

The Case for Labour-Led Development

A review of «The Struggle for Development» (Cambridge: Polity, 2017), 195 pages

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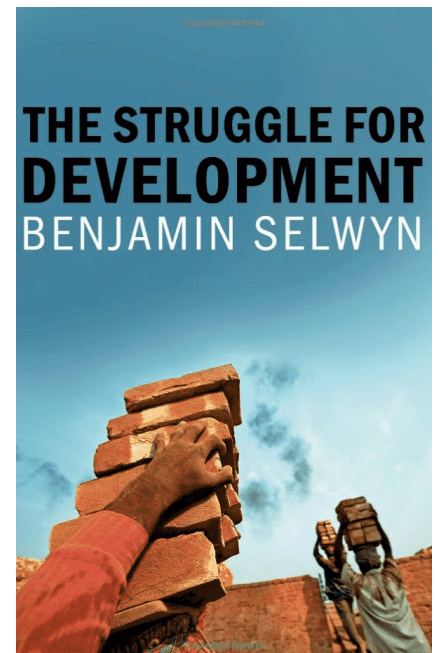
Responding to the criticism of Nike's low-cost labor strategy, the company's spokesman Dusty Kidd claimed in 1994 that low wages had nothing to do with exploitation. In his view, the company opened up economic opportunity for workers employed by its suppliers in the Global South, which would serve as a way out of poverty. If these workers had not worked for Nike, Kidd said, they would still be "harvesting coconut meat in the tropical sun."¹

There is plenty to question in such a statement. Nonetheless, one thing is quite clear: Kidd's comment represents the dominant discourse regarding poverty and development. Here, capital-centred development—in which leading ideas about development are those formed by the power elite, representing the ruling class—is presented as the solution to all social problems, including poverty. "Providing jobs" in factories that assemble sneakers, shirts, or electronics is a means to integrate the periphery into global capitalism, ensuring economic growth and, therefore, benefiting both capital and labor.

However, in reality, capital-centred development deepens exploitation, as Benjamin Selwyn points out in his sharp and thoughtful *The Struggle for Development*. His book powerfully challenges the capitalist road to further immiseration for the majority of the world's

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population. It also opens up a path to an important discussion regarding what is to be done in the twenty-first century. The book ends with the claim that an alternative form of development, led by the labouring classes, is not only necessary but possible. Above all,

¹↪ As quoted in Cynthia Enloe, *The Curious Feminist* (Berkeley: University of California Press, 2004), 51.

²↪ Benjamin Selwyn, *The Struggle for Development* (Cambridge: Polity, 2017), 11.

The Struggle for Development takes as its first crucial task the dismantling of the dominant rhetoric about development as perpetuated by its proponents. These advocates are not limited to the notorious Washington Consensus institutions, such as the International Monetary Fund and the World Bank, with their Anti-Poverty Consensus (APC), but also include the International Labour Organization and other seemingly progressive nongovernmental organisations, as well as those who put forward the Anti-Poverty Counter Consensus (APCC) and even many of those often associated with the left.

instead of manifesting an equal world, capitalism, especially its capital-labor relations, “is, itself, the cause of global poverty.”

The APC advocates contend that global poverty is “low and falling” and that the global middle class is rising due to successful APC-based programs—a claim resulting from “the generation and application of an inhumanely low poverty line to calculate global poverty levels,” which can be easily challenged by other more reasonable and accurate measurements. The inaccurate claim is nothing more than a form of propaganda for capital-centred development, which assumes that “economic growth and expanding global wealth are the determinants of an improving world.” The problem is that, instead of manifesting an equal world, capitalism, especially its capital-labor relations, “is, itself, the cause of global poverty.”³ Inequality is intrinsic to capitalism; it is a reflection of the “great paradox” where wealth is systematically generated “in the midst of widespread poverty.”⁴ Thus, it is absurd to see capitalism as the panacea for the world’s social problems, especially global poverty.

