LABOR GOES GLOBAL: II
A ONE-WORLD STRATEGY FOR LABOR
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In Part I of this series (January) we reported on new transnational links developing among labor movements and their allies in response to the increasingly transnational economy. In Part II, we discuss the strategies of those who are linking up.

Harmonization Upward

Unorganized workers in an unregulated labor market must work for whatever the most destitute among them will accept. Competition for jobs drives wages and conditions down. Workers form labor movements largely to counter this tendency.

Workers have created unions so they can bargain collectively with employers, rather than competing against one another. They have promoted laws setting minimum wages, maximum hours, and other labor standards that establish a floor below which no worker should fall. They have supported national policies which use public employment and fiscal and monetary policy to reduce unemployment. And to achieve these objectives they have fought for the right to organize, bargain collectively, and participate in the political process.

Unfortunately, today's transnational corporations (TNCs) are able to outflank the structures created by national labor movements and put workers all over the world into competition with each other. TNCs can simply locate their facilities where costs for such things as wages, health and safety, worker benefits, and environmental protection are lowest. They thus put workers, their communities, and even entire nations in competition with each other to see who can provide the cheapest—meaning for workers the worst—conditions. The tendency, as in the days before labor organization, is for all workers to be forced toward the conditions of the most destitute—now, the most destitute in the world.

To counter this tendency, workers need to create transnational structures that perform some of the functions previously accomplished on a national level. The elements of an international strategy for labor will include supporting collective bargaining, establishing labor standards, promoting full employment, and protecting labor and political rights. These are proven methods of reducing the degradation that results from competition among workers.

Of course, a global strategy cannot be identical to the national labor strategies of the past. There are greater variations in culture, economic conditions, political jurisdictions, and power structures in the world than within any one country. New technologies, changing forms of economic organization, and expanded emphasis on such concerns as environmental protection and gender equality mean that all labor strategy, local and national as well as transnational, will be different from the past. To pursue transnational cooperation, labor movements will often have to function far more independently of their national governments, work more closely with allies, and encourage rather than impede the networking activities of their own rank and file.

Nonetheless, at the core of a one-world strategy for labor must lie the traditional labor orientation toward harmonizing conditions upward so that they don't instead harmonize downward.

Upward harmonization is essential not only for labor standards but also for the entire range of economic, social, and environmental concerns that determine the quality of life—and the social costs for which TNCs are required to pay. An international strategy for labor must also be an international strategy for environmental protection, sustainable development, and human welfare. It can therefore be built on the basis of an international coalition of all those concerned with these goals.

Harmonization upward is both a means and an ultimate goal. It is a means to improve the lives of those whose conditions are harmonized upward and to reduce their downward pull on the conditions of others. Fully realized, it means a life of greater quality and equality for all.

Harmonization upward does not imply that everyone can or should become like the wealthiest citizens of the wealthiest countries—the goal is ecologically sustainable well-being for all, not conspicuous consumption and unsustainable waste. Nor does it mean uniformity of products and lifestyles: harmonization upward is compatible with cultural diversity. But it does mean a cumulative increase in both power and well-being for those poorest and least powerful within the present setup—poor and working people, women, discriminated-against groups, and their communities.

During the 1980s, the avowedly pro-business governments of the major capitalist countries, under the banners of "neoliberalism," "monetarism," "free trade," "deregulation," and "supply-side economics," deliberately tried to establish the conditions for worldwide harmonization downward. They launched a series of offensives explicitly designed to weaken the labor movement: supported governments that deny basic labor and human rights; pushed international trade agreements that forbade restrictions on TNCs' behavior; resisted agreements to effectively protect the global environment; and imposed low-wage, high-unemployment policies that have ensured economic stagnation and rising poverty in most of the world.

The common interest of working people and their allies all over the world is the diametrical opposite: defending the rights, raising the living standards, improving the working conditions, and protecting the environment of those at the bottom. Their interest, in short, is harmonization upward.

This article will review a series of fronts that have been opened in the struggle for worldwide upward harmonization. They include transnational solidarity and mutual aid among workers and their allies; making the protection of labor rights a condition of international trade, investment, and lending; international corporate cam-
Campaigns to force TNCs to comply with codes of conduct: challenges to the ruinous "structural adjustment" policies of the World Bank, International Monetary Fund, and other international financial institutions; national economic strategies based on grassroots economic development, expanding employment, and rising wages; and resistance to the use of international "free trade" agreements to impose worldwide harmonization downward. All involve transnational coalitions of people's organizations helping themselves by helping each other.

