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Abstract
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Trade Policy

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The wife of a South Korean auto worker approached me as I stood talking with her neighbors outside their company apartments. Her husband works for Daewoo, one of Korea's major companies competing on the world auto market. Each week he is required to work at least 60 hours, and he makes about $400 a month. Daewoo is 50% owned by General Motors.

"You are from the United States?" she asks. "Then you can help us. Please tell GM to fix up these apartments. And tell them the men should not have to work so many hours. Can you do that? Do you live near Detroit?"

I explain that I don't have a direct communications link to GM's chairman, but that I am one of a growing number of Americans interested in helping improve conditions for families in the Third World.

It's not just altruism, I explain. Many Americans have seen their jobs moved overseas or have been told they must accept a lower standard of living in order to compete with operations in the Third World. Instead of seeing our pay and working conditions brought down, we'd like to see treatment for workers in countries like Korea improved.

- Matt Witt is director of the American Labor Education Center in Washington, D.C., and editor of its bulletin, American Labor.
One tactic some Americans are exploring, I tell her, is to demand that access for imports into the rich U.S. market be dependent on respect for basic worker rights abroad. By tying trade rights to worker rights, we hope to put economic pressure on governments and multinational companies.

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**Worker Rights & Trade Policy**

A strategy of pushing for international worker rights through trade policy is growing in popularity in both the U.S. and Third World because it stresses workers’ common interests. It provides an alternative to so-called “free trade” policies, which give corporations license to exploit workers without regulation. It also is distinct from protectionism, which would eventually close international markets to products made by U.S. workers and would do nothing to boost the living standards—and buying power—of people in the Third World.

To focus attention on the link between worker rights and trade, a loose coalition of labor, religious and human rights groups has won a series of provisions in recent U.S. trade laws. These provisions directly assert that the systematic abuse of worker rights is an "unfair trade practice." They provide a basis for U.S. workers to organize and agitate in behalf of better conditions for Third World workers.

The key pieces of legislation are:

- **The Omnibus Trade Act of 1988.** Amendments successfully sponsored by Representative Don Pease (D-OH) make it an unfair trade practice for a country to gain a competitive advantage by denying internationally recognized worker rights. The White House is directed to make it a primary U.S. objective to negotiate an agreement with major trading partners to keep denial of worker rights from being used as a competitive advantage. Where necessary, the President is authorized to take action to remove that advantage. The Commerce Department will determine how these amendments will be implemented.

- **The Trade and Tariff Act of 1984.** Worker rights provisions were added to the Generalized System of Preferences (GSP) which allows products from 136 developing countries to enter the U.S. market without duties. The President is supposed to deny GSP benefits to any country that is not “taking steps to afford inter-
nationally recognized worker rights; including the right to organize and bargain collectively.

The Reagan administration twisted this law by denying trade preferences to Nicaragua, Romania and Paraguay, while ignoring the major labor rights violators among U.S. trading partners. After a Congressional outcry, however, benefits were also suspended for Chile. And, under increasing pressure from workers' rights supporters, the administration agreed in late 1988 to review the GSP status of Burma, Central African Republic, Haiti, Israel, Liberia, Malaysia and Syria in light of worker rights violations in those countries. Hearings were held by the U.S. Trade Representative in November, with decisions expected this spring.

Reflecting its emphasis on political considerations over enforcement of worker rights, the administration has refused to hold hearings on petitions for review of El Salvador, Guatemala, Indonesia, the Philippines, Thailand and Turkey.

- **Caribbean Basin Initiative (CBI).** Representative George Crockett (D-MI) has proposed strong language to withhold special aid provided under CBI from any nation which does not enforce recognized worker rights. House hearings on the bill were held last August. The original CBI legislation, passed in 1983, contained worker rights provisions, but no country has been denied aid.

- **Overseas Private Investment Corporation (OPIC).** OPIC provides political risk insurance for U.S. corporate operations overseas. In 1985 Congress prohibited OPIC from insuring corporate activity in any country which is not taking steps to adopt and enforce worker rights.

  The Reagan administration has used this provision to remove Romania, Nicaragua, Ethiopia and Paraguay from the OPIC program. OPIC was asked during hearings in November 1988 to bar South Korea and Malaysia (by the United Auto Workers), Haiti (by the United Electrical Workers), and Taiwan (by the Asia Resource Center).

**Who Has a Stake in Worker Rights?**

The trade link provides international worker rights advocates with one good strategy for the difficult task of organizing support from a broad spectrum of Americans—not just those whose jobs are vulnerable to corporate runaways or imports.

The denial of worker rights abroad affects any American who makes products which Third World workers can't afford to buy. Public and service sector workers are affected because their jobs...
and living standards depend on a strong tax base and the steady purchasing power of private sector employees in their communities. And, every American taxpayer is affected when billions of our dollars are used in other countries to maintain repressive conditions which hurt workers both there and here.