Interestingly, and sometimes awkwardly, the APC exponents are not the only ones who have faith in capitalism. Although not exactly evangelists like their APC counterparts, the APCC proponents, as well as some statist political economists and modernisationist Marxists, share more or less common ground. Any differences usually concern their positions related to the role of the state in relation to the market; all parties nonetheless agree on the basic assumptions underlying their views about development. Both the APC and APCC proponents, for example, rely on the idea that “sustained economic growth represents the foundation upon which human development can be achieved.”⁵ For the champions of the APCC, what is needed is a benign global capitalism, for poverty is a consequence of malfunctioning capitalist markets, not of capitalism itself. Statist political economists—although offering partial critiques of liberal and Ricardian economics as well as neoliberal premises—primarily see the capitalist state and its policies as key to a successful development and a fixer of market distortions.

Modernisationist Marxism, popularised within development studies in the 1970s with the publication of Bill Warren’s *Imperialism: Pioneer of Capitalism*, “often uses socialist language to advocate rapid capital accumulation and integration into global product markets.” Capitalism is seen as “the most progressive force in human history” and can potentially eliminate poverty. A proponent of this school, Meghnad Desai, goes as far as claiming that Karl Marx would have been “on the side of the market” if he lived today. Further, although he sees the exploitative character of capital-labour relations in capitalism, Desai argues that workers should “cooperate with employers” in “keeping profits high,” because “employability depends on high profitability.”⁶

Whether attached to the view embraced by Washington Consensus institutions or that of those who claim to be critical of neoliberal globalisation but not of capitalism itself, the assumption to challenge here is the one that underlies capital-centred development. At its heart, this development sees labor as “primarily an input into the development process” and

³↪ Selwyn, *The Struggle for Development*, 4–5, 2–3.

⁴↪ Selwyn, *The Struggle for Development*, 8.

⁵↪ Selwyn, *The Struggle for Development*, 7–8.

⁶↪ Selwyn, *The Struggle for Development*, 98.

workers as “bearers of a factor of production.”⁷ Workers are regarded as “subordinate objects” and are not in any way perceived as the subjects capable of achieving their own liberation.⁸ Therefore, it is necessary for us to “approach development from the perspective of labouring classes.”⁹

Selwyn defines the labouring classes as those who depend “directly and indirectly” on “the sale of their labour power for their own daily reproduction,” including formal and informal workers, women performing unpaid work at home,

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unemployed workers, peasants, and those who are often grouped as the “emerging developing-world middle class.” In spite of such diversity, the basis for class analysis is that of Marx, in which class is seen as “a relationship of exploitation

where capitalist classes extract surplus value from labouring classes.” Thus, even though the labouring classes referred to here are not limited to the traditional conception (that is, industrial workers), they share one common thing: “subordination to and exploitation by capital.”¹⁰

On the global level, this relationship of exploitation takes into account the processes of global production, which has placed the majority of the world’s labouring classes in the Global South. Through his studies of three areas of industry—textiles, food and agriculture, and high technology—Selwyn shows that globalised production has created global poverty chains (instead of global value chains promising “upgrading” opportunities for those believed to be lagging behind in the world hierarchy), in which lead firms “use their market power to capture the lion’s share of the value created in each chain.” In contrast to what Nike’s Kidd claims, employment in such global poverty chains is by no means what Jeffrey

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Sachs, former United Nations Millennium project director—and before that, arch shock therapist—calls “the first rung on the ladder out of extreme poverty.” Instead, it just “generates new forms of poverty.”¹¹ What is left for workers is a form of extreme (even super-) exploitation. Their wages will not in fact increase proportionately with their productivity, as the APC propaganda disingenuously claims, for the culprit

behind low wages in global poverty chains is firms’ profit-maximisation strategies, embedded in the logic of capital accumulation.