Labor Rights

It was once a crime to organize a union or call a strike in the United States and most other countries. Trade unionists were regularly fired, blacklisted, beaten, arrested, and sometimes murdered. Establishing the rights to assemble, organize, bargain collectively, strike, and participate in the political process was the focus of a century of struggle. That struggle was fought out on the ground, strike by strike, region by region, and industry by industry; it was also fought out in courts and legislatures in an effort to establish and enforce these rights as the law of the land.

From Korea to South Africa and from Chile to China (not to mention parts of the U.S.), workers in much of the world are today struggling to establish these same rights. An international labor rights movement has developed to support them. Like Amnesty International and other well-known human rights organizations, it publicizes abuses and mobilizes support for the victims. Beyond that, it aims to incorporate labor rights requirements in national and international trade, investment, and lending policies.

In the U.S., the first target for the international labor rights movement was the Generalized System of Preferences (GSP), a program designed to help developing countries by letting them bring products into the U.S. duty-free. Noting that GSP was encouraging countries like Korea and Taiwan to produce goods for the U.S. market under tyrannical conditions, labor rights advocates in 1984 persuaded Congress to declare a country ineligible for GSP if it "has not taken or is not taking steps to afford internationally recognized worker rights." The rights specified were:

- The right of association
- The right to organize and bargain collectively
- A prohibition on the use of any form of forced or compulsory labor
- A minimum age for the employment of children
- Acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Economist Peter Dorman, who has written extensively on labor rights, points out that such rights, like other rights, "are simply those which workers have been able to win in particular contexts, generalized to everyone." They do not necessarily imply arcane theories of social contract or natural law; rather, they are values and policies expressed in a language which makes them potentially enforceable.

Labor rights advocates in the U.S., now institutionalized as the International Labor Rights Education and Research Fund (ILRERF), won another victory when Congress in the 1988 Trade Act defined the denial of internationally recognized labor rights as an "unfair and unreasonable trade practice" against which unilateral action could be taken under international trade rules. Denial of labor rights was declared, in effect, "social dumping."

Not surprisingly, the Reagan and Bush administrations have done little to apply the labor rights provisions of U.S. trade law. Indeed, they turned the law to their own political purposes, applying the GSP restrictions to such countries as Nicaragua and Romania, while refusing even to hold hearings on such blatant violators (but U.S. "friends") as El Salvador, Guatemala, Indonesia, the Philippines, Thailand, and Turkey.

Nonetheless, experience so far indicates that the law could have a potent effect. In 1988, for example, the AFL-CIO and human rights groups, working closely with unions in Malaysia, submitted a petition charging that industry-wide unions were outlawed in the electronics industry there. When the United States Trade Representative (USTR) stated it would accept the petition for review, the Malaysian government announced that such unions would henceforth be permitted in the electronics sector. Within a few days organizing efforts were underway in the electronics plants. But when the USTR ruled Malaysia was "taking steps" to afford worker rights and therefore qualified for GSP, a relieved Malaysian government, under strong electronics industry pressure, restored the union ban.

An economic model developed by Peter Dorman indicates that "progres-
sive reform of worker rights in most developing countries can result in increases in manufacturing wages on the order of one-quarter to one-half." In Korea, he notes, wages in 1985 were 10 percent of the U.S. level. By 1988 they were 18 percent—an increase far greater than other East Asian exporters. The principal reason? "The upsurge of democratic and union rights which took place at the time." Evidently, expanding labor and political rights really can harmonize wages upward.

In 1990, the ILRERF and 22 other labor and human rights groups began exploring possible legal avenues to enforce labor rights law. Their first step was to sue President Bush and six cabinet officers, charging that the government had failed to conduct investigations of labor rights compliance required under the law and that the filing of petitions charging labor rights violations had become a "largely empty ritual." Judge Gerhard Gesell (of Iran-contra fame) heard and dismissed the case, refusing to interfere with "the President's discretionary authority in a broad area of foreign relations generally" or to "resolve broad issues of public policy that are properly only the special concern of the Congress." The ILRERF has notified the court it will appeal.

Meanwhile, the ILRERF launched a campaign to incorporate labor rights provisions in the General Agreement on Tariffs and Trade (GATT). Under congressional pressure and with growing support from European governments, USTR proposed that GATT establish a working party on labor rights.

Such Third World governments as Mexico, India, Singapore, the Philippines, Thailand, Indonesia, Zaire, Cuba, and Egypt opposed the working party. The representative of Pakistan said it was "more important to have workers employed than to be concerned with whether they are making one dollar or twenty dollars an hour." South Korea's spokesperson was strongly opposed to a "working party to look at worker rights like freedom of association, [which] should be left to each country to decide for itself." As ILRERF head Pharis Harvey commented, "Their trade negotiators evidently don't represent their country's workers; they represent governments and, indirectly, business."

