whether and how income and wealth inequality interact with production and growth” (Bertola, Foellmi and Zweimüller, 2006, pxi) Numbers of countries in the global north attach increasing importance to the interaction between income distribution and the economic growth with the aim to figure out the way for the recovery from the Great Recession since 2009. However, the issue of income inequality and economic development in developing countries is also deserved to the academic attention, especially for the developing countries with emerging economic growth, such as China, Brazil, South Africa and India. While most industrialized nations in the global north are suffering from the slow economic growth because of the Great Recession, these countries have experienced remarkable economy development along with rising income inequality, especially China. Therefore, the research on the interaction between income inequality and economic growth regime in the emerging economy could be a very



valuable perspective for the study of combating inequality, and also could provide some inspiration for developed countries to rethink their development pattern.

When it comes to that issue in China – one of the emerging countries, the most important explanation should be connected to the growth pattern after its reform. With no doubt, China is the typical representative for high economic growing countries in the world. Since the opening-up reform started in the late 1970s, China has experienced dramatically rapid economic growth, with real annual gross domestic product (GDP) growth averaging nearly 10% through 2012 (Morrison, 2013).

However over the period of three and half decades of reform, China experienced a significant increase in income inequality which has been documented in a number of research and study. Most of studies discuss the income distribution in China by concentrating on the rural-urban inequality, the coastal-inland gap, the unfair governmental policy on inequality as well as inequality and poverty. (see Luo and Zhu, 2008; Benjamin, Brandt, Giles and Wang, 2005) Relatively, there is little research on income inequality in China through the functional income distribution, wage dispersion and personal income distribution at the macroeconomic level.

Therefore, the interaction between the situation of income inequality in China and the Chinese growth model is the concentration of this paper, with an aim to develop a more sustainable economic growth model in which the income inequality is also required to be reduced. Firstly, the current situation of income inequality in China is presented through factors of income distribution in China, including functional income distribution, wage dispersion, household and personal market income distribution as well as household disposable income distribution. Throughout this analysis, one can find out that income inequality in China has been increasing during the period of reform. Then the growth model of China and its interaction with income inequality is identified. The current growth of China is greatly driven by the investment and export with low power of domestic consumption, which could be seen as the key characteristics of the profit-led regime. Under this profit-led growth regime, little attention is paid on the income distribution. Meanwhile, this growth model is not sustainable for the country. So in the next part, a new wage-led growth regime would be added to the current growth model of China, which has been seen as a more sustainable growth regime and could reduce the income inequality at the same time. The policies in labor market like minimum wages and wage bargaining along with the government policies in income distribution should be developed and improved. Also the strategy of trade union in this regime would be analyzed, especially in the field of collective bargaining and minimum wages policy.

The theory of macroeconomic policy regimes in emerging markets

Kazandziska, Milka

This paper will attempt to provide a theoretical framework for macroeconomic policy regimes (MPRs) in emerging economies. Six elements constitute a macroeconomic policy regime of the latter: foreign economic policy, industrial policy, wage policy, monetary policy, fiscal policy and the financial system. Firstly, the theoretical basis using a Post Keynesian ap-



proach will be set. Secondly, objectives, policies and instruments will be identified using an extended type of Tinbergen approach. The conclusions are that fiscal and monetary policy are responsible for achieving sustainable economic growth; foreign economic policy and industrial policy – for reducing current account imbalances; fiscal policy – for reducing income inequality and maintaining high employment; wage policy and foreign economic policy - for low inflation. Applied to the emerging markets in Central Eastern Europe (CEE), the macroeconomic policy regime is characterised by deregulated labour, goods and financial markets, which puts constraints on the use of economic policies, especially wage policy. In most of these countries the private sector indebtedness increased particularly between the late 1990s and the start of the financial crisis, which was one important driver for growth. However, in most of these countries the income inequality has risen. Fiscal policy has been constrained by the Fiscal Compact signed by many countries in CEE. Foreign economic policy and monetary policy are constrained by the Maastricht criteria for entry in the European Monetary Union.

Abstracts of Presentations, Friday, 16th of May 2014, 15:30-17:30

1-Labour Markets

Chair: Debdulal Saha, **Room:** B 4.01

On the Working Hours and the Economic (Im)Possibilities for our Grandchildren

Fracalanza, Paulo & Corazza, Rosana

In 1930, amidst the shock of the 1929 crisis, Keynes wrote an essay entitled Economic Possibilities for Our Grandchildren. The tone of the essay is like a breath of optimism in the face of what Keynes called the "double error of pessimism". Firstly, the error of the revolutionaries who believed things were so bad that "nothing can save us but violent change". Secondly, the reactionaries' pessimism, for who the balance between economic and social life was so precarious that "we must risk no experiments" (Keynes, 1930:358). In this essay, as influential as controversial, Keynes predicted that in a century, thanks to advances of technical progress and the potentialities of productive forces under capitalism, humankind could finally break free from its most primitive "economic problem": the workload in the struggle for survival. Then it would unfold a time of abundance and freedom through which humanity finally could focus on the ideals of a full, happy, wise and good life. More than 80 years have gone since the publication of this essay and it must be acknowledged that humanity not only failed the requirements of a good life, as it fully and deeply embraced a social organization in which the "love of money" became even morally desirable. Under this social form, the workday reached unsuspected levels. Our main purpose, within the limits of this paper, is to investigate using a rich contemporary literature, the evolution of the working hours in recent years and try to shed light on some of the reasons that could explain why the world Keynes described did not materialize and still seems far from materializing. (SCHOR, J. 1992, 1998, 2010; SKIDELSKY, R. 2010; SKIDELSKY, R & SKIDELSKY, E. 2012; DOSTALLER, G. 2007, 2009; DOSTALLER, G. & MARIS, B. 2009; JACKSON, T. 2010; WILKINSON, R. & PICKETT, K, 2009, amongst others). In line with this main subject, it is our aim also to present and analyse the results of a recent research issued in Brazil about the Brazilian workers perceptions on the intensity and exigencies of the working place (IPEA, 2011, 2012).

Two issues guide our analysis. First, the political dimension of the struggle for the definition of working hours - in the historical sense that Marx proposed - that culminates with forms of regulation that set limits to the duration of the working day. Today, that struggle, that has long been important to the labour movement, has dimmed and does not seem to mobilize the desires and aspirations of workers. Next, the evaluation of the identified trend in many countries of an augmentation (or a blockage of the secular trend of reduction) of the durations of working hours and the increasingly sharp division within specific segments of the working class. Our hypothesis is that, especially in the most unequal societies, some forms

of social distinction associated with signs of conspicuous consumption are the keys for understanding the changes in the world of work and its potential for transformation.

How do the working time regulation and pay policies influence gender inequalities? A legal perspective on the labour market of the Republic of Macedonia

Ristovski, Aleksandar & Kalamatiev, Todor

The attempt to detect the causes of the economic recession in the EU is a complex process. The viewpoints in the academic debates determine that the main reason for the crises is the continuing inequality between people, particularly the income inequality. Hence, the way out of the crises is the promotion of policies towards increasing the equality, including gender equality.

In this paper, the authors investigate the working time regulation as a possible factor contributing to the decision of females not to participate in the labour market and propose policies for increasing the gender equality and overcoming the gender pay gaps between men and women.

