9-12-1986

The Faces of Global Competition

Lance A. Compa

Follow this and additional works at: https://digitalcommons.ilr.cornell.edu/articles

Part of the International and Comparative Labor Relations Commons, Public Policy Commons, and the Unions Commons

Thank you for downloading an article from DigitalCommons@ILR.
Support this valuable resource today!
The Faces of Global Competition

Abstract
[Excerpt] Most unions are seen as protectionist, and the label is often justified. "Stop Imports" and "Buy American" have been the main themes of many union campaigns. These sentiments stir the blood, but they are devoid of political content. They define the enemy as foreign products and, by implication, foreign workers willing to work cheaply. As long as workers abroad are seen as part of the problem, however, the American labor movement cannot solve either its trade problem or its collective bargaining crisis. Protectionism accepts the employers’ premise that U.S. workers are locked in competition with third-world pay levels — a contest Americans can never win.

Keywords
globalization, trade, protectionism, labor unions, labor supply, public policy, labor movement

Disciplines
International and Comparative Labor Relations | Public Policy | Unions

Comments
Suggested Citation

Required Publisher Statement
UNIONS, PROTECTIONISM, & HUMAN RIGHTS

The faces of global competition

LANCE COMPA

"It's a global economy and we've got to be competitive." That is what U.S. industrialists say as they shut down thousands of stateside factory jobs and ship them overseas to runaway shops in search of cheaper labor. For those workers and their unions left at home, management's demand to compete against foreign workers means cuts in wages, benefits, and working conditions under the threat of further job loss.

Many unions and members of Congress from areas hit hard by imports and plant closings respond with calls to restrict foreign products entering the U.S. market. Immediately the debate is joined. Depending on where one sits, it's either the clumsy protectionists against the principled free traders, or realistic "fair trade" advocates versus Social Darwinist free-marketeers.

Most unions are seen as protectionist, and the label is often justified. "Stop Imports" and "Buy American" have been the main themes of many union campaigns. These sentiments stir the blood, but they are devoid of political content. They define the enemy as foreign products and, by implication, foreign workers willing to work cheaply. As long as workers abroad are seen as part of the problem, however, the American labor movement cannot solve either its trade problem or its collective bargaining crisis. Protectionism accepts the employers' premise that U.S. workers are locked in competition with third-world pay levels — a contest Americans can never win.

American workers are not served by investing their human and political capital in marches against imports, foreign car-smashings at Labor Day rallies, lobbying for protectionist legislation, and the like. Such approaches ignore the role of U.S. multinational corporations, U.S. military support for right-wing regimes that provide havens for runaway shops, and the legitimate aspirations of workers in other countries.

To alter the public perception of labor as diehard protectionist, a new alliance of U.S. unions, churches, human rights groups, and supporters in Congress is shifting the focus of the trade debate to where it belongs: on ways of sustaining an open trading system in which workers, as much as employers and consumers, have a stake. In the past year this coalition has moved the issue of international labor rights to the top of the trade agenda, provoking an outraged response from Reagan administration policymakers.

The labor rights alliance is out to make violations of basic labor rights an unfair trade practice under U.S. law, in the same way that illegal subsidies and "dumping" — selling products in the U.S. market below their true cost of production in order to drive out competition — are unfair practices. This "social dumping," as it has been called, of goods made by workers unable to defend themselves against abusive working conditions, could be remedied by trade countermeasures here to restrict the entry of such goods. Better yet, a move to make labor rights abuses a trade law violation could force governments that engage in such abuses to end their labor repression if they want to reach the American market.

In 1985 the alliance won a labor rights provision in two important trade statutes, one governing the Generalized System of Preferences (GSP), and the other authorizing funds for the Overseas Private Investment Corporation (OPIC). GSP benefits permit eligible third-world countries to export their products to the United States with reduced or eliminated tariffs. OPIC guarantees federal insurance protection for the overseas assets of U.S. corporations. With the changes in the law, GSP benefits and OPIC insurance protection can be denied to companies producing in countries that systematically violate labor rights.