At the same time, the trade/worker rights strategy appears to be popular with organized workers in the Third World.

In recent trips to two countries whose economies are closely linked with ours, South Korea and Haiti, I found local union activists almost unanimous in support of this approach to putting economic pressure on their employers. Their attitudes were very similar to those I found several years ago in interviews with black union shop stewards in South Africa. Worker activists in these countries say that their problems cannot be solved solely through collective bargaining or strikes. The economic pressure they can bring to bear is important, they say, but they need help from U.S. workers as well.

In general, organized workers in these countries appear to feel that poor living and working conditions and the lack of a democratic environment in which to organize for change leave them little alternative but to suffer short-term sacrifices caused by trade sanctions in order to win justice in the long run.

Korean workers took me to a plant gate where young women aged 15-21 who make electronics equipment for export to the U.S. and elsewhere were being beaten by male supervisors because they were union activists. I saw clothing workers in unventilated rooms breathing chemicals and dust while they made winter parkas for U.S. consumers.

In Haiti I met workers who, despite having steady factory jobs, could not afford housing for their families other than squatter’s dwellings they constructed out of scrap materials. Most Haitian workers have no access to affordable health care, and few can afford the costs involved in sending their children to school. When they ask for a living wage, they may be assaulted by soldiers and “disappeared.”

“When you are making only $3 per day and the factory does not even provide a bathroom or water to drink, then you are not just interested in a little raise—you want to change the whole system,” said Joseph Manicy Pierre, spokesperson for the Haitian union federation, CATH. “How are we supposed to win changes in a country where there is no democracy and, in reality, no meaningful labor law . . . where companies bring soldiers into the factories when we try to organize? Economic pressure [from outside] is absolutely necessary.”
Can It Work?

Yes, you may say, linking trade rights to worker rights is a good idea in theory, but will it work? Hasn’t the U.S. government already shown in its nonenforcement of GSP, OPIC and CBI amendments that it will put the interests of multinational corporations and right-wing Third World governments ahead of workers’ interests? Isn’t it a waste of resources to focus on a legalistic regulatory process that we cannot possibly affect?

First, the trade/worker rights strategy can work to a limited degree to pressure governments and corporations operating in the Third World. Even if the Bush administration takes no action against the countries which were the subject of GSP and OPIC hearings in 1988, the fact that some steadfast U.S. allies were the subject of international scrutiny will be of some use to workers in those countries.

Unionists in Haiti, for example, say that their government and employers would be even tougher on workers if they did not have to worry about U.S. human rights supporters who lobby against aid and trade privileges.

After the U.S. Trade Representative agreed to review a petition concerning Malaysia’s GSP rights, the government there agreed in October 1988 to allow union organizing in the electronics industry. The Malaysian government has since succumbed to intense lobbying by Texas Instruments and other U.S. electronics firms with operations there and has reinstated its prohibition on unions. But this sequence of events has drawn even more attention to Malaysia’s denial of worker rights and has strengthened the UAW’s case for the denial of OPIC privileges to U.S. companies operating there.

Second, a more active U.S. movement for international labor rights will also be able to link up with similar movements in other developed countries. European unionists are particularly interested in international trade agreements on labor rights as their countries approach the 1992 date for integration of all European economies. They fear that, without international agreements, workers’ rights and living standards will be brought down toward the lowest levels among European countries and their trading partners. By coordinating with European worker rights advocates, American groups could make international sanctions more effective and make it more likely that rights violations, rather than politics, would determine how sanctions are targeted.

Finally, a trade rights/worker rights campaign is one useful organizing and educational strategy within the U.S. True, it should
be carried out in addition to, not instead of, other strategies. There is no substitute, for example, for taking Americans to Third World countries to see conditions—and grassroots, militant unionism—for themselves. More workers from other countries must be brought here to meet the great majority of Americans who cannot travel abroad. More joint campaigns against particular corporations are needed to provide direct, concrete experience in labor solidarity.

But a trade/worker rights campaign can reach people in the U.S. who would otherwise not see their stake in international issues. It can dramatize the contradictions between our government’s human rights rhetoric and the real economic interests its policies serve. And it can provide an alternative to the false us-against-them nationalism many politicians, corporations and even some union leaders use to distract working people around the world from their common struggle against the transnational corporations.

Readers interested in more information about trade rights/worker rights activities can contact the International Labor Rights Education and Research Fund, 110 Maryland Avenue N.E., Washington, D.C. 20002, or the American Labor Education Center, 1835 Kilbourne Place N.W., Washington, D.C. 20010.

TRADE’S HIDDEN COSTS
Worker Rights in a Changing World Economy
John Cavanagh & others
ILRERF, 1988, $3.95.

A cogent analysis of why it makes sense to weave respect for basic worker rights into the dynamics of international trade, investment and aid.

Ray Marshall

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