No labor rights working party was established before GATT negotiations collapsed in December 1990. Now, Pharis Harvey notes, "With the rapid shift toward regional trading pacts, it's not clear if GATT will even survive. But all the members of the Organization for Cooperation and Development (OECD—an organization of most industrialized nations) voted for a working party on labor rights. So the next focus is likely to be inclusion of labor rights provisions in the OECD and/or in regional trade agreements." The ultimate goal, according to John Cav-anagh, co-director of the World Economy Working Group at the Institute for Policy Studies and a longtime labor rights activist, is "to make labor rights protection part of both national and international law and policy, a condition that must be met to get the benefits of GATT, the World Bank, and access to other country's markets."

The Maquiladora Coalition

One of the clearest cases of "harmonization downward" has occurred along the U.S.-Mexican border. U.S. and other foreign companies have established 1,800 factories—known as "maquiladoras"—employing nearly half-a-million Mexican workers, 80 percent of them women. Wages in the maquiladoras, according to Business Week, are half those in the rest of Mexico—and one-tenth those in the United States. The Wall Street Journal reports "abysmal living conditions and environmental degradation."

This February, a group of U.S. and Mexican organizations are announcing the formation of the Maquiladora Coalition, whose goal will be in effect to harmonize upward the standards for maquiladora workers and their communities. Their statement of mission declares, "We are a binational coalition of religious, environmental, labor, Latino and women's organizations that seek to pressure U.S. transnational corporations to adopt socially responsible practices within the maquiladora industry, that will ensure a safe environment on both sides of the border, safe work conditions inside the maquila plants and a fair standard of living for the industry's workers."

The Coalition has developed a "Maquiladora Standards of Conduct" to provide "a code through which we demand that corporations alleviate critical problems created by the industry." Its 22 provisions address a wide range of the abuses with which the maquiladoras have been charged.

The code spells out provisions for environmental protection, such as disclosure of all toxic chemical discharges, use of state-of-the-art environmental control technologies, and return of all hazardous materials to country of origin. It requires that workers be notified of hazardous materials and that worker-management health and safety commissions be established. It bans employment discrimination based on sex, age, race, religious creed, or political beliefs, requires equal pay for equal work, protects workers' right to organize, and demands disciplinary measures against sexual harassment. It discourages barracks-style living arrangements, demands regular inspection of existing barracks by an internationally recognized human rights organization, and calls for contributions to trust funds for infrastructure improvements in maquiladora communities.

The code incorporates many labor and environmental standards already required by Mexican law but poorly enforced in the maquiladoras. According to Betty Baumann, until recently maquila project director for the American Friends Service Committee, "Mexican labor law is probably the most progressive in the whole world, but nobody pays any attention to it."

The Maquiladora Coalition's efforts, according to its mission statement, "are grounded in supporting worker and community struggles for social, economic and environmental justice in the maquiladora industry." The tentative strategy for the Maquiladora Coalition is to select in each part of the border region one target company where organizing efforts are already under way. On the U.S. side, stockholder meetings and resolutions will be used to publicize abuses and demand corporate responsibility. Supporters on the Mexican side will organize the public and members of the Mexican Congress to press for enforcement of Mexican law. The campaign will not attack the maquiladoras themselves, which have support from the government-affiliated Mexican labor federation, but rather will emphasize the need to enforce reasonable standards.
Resisting Austerity

LABOR HAS LONG supported national policies for full employment as a means to reduce competition for jobs. But the globalization of the economy has meant that when one country on its own pursues full employment, the result tends not to be expanded production but inflation and trade deficits. Jimmy Carter and Francois Mitterand both tried Keynesian growth strategies, encountered inflation, trade deficits, and financial crises, and abandoned the attempt. In 1986, after five years of Thatcherite monetary restraint, Margaret Thatcher herself began stimulating the British economy, expecting strong economic growth. Steven Ratner of Lazard Freres & Co. notes that, “when the British economy was stimulated, the result was not higher domestic output but higher imports and higher inflation”—inflation of over 10 percent a year. Evidently, economic stimulation in a single country backfires, whoever attempts it, in today’s deregulated international economy.