The OPIC provision removes a small but important incentive for U.S. companies to shift operations overseas. In the wake of nationalizations of American businesses by Cuba and other revolutionary governments in the 1960s, Congress created OPIC to insure U.S. investments against such losses due to political turmoil. When the socialist administration of Salvador Allende expropriated the Chilean properties of U.S. copper companies in 1971, for example (with unanimous
support from all Chilean parties, left to right, it should be noted), OPIC made up the companies’ claimed losses from what they called “inadequate” compensation by the Chilean government. Under the new law, though, such insurance could be denied to investors in Pinochet’s Chile, South Korea, Guatemala, Taiwan, and other countries where labor rights are routinely suppressed. Companies will have to think twice about shutting down a particular U.S. operation to move there.

Instead of targeting “cheap labor” itself, labor rights proponents are taking aim at the conditions that create cheap labor markets. In fact labor costs abroad are not lower simply because a country is less developed. Some U.S.-backed governments for example, deliberately crush trade union organizing and bargaining efforts which might raise wages and improve working conditions. The prospect of a “union-free environment” which results from such oppression becomes a powerful lure to U.S. corporations looking for offshore production sites.

Labor rights provisions are key elements in other trade bills now being considered by Congress. Labor Secretary William E. Brock has called labor rights language “a turkey . . . a thinly disguised scheme to keep goods from certain countries out of the U.S. market.” Writing in Business Week [June 23, 1986], economist Allan S. Blinder terms it “a chinker . . . setting us up as the moral arbiter of world labor relations.”

One might well ask Brock and Blinder about the moral dimensions of the jailing, torture, and murder of workers for union activities. That is what is involved in the labor rights debate, not whether labor rights laws would cause distortions in the free traders’ treasured market system.

UNIONS involved in the labor rights movement recognize that different countries are at different levels of development, and that the products from such countries should not be excluded from the U.S. solely on that basis. But no company should gain a competitive advantage in world trade because it operates in a country where authorities kill and jail workers who try to form unions. The same injustice exists where regimes ban strikes, cripple collective bargaining, dissolve “undesirable” unions, or depose union leaders for their political views. And yet, in the name of free trade, American workers must compete with copper from Chile, steel and autos from South Korea, textiles from Turkey, garments from Thailand, coal from South Africa, printed circuit boards from Guatemala and El Salvador, appliances from Taiwan, and other products from various countries that systematically violate workers’ rights.

The 1985 labor rights clause in U.S. trade legislation cites five internationally-recognized standards. They govern (1) freedom of association, (2) the right to organize and bargain collectively, (3) forced labor, (4) child labor, and (5) acceptable working conditions with respect to pay, hours, and occupational safety and health. This last does not mean a U.S. minimum wage or the imposition of OSHA standards on the rest of the world, as critics wildly charge. Each element is grounded and defined in international law to allow for different levels of development and different social and political systems, setting out basic rights that should be protected everywhere. But here’s what is happening in the real world that free traders fail to see:

- In Chile, the president of the public employees’ union was abducted, tortured, shot in the head and decapitated in 1982, one week after a press conference at which he declared opposition to the economic policies of the Pinochet dictatorship. Last year, three leaders of the National Association of Teachers were kidnapped and murdered by having their throats cut. Military government vehicles were used in their kidnapping.

Thousands of other union organizers have been killed, imprisoned, or exiled by the Pinochet regime for labor activities. Unions in the Santiago region must obtain police permission to hold a meeting. Strike votes must be taken by open ballot in the presence of police, marking strike supporters for retaliation. Strikes can last only sixty days. If no settlement is reached, workers must accept the employer’s final offer or abandon their jobs. Unions can be organized only in the single workplace; coordinated or industry-wide bargaining is outlawed under the Pinochet labor code. Yet in the last three years, Chile has received $6 million in U.S. economic and military aid, and nearly $1.5 billion in loans and grants approved by U.S. agencies. In 1985 alone, OPIC insured over $150 million in U.S. investments in Chile.