The fact that poverty persists globally does not mean, of course, that all relations remain the same. Literature on globalisation, whether written by the right or the left, agrees that the processes involved in the phenomenon have changed throughout the decades. Globalised production, characterised mainly by arm’s length contracting, which has generated global poverty chains, is an example of new forms of global capital-labour relations. The integration of the periphery into the capitalist world economy, including the expansion of the labouring classes in the Global South, geared by capital-centred development, as Selwyn claims, “does transform the situations of the poor.” However, he continues, “it does so by de/reintegrating them from one set of hierarchical relations into another.”¹² “Thanks” to the existence of garment factories that serve as Nike’s subcontractors, the workers in Indonesia or Vietnam might no longer

⁷ Selwyn, *The Struggle for Development*, 87-88.

⁸ Selwyn, *The Struggle for Development*, 77.

⁹ Selwyn, *The Struggle for Development*, 9.

¹⁰ Selwyn, *The Struggle for Development*, 12-15.

¹¹ Selwyn, *The Struggle for Development*, 59.

¹² Selwyn, *The Struggle for Development*, 80.

engage in harvesting coconut meat in the blazing sun—a task that Kidd deemed more gruelling than working in Nike’s assembly lines. But that does not mean they were able to rise out of poverty and enjoy the full fruits of development. On the contrary, they found themselves caught in hyper exploitative Taylorised capital-labour relations, producing surplus value for Nike, sometimes paid below the subsistence level needed for them to reproduce their labor power. Such extreme work relations deprive both body and mind, and even shorten life expectancy.

The implications of global poverty chains for the Global North are not to be underestimated either. The negative consequences of offshoring jobs are present, including the restructuring of the labor market in ways that are obviously not beneficial to labor, while exerting downward pressures on wages in the North. In the long run, this reality should give way to emancipation and solidarity: “Victories for labouring classes across the global South should be celebrated by Northern workers’ organisations, as the fate of both are inextricably linked.”¹³

The question is now: Is it possible to envision and realise a scenario of development from the standpoint of labour? As mentioned above, the answer is yes. Not only because a radical imagination is possible, but also because the ongoing grassroots struggles that have occurred, and currently occur, throughout the globe are in themselves evidence that such a scenario is not beyond reach.

In conversation with previous works, such as those of Michael Lebowitz and Marta Harnecker, Selwyn persuasively conveys to his readers that a labor-led development—in which forms of human development are not rooted in capitalist social relations but instead approached from the perspective of labouring classes—is not only a way of resisting exploitation, but also of going “beyond exploitation,” that is, toward a democratic development that allows the “societal reabsorption of the state” and a “redistribution of wealth,” a set of proposals offered by Selwyn at the end of the book.¹⁴

These proposals are based in part on what previous historical cases have taught us—including the mass protests and land occupations by shack dwellers in South Africa; struggles for a living wage by South African mineworkers and metalworkers; the Landless Workers’ Movement in Brazil; the fight by Dalit women, who are agricultural workers in rural India, for land redistribution and now linked with the campaign to end caste discrimination and sexual violence; the movements of unemployed workers and the occupation of factories in Argentina; as well as mass strikes by industrial workers in China and Indonesia.¹⁵ These cases have shown that such collective actions led by labouring classes, whether in informal or formal sectors, could indeed “extract developmental gains from states and capital and generate new organisational forms that further enhance their livelihoods.”¹⁶ However, from some of these cases, we also learn that such struggles can still be vulnerable to counter movements. For one, capital often retaliates by responding with “new strategies of exploitation and accumulation,” as well as co-optation.¹⁷

Hence, states hold an important role. Even though capitalist states serve to enforce the “norms, practices and social relations of the political economy of capital,” when it comes to labor collective actions, states can also “incorporate and institutionalise... aspects of the political economy of labour to a degree that individual firms cannot.” The task necessary for the labouring class movement is therefore to “retain and defend institutionalised gains, as well as to develop new

¹³ ↪ Selwyn, *The Struggle for Development*, 74.

¹⁴ ↪ Selwyn, *The Struggle for Development*, 6.

¹⁵ ↪ Selwyn, *The Struggle for Development*, 5.

¹⁶ ↪ Selwyn, *The Struggle for Development*, 107.

¹⁷ ↪ Selwyn, *The Struggle for Development*, 122.

strategies to extend and deepen them.”¹⁸ Considering this important role, for a labor-led development to work, the state needs to be reabsorbed by society so that capitalist social relations can be subordinated and transformed. This

redistribution of wealth through the transformation of social relations represents the fastest means to alleviate poverty.

reabsorption of the state needs to include “social ownership of the means of production” where decision-making is done democratically, which in turn leads to a social production system carried out through worker-community cooperation, as well as a

system that would allow communal needs and purposes to be identified and met. These practices, involving “decentralised, local-level participatory planning,” have been implemented in some parts of the world, including Brazil, Venezuela, and India.¹⁹ For them to develop on a larger scale, Selwyn argues, what is needed is a form of central coordination whose scope should be determined by each community’s ability to fulfil its needs. It is this form of democratic planning that would also be the basis of redistribution of wealth. Going back to the issue of poverty, Selwyn’s main argument—as a rebuttal to the capital-centred agenda of poverty reduction—is that “redistribution of wealth through the transformation of social relations represents the fastest means to alleviate poverty and, in so doing, establishes genuinely progressive possibilities and processes of human development.” And contrary to the belief that this kind of redistribution may be possible only in already wealthy countries, so-called poor countries, where wealth accumulated by local capitalist classes is often hidden offshore, unseen from national taxation, could also undergo this process. What is important is the fact that, especially in countries with high levels of poverty, as demonstrated by existing reliable measurements, even “a very relatively small distribution of wealth from rich to poor could eliminate poverty.” It is the road to such a redistribution plan that needs to be carefully paved by democratic planning in labor-led development.²⁰

In the end, what is the plan? Readers can find Selwyn’s proposal in the last chapter, where he drafts a brief ten-point plan for democratic planning that would give way to a societal reabsorption of the state and a redistribution of wealth. He covers a wide range of areas, including the financial sector and the question of basic income; industrial policies that would serve the needs of workers and their communities (instead of for-profit production), as well as their relations to

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the environment; agrarian reform that would result in national food security and high-quality employment; fostering gender and racial equality; the protection of indigenous communities and the incorporation of their anticapitalist human development practices; the sharing of work; cultural development; and foreign policies that would help achieve social transformations across the globe without aggression. Nevertheless, the basic

argument remains: no matter how progressive a policy is, “in the absence of [radical] social transformations,” it “leave[s] capitalist power intact.”²¹

Selwyn’s intention is not to provide a comprehensive agenda; the point is to coordinate a plan as a basis for further conversation. Some of us may agree or disagree with some parts of the plan. For example, the proposal concerning a universal basic income has been a subject of debate, including among scholars on the left, usually in its relation to the

¹⁸ ↪ Selwyn, *The Struggle for Development*, 106-7.

¹⁹ ↪ Selwyn, *The Struggle for Development*, 130-31.

²⁰ ↪ Selwyn, *The Struggle for Development*, 134-36.

²¹ ↪ Selwyn, *The Struggle for Development*, 137.

idea of the maximization of leisure.²² But regardless of this issue, Selwyn offers a reasonable condition with this proposal, that is, every able-bodied recipient of the basic income, regardless of gender, will be responsible for

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performing certain household work in their community “to support and care for those who are unable to take care of themselves.”²³ This would help transform the exclusively

private practices of “unpaid work” within the household that have been a source of oppression for women and integral to the workings of capitalism—one of the central issues discussed by social reproduction theorists.²⁴

Also necessary is elaboration on how a hypothetical new society undergoing labour-led development can successfully resist, through “pressures from below,” hostile attempts by global capitalist powers, given Selwyn’s nonaggression approach—where “peaceful coexistence with capitalist powers” is sought.²⁵ This question is even more pressing considering the global poverty chains that Selwyn discusses. Before the truly democratic society can enter its nascent stage and before, say, the majority of factories can be fully occupied by workers to produce use values for the community, as well as before a chunk of wealth from the very rich can be properly redistributed, there will be questions regarding how that society can first release itself from the grip of global poverty chains. The road for this new society to develop its democratic practices is surely going to be long, as Selwyn points out. But how exactly the new society, especially if it is located in the periphery, can stop its forced incorporation in the world economy and fight against any form of aggression and retaliation by global capital and powerful core states is a discussion that we desperately need. Global poverty chains form, after all, an intricate yet poisonous web of imperialist relations.

The power of global capital and the mechanisms of the existing global value chains can themselves speak about how the imperialist world economy continuously exploits and expropriates the periphery—and captures value from it along the

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way—through various means, including the APC-related programs; military interventions; treaties; sanctions; direct foreign investments; and the perhaps more obscure arm’s length contracting in which control mechanisms by global capitalist powers, led by multinational corporations, are often hidden from view. Perhaps these questions can also be addressed within analyses of social movements and

revolutions in the age of the new imperialism, which can take Selwyn’s brief reflection on existing labour-led struggles a step further, with the aim of envisioning the massive break of many societies, led by labouring classes, from global poverty chains.

These questions aside, I think scholars and activists should be excited about the main message delivered in the book: that labour-led development is possible and should be an object of struggle. Further, labor-led development demands a break with the power elite and with the views of mainstream intellectuals promoting ruling-class interests through their “mystifying ideologies supported by scientific methods”—all aimed at advancing the logic of capital accumulation and

²² ↪ For discussion regarding the meaning of work that involves the questions of basic income, leisure, and automation, see, for example, John Bellamy Foster: The Meaning of Work in a Sustainable Society: The Jus Semper Global Alliance, June 2019 [TJSGA/TLWNSI Essay/SD \(E020\)](#)

²³ ↪ Selwyn, The Struggle for Development, 140.

²⁴ ↪ For a discussion of the issue of private versus public production of household work, and of social reproduction in general, see Margaret Benston, “The Political Economy of Women’s Liberation,” first published in Monthly Review in September 1969 and republished in a fifty-year commemoration of the piece in [Monthly Review 71, no. 4 \(September 2019\)](#): 1–11. See also the articles by Lise Vogel, Martha E. Gimenez, Silvia Federici, Leith Mullings, as well as an interview with Selma James, all in the same 2019 issue of Monthly Review, as well as an article by Tithi Bhattacharya, “Liberating Women from ‘Political Economy’: Margaret Benston’s Marxism and a Social-Reproduction Approach to Gender Oppression,” Monthly Review 71, no. 8 (January 2020): 1–14.

²⁵ ↪ Selwyn, The Struggle for Development, 146.

justifying the reproduction of the system's inherent inequalities. Labor-led development is able to highlight "capitalism's exploitative dynamics and the democratic potential of a future, non-exploitative society." It represents "the interests of the majority" and thus does not need "cloaking ideologies to mask the social relations that underpin their world view."²⁶ This is an important point to remember—a point that is often lost in the midst of academics' obsession with explaining the complexities and subtleties of how contemporary global capitalism works. A labor-led development is a path to human development. It is the development of the people, led by the people, for the interests of the people. No creative lies are needed to justify it.



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²⁶ ↪ Selwyn, *The Struggle for Development*, 153.

❖ **About Jus Semper:** The Jus Semper Global Alliance aims to contribute to achieving a sustainable ethos of social justice in the world, where all communities live in truly democratic environments that provide full enjoyment of human rights and sustainable living standards in accordance with human dignity. To accomplish this, it contributes to the liberalisation of the democratic institutions of society that have been captured by the owners of the market. With that purpose, it is devoted to research and analysis to provoke the awareness and critical thinking to generate ideas for a transformative vision to materialise the truly democratic and sustainable paradigm of People and Planet and NOT of the market.

❖ **About the author:** Intan Suwandi is a frequent contributor to Monthly Review magazine and has written for various publications on the political economy of imperialism, both in English and Indonesian. This article is adapted from her book, *Value Chains: The New Economic Imperialism*, winner of the 2018 Paul M. Sweezy-Paul A. Baran Memorial Award. She recently received her Ph.D. in sociology from the University of Oregon.



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