



# *Even in America* **US labour faces** **global restructuring**

by Jeremy Brecher\*

**T**he world-wide economic restructuring that is devastating the Third World is also hitting workers in what was once the industrial heartland of the United States. It is undermining existing union power, but also leading the labour movement to experiment with new strategies at home and abroad.

The labour movement that developed in the United States in the 19th century linked organisation by craft or workplace with wider social concerns. Gradually, however, most US unions became bureaucratically controlled organisations oriented toward winning and maintaining contracts for narrowly defined groups of workers.

A labour upsurge in the 1930s led to national legislation protecting the

right to organise and bargain collectively and to union recognition by many of the largest corporations. This eventually led to a kind of class truce or compromise: management accepted the existence of unions and their right to bargain over wages and working conditions; unions accepted management's right to control daily life in the workplace and basic decisions about investment. Unions participated in politics to aid their bargaining position, but

rarely pursued broad goals of social change.

This system depended on Keynesian full employment policies, labour support for US imperialism, steadily rising real wages, and above all on the prosperity provided by



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## INTERNATIONAL

US global dominance. (In 1950 the US produced 40% of the world's goods and services.)

Starting in the 1970s, the US share of world markets plummeted. During the 1980s, the US changed from the world's largest creditor to its largest debtor. Most important, US capitalism itself became increasingly multinational: by the end of the 1970s, at least a third of all profits of the 100 largest US multinational producers and banks came from overseas.

### A global economy

In 1989, the New York Times noted that "many American companies are shedding the banner of a national identity and proclaiming themselves to be global enterprises whose fortunes are no longer so dependent on the economy of the United States." According to Cyril Siewart, a vice-president of Colgate-Palmolive, "the United States does not have an automatic call on our resources. There is no mind-set that puts this country first." Ford now owns 25% of Mazda; General Motors owns 34% of Isuzu and 5% of Suzuki; Chrysler owns 25% of Mitsubishi. Sony owns Columbia Pictures.

Such globalisation has undermined the isolated, protected status of US workers. Stanley Mihelick, executive vice president of the Goodyear Company, has spoken openly of the need to "get real [US] wage levels down much closer to those of the Brazils or Koreas." Since 1980, US auto companies have cut more than 200 000 jobs in the US. Many of these jobs moved abroad – 70 000 of them to Mexico

alone.

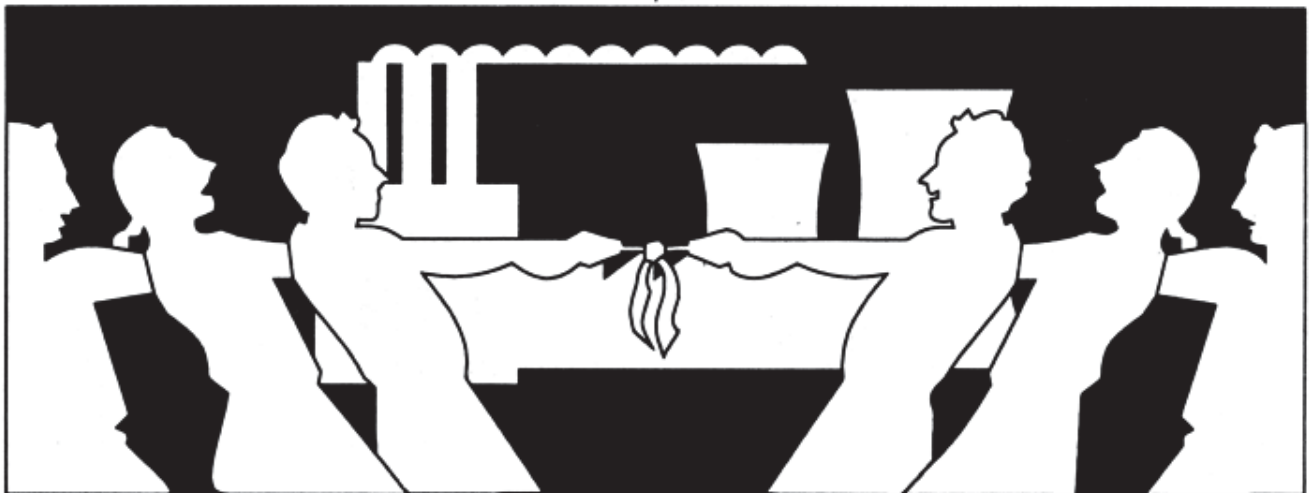
The threat of such job loss is reshaping the conditions for unions in the US. Bargaining and strikes are now normally conducted under the threat of plants going abroad. When Caterpillar forced workers to give up a five month strike and accept concessions in job security, health insurance, and pay equity, it said it needed the concessions to remain "globally competitive."

International competition is also reshaping local and state government policy. American cities and states now compete to recruit foreign companies by creating union-free environments and offering large tax incentives. BMW was recently lured to Spartanburg, South Carolina by a \$50 million subsidy to water and sewer costs and a \$1 500 per employee state tax credit. An official of the South Carolina Chamber of Commerce said foreign companies come because they "see incentives, they see the tone of the legislature being pro-business, and those things combined with the quality of life and labour issues."