- In South Korea, twelve union organizers were arrested in July and charged with subversion for forming an independent labor federation in the capital city of Seoul. Eighteen other
Moving labor rights to the center of the trade debate won't be easy. "But we can do it," says Congressman Don Pease (D-Ohio), the chief sponsor of labor rights provisions in trade legislation. Free traders on one side, and hard-line protectionists on the other, see "products, not people," as the main element of international trade, adds Pease. "One side wants products going anywhere and everywhere, regardless of conditions where they are produced; the other wants all products stopped at the border. We're trying to shift the debate, putting people back into the trade equation in a way that will give workers confidence in an open trading system."

Pease and several other members of Congress, along with many union, church, and human rights groups, are moving to create a permanent research and education fund to back up their labor rights campaign. John Cavanagh, a fellow at the Institute for Policy Studies who has coordinated an informal labor rights "working group," says the new, fully-staffed International Labor Rights Education and Research Fund will monitor, and, where necessary, push enforcement of existing labor rights laws governing trade benefits under the General System of Preferences and the Overseas Private Investment Corporation, as well as any further legislation that might be enacted. He thinks the fund will relate labor rights research to the full range of U.S. trade, investment, taxation, finance, and foreign aid policies, and share information and activities with counterparts in foreign countries.

Amy R. Newell, national Secretary-Treasurer of the United Electrical, Radio and Machine Workers of America says, that "Most people think union members are one-dimensional when it comes to trade: 'Buy American,' and let it go at that. But there's a moral dimension that our members are sensitive to. They are genuinely concerned about labor rights abroad. They don't begrudge foreign workers their jobs or an opportunity to send products here. After all, that door swings both ways. Thousands of our own members produce for export, like General Electric locomotives and Allen-Bradley industrial controls. The point is, all workers should be able to organize and bargain without facing death or prison for their union work."

Last month, a letter was sent to U.S. senators urging labor rights language in a Senate trade bill by five former secretaries of labor, national leaders of Catholic, Protestant, and Jewish organizations, directors of the NAACP and the Urban League, and several national union presidents, including Owen Bieber of the United Auto Workers and Lynn Williams of the United Steel Workers.

In Guatemala, twenty-five top leaders of the national labor federation were hauled away by police in 1981. They were attending a meeting to plan the funeral of a murdered comrade. The twenty-five have not been seen or heard from since. Local union leaders and other political activists are routinely kidnapped and killed by the notorious "secret anti-Communist army." In the last three years, Guatemala has received over $150 million in direct U.S. economic and military aid, as well as nearly $500 million in U.S.-approved loans and grants.

In Taiwan, the right to strike is barred under penalty of death. Minimum wage, hour, and child labor laws exclude from coverage nearly half the entire workforce who toil in firms of less than thirty employees. The Chiang dictatorship appoints and controls official labor leadership.

In South Africa, Amon Msana, a union leader who toured the United States earlier this year to meet American unionists, was immediately arrested and imprisoned on his return to South Africa. Hundreds of other union leaders have been detained, and many are unaccounted for, in the apartheid regime's "state of emergency." Thousands more have been jailed, killed, or driven into exile over the years for their labor activity, including both black and white activists organizing black workers.

In El Salvador, the children of a telephone workers' union leader were kidnapped and tortured earlier this year because of their father's union activity. When the union struck in protest, military troops occupied the work sites to enforce the firing of the entire union leadership. Over the past three years, El Salvador has received almost $1.5 billion in direct economic and military aid from the U.S.

In Thailand, thousands of children between the ages of ten and fourteen labor fifteen hours a day, seven days a week in garment factories. Their parents must pay fees to employers to secure such jobs for the children.