This “breakdown of Keynesianism” has encouraged conservative economic policies in virtually all countries. Policymakers have used high unemployment to fight inflation. They have cut wages, public services, and environmental protection to reduce businesses’ production costs and thereby make them more competitive internationally. Unemployment and falling real wages have meant declining consumer demand for products worldwide, and policymakers no longer try to counter this effect. The results, according to economist Walter Russell Mead, have been “declining real wages in the United States, chronic unemployment in Europe, systematic underconsumption in the Pacific Rim, and falling incomes in Latin America.”

So far, the principal opposition to these policies has come from popular forces in the Third World. The massive worker movement in Korea has undermined the government’s cheap-labor, export-oriented policies, forcing big wage increases. The so-called “IMF riots” in Egypt, Brazil, Venezuela, and elsewhere—really mass upheavals and political crises—have forced partial rollbacks in IMF and World Bank “adjustment” plans.

The most recent of these upheavals occurred in December 1990, when a nationwide general strike in Morocco demanded labor law reforms and a doubling of the minimum wage. According to a Reuters report, rioting broke out and “thousands of people rampaged through the streets, buildings were set afire, guests and staffers were plucked from a burning five-star hotel, and cars, buses, banks, and shops were attacked.” Dozens of people were killed by rioters and troops. The report noted that “hardships have been worsened by an austerity program introduced at the behest of the World Bank and the International Monetary Fund in the mid-1980s, when Morocco had a foreign debt as high as $22 billion.” A few days later, the Moroccan government pledged to raise salaries and improve social benefits.

Debt has been the weapon that the IMF and World Bank have used to force Third World countries to adopt a ruinous austerity. But opposition movements throughout the Third World have pledged that if elected they will reverse these austerity programs. Says Mexican opposition leader Cuauhtemoc Cardenas, “We would give priority to stimulating economic growth and satisfying social needs. Only then would we consider payments on the debt.” One possibility would be “limiting payment of the debt to a percentage of export earnings, nonpetroleum export earnings, or gross domestic product.” And he concludes, “If it takes a suspension of debt servicing to get the banks to negotiate with us on those terms, then we must suspend debt servicing.”

So far, when individual countries have halted debt payments, they have eventually been brought to heel by the denial of new loans. But cooperation among debtor nations—the much-discussed “debtors’ cartel”—could threaten the stability of the world financial system and thereby quickly force a reconsideration of the entire question of debt repayment. Workers in the North would be the beneficiaries of such efforts to end austerity and reject low-wage export-oriented policies in the South.

In 1986 a group of non-governmental organizations (NGOs) concerned with environmental and development issues formed a People’s Network for Eco Development and began holding protest gatherings at the annual joint meetings of the IMF and World Bank to begin coordinating North/South resistance to their policies. In September 1990, 160 participants from more than 50 countries came to the International NGO Forum in Washington, D.C.
The Forum's report called for a campaign against the "structural adjustment policies" the IMF and World Bank have been imposing on Third World countries as a condition for loans. These policies include opening markets to foreign products, services, and investments; development based on export rather than local need; privatization of resources and their consignment to foreign companies; and the use of GATT as a weapon to impose deregulation—in short, the very policies which are forcing a harmonization downward.

The report concluded that "solidarity links between the victims of the same IMF-World Bank promoted policies in the South and the North are essential to build a strong force against these policies." It called specifically for an international trade union conference on structural adjustment. Labor movements in the North could become a "second front" in the struggle against IMF-World Bank imposed austerity.

Managed Interdependence

Harmonizing, upward requires an international economic strategy which reverses neo-conservative policies at every level. Since these policies hurt poor and working people in most of the world, a network of people's organizations is an appropriate place to start developing an international alternative. John Cavanagh suggests campaigns to cut back funding for the IMF and World Bank as a way to provoke a debate on how they should be reshaped or replaced. One possible model for such an effort might be the recent campaign to save the Amazon rain forest from destruction at the hands of World Bank development projects that linked local rubber tappers and indigenous peoples with an international network of environmental activists.

The debt crisis in the United States and the deepening global recession are likely to create strong political pressures in many countries to abandon austerity. While it is difficult for any one country to do so on its own, several countries responding to the same pressures can begin to move toward growth through ad hoc coordination—something that labor movements and their allies in many countries can demand.

(The United States government, with its predominant voting power in the IMF and World Bank, could reverse international economic policy overnight.)

Ultimately, such coordinated growth will require regulation at a global level. Economist Raul Hinojosa-Ojeda of the University of California, Berkeley, dubs such an approach "managed interdependence." He writes: "Through production, market, and factor sharing arrangements this approach allows for the benefits of internationalization while at the same time distributing the generated efficiency gains among classes in a way that equilibrates international demand and investment at a sustained rate of growth. The pattern of debt repayment and net financial flows would be restructured and managed according to this global growth criterion."