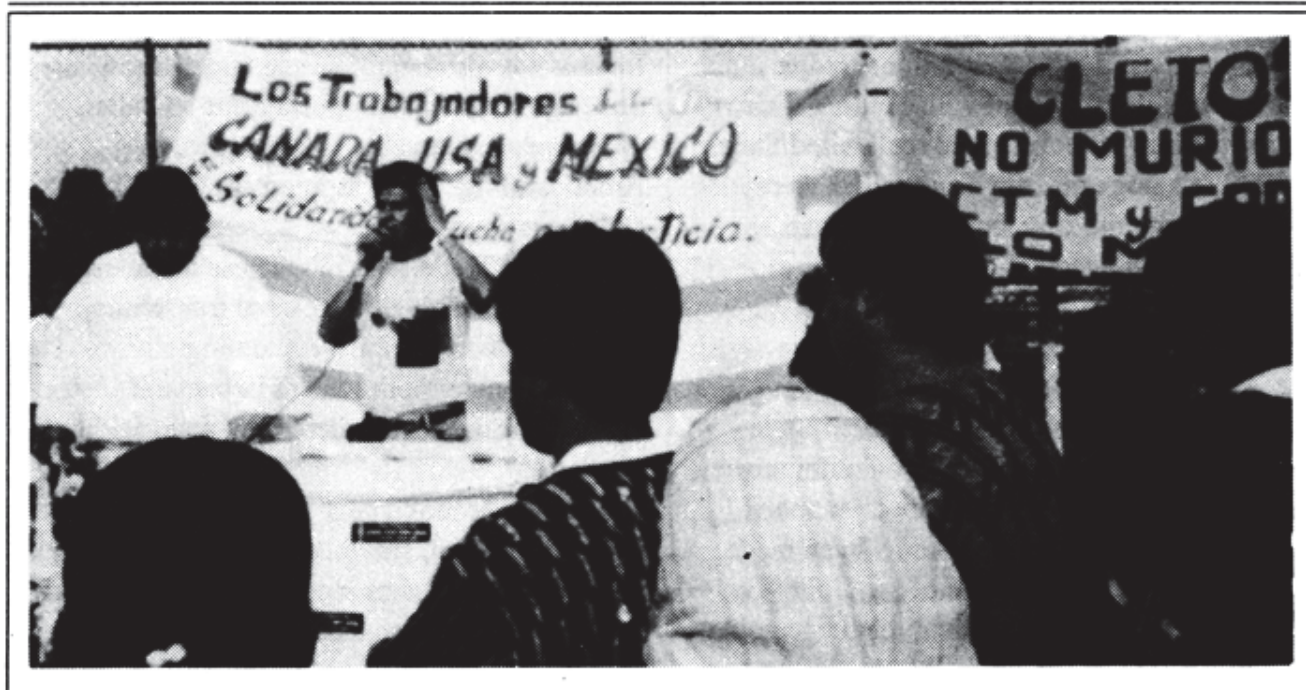
### US labour hard hit

The result of these forces has been a gradual erosion of the conditions of life for US workers. By 1990, real wages in the US were about 15% below their 1973 level. Real incomes for young families has decreased by one-third since 1973. The poverty rate for children in black families is 58%.

In the past twenty years, union membership in the United States has fallen from nearly 30% to barely 16% of the workforce – less than it







US and Mexican workers at a solidarity meeting

was fifty years ago. The United Auto Workers (UAW) has lost nearly 40% of its members in the past decade, the Teamsters have lost nearly one-third, and other industrial unions have had similar losses.

Along with the decrease in membership has come a loss of labour rights in the workplace, a decline in bargaining power, a waning of political influence, and for many workers a decline in real wages. The decline of union power is forcing the US labour movement to experiment with two new approaches: coalitions with other groups and new forms of internationalism.

### **New allies for labour**

The past decade has seen many unions, especially at the local level, move out of their traditional isolation to build coalitions with a wide range of community groups, including environmental, farm, senior, women's, African-American, Latino, Asian-American, gay, lesbian, student, disabled, peace, human rights, citizen action, consumer and other movements.

This "bridge building" has made it possible for workers to win victories where otherwise they would have met defeat. For example, the largest strike victory in the past several years came when the Pittston Coal Group demanded

that miners abandon long-established health protections and work on Sunday. The miners called on support from allies within and far beyond the labour movement.

More than 30 000 supporters from labour, peace, religious, and many other groups poured into the miners' encampment, dubbed "Camp Solidarity." A "corporate campaign" put pressure on other companies to dissociate themselves from Pittston. Local activists in Boston, for example, forced a vice-president of a bank branch to resign because he also served on the board of Pittston. When miners occupied the company's key coal treatment plant, 5 000 supporters surrounded the facility to prevent forceful removal. The result was one of the few major labour victories of the 1990s.

Coalitions with other movements and community groups have become common in other arenas as well. Some have as their purpose community economic self help; for example, by bargaining with corporations to prevent factory closings or creating new jobs through worker-community ownership and other forms of local economic development. Some pool their strength in the electoral arena. Some focus on particular issues, such as demanding the same pay for people doing comparable work. Grassroots labour-community coalitions were the primary



force that persuaded local and state governments and other institutions to divest from companies involved with South Africa; when Nelson Mandela toured the United States in 1990, his huge meetings and rallies were primarily organised by local coalitions in which labour played a major role.

### **Harmonising basic union rights**

The AFL-CIO has been notorious for subordinating labour interests to its struggle against anything that smacked of Communism — for example in its long failure to support COSATU. That approach has now been made obsolete, not only by the end of the Cold War, but also by the end of US economic hegemony, which provided a protected place for US workers.

In today's global but unregulated economy, all workers are put in competition with each other. Companies will move wherever their costs are lowest, edging all workers toward the conditions of the lowest. This globalisation of the economy is forcing even the US labour movement to transcend its longstanding acceptance of corporate-oriented economic policy.

Many unionists are now developing strategies aiming for what might be called "harmonisation upward." For example, unions, human rights advocates, and other allies have won legislation which defines violations of "internationally recognised worker rights" as an "unfair trade practice" which can trigger US import restrictions. The Reagan and Bush administrations refused to use this legislation except to punish their pet political enemies. What Clinton will do remains to be seen.

Former Secretary of Labour Ray Marshall, a close ally of the labour movement, spells out the underlying strategy:

"Eventually, the United States could push for all its global trading partners to protect freedom of association, permit collective bargaining and prohibit forced labour. Also, foreign nations could be called on to establish a minimum age for employment and impose acceptable standards for wages, hours and occupational health and safety."

### **Opposing 'free trade' agreements**

Labour has also begun to respond as the United States government has pushed for so-called "free trade agreements" like the North American Free Trade Agreement (NAFTA) and the expanded General Agreement on Tariffs and Trade (GATT). These are actually agreements designed to compel transnational economic deregulation — allowing transnational corporations to invest and conduct business anywhere they want without regulation.

The labour movement along with environmentalist, small farmer, consumer, and many other allies, has mounted major campaigns to oppose these agreements, especially the proposed agreement with Mexico. Labour, religious, and other popular organisations on both sides of the US-Mexico border have held a series of meetings and developed their own alternative proposals for a North American development pact which would protect workers, small farmers, consumers, and the environment while allowing jointly-regulated economic integration. Says Ron Blackwell, an economist with the Amalgamated Clothing and Textile Workers Union, "We recognise that international economic integration will continue, and that wages and working conditions will tend to equalise. The task is to build international worker solidarity to assure





that wages and working conditions tend to equalise at a higher rather than a lower level."

### The problem of export processing zones

Labour and its allies have also organised to directly affect the export processing zones on the US-Mexico border known as "maquiladoras", where 1 800 plants employ half-a-million Mexican workers, 80% of them women. Wages in the maquiladoras 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."

Some US unions have begun to respond not by trying to keep Mexican-made products out, but by supporting efforts to improve conditions for Mexican workers. They have recently helped create the Coalition for Justice in the Maquiladoras, whose mission statement declares: "We are a bi-national coalition of religious, environmental, labour, Latino and women's organisations that seek to pressure US 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 maquiladora plants and a fair standard of living for the industry's workers."

The Coalition has developed a "Maquiladora Standards of Conduct" which spells out standards for environmental protection, non-discrimination, and protection of the right to organise. The coalition has already forced major US corporations to change their environmental practices in the border region: General Motors, for example, after exposés and public pressure, recently announced plans to build wastewater treatment facilities for its 35 plants in Mexico.

### A new foundation for internationalism?

So far, bridge-building and internationalism are only small tendencies. But internationalisation of the economy has changed the economic interests of US workers. A large part of the American workforce experienced considerable prosperity through its partnership in America's

global economic dominance. As that dominance declined, these groups were hurt, and their first response was to turn to protectionism to "save American jobs." But neither an expanded drive for exports nor protectionism will help any but a tiny proportion of US workers in the future.

Increasingly, American wages will be driven toward the lowest rates that can be found abroad. This creates the basis for an alternative attitude and strategy, based on the interest of American workers in supporting the right of working people throughout the world to organise politically and economically to raise their wages and conditions of life. This implies direct antagonism to American corporate interests and US foreign policy.

The interests of American workers now lie in opposing US support for repressive regimes, since it is their suppression of workers that makes possible the low wages and "stability" that lure American jobs abroad. Economic conditions are undermining the existing structures of the US labour movement, but they may be creating the basis for a labour movement far more willing to co-operate with the struggles of workers around the world. ☆

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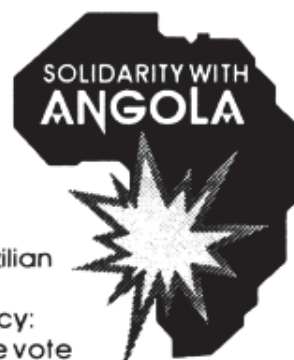
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