Female part-time work has become a dominant working pattern in a number of industrialized countries. However, labour rights, payments, access to social security and career opportunities are still a limiting factor to full gender equality. These elements highlight the precariousness of part-time work. With regard to family and household responsibilities which occur as a limiting factor to women's participation in the labour markets, working time policies can provide certain mechanisms for encouraging work-life balance. In the last couple of years there is a growing literature and evidence suggesting that flex-time schemes, emergency family leave, legal rights to transform the working time according to the needs of individual employees, alignment to various community time arrangements such as the working hours of preschool and school facilities can promote greater female participation on the labour market.

With respect to the equal pay policies, the authors analyze the existing international and comparative labor standards as well as the possible measures and policies for decreasing the gender pay gap between male and female workers.

The Republic of Macedonia is a transition country, and an EU candidate country. According to the data of 2013, the female employment rate is 41 % compared to the male employment rate of 59 %. Furthermore, statistics illustrate one of the highest gender pay gaps in the country compared to other countries of Central and Eastern Europe. The previous indicators confirm the existence of gender inequality in the Republic of Macedonia. In this regard, the aim of the paper is to investigate the working time regulation in Macedonia as a possible factor contributing to the decision of females not to participate in the labour market and to present the measures and policies that need to be taken in order to reduce gender inequality and gender pay gaps in the labour market.

Our work will be based on a qualitative research strategy through in-depth literature review, review of the legal regulations and face-to-face interviews with the representatives of trade unions and employers' associations.

Do Labour Laws Increase Equality at the Expense of Higher Unemployment? The Experience of Six OECD Countries, 1970-2010

Sarkar, Prabirjit & Malmberg, Jonas & Deakin, Simon

In this paper we present new empirical evidence on the impact of labour laws on equality and unemployment in developed market economies. The issue is one which has preoccupied economists and other social scientists for some time, without any clear consensus emerging. In the 1990s the OECD's *Jobs Study* (OECD, 1994) made the argument for liberalising labour laws as part of a strategy for enhancing labour market flexibility and thereby boosting job creation. During the 2000s similar arguments have been made by the World Bank through its *Doing Business* initiatives (World Bank, various years). Economic theory incorporating equilibrium-based modelling broadly supports these positions, but empirical evidence has been much more equivocal (Skedinger, 2010). A growing number of studies suggest that the supposed negative effects of labour laws may be either very small or simply non-existent (Blanchflower, 2001; Baker et al., 2005), and that such laws could, in fact, have beneficial effects on productivity and innovation (Acharya et al., 2012a, 2012b). In the light of this evidence, some scholars have called for a reappraisal of the assumptions underlying equilibrium-based models of the labour market (Freeman, 2005).

Our contribution to this debate is an empirical one and makes two methodological innovations. Firstly, we make use of a recently constructed dataset, the Centre for Business Research's Labour Regulation Index (LRI), which provides the most detailed and systematic analysis of trends in labour law over time in major industrialised economies. It differs from the most commonly used alternatives (the OECD's Employment Protection Index and the World Bank's Employing Workers Index) in providing a continuous time series based on consistent coding of primary legal sources covering the full range of laws governing individual and collective work relations. Secondly, we analyse the impact of labour law on the economy using econometric techniques which can distinguish between short-run and long-run effects of legal change and take into account dynamic interactions between legal and economic variables. These techniques mark an advance on the more static cross-sectional and time invariant analyses which have mostly been used until now to analyse the economic effects of labour laws.

Our study examines the economic effects of labour laws between 1970 and 2010 in six OECD countries, namely France, Germany, Japan, Sweden, the UK and the USA. These countries span the main legal families (common law and civil law) and the principal 'varieties' of market economy ('liberal market' and 'coordinated market' systems). We carry out a dynamic panel data analysis which shows that, over this time span and for these developed market economies, labour laws across the board have had no clear long-term or short-term effect on unemployment. When we break our analysis down to look more closely at particular kinds of labour law regulation, we find strong evidence that laws providing for working time reductions have the effect of reducing unemployment, and weaker evidence for the same effect on the part of laws protecting worker representation. Then we look at the impact of labour laws on equality, as proxied by labour's share in national income. We find that worker-protective labour laws are associated with a higher labour share and therefore more equality, with laws on working time and employee representation driving this result.

Different Policies, Different Paths: Colombia and Brazil, 2000-2012

Moisa, Laura

The first decade of the new millennium was an unusual period for Latin America, positive growth rates were accompanied by falling inequality and poverty. The labor market was the main player in this period, especially with rise of the wage levels, creation of new formal jobs and active public politics of labor regulation.

However, this advance in economic and social results was not equal for all countries. For this reason, the objective of this paper is compare two different trajectories with opposite results: Colombia and Brazil. For Brazil from 2002 to 2011 the real wages rose by an annual average of 6.78, the GDP grew in 3.8 and formal workers increased by 6.3%. In contrast in Colombia the average annual growth was 4.5, wages only increased by an average 1.17 per year and formal workers decreased by 8.7%.

The thesis of this paper is that the main reasons for this opposite results be traced to the policy options implemented in each country. This was most evident during the 2008–09 financial crises, a period in which heterodox recovery policies were pursued in Brazil, while Colombia continued a neoliberal policy option. Regarding labor policies, the Brazilian government implemented a combination of policies like minimum wage increased, improved job control and incentive the creation of new jobs.

The results of this package were increased of workers in formal employment, labor income growth and reduced of the inequality. In contrast, the Colombian government applied a new labor reform with the target of rise the work flexibility, with consequences like rise of the informality, marginal increase of the wages and inequality.

To build a comparison, first I will examine the macroeconomic and institutional trajectory of both countries. For this, I will use the structure of the labor relations proposed by Dunlop and others authors. Then, I will pay attention to the evolution of employment and labor incomes, whose outcomes derive from the specific economic policies implemented in each country. To do this I will define a flexibility concept using the studies of Ronconi and Schrank (2011), Cook (2007) and Krein (2007) and build an estimation of the policies and the results.

Finally, I will present some reflections on the results achieved and challenges for increasing policies that regulate the relationship between capital and labor as a form of reduction of inequalities.

2-Financial Markets

Chair: Ana Rosa Ribeiro de Mendonça, **Room:** A 2.04

Finance-dominated capitalism and re-distribution of income – a Kaleckian perspective

Hein, Eckhard

In this paper a major channel through which financialisation or finance-dominated capitalism affects macroeconomic performance is examined: the distribution channel. Empirical data for the following dimensions of (re-)distribution in the period of finance-dominated capitalism since the early 1980s is provided for 15 advanced capitalist economies: functional distribution, personal/household distribution and the share and the composition of top incomes. Based on the Kaleckian approach to the determination of income shares, the effects of financialisation on functional income distribution are studied in more detail. Some stylized facts of financialisation are integrated into the Kaleckian approach and by means of reviewing empirical and econometric literature it is found that financialisation and neo-liberalism have contributed to the falling labour income share since the early 1980s through three main Kaleckian channels: 1. a shift in the sectoral composition of the economy, 2. an increase in management salaries and rising profit claims of the rentiers and thus in overheads, and 3. weakened trade union bargaining power.

The impacts of competitive pressures on the stakeholders in the Brazilian Financial System

Lins, Jucara Portilho & Sanches, Ana Tércia

Since the 1990s, the changes in the Brazilian financial system have been influenced by patterns of financialized international capitalist accumulation. Such changes reflect decisions and priorities guided under the principle of greater value creation and return to shareholders and investors. Accordingly, the financial system has adjusted its modus operandi adopting strategies linked to segmentation, technological development, expansion of domestic and international markets, changes in the production process, as well as with mergers and acquisitions. Such strategies have altered the dynamics of the relationship with other social groups, such as the employees, outsourced workers and clients of these institutions.