Cynics in the Reagan administration and elsewhere continue to blast the labor rights legislation as "back-door protectionism" which attempts to impose U.S. standards on the rest of the world. They may be onto something. After all, a country where thousands of workers are fired every year for trying to organize a union, and where the full power of the government was brought to destroy a union of air traffic controllers, is ill-positioned to lecture others. But the kinds of abuses by some of our trading partners against which American workers are forced to compete, cry out for correction, regardless of free trade or fair trade ideologies.

Union leaders in this country involved in spreading the word about labor rights proposals to their rank and file members report a genuine enthusiasm: not for the prospect of shutting out foreign products, but for the hope of better pay and working conditions for their foreign counterparts. Of course there is self-interest, too. Higher pay and standards abroad will relieve pressure to undercut American standards in the name of competition. Still, there is an impulse toward solidarity among American workers that can emerge, even in hard times. When
tapped, as in the growing campaign for international labor rights, such a sentiment can lead to new bonds with workers abroad.

With a program of international labor solidarity, unions that represent workers of multinational corporations in different countries can coordinate bargaining, strike support, information exchange, and other activities with one another. Where firms are foreign-based and governments suppress labor, U.S. unions can use labor rights laws to challenge our own government to make foreign aid and trading rights contingent on those countries' recognition of organizing and bargaining rights for their workers.

Only a massive effort at worker-to-worker contact and union-to-union cooperation can overcome the pressures in a capitalist trading system that push workers toward cutthroat competition with one another. United behind an international labor rights program, working people can press their governments for full employment policies, controls on multinational corporations, expanded trade union rights, protection against plant shutdowns and runaway shops, and other steps to improve working and living conditions around the world. Isolated in protectionist huddles, American workers can accomplish none of those goals. The cynics might be surprised at the solidarity that could result were U.S. unions able to fashion a common trade union program with the genuine, unfettered labor movements of our foreign trading partners.

**FIDELITY, FAIRNESS, & THEOLOGICAL RESPONSIBILITY**

**On dissent in the church**

CHARLES E. CURRAN

Serious theological positions are not very adequately conveyed in wire-service news reports or live TV interviews. Yet that is the way many people have formed their opinions on the Curran controversy. Last May, before the final decision by the Congregation for the Doctrine of the Faith, Father Curran examined his case in an address to the College Theology Society. Commonweal is reprinting major portions of this text (which also appeared in the July 31 issue of the NC documentary service Origins) so that readers can have fuller access both to Curran's position and his style of thought. A final, revised version of this text is to appear in the Proceedings of the College Theology Society.

In the fall of 1985 I agreed to give this plenary session. Since that time there has been some water over the dam. The Vatican Congregation for the Doctrine of the Faith has urged me to “reconsider and to retract those positions which violate the conditions for a professor to be called a Catholic theologian.” According to Cardinal Ratzinger, the prefect of the congregation, there is an inherent contradiction if “one who is to teach in the name of the church in fact denies her teaching.” . . .

From the very beginning I am conscious of my own prejudices and biases. This paper is presented from my own perspective and therefore is bound to serve as an apologist or defense of my position. However, at the same time I have the broader intention of using this case to raise up the important issues which the theological community, the hierarchical teaching office in the Roman Catholic church and the total people of God need to address. . . .

The general context for the entire case is that of the Roman Catholic church and Catholic theology. I have made it very clear that I am a believing Catholic and intend to do Catholic theology. Despite my intentions, I still might be wrong; but I maintain that my positions are totally acceptable for a Catholic theologian who is a believing Roman Catholic.

The mission of the entire church is to be faithful to the word and work of Jesus. God's revelation has been handed over and entrusted to the church, which faithfully hands this down from generation to generation through the assistance of the Holy Spirit. Roman Catholicism recognizes that revelation was closed at the end of apostolic times, but revelation itself develops and is understood in the light of the different historical and cultural circumstances of the hearers and doers of the Word. . . . The early councils of the fourth, fifth, and subsequent centuries illustrate how in matters touching the very heart of faith — the understanding of God and of Jesus Christ — the living church felt the need to go beyond the words of the Scripture, to understand better and more adequately the revelation of God. . . . Fidelