

Myths about the "Revolutionary Proletariat" in Developing Countries

by Raphael Kaplinsky*

In order to advance our understanding of social processes, and especially their dynamics, contemporary political economy, drawing on a wealth of 19th century literature, has focussed attention on the meaning of class and the (dynamic) relationship which exists between classes. Fundamental to this concept of class relationships is the recognition that there exists a process of exploitation within the production process - that is, there are those who produce value and those who expropriate the surplus. Cruder analyses of this type suggest that, in the industrial epoch, there are two distinct and internally undifferentiated classes - Capital and Proletariat. This class relationship is considered to be dynamic in that, in the successive crises of industrial capitalism, the proletariat (who are the vanguard revolutionary class) will rise up and "expropriate the expropriators". By analogy, then, the class relationships which arise in the industrial sectors of the non-socialist developing countries are of the same type. That is, the exploiters include the owners of the industrial means of production, and the exploited include the proletariat who work in these factories. It is thus argued that there is an inherent tendency in developing countries towards a socialist society, and at the vanguard of this change are the industrial proletariat.

It will be argued here that insofar as it identifies unionized industrial workers as the primary instrument of change, this model is too crude for any meaningful analysis of social processes - so much so, that it can often lead us to incorrectly specifying the instruments of change. While the need for a more differentiated analysis of dynamic social processes in developed countries is now recognised, the need for a reformulation of theory with regard to the

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developing countries is, if anything, more urgent. In this article we shall concentrate on the role of the industrial proletariat in developing countries.

Our reasons for rejecting the "crude" model as being unrealistically simplified, are many and varied. First, on the empirical level, there is little evidence that unionized labour is a progressive force. This is not to doubt that they do have great political power - witness the importance of unions in the struggles for political independence from colonial powers. Yet there is little evidence that this political power is being used to usher in a more equal form of social organisation.

Secondly, on the theoretical level, there are signs that we require a more differentiated and sophisticated type of analysis. A more sensitive and accurate approach requires a number of distinctions to be made, especially those between:-

(a) Unionized labour and the labour force. In some industries labour has become unionized both because of historical precedent and the nature of their economic task. This has given them the bargaining power which has enabled them to push up their wages at a faster rate than those of non-unionized industrial labour and agricultural workers.

(b) Industrial workers and agricultural workers. It is common to find that industrial workers (both unionized and non-unionized) have been able to advance their incomes well beyond those of rural workers and small farmers. This is a reflection of a number of factors, such as the terms of trade between agriculture and industry, organized labour's collective bargaining power, higher value productivity of labour in industry⁽¹⁾ and urban bias in decision-making.

(c) Workers in different industries. Some industries are more able to pay high wages to their workers than other industries. This is for a variety of reasons, such as differential rates of growth of productivity, pricing factors (where increased costs can be passed on to consumers) and low cost production (where high prices, determined exogenously, exceed costs by a large margin, e.g., wages in Zambian copper-mines).

(d) Racial differentiation. In some countries, dis-

(1) Although this is often a function of pricing policy.

tribution (both of power and income) is patterned around racial and religious factors. The extent of these inequalities can vary widely, but they find their most extreme (and horrifying) form in Southern Africa.

Distinctions of this sort are important if we are to have a clear grasp of the instruments for change in developing societies. Were we not to accept the differentiated model, we might reason that unionized, industrial labour, being exploited itself in its own work place, was a progressive instrument of change towards a more equal society.

On the other hand, it is argued here that, notwithstanding the fact that it is being exploited, the unionized industrial proletariat has managed to obtain wages which are significantly higher than the earning of both agricultural labourers and small peasant farmers. Their high earnings reflect the rent derived from their bargaining power. The industrial proletariat thus has its own surplus expropriated, but at the same time receives part of the surplus which is expropriated in other sectors of the economy.

Some explanation of these large differences in earnings in developing countries (represented in this case by Zambia and Ceylon) is necessary for an understanding of the role of the unionized industrial proletariat. By definition, unionized labour possesses a consciousness, sometimes derived from direct political involvement in the struggle against colonialism, but generally arising from conditions in the workplace itself. Their position is a powerful one, not only because of direct links with political parties, but also because in a small economy which is putting great emphasis on industrialization, the withdrawal of labour in one plant can result in a significant loss in total industrial output. Further, the price inelasticity of demand for industrial goods(1) and the high level of effective tariff protection means that increased costs of production can be easily passed on to the consumer. Employers (state or private) have little incentive, then, to keep down these wages. This is especially true of large multinational corporations operating capital-intensive plants, for which labour costs are only a small fraction of total costs.

(1) Which allows a collusive oligopoly to raise prices without a more than proportionate decrease in demand.

The empirical evidence at hand would seem to support two contentions: that the unionized industrial proletariat earns incomes significantly higher than most other income receivers; and that in a situation of crisis, where the existing system of distribution is threatened, it is quick to rally round in defence of the status quo.

There is an increasing body of evidence that the disparities in income in developing countries are of a magnitude which corroborates the assertions made earlier. For example, the structure of earnings in Zambia is as follows:-

TABLE 1: DISTRIBUTION OF EARNINGS IN ZAMBIA 1968

	Population (000's)	Approximate annual earnings (1968 Kwacha)	Percentage increase in real terms 1964-8
Zambian peasant farmers	800	145	3
Zambian wage earners			
outside mines	270	640	52
in mines	50	1300	35
Non-Zambian wage earners			
outside mines	22	4170	25
in mines	6	7600	16

Source: *Report to the Government of Zambia on Incomes, Wages, and Prices in Zambia: Policy and Machinery*. Published by the Cabinet Office, Lusaka, Zambia.