It is observed that the management policies of large banking corporations are increasingly guided by the prevailing logic of short-term capital rentier. Bonus pay and variable remuneration to high executives promote top-down psychological pressure to achieve super-profits throughout the production chain. Paradoxically, banks lower the pattern of hiring workers via outsourcing.

Furthermore, the maximization of return to shareholders, in increasingly shorter terms, interferes with the dynamics of labor within these corporations. Demands and threats related to the achievement of targets for services and sales of financial products have been harshly



criticized by entities representing the workers' interests. Trade unions point out the reduction of the workforce as the main factor that directly influences the physical and mental well-being of those involved, resulting in the expansion of professional illness, easily identifiable in official statistics.

In Brazil, public banks played a vital role in the financial crisis of 2008. While the private banking sector retreated, the federal government, through public banks, implemented countercyclical policies that allowed maintaining credit flows. Interest rates and spreads suffered a sequence of falls that favored the resumption of economic dynamics. In addition, public banks have invested in social programs of broad scope, such as the building of affordable housing. Despite these efforts, these institutions have adopted personnel management model very similar to the private sector. In other words, these institutions also used human resource policies strongly anchored in processes of subcontracting / outsourcing to reduce fixed costs. In this context, the combination of a diminished staff capacity and a lot of pressure for financial product sales generate an internal environment of dispute and breakdown, typical of the private sector. All this may seem very contradictory in a country aspiring to be the 5th economy on the globe.

With this article we aim to analyze the mediations between the compensation paid to high executives and the pressure to increase returns to shareholders, and the resulting impacts on other agents of the financial system. Among them we mention: bank employees, outsourced workers and customers of the financial system suffering from the deterioration of the quality of services.

The issues raised by this research emerge from development of the doctoral thesis of the authors subscribed. The methodological basis considers: consulting the relevant literature and analysis of national research institutions, management reports of financial corporations and union publications.

3-Green Growth

Chair: Joel Odigie, **Room:** B 1.01

Sustainability in Brazil and Argentina: the trade unions within the commodity consensus

Dobrusin, Bruno

This paper analyses the development strategy followed by the governments of Argentina and Brazil since the election into power of left-oriented parties (2002 in Brazil and 2003 in Argentina), focusing on the role the trade union movement has had in affecting those policies and challenging the growth strategies. The main argument is that both these countries underwent significant socio-economic improvements since these governments were elected, but this development has been based mainly on the extractive industries (mining, forestry, transgenic agribusiness-based agriculture and oil). These activities have produced immense wealth, which the governments have been much more effective at distributing, with focus on the poorest sectors. This is the basis of the massive support that both the Lula (and later Rousseff) and the Kirchers' administrations consistently receive. However, the model of redistribution, still inadequate in several aspects, remains controversial since it is both unsustainable in the medium-long run, and has produced intense social dislocations in the populations directly affected. These contradictions and the trade union responses to it are a central focus throughout the essay.

The Brazilian development model in the context of „Green Economy“: myths and reality

Mattei, Lauro

This paper discuss the Brazilian rural development model in the context of Green Economy and the debate about sustainable development, issues that have been discussed in international sphere. In this way, conceptions and new concepts have been defined which clarify the ideas and mechanisms involved in this new approach. In general terms, these conceptions and concepts have proposed the organization of another social order that looks beyond purely economic aspects. These themes were the starting point for the Rio +20 Conference in 2012. With these scenarios in mind, this paper will try to answer the following question: Is the green economy approach a good way to promote sustainable development in countries like Brazil? To answer this question we are concentrating our analysis in the agricultural sector. After a briefly discussion about the ideology and the thesis contemplated in the expression, "green economy" and the current development model in Brazil, we analyzed the Brazilian rural development model and the public investment in the agricultural and livestock sector, seeking to emphasize the government option towards primary commodity production for international markets. The main conclusions of the paper is that to understand the Brazilian society today we need to take in account the transition from an agrarian



society to an industrial society, a process that occurred in Brazil during the 20th Century. This path Brazilian society has mapped since its inception is marked by the contradiction between abundance for a few portions of the population and famine for the great majority. It is important to register that this contradiction was enhanced during the post-war period and led Brazil to figure among the most contradictory countries in the world: if the year 2011 showed Brazil to be the 6th largest economy in the world, at the same time it continued to be the country with the greatest inequalities in the world and the greatest rates of social exclusion. So, we can conclude that these are exactly the social and political problems that continue to impede a more just and equal Brazilian society from taking shape, both in its rural and urban environments.

Labour Environmentalism and the Keystone XL Pipeline: Strategies for Economic Justice and Union Renewal

Fair, Ely & Hendricks, Sarah

Globally, unions have failed to recognize the class nature of ecological destruction. The unequal distribution of wealth in global capitalism has not only driven the ecological crisis, but it is expected that climate chaos and resource scarcity will deepen the divide between the world's rich and poor. As the primary advocates for value re-distribution in the economy, unions have a key role to play if there is to be any hope for a transition away from ecologically destructive production.

This paper investigates union responses to the Keystone XL Pipeline, a large crude oil infrastructure project running through Canada and the United States. Stakeholder unions have taken dramatically divergent positions with regards to this project, despite the purported 'zero-sum' nature of extraction industry expansion. Through a comparison of the Canadian Energy and Paperworkers Union (CEP) and the Laborers International Union of North America (LIUNA), we hope to contribute to a deeper understanding of the factors affecting labour-environmental relations. Additionally, we propose a reframing of unions' environmental action; arguing that environmentalism could play a significant role in the revitalization of an anti-hegemonic labour movement.

4-Countermeasures: Specific Measures

Chair: Alexander Gallas, **Room:** B 5.44

Maintaining Reciprocity: The Ins and Outs of Unionism

Moore, Madelaine

The traditional union model is based on the notion of reciprocal obligation. In brief, this is the mutual recognition that being a part of an organisation both furnishes benefits, such as support from other members, or access to expertise, and requires the fulfilment of obligations, such as membership dues, or the demonstration of solidarity. Who one's obligations extend to, and conversely, who is obligated towards oneself, is demarcated by the mutual recognition of who has legitimate claim to these benefits and obligations.

Typically, such demarcation extends from, and is cemented by, the paying of membership dues, which in turn are further demarcated by locality. This represents the traditional way of conceiving where and how reciprocal obligations can or should develop.

The clarity of this model of reciprocity, with its unambiguous demarcation of who 's in, and who's out, renders the traditional union ill-equipped to contend with labour rights issue that arise in the context of global capital that also have a significant affect on its members. Unable to address themselves to issues that extend beyond their limited scope, unions are locked into a system of ineffectuality, as they can only ever react to the local form that such issues take. In remaining static unions not only become less relevant, but also risk becoming obsolete.

Possible solutions to the problems that arise from a static model of reciprocity are not to be found however, in the dissolution of boundaries altogether. Such dissolution would undermine the very solidarity that accrues from the model of reciprocity proper to unionism. This reciprocal solidarity remains the foundation of a workable and sustainable unionism. If in the transformation of the scope of unionism the connections between those involved are weakened, so to is the legitimacy of the claims that each member has to each other.

An emerging approach to the problem of demarcation can be found in the practice-dependent theoretical position to social justice obligations. This field, for example, the work of Andrea Sangiovanni or Kate MacDonald, explores the possibility of determining boundaries to obligation via ongoing interactions or exchanges, such as supply chains or other issues based approaches. Because of this, who one is obligated to, or where such a reciprocal relationship can extend, is not limited to pre-existing models of exclusion. This approach is more fluid than the traditional location dependent model, and yet, at the same time, resists making obligations universal. Rather, what becomes important is how obligations are determined and maintained. Such a model makes the issues of boundaries visible, engaging with the question of how they should be determined, an issue that for the traditional model is fixed. This inflexibility is why unions risk becoming irrelevant.

Through applying this practice dependent theory in a union context the development of a transnational union model may emerge, one in which the strength of traditional unionism, the



ability to manufacture and sustain a workable and tangible reciprocity, is retained. This is because the unique parts of traditional unionism, solidarity, and robustness, which underpin union power, are determined by the strength of reciprocity, rather than the pre-determined traditional boundaries to membership. Although reciprocity reinforces the existing boundaries that limit union effectiveness, reciprocity is not itself dependent on such boundaries. This opens up the possibility of transforming these boundaries such that the issues confronting labour rights in a transnational context are no longer excluded. Creating a new transnational model of unionism that is both effective and relevant.

Can labour standards in transnational private governance help to reduce inequality?

Cradden, Conor & Graz, Jean-Christophe

That unionization and collective bargaining make a significant contribution to raising wage floors and reducing income inequality is well established. Nevertheless, there seems to be little possibility that the active encouragement of independent worker organization will ever regain the public policy prominence it enjoyed in the post-war period.

However, recent research in international political economy points to the increasing significance of private or non-state governance as a means of regulating economic activity. Large parts of the development and enforcement of technical, social and environmental standards applying to products and production processes are now in the hands of private actors. While existing scholarship provides some limited evidence that such transnational private regulation (TPR) may have an effect on substantive outcome standards relating, for example, to occupational health and safety or hours of work, the literature gives little reason to believe that TPR has significantly reinforced industrial relations process rights relating to collective worker voice and participation in the day-to-day regulation of employment relationships.

We use examples of trade union action in Africa to illustrate how the potential of TPR to enhance worker voice and participation in developing countries cannot be evaluated without understanding how local actors mobilise the social and political resources that TPR potentially provides and the conditions under which such mobilisation represents an effective tool to pursue workers' interests. The case studies we present in the paper show how a number of different TPR schemes have successfully been used by trade unions in Africa as means to pursue the interests of union members.

Nevertheless, we also found that the scale of the impact of TPR in all of the contexts we studied was limited and, more importantly, it depended almost entirely on the existing capacities and resources of the unions involved. TPR led to the creation of collective industrial relations processes, or helped unions to ensure that certain enterprises participated in existing IR processes, but did virtually nothing to enhance the political and organizational capacity of the unions to influence the outcomes of those processes in terms of wages and conditions of employment. This suggests that if TPR is to have any significant and consistent impact on inequality even within the businesses where it is applied, it needs to be tailored to its context of application and to include not just negative rights to freedom of association but also positive collective rights to take action together with appropriately resourced trade union capacity-building measures.



Combating Social Inequalities in Turkey through Conditional Cash Transfers (CCT)?

Bergmann, Christian & Tafolar, Mine

Political parties of varying ideological positions all over the globe have started to implement the Conditional Cash Transfers (CCTs) including the center-left Worker’s Party (PT) of Brazil and center-right conservative Justice and Development Party (AKP) of Turkey. In Brazil, the Bolsa Família Program has become globally known as presenting an example for a highly effective short-term poverty alleviation mechanism. Up until today about one quarter of Brazil’s population (about 11 million households) have been pulled out of extreme poverty and through that social participation for the most vulnerable members of Brazilian society was being increased remarkably. In Turkey, the Bolsa Família program served as a model for the Social Risk Mitigation Project (SRMP) that was introduced as a World Bank project after the financial crisis in Turkey in 2001. Recent impact evaluations have shown that CCTs are particularly successful in terms of diminishing poverty and indigence levels among lower segments of the society in the developing world. This article focuses on the question in how far CCTs have helped to diminish social inequalities in Turkey by concentrating on three crucial areas of interest: gender inequalities, transition to labour market as well as regional imbalances.

Abstracts of Presentations, Saturday, 17th of May 2014, 09:00-11:00

1-Labour Markets

Chair: Sarah Mosoetsa, **Room:** A 2.04

Jobs and inequality in a new free trade area: The case of the Pacific Alliance

Salas, Carlos & Manzano, Marcelo

Recent developments in Latin America bring back the need to examine free trade agreements and the hidden agendas behind them, in particular how those agreements end up distorting growth and impact income distribution, as they are based in low wages and weak labor protection schemes, in order to attract foreign investments. In this paper, we discuss the so-called Alianza del Pacífico (Pacific Alliance), a free trade agreement between Chile, Colombia, Mexico and Peru. We argue that PA is one more effort to resuscitate the Acuerdo de Libre Comercio de las Américas (ALCA), a Bush government initiative that ended because of the lack of support for it displayed by countries like Argentina, Brazil and Venezuela. The Pacific Alliance can also be seen as an effort to restrict the influence of Brazil (and Mercosur) in the Latin America Pacific Basin, effort based on ideological and commercial grounds. To achieve these goals we will examine briefly the history of Free Trade agreements in Latin America, since early 90s. Our history will end in 2013, when the PA was enacted. Then we will present a gross picture of the PA member's structure of trade, sectorial structure, employment, labor income, social protection and income distribution. Thus we will be able to show that PA is based on low wages and weak labor protection schemes. We conclude with an examination of the possible developments of PA, taking into account recent changes in the area's governments.

Minimum wage coverage and compliance in developing countries

Rani, Uma & Belser, Patrick & Oelz, Martin & Ranjbar, Setareh

Using household and labour force survey data from 11 developing countries, the authors calculate rates of minimum wage compliance for formal/informal employees covered by current legislation and assess the average “depth” of violations. Though compliance is negatively related to the ratio of minimum to median wages, countries with a national minimum wage set at a meaningful level typically achieve higher compliance rates than countries with occupational or industry-specific minimum wage systems. However, better compliance – especially for women, ethnic groups, and unskilled and informal workers – also depends on contextualized yet comprehensive minimum wage policies combining union/employer involvement, awareness-raising and credible enforcement.

2-Campaigns

Chair: Devan Pillay, **Room:** B 4.01

Arresting the Spread of Precarious Employment in Formal Enterprises in Selected ASEAN Countries: Challenges and Labour Strategies

Serrano, Melisa

The quest for competitiveness in the context of rapid globalization has further expanded and deepened the adoption by businesses of lean and mean flexible production systems and a flexible workforce. In this regard, the common trajectory of changes in work patterns and employment in the countries comprising the Association of Southeast Asian Nations (ASEAN) is towards increasing flexibility or non-standardization. It is important to note however that the incidence or spread of non-standard forms of work or employment varies across countries in the region in response to local conditions. The paper identifies several of these conditions, namely, the level or trend of economic growth (as measured by growth in gross domestic product), labour market conditions (particularly unemployment levels), the existing (or absence of a) regulatory framework, the existing industrial relations system (i.e., management-labour relations, mechanisms and extent of social dialogue and tripartism), and the relative influence of trade unions (i.e., union density, bargaining coverage, influence in labour legislation).