Such managed interdependence, he argues, would allow a win-win restructuring of the international division of labor in which "the South now becomes an exporter of consumer durable goods and the North specializes more in the production of capital goods." It also might allow trade to be more ecologically and socially constructive: less oil, more photovoltaic cells.

One of the keys to harmonization upward is to stimulate growth for the world economy as a whole. This requires ad hoc, and ultimately institutionalized, coordination. That in turn can help make possible a reversal of austerity at national and subnational levels.

Development Led From Below

Labor movements have traditionally supported high wages, not only for the benefit of the workers who receive them but also as a strategy for economic prosperity. They have argued that only when workers are paid high wages can they buy the products that workers produce. High wages create effective demand for goods and services, thereby stimulating economic growth. The U.S. labor movement strongly supported policies, initiated by the New Deal, designed to stimulate economic growth through government programs that raised the spending power of workers. According to John Cavanagh, "In our domestic economy we apply the idea that workers need reasonable wages in order to create demand for products. But this logic has not yet been applied to the global economy."

Worker rights themselves can be a means of doing so. To the extent that workers are able to win basic rights and thereby raise their wages, they create effective demand and help expand economic growth. "Respect for worker rights is a basic economic strategy," according to Cavanagh. Adds Amalgamated Clothing and Textile Workers Union economist Ron Blackwell, "Labor rights can in effect serve as an industrial policy for developing countries—encouraging a shift to less labor intensive production as wages rise."

On the other hand, workers have been losing so far from the export-led growth strategy. It is precisely in the home of the export-led "economic miracles" like Korea that worker resistance has been fiercest. Cavanagh expects that over the next few years labor and citizen movements in countries like Brazil, Mexico, Korea, Taiwan, and the Philippines will reject the export-led growth model and provide Third World leadership for an alternative.

What such an alternative development model might involve in one country has been articulated by Cuauhtemoc Cardenas, the leading figure in the coalition of opposition organizations in Mexico. Cardenas' description of current policy and its consequences would apply to many poor countries operating under the formulas of the IMF and World Bank: "Successive governments have tied Mexico's development to ever-expanding foreign investment and to ever-increasing foreign indebtedness, while failing to develop the rural economy or provide economic and political support for the ejidos [cooperative farms] and other peasant organizations." The current government "has made debt servicing a top priority in the allocation of public resources, while giving no priority at all to economic development or attending to the social needs of vast sectors of the population" and has followed "a neoliberal economic program that seeks to develop an export-oriented economy while rendering us dependent on decisions made by foreign investors."

In contrast, Cardenas stresses production for the domestic economy.
The surplus necessary to promote development should be generated primarily by strengthening internal markets. This cannot be achieved without a substantial increase in the purchasing power of salaries, which has declined by more than 50 percent in the past five years.

The goal is economic growth that also promotes equality. "Providing employment for people is the first step toward helping them achieve higher income, financial security, and other benefits that they need if we are eventually to achieve a more equitable distribution of income."

Cardenas advocates a mixed economy in which state intervention promotes national development. "Our model of a mixed economy emphasizes forms of self-management such as cooperatives, ejidos, and mutual aid associations. In general, we believe that a government committed to popular welfare should give priority to cooperative organizations."

The private sector also has a role. "By creating a climate of confidence, engaging in joint state-private sector planning, allocating funds for programs of industrial integration and complementarity, and providing incentives such as cheap credit, we would encourage private initiative in agriculture, transportation, livestock, fisheries, and other areas."

Soil enrichment programs, fisheries, reforestation projects, and other natural resource development will be an important source of employment. "We must adopt an ecological approach, one that stresses prudent management of our soil, water, and plant cover, and move wherever possible toward multiple use of resources."

Cardenas emphasizes internal markets, but he doesn't advocate autarchy: indeed, he believes export-oriented plants can make a contribution to national development. "If most of the productive inputs for these plants are presently imported from outside Mexico, why not conceive of a second stage of development, in which these supplies would begin to come from new plants established in the interior of our country?"

Cardenas' general approach, with appropriate modifications for local conditions, might well be endorsed by worker, peasant, and other popular movements throughout much of the Third, Second, and even First Worlds. Its elements include internal market-based development, increasing employment and incomes of the poor, government support for cooperatives, environmental sustainability, and a lowered priority for payments on international debt. Such an approach is the opposite of that now pursued by conservative economic policymakers—but it would serve the interests of working people not just in the country where it was applied, but throughout the world.

Resisting The "Free Trade" Offensives

Such efforts to regulate economies in the interests of working people have met a fierce attack from conservative economic policymakers. They understand that such regulation interferes with their efforts to put working people in every part of the globe into competition with each other. And so they have conducted a campaign to, in effect, criminalize all such regulation. Their strategy is to besmirch all government economic activity as "protectionism" and to ban it under international trade agreements as interference with "free trade."

The Reagan and Bush administrations have pursued international deregulation through both the global GATT negotiations and regional free trade agreements. The first push was for a Free Trade Agreement (FTA) between the U.S. and Canada. While it caused little stir in the U.S., the FTA proposal was widely perceived in Canada as both an attack on national sovereignty and an effort to impose by international agreement conservative policies that Canadians had rejected through their democratic institutions.

Locally-based coalitions sprang up all over the country to oppose the agreement. When Reagan and Conservative Party Prime Minister Brian Mulroney met at the "Maple Leaf Summit" in 1987, a counter-meeting of popular organizations formed the Pro-Canada Network (PCN) to oppose the deal. An enormous range of organizations and movements were brought into the anti-FTA campaign, including unions, women's groups, churches, farmers, small business groups, Indians, youth, environmentalists, and others. Says
Canadian activist Ken Trainer, “The strategy was to get every organization in the country that had a public policy agenda to look at the implications of the FTA for their objectives. That was very successful in bringing them all to a common opposition to the FTA.” According to Elaine Bernard, a Canadian labor activist who now heads the Harvard University Trade Union Program, “For two years it was the overwhelming issue in the entire country—I’ve never seen anything like it except the Vietnam debate in the U.S.”

The PCN research and analysis committee brought together researchers and leaders from many different groups. According to participant Dennis Howlett, “The process involved sharing the different perspectives on the issues and developing a common analysis of the elements of the agreement.” The PCN also provided literature for local campaigns—notably a cartoon booklet called “What’s The Big Deal,” of which more than two million copies were distributed across Canada. These materials warned that the FTA would subject Canadian health care, social insurance, wages, working conditions, agriculture, and national culture to “harmonization downward.”

In national elections, FTA-proponent Mulroney received less than a majority but more than either of the two opposition parties; he formed a government and succeeded in ramming the FTA through parliament, notwithstanding polls indicating a majority of Canadians opposed the plan. The anti-FTA coalition has nonetheless held together and public opposition to conservative policies and the FTA has if anything strengthened. In 1990 the labor-oriented, anti-FTA New Democratic Party (NDP) won the elections in Ontario, Canada’s most populous province. NDP candidates proposed to challenge the FTA by passing regulations the U.S. government will claim violate the agreement.

The Canadian anti-FTA campaign indicates the possibility of mass mobilization around “free trade” used to force downward harmonization. One U.S. activist suggests that it might serve as a model for a transnational “Pro-Communities Network” to challenge future anti-worker, anti-environment trade initiatives.

Fair Trade Campaign

Global trade talks provided the arena for the U.S. government’s next big initiative for harmonization downward. While the recent GATT negotiations were trumpeted as the way to establish a “free trade” regime that would benefit the entire world, environmental, labor, farm, and other people’s organizations in both the Third and the First World looked at them with great suspicion, seeing them as an effort by TNCs to break down all regulation that might resist their depredations.

In the United States, a Fair Trade Campaign initiated by family farm groups brought together a coalition of environmental, consumer, farm, and some labor organizations to challenge the U.S. GATT proposals. It has focused on mobilizing grassroots political pressure to improve or block the proposed agreement.

Inside the Washington, D.C. Beltway, environmental groups like Greenpeace, the National Toxics Campaign, the National Wildlife Federation and the Natural Resources Defense Fund joined with Third World development advocates, consumer and farmer organizations, and the Fair Trade Campaign to form a Working Group on Trade and Environmentally Sustainable Development. It has worked to focus Congressional attention on environmental and other deleterious dimensions of the free trade juggernaut.

While the U.S. government has been promoting its free trade proposals as beneficial for both U.S. and Third World agriculture, many critics argue that it benefits primarily agribusiness and transnational commodity traders—and would drive millions of small farmers in both the North and South off their farms. Farmers have been organizing internationally since the early 1980s. Says Mark Ritchie of the Fair Trade Campaign, “We learned to reverse the old slogan, ‘Think globally, act locally.’ We learned you have to act globally to succeed locally—you have to go to Brussels to save your farm in Texas. It was really important for farmers in different parts of the world to see their common circumstances and to develop win/win approaches, rather than being played off against each other.”

These efforts came to a head at a huge demonstration at the GATT negotiations in Brussels in December. Says Ritchie: “So far as I know it was the first really global demonstration, with farmers, environmentalists, and consumer representatives from every
continent organized to affect a global process. There were more than 100 farmers from North America, 200 from Japan, and delegations from Korea, Africa, and Latin America. There were a thousand buses from all over Europe, Norway to Greece—more than 30,000 people. The result was that Thursday night, when the U.S. made its big push for a free trade agreement, South Korea, Japan, and Europe all said no and they decided to adjourn.

Amazingly, an international people's movement had forced the world's leading governments and their TNC backers to back down. But Mark Ritchie still expects the U.S. government to attempt to force through a new GATT agreement, and he discusses the power politics of responding to it in the U.S.

"There are a number of organized constituencies in the U.S. that have questioned the U.S. GATT proposals, including agriculture, environment, maritime, steel, auto, and textiles. The first question is, can they deliver the 51 votes needed to kill a proposed agreement in the Senate? If they do, and I think there's a good chance, then the second question is whether they will want to kill it or to bargain for a final GATT agreement that all these constituencies can support. That's the question they're discussing right now."

In the long run, Ritchie predicts, "defeating global deregulation will depend on splits that are opening up between the productive sector and the financial sector of the business community. Environmental and social protections will raise costs for U.S. producers compared to countries with lower labor and environmental standards. So they will have to support the expansion of our current anti-dumping laws—the selling of goods into the U.S. market below the cost of production—to include ecological and social dumping as well."

Already, senators representing textile, auto, steel, maritime, telecommunications, timber, mining, and farm interests have supported legislation to end the "fast track" procedures which limit debate and forbid amendment on GATT agreements. Ritchie believes such interests could serve as partners in a powerful coalition with popular movements. "The key is to find coalition partners who can exercise real political power—for example, the 51 votes needed in the U.S. Senate to pass a law or the 34 required to block a treaty. The anti-fast-track lobby will be the guts of any coalition to stop a bad GATT proposal or a bad Mexico-U.S. FTA proposal."

Ritchie also believes that such power can potentially be used to positively reshape the world economy. "In the long run, the question is, how do we regulate transnational corporations and address global ecological, social, and political problems? In a different political climate, a U.S./Mexico/Canada agreement could be used to elevate environmental, labor, and farm conditions for the entire continent, rather than forcing deregulation."

"Similarly, one of the proposals at GATT was to replace GATT with a much broader Multilateral Trade Organization (MTO). Thirty-four Senators could block a treaty establishing such an organization. But alternatively, those 34 Senators could decide to support an MTO if it included environmental, labor rights, and other provisions with real teeth. If a progressive coalition controlled thirty-four votes in the Senate, the TNCs would have to bargain with it to get their MTO."

The Mexican FTA

In September, the Bush administration asked Congress to approve negotiations for an FTA between the U.S. and Mexico. The extensive networking of labor and other people's organizations in Mexico, Canada, and the U.S. (described in Part I) lays the groundwork for a response based on the common interests of working people to harmonize conditions upward, not downward, throughout the continent.

To kick off discussion of the issue, a coalition of labor, farm, development, labor rights, environmental, religious, and consumer groups organized a one-day Congressional Forum in Washington on January 15. Four hundred participants attended sessions on labor, environment, and agriculture each featuring speakers from the U.S., Mexico, and Canada. Workshops covered a wide range of topics that would be affected by an FTA: human rights, health and safety, maquiladoras, immigration and labor mobility, transboundary pollution, child labor, con-
consumer protection, social charters, sustainable agriculture, sustainable development and debt relief, and hemispheric prospects.

A transnational critique of the Bush FTA plan is already under way. thirty six U.S. congresspeople led by Rep. Don Pease (a key advocate for international labor rights legislation) wrote President Bush that “the real challenge before trade policy-makers in the U.S. and Mexico is to find ways in which to guide and manage growing U.S.-Mexican trade ties in mutually beneficial, equitable and human terms.”

They pointed out that “neither the U.S. Government nor the Mexican Government has recognized publicly the need to incorporate a social charter in a U.S.-Mexico FTA to address fundamental labor, health, environmental and political policy differences that exist between the two countries.” They noted the salience of Mexico’s “authoritarian, undemocratic one-party system,” the government’s domination of the Mexican labor movement, the wage gap, the weakness of Mexican environmental and public health standards, and the issues of drugs and immigration.

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The Emerging Strategy

The diverse efforts described in these articles might be dubbed an incipient Pro-Communities Network or Peoples Transnational Coalition. They share six strategic principles.

1. Transnational cooperation. These efforts depend on networking by people’s organizations across national boundaries. They require transnational participation in planning and decision making. They are based on programs which provide environmentally and socially sustainable win/win solutions for working people in different parts of the world.

2. Social movement coalition. These efforts are almost always based on cooperation among labor, environmental, women’s, human rights, religious, farm, development, and other people’s organizations. They can succeed only if they recognize and integrate the needs of working people, oppressed groups, and the environment.

3. Support for harmonization upward: opposition to harmonization downward. Mutual aid, labor rights, corporate campaigns, international codes of conduct, managed international economic interdependence, and economic development led from below are all elements of a strategy for uplifting and empowering those most impoverished and oppressed in the interest of all who might otherwise be forced to share their plight. Conversely, resistance to IMF “structural adjustment programs,” GATT “harmonization” proposals, and U.S. government-initiated “Enterprise for the Americas” trade agreements are a strategy for mobilizing and unifying those potentially hurt by harmonization downward.

4. Coordination of different forms of pressure. The absence of transnational democratic institutions necessitates a strategy of parlaying different kinds of action by different social groups in different areas into effective pressure on corporations, governments, and international organizations. If the coalition can influence policy in one country (like labor rights requirements in the U.S. GSP law), it can use that influence to support struggles in another country. If an international institution can be pressured by mass action (like small farmers in GATT or “IMF rioters” in Morocco), international policy may change conditions within particular countries. Campaigns must not only identify goals which would benefit a wide transnational coalition, but also arenas of action—whether the U.S. Senate or streets of Morocco—in which leverage can effectively be applied.

5. Democratization. Crucial to harmonization upward are democratically controlled public institutions at all levels. These must have the power to regulate the activity of corporations and other economic actors in order to
Resources


Tunnel Vision: Labor, the World Economy, and Central America, by Daniel Cantor and Juliet Schor (South End Press, 1987) places AFL-CIO policy debates in the context of the post-World War II world economy.


Future Wealth by James Robertson (London: Cassell, 1989) develops the idea of a "multi-level, one-world economy" from a green perspective. It is summarized in New Options (Issue No. 63).

"Close the IMF, abolish debt and end development: a class analysis of the international debt crisis" (Capital and Class, No. 39, Winter, 1989) provides a rip-snorting critique of conventional views of the world economy.

"The United States and the World Economy" by Walter Russell Mead (World Policy Journal Volume VI, Nos. 1 and 3) provides a fully-developed "global Keynesian" view of the development, crisis, and reform of the global economy.


Organizations:

International Labor Rights Education and Research Fund, Box 74, 100 Maryland Avenue, NE, Washington, D.C. 20002, 202/544-7198.

Fair Trade Campaign, P.O. Box 80086, Minneapolis, MN 55409, 612/339-0586.

Maquiladora Project and Women and Global Corporations Project, American Friends Service Committee, 1501 Cherry Street, Philadelphia, PA 19102.

protect the environment, promote basic human and labor rights, and set minimum labor standards. They also need the power to utilize resources to provide for such public needs as infrastructure development, education, socially beneficial investment, and other social responsibilities not adequately met in other ways. And they must be controlled by the great majority who stand to gain from harmonization upward.

6. A multi-level one-world economy. For several hundred years, the powers of government have been exercised by nation states, with greater or lesser democratic control. At present, however, national institutions are proving inadequate for economic regulation. At one pole, TNCs and world markets are often more powerful than the national institutions that might regulate them. At the opposite pole, national bureaucracies have proved more easily influenced by wealthy elites than grassroots people in their own countries.

Consequently, harmonization upward will require that the nation state system of regulation evolve toward a multilevel system of regulation. Public institutions able to regulate economic forces and allocate resources are needed at multiple levels from local to global. Some can result from powers devolved upward and downward from national governments; others can be created by agreement among individuals and non-governmental organizations.

This approach does not assume any one structure of ownership; it allows government, private, and cooperative ownership to variously coexist or be combined in different sectors and areas. Labor movements have always included advocates of government, cooperative, and private ownership; their common interest in upward harmonization will continue to make such collaboration both possible and necessary. Harmonization upward will require multilevel regulation whatever the form of ownership.

Such multi-level regulation is incompatible, however, with two other approaches. It contradicts the vision of a nation state free from any dependence on or regulation by forces outside itself. And it contradicts the vision of a totally deregulated world economy in which corporations can do whatever they want, wherever they want, with no democratic limits on their behavior.