In a country with little shortage of land, there being few landless labourers and a predominantly subsistence agriculture, the poor class (outside of the urban unemployed who are voluntarily in urban areas) consists of the peasant farmers. It can be seen from Table I how great the disparity of incomes is between these peasants and the urban workers outside the mines (4.4 : 1). The disparity between the peasants and the miners (who have powerful unions) is even larger (9 : 1). There is a sizeable gap also between miners and other workers (2 : 1) which reflect the power of the mine workers' unions.

These disparities obviously reflect changes in relative bargaining power over time. In this case it is interesting to note the changing balance of power, in that non-mine workers have increased their share of the cake at a higher rate over the period 1964-8 than the mine workers. But the significant difference lies in the rate which the miners

(35 per cent) and the proletariat outside the mines (52 per cent) together have increased their incomes relative to the peasants (only 3 per cent). There is another significant gap between the earnings of Zambians and non-Zambians in all sectors, although the rate of increase of the latter group was lower than that of the former. This reflects differences in bargaining power over time of different racial groups.

It could be argued that Zambia is something of a special case. Due to the important role played by the trade unions in the independence movement and the large surplus (derived from copper production) available for distribution or savings, the urban industrial workers (and especially the miners) have been able to corner an excessive share of the cake. Thus, it might be argued, in other developing countries the gap would be nothing like as large.

In Ceylon we would expect to see a radically different situation. The government consists of a coalition of three parties - the SLFP (Radical Nationalist Party), the LSSP (Trotskyists) and the Communist Party. In addition, many of the more powerful unions are affiliated to one of the Trotskyist parties or to the Communists. As is to be expected with such political affiliations, these unions are verbally "progressive" and campaign for the "equality" of a socialist state.

However, a look at the distribution pattern in Ceylon shows a wide disparity in income between these "progressive" unions and the landless labourers. Assuming that the landless agricultural labourer can get work for the full peak period of labour requirements for two crops a year at Rs 5 per day, this provides an annual income of about Rs 375 per worker.(1) On the other hand the Colombo dockworkers earn (with overtime) up to Rs 600 per month.

The differential in annual cash incomes is thus 19 : 1. However, the differential in real incomes is substantially less, but nevertheless still very large. If the free rice ration is taken into account (approximately Rs 3.75 per week for a family of five) the differential in annual real income falls to 13 : 1. But even if all the other aspects of the extensive welfare system (e.g. free education, free

(1) Assuming that this peak period is 75 man days in all - *vide* R.K. Srivastava and S. Selvaratman, *Employment Situations and Trends in Ceylon*, 1971, p.28.

health) are taken into account, the differential remains high. (1)

Another gap in cash (and real) incomes exists between the unionized, agricultural (tea) estate workers and industrial workers. Including all hidden benefits (such as housing, health, education, etc.), the estate worker earns less than Rs 100 per month. This gap in earnings reflects a number of factors, such as different levels of productivity, differing political power, and racial factors (the estate workers are predominantly "Indian-tamils").

The major point of this article is that irrespective of any radical ideology which the unions themselves might hold, and irrespective of the radical ideology which some ideologues would like these unions to hold, their objective privileges in the system of distribution make it highly unlikely that they will prove to be a progressive political force in developing countries.

But it is not only the radical ideologues who see these unions as a 'revolutionary force', for they are seen to be so from the other side of the political fence as well. Thus Galenson writes .. "it should be apparent that the outlook for non-political unionism in the newly developing countries is not bright (sic). We may expect, rather, a highly political form of unionism, with a radical ideology." (2)

However, having already achieved considerable political power and great economic advantages, the unions are unlikely to want to change the system of distribution. This was so apparent in Ceylon this year, when the threat to the existing system culminated in an insurrection led by the un- and underemployed youth. The reaction of the Ceylon Joint Council of Trade Union Organisations was swift and the unions volunteered for service to protect the status quo. They then issued a statement which attacked the insurgents as being politically reactionary!

"It is clear from the present insurgent activities that the reactionary forces are making use of a misguided section of the people to erase off (sic) the People's

(1) However, if a more realistic estimate of the number of days worked per year is assumed, (say, 150 days), the differential in annual cash income is about 10:1. With the rice ration taken into account, it falls to about 7:1, still a sizeable difference.

(2) W. Galenson, *Labour and Economic Development*, New York, 1959, p.8.

Victory of May 27th, 1970. It is proved beyond doubt, that the aim of this movement is to overthrow the Government, so that the anti-Imperialist and progressive measures taken by the Government like the abolition of the Senate, introduction of a new constitution and the Business Acquisition Bill could be thwarted...."

"It is the bounden duty of the working class to defeat these insurgent activities directed at overthrowing the present U.F. Government brought about by the poor people of this country and setting up a Facist dictatorship. Under the circumstances, the Joint Committee of Trade Union Organisations calls upon the working class and the people of this country, to rise to a man in defence of the United Front Government and in safeguarding public property and to extend their unstinted co-operation in measures taken by Government in the present situation."(1)

It is quite likely that there are unions in developing countries which are objectively progressive. But equally, there is no doubt that the majority of unions in high-wage, high-productivity industries are fundamentally reactionary. It is not that the unionized proletariat is not being exploited itself, but rather that it is receiving incomes considerably in excess of average incomes, by virtue of the rent accruing to its bargaining power. These unions are thus in an ambiguous position - they both have their own surplus expropriated and receive the benefits of surpluses expropriated in other sectors of the economy.

Although these unions are prepared to press the system to get a larger share of the cake (or to maintain their share as prices and incomes rise), when a real threat to the distributive system arises they are quick to come out in active support for the existing balance of power. For if the existing balance were to be made more equal, there is little doubt that unionized labour, representing as it does the relatively privileged elements in society, will stand to lose.

(1) The Nation, Vol. V, no.26, 7th April, 1971, p.1.