Where availability of data permits, these factors are analyzed in comparing the types of and the general trends in the growth of non-standard employment, particularly private temporary agency work (TAW), in six ASEAN countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. More importantly, the paper looks into the challenges faced as well as the strategies taken by trade unions and other labour organizations in arresting the spread of precarious employment.

The study reviews existing literature related to the topic. Field research was done in the six ASEAN countries mentioned between June and August 2013 where key officers from various trade unions, labour-oriented non-government organizations and concerned government offices were interviewed.

The Next Generation of Social Movements: From Occupy Wall Street to the June Days of Rio de Janeiro

Toff, Steven & Cindra, Natalia

The rise of neoliberal social and economic values has reshaped economies and governments for more than three decades. It has also reshaped personal politics and culture, and an en-



tire generation has ‘come of age’ under the guise of neoliberal ideology. In the United States, for example, those born under Reagan have known no other model in their lifetime (the political pendulum may swing between Republicans and Democrats, but neoliberalism triumphs so long as the pendulum never reaches Polonyesque momentum). Economic inequality was seen as a consequence of individual laziness or individual failure. For those under 35, the world that shaped their political consciousness with was one where ‘freedom of markets’ and ‘personal individual freedom’ were perverted into the same discount commodity. And the ideology has spread across borders and continents under the flag of globalization.

Yet in 2008 this paradigm began to reveal its instabilities. As markets throughout the world erased decades of unprecedented and imaginary wealth in a manner of weeks, the house of (credit) cards began to fall. The political discourse has shifted as well. Today, instead of limitless markets and endless growth, news headlines are dominated by unemployment and austerity discussions. A bright future, let alone a job, is hard to imagine for many young workers entering the labor market. Even in countries such as Brazil, where economic growth and redistributive measures have managed to evade much of the global economic downturn, youth are increasingly frustrated with the future they have been dealt. The value system the world has demonstrated to them, and the mechanisms for engagement both politically and economically are not considered viable to effectuate change in their own lives. Meanwhile, traditional social movements (such as political parties and trade unions) have been slow to adapt, or even recognize the scale by which this new value system has reshaped the boundaries of politics. Union membership, once the principal mechanism for challenging inequality, has been in a freefall in country after country, and even where numbers remain high, the passion and militance of previous generations has been elusive to recapture even when one considers the enormous frustrations and economic hardships brought about by the failures of neoliberal markets.

Consequently, new forms of youth engagement have emerged, circumventing traditional organizations and political processes. Scores of examples have peppered the globe from *Los Indignados* in Spain, to *Occupy Wall Street* in the United States, to the massive street demonstrations in Brazil erupting in June of this year (*June days*). Threads can even be drawn between youth and the rebellions that have transpired in the Arab Spring countries. There are multitudes of movements cropping up as young people seek to impact national policies stemming from economic and social inequalities. They are filling the vacuum left by failed politics and failed union movements. But the youth movements are spontaneous, sporadic and often leaderless. More importantly, questions remain as to how sustainable this kind of movement can be. Important aspects vary from country to country and important lessons can be learned by the success and impact of these various movements.

This paper will explore these themes, concentrating on Brazil and the United States, guided by the following research goals:

1. Analyze the context under which the OWS movement in the US and the June protests in Brazil transpired. What were the impacts and achievements in each country in terms of actual economic policy and political debate? What were some of the local, national, and international implications?
2. Understand the relationship between these new social movements and the labor movements in their respective countries.

Overturing the Iron Law of Wages - the minimum wage campaign in Korea

Yun, Aelim

This paper will deal with unions' fights for higher minimum wage in order to reduce inequality within and among classes in the South Korea. After the economic crises in 1997 and in 2009, Korea has become one of countries where inequality of income was exacerbated drastically. Faced with those global economic crises, Korean Government has pushed away with deregulation on financial markets and corporate activities and pursued labour market flexibilization. These policies resulted in a business recovery on the side of big exporting corporations, but on the other side, labour income has been stagnant. For example, a growth rate gap between corporate profits and labour income amounted to seven times during the period of 2000 – 2010.

A wage gap between regular workers and precarious workers has also increased. The average monthly wage of precarious workers who amount to 46.1 per cent in the whole ones is merely half of that of regular workers.

Against this backdrop, Korean trade unions have attempted to improve the legal minimum wage system and to organize precarious workers since 2000s. This paper will explain how the issue of the minimum wage has become a top agenda of the Korean Confederation of Trade Unions (KCTU) and will examine the strategies and challenges as follow:

Firstly, the KCTU has made effort to raise the wage level of small-sized firm workers and precarious ones whose wage was fixed at the minimum wage level. The union density among precarious workers is merely 2.1%, and 40 per cent in them is paid below minimum wage level. In Korea, most collective bargaining has been done at workplace level and collective agreements are usually applied to union members. By fighting for higher minimum wage, the KCTU has nationally represented the interest of unorganized precarious workers and built a physical ground for solidarity between organized regular workers and unorganized precarious ones.

Secondly, trade unions that are affiliated to the KCTU have attempted to organize precarious workers who are affected by the minimum wage system. For example, unions that organize agency workers and precarious workers of small subcontractors in industrial complex have campaigned for “the living wage” beyond the legal minimum wage. In public service sector, unions have fought to establish municipal ordinances to guarantee the living wage for precarious workers. Through these fights, unions have tried to empower precarious workers as the active subject of labour movement.

Thirdly, the KCTU has set the minimum wage system as a political agenda by building coalitions with civil society organizations. Korean Government has traditionally controlled a wage increase, and pushed trade unions into accepting pay cuts under the global economic crises. The amount of the minimum wage is decided every year by tripartite council, in which a demand for the living wage has always confronted oppositions from the Government and the capital. Against this, unions and social movement organizations have built a social and political consent for the improvement of minimum wage system by disclosing the actual conditions of the working poor and the non-compliance with law by employers. The higher minimum wage campaign is one of the most successful fights whereby the KCTU gained representativeness despite low union density.



In this paper, I will combine participant observation and analysis of union documents. Through this field research and theoretical review, this paper will analyze the labour market institution and political discourse to maintain the low wage system, and will explore a chance and strategies for unions to reduce inequality and to gain political power.

Inequality and Democracy: European Mass Strikes against Austerity

Nowak, Jörg & Gallas, Alexander

In the wake of the global crisis, retrenchment policies and changes in labour law in many European countries saw massive and unprecedented response of the working class in the form of mass strikes. These strikes are predominantly led as one-day general strikes. They are characterised by a) a huge participation, if compared historically, b) the crucial role of public sector trade unions and c) the lack of success of these strikes in putting forward their demands.

The significance of economic strikes goes down since 1980, if measured by the loss of working hours due to strikes. The number of general strikes rose in the same time period and rose rapidly after 2008. With this trend, the level of conflict moves away from the sectoral level to political conflicts with national governments – and, with the European policies of crisis management to confrontations with the Troika.

In the wake of crisis management, collective negotiations were banned in Greece – and the Troika demands the same for the case of Portugal. The protest strikes counter these developments and bring together many of the economically excluded parts of the population. With the significant participation of public employees the conflict about distribution of wealth moves to the interior of administrations and state apparatuses.

3-Taxation, Social Policies and Redistribution

Chair: Ian Perry, **Room:** B 5.44

The Myth of more Social Inclusion through Activation Reforms – the Case of Germany

Betzelt, Sigrid

The proposed paper examines certain interrelated effects of recent reforms in labour market- and social policies on social inequalities, especially with regard to gender, and prominently in the case of Germany yet from a comparative background.

With the previous European Employment Strategy of the European Commission in the 2000's, the 'activation paradigm' was introduced in many EU Member States. This very often implied a deregulation of labour markets promoting atypical employment forms, a tightened conditionality for unemployment benefits, entailing shifts from wage-replacing insurance schemes to means-tested minimum income schemes, and the introduction of activation programs to increase the labour market participation of all adults capable to work. Empirical findings from several projects reveal that, despite the considerable diversity of such reforms in detail, and contrary to the promises of such welfare reforms as enhancing social cohesion, they often tend to have negative socially stratifying effects: increasing the cleavages between different fractions of the population due to deepened labour market segmentation and levelled social security to minimum incomes.

More specifically, and this would be the focus of the paper after having introduced the above, existing gender inequalities on the labour markets and in social security provision were in many cases not diminished but rather increased by such 'activation' reforms, contrary to the official policy agenda. This is shown for Germany in particular: First, activation and job placement practices of the Public Employment Services tend to follow gender-stereotypical patterns – placing women mostly in marginal part-time jobs, and men in temp agency work. Second, the introduced new basic income scheme came along with a much harsher means-test than the former unemployment assistance scheme, which means that especially women cohabiting with a partner often lose their entitlements and have to rely on their partners' income – which, as empirical data show, is on average rather low and volatile. This group of people registered unemployed but not entitled to any social benefits and even not being socially insured against sickness or old-age, is not marginal but accounts for about a quarter million persons or 25% of those unemployed registered under the Social Code III. Although having formally access to active labour market programs and being individually highly motivated, recent own empirical findings reveal that they are even urged by the Public Employment Services to unregister as unemployed instead of being promoted in their efforts to find a job.

These negative effects on gender equality can be explained, first, by a lack of seriously implemented equal opportunity policies within labour market policy (which is d'accord with Germany's conservative welfare state model), and second, by the effects of New Public Management principles that prioritize a short-sighted cost-efficiency logic instead of social

policy goals. Moreover, the role of trade unions in these reform politics was ambiguous, their protest against certain elements being focused on core worker groups rather on the overall impact on social inequalities or gender effects.

The paper is based both on secondary analyses of official statistics and own empirical panel data (GSOEP) and some qualitative findings, derived from several projects funded by the EC and Federal Ministeries.

Tax policies and redistribution: A macroeconomic perspective

Paetz, Christoph

The trend of increasing inequality in the distribution of income and wealth in most developed countries, including Germany, has led to calls for corrective tax increases for the rich and wealthy. Such calls are often confronted with the claim that corrective taxation will unavoidably lead to lower output and employment. In fact, within the field of public economics usually a more or less strong trade-off between (re-)distribution and efficiency is assumed. A macroeconomic perspective, however, may change the picture. Depending on the theoretical approach chosen, redistribution may be conducive to output and employment both in the short and in the long run. If the economy is constrained by insufficient demand and if inequality is detrimental to private consumption, redistributive taxation may strengthen growth and employment via the resulting increase in private consumption. Moreover, recent empirical studies on the size of fiscal multipliers imply results which very much support growth enhancing redistributive tax policy. At the same time a change towards such a policy of redistribution may well be the prerequisite for compliance with the constitutional debt brake in European countries if an increase of the international macroeconomic imbalances that have come to be seen as a root cause of the global financial and economic crisis 2008/2009 by many observers is to be avoided.

Income inequality and the welfare state - How redistributive is the public sector?

Obst, Thomas

This paper explores the nexus between the phenomenon of increasing income inequality and redistributive effects of the public sector. In an empirical analysis of seven OECD countries the redistributive effect will be examined by measuring the difference between inequality of market incomes and disposable incomes. Moreover, this paper will try to estimate the redistributive effect of public goods. The period of investigation is between the mid 1980s and the mid 2000s. The paper suggests that the public sector still reduces market income inequality significantly but to a lower extent than in the previous decades and with greater variation across different welfare regimes. Public goods further reduce income inequality considerably. However, the estimation and allocation process of these in-kind benefits involves several methodological issues that need to be taken into account when evaluating the empirical results. Furthermore, the empirical analysis indicates that market forces drove greater in-

9- GLU Conference

“Inequality within and among Nations: Causes, Effects, and Responses”

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come inequality until the mid 1990s, and structural changes in tax and transfer systems reinforced this trend from the mid 1990s onwards.

4-Multinational Corporations

Chair: Kwabena Otoo, **Room:** B 1.01

Tipping the (Im)balance in Global Governance of Labour Relations: Multinational Corporations, Labour Standards and Enforcement Regimes

Anisha, Edwin & Regalia, Ida

The last decades of economic globalization appear to have ignited a fresh debate on global governance of labour relations. Besides accentuating deficits in labour standards and raising precariousness among working peoples around the world; it seems to also be fostering gaps in the regulation of labour relations, internationally. At the heart of the challenge of developing an effective (and agreeable) procedure for the governance of labour relations is clearly the asymmetry that now exists in power relations between the major institutional actors and interests- labour and capital. Under the regime of globalisation, production and labour markets have altered considerably. These markets are now organised on a global scale, thereby mitigating the moderating effect that national governments and local unions once had on them. The loss of these two essentially national entities has become the gain of transnational corporations regarding the regulation of labour relations. There are perhaps as many myths as there are facts surrounding the

Impact of multinationals companies on developing countries' economies as well as the nature and implication of their operations, at least from the standpoint of labour standards. What remains undisputed is the fact that enforcing labour standards over multinational corporations is proving increasingly difficult for authorities in many of these countries.

Stakeholders like the trade unions are also seeing their persuasive and disruptive capacities, often deployed in the past to pressure multinationals, seriously eroding.

The effectiveness in applying labour standards and by implication the governance of labour relations revolves around the main principles underlying subsisting enforcement procedures or 'regimes'. Enforcement regimes are structured around certain principles of either compliance or cooperation. These principles are cast in the form of instruments within the dominant practice, including legislation for the former and economic incentives for the latter. In the more familiar labour relations system (now considerably altered by globalization), the role of the state in the context of mainstreaming labour standards was more defined. Here, the state acted directly as an exemplar of best practice or regulator of the organized private market. This regulatory role involved essentially standard setting and the enforcement of such standards.

In this paper, the authors examine the nature of those principles underlying labour standard-enforcement regimes and by extension, the regulation of labour relations. They authors creatively use this concept as analytical and organising tools in considering the strengths and weaknesses of various attempts at regulating labour relations over time. They note that gaps exist with respect to global governance of labour relations primarily as a result of the asymmetry of the power dimensions among major actors in the area, as exacerbated by globalisa-



tion. They argue that globalization throws up opportunity structures that can be appropriated for a more balanced system of labour relations governance. The International Framework of Agreements is highlighted in the paper on the basis of its potential to balance out the ‘compliance’ and ‘cooperation’ aspects of labour standards-enforcement regimes, in addition to tipping the balance or more appropriately, the imbalance, which currently incarnates global governance of labour relations.

Multinational Cooperation – Opportunities and Limits of Regional Job and Location Safeguarding Using the Example of GM/OPEL Bochum

Wannöffel, Manfred & Palomo, Mark Esteban

As a result of the developing crisis of the international markets since 2008 the European automobile industry is facing pressing structural difficulties as well as sales problems. Transnational companies like General Motors have resorted to drastic redevelopment measures in order to reduce excess capacity, obtain cost efficiency, and ensure competitiveness.

Victims of this process are first and foremost the employees who have to accept heavy cuts to their working conditions, agreed wages and other contract-based standards. In many cases not even that effort will save them: As early as 2011 and 2012 Fiat, OSA, Ford, Mitsubishi NedCar and GM/Saab have all announced the closing of together six European production plants.

And now, for the first time in post-war Germany, a plant will have to close in the Federal Republic at the end of 2014 – the GM/OPEL plant in Bochum.

For more than 15 years now the plant in Bochum has been facing the threat of a shutdown because their location has kept on being questioned in terms of competitiveness and productivity by General Motors which set out new standards to meet the changes in production concepts and the expansion of a global division of labor. Only the strong engagement of regional and company-level actors – like works councils - helped to postpone the shutdown of the three OPEL factories until the end of 2014. This presentation aims to investigate the influence that those actors had on the local development of OPEL Bochum. Which options exist in a global company-cluster to ensure local safeguarding of jobs and production? Which initiatives and measures have been taken by OPEL Bochum in the past 15 years in this particular regard? And which consequences and visions can be taken out of this situation for future reference?

Based on the research project “Opportunities and Limits of Regional Job and Location Safeguarding -Using the Example of OPEL Bochum” of the Office of Cooperation RUB/IMU, this article shows how representatives of the works’ council, local management, NRW officials, local business development corporations, IMU (IG Metall), and local university experts are trying to contribute to the development of alternative concepts in the face of the pending closure of OPEL Bochum. Thereby they have accomplished to be key figures in keeping the plant alive and running for as long as it has now.

**‘Organising in the Air and on the Ground’ – Cabin Crew Resistance to British Airways’
Reconfiguration of Work and Employment**

Taylor, Phil & Moore, Sian

The focus is on the protracted dispute (2009-2011) between British Airways (BA) and its cabin crew and their union BASSA (British Airlines’ Stewards and Stewardesses Association). Against a historical legacy of adversarial employment relations, the dispute was triggered by the company’s imposition, in disregard of collective bargaining procedures, of reduced crewing levels, transformed working arrangements and a new ‘mixed fleet’ on inferior terms and conditions. Despite the fact that the company marshalled considerable resources against the union, including a ‘strategy of decapitation’ of the BASSA leadership, the cabin demonstrated a profound commitment to collective action that saw very large ballot majorities and 22 days of strike action. The question driving the paper is how to explain such powerful collectivism given the adverse conditions facing the crew. Specifically, the paper is concerned with how BASSA was able to organise when confronted with a number of spatial problematics, including the residential disaggregation of its crews and the dispersal across the globe of a transient workforce. Drawing on testimony deriving from extended in-depth semi-structured interviews, the paper provides compelling evidence of BASSA’s and crews’ utilisation of internet-based communication to organise members and to help overcome the problems of dispersion and distance. Particular emphasis is placed on the effectiveness of the BASSA Forum and Crew Forum. The paper engages with a recent literature on union use of internet-based communication and social media and both challenges those who have exaggerated the importance of their capacity to generate a ‘distributed discourse’ and those who have been overly-sceptical of unions’ ability to effectively use such technologies. In the BA-BASSA dispute of 2009-2011 virtual forms of organising were integrated with the real, although in the final analysis mass meetings, and rallies and effective picketing were the fulcrum of action on strike days. Internet-based communication and interaction certainly contributed to successful organising but of most import for collectivism was BASSA’s embeddedness in the work lives of their members.

Multinational Corporations and Economic Inequality in the Global South: Causes, Consequences, and Countermeasures

Anner, Mark & Hossain, Jakir

This paper explores the debate on MNCs and inequality. It argues that, due to inherent power imbalances in global supply chains, the benefits of MNC-driven growth accumulate to those firms at the top of supply chains at the expense of workers at the bottom, which disproportionately include women and migrant workers. The paper also provides data on shifts in MNCs’ investment dynamics and patterns of inequality, and it explores the global apparel industries in Bangladesh and Honduras as important examples of the distributional consequences of MNCs. The paper then examines countermeasures, including domestic and

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transnational labour organizing strategies that have begun to address these patterns of inequality and exclusion.

Abstracts of Presentations, Saturday, 17th of May 2014, 11:30-13:00

1-Taxation, Social Policies and Redistribution

Chair: Edllira Xhafa, **Room:** B 1.01

Intergenerational transmission of income and education in the European Union

Altzinger, Wilfried

The transmission of economic and social characteristics from parents to their descendants has recently called increasing attention in both the international scientific community as well as in international organizations like OECD, IMF and World Bank. The parental influence on the living standard of their children can unfold through many channels, frequently mentioned are social, cultural, and institutional conditions, genetic inheritability or monetary benefits. Beyond question, there exists considerable interaction between all of these factors and the influence of one single channel may hardly be isolated. However, most articles concentrate on a single dimension like educational attainments or income levels for the sake of simplicity and feasibility of research.

Many OECD countries are strongly concerned about intergenerational mobility - the extent of transmission of advantages or disadvantages across generations. When children ‘inherit’ a substantial degree of their economic status or other important social characteristics from their parents, this generates widespread perceptions of unfairness and lack of opportunity. Societies characterized by a high transmission of social and economic status from generation to generation are mostly perceived as unfair. Hence, it is of great interest to reveal the nature and extent of economic transfers across generations.

The paper examines empirically the issue of intergenerational mobility based on data from the special module on “Intergenerational Mobility” of the EU-SILC survey 2011. The focus of the paper is on social mobility of education and one’s financial situation over two generations by gender, age and migration background. The results show markedly high persistence, particularly at either end of the income distribution. Immobility is shown to be stronger for education than one’s socioeconomic situation, and an especially high persistence of education appears for people who were born in non-EU countries. Furthermore the results show that early childhood education plays an important role in increasing social mobility and thus for the educational and socioeconomic outcomes of young people. However, the level-effects differ to a large extent by countries.

Based on these empirical findings we try to analyse potential policy measures which help to increase intergenerational mobility. The focus of this discussion will rely on different methods and practices of early childhood education. Finally, we try to summarize “best practice policies” within EU member countries.



Progressive Tax Reform in OECD Countries: Perspectives and Obstacles

Truger, Achim & Godar, Sarah & Paetz, Christoph

In most OECD countries the redistributive effect of the tax system has been substantially weakened by deliberate tax policies over the last decades. Despite some signs that this trend may have recently come to a halt a comprehensive policy change is not underway. One major argument brought forward against such a change is that of a serious trade-off between equity and efficiency: According to the dominant view higher taxes on top personal incomes, corporate income and wealth are detrimental to growth and employment. This paper argues that even the dominating theoretical framework leaves substantial leeway for redistributive taxation. From a Keynesian macroeconomic perspective redistribution may even be systematically conducive to growth and employment. Therefore, besides attempts at international tax coordination and harmonisation, national tax policies should actively use their room of manoeuvre for progressive taxation to correct the disparities in the income distribution and at the same time to increase the fiscal space.

2-Campaigns

Chair: Michelle Williams, **Room:** B 4.01

The National Front Against Poverty (FRENAPO): the struggle for income redistribution

Campos, Luis

The article describes the campaign developed by many social organizations in Argentina at the end of the '90 in order to create different mechanisms of income redistribution. It also refers to the results of this campaign in the following years highlighting not only its direct impact but also its consequences in the middle term, in particular on the public debates related to social policies during the new government since 2003. During the decade of the '90 the macroeconomics in Argentina had a neoliberal orientation. In particular, the government implemented a structural adjustment program that included the privatization of public enterprises, an international open market orientation and the deregulation of many sectors of the economy.

The consequences of this macroeconomic framework were devastating for the working class. In a few years the unemployment rate reached more than 18% (compared to an average of 6% during the '80) and the levels of poverty and extreme poverty became the highest in the history of the country.

The resistance against these policies were led by the unions and the unemployed workers movements, but also included other groups such as peasants, indigenous people, human rights organizations, etc. These organizations proposed many measures to fight against poverty and extreme poverty including those who constituted the core of the campaign known as FRENAPO.

This campaign pointed out that the labour market was incapable of responding to those challenges and that it was necessary to push for new measures more linked to the citizenship rights than to labour rights. In particular the FRENAPO proposed a package of economic and social measures oriented to the unemployed workers, the children and the elders (a basic income grant plus a professional education scheme).

The proposal was supported by more than three million people all over the country in an informal referendum, but it could not be presented into the Parliament because of the political turmoil that Argentina faced at the end of 2001. However, the campaign was successful in its objective of influence in the public debates related to how to respond to poverty and extreme poverty. In the following years many measures implemented by the government were inspired in the proposals of the campaign. In particular, the center left government that has ruled the country since 2003 has implemented different measures to guarantee an income for the children and for the elder people. Although these initiatives did not fit with the original proposals of the FRENAPO, it is also true that they followed the direction set by the campaign. Thus, it is possible to conclude that the campaign could stress the necessity of implement specific measures to fight against the poverty and the extreme poverty and that these measures could not be restricted to any kind of formal labour.



Developing a Trade Union Approach to Climate Justice: The Campaign Strategy of the National Union of Metal Workers of South Africa (NUMSA)

Satgar, Vishwas

In this paper, I explore the National Union of Metal Workers of South Africa's (NUMSA) engagement with ecological issues through its campaign to achieve climate justice. The development of a trade union politics on climate justice is crucial to bring about a deep transition to a low carbon economy and ensure adaptation to climate change. NUMSA has one of the most developed responses on this challenge in the context of South Africa and Africa. It has been actively building capacity and a multi-pronged campaign strategy to address the challenge of climate change; it takes seriously the disproportional impacts on workers and the poor of climate change and the imperative of achieving adaptation to climate change while meeting the needs of workers and their communities. To achieve these goals, the climate justice campaign adopted by the union works on different fronts: it contests electricity price increases imposed by South Africa's monopoly coal electricity generator indebted to the World Bank, seeks to influence the procurement and roll out of solar water heaters and has developed an agenda to achieve socially owned renewable energy options. This broad climate justice campaign strategy has brought successes and challenges to the union, but it demonstrates that trade unions at the heart of the manufacturing, fossil-fuel industrial system are searching for alternatives and a post productivist politics.

3-Macroeconomic Governance

Chair: Hansjörg Herr **Room:** A 2.04

Redrawing the boundaries? The rise of the informal economy and income inequality in Zimbabwe

Merek, Taurai & Mutyanda, Nunurayi & Chinguno, Crispen

Zimbabwe's economic crisis which started at the turn of this millennium almost culminated in the demise of the formal economy. The majority have been pushed into the informal economy where work, income and survival are precarious. The formal economy gave way to a booming informal economy. This process has also resulted in a new 'class' process based on socio-economic differentiation characterized by an intersection of growing inequality and poverty on one hand and opulence and elitism on the other hand. The old 'class' formation and hierarchy has almost collapsed and substituted by a new emerging 'class' formation characterized by new livelihoods which are predominately not based on wage income. This new 'class' formation is characterized by a conspicuous and growing contradiction of poverty and inequality and affluence represented by a new form of bourgeoisie and elite class and the 'precarariat' on the other hand. This paper draws case studies from Mutare to identify the nature and drivers of income inequality in the informal economy and how this has shifted following the collapse of the formal economy. This is based on a triangulation of in-depth interviews, participant observations and archival research. We argue that the Zimbabwean informal economy which now underpins the production, distribution and consumption processes following the demise of the formal economy is not a site of desperation. It has reconfigured the class structure and produced a hierarchy with its own elite and poor.

Economic Growth, Redistribution and Private Sector De-Leveraging: A Macro-economic Policy Trilemma?

Ehnts, Dirk

In the aftermath of the Great Financial Crisis the world economy shows reduced economic growth, a rise in inequality and partly a fall in private sector debt. The three issues seem to be intertwined and in the framework of a theoretical framework that builds on the three sectoral balances it is shown how they affect the macroeconomy. It is shown how the 'alchemy of finance' neutralizes the effects of regressive redistribution until the financial bubble bursts. In a tight sectoral accounting framework, the necessary policies given the needs of the private sector are few. These are discussed with a view on the world economy. It seems that greater public spending or financial default through another financial crisis are the only options left on the table when the goal is economic growth, redistribution to lower income inequality and a return of private debt levels towards the average.

4-Countermeasures: Inequality Discourses in Comparative Perspective

Chair: Christoph Scherrer **Room:** B 5.44

The Debate about Social Inequality in Germany

Schützhofer, Timm

Germany often presents itself as an example for the success of labour market flexibilisation and ‘prudent’ fiscal policies. Indeed, the unemployment rate is much lower than in southern Europe, the German economy is highly competitive and politicians as well as mass-media commentators are dreaming about a balanced budget. However, the German economic strategy led to one of the largest low-wage sectors in Europe, an increasing level of precarious work and last not least Germany’s export surplus has contributed to the economic imbalances within the Eurozone. Furthermore, the combination of austerity oriented policies with a demonization of tax increases has led to a lack of investment in education and infrastructure.

In the presentation, two specific campaigns against social inequality with an important involvement of trade unions shall be analysed. The apparently successful campaign for a minimum wage in the field of labour policies and the campaign for a progressive taxation reform in the field of fiscal policies, which has not yet led to the proposed policy changes. On the opposite, while state of public infrastructure is increasingly problematic, there are no attempts to increase government revenues.

Gender Inequality and the Labour Movement

Britwum, Akua

Gender power relations structure all forms of inequality. However an explicit analysis of the social, political and economic processes involved in gendering economic relations is often missing inequality studies. Some studies point to the contradictory impact of economic restructuring on women’s employment opportunities and working conditions. These show as a mismatch between investments in gender equality interventions and their outcomes amidst concerns that an emerging backlash to gender equality strategies threatens to undermine equality provisions for women in the workplace and beyond. As the default mode for defending workers, trade unions find themselves in continuous engagement with world financial systems and macroeconomic governance outcomes: sources of economic inequality. That they are patriarchal raises questions about union commitment to women’s equality strategies. This paper draws information from existing literature as well as data from case studies of the GLU Gender and Trade Union research group to describe the gender and trade union situations in a number of countries. It explores in addition the gendered modes and trends of trade union and labour market inequalities as well as contexts shaping equality policies and practices and their underlying implementation structures. It highlights new forms of labour market exclusion, gender wage differentials as well as unequal access to union power centres for engaging workplace rights. Emerging evidence highlight the need for equality strategies to confront the economic forces driving the gender agenda in union circles and in the national as well as the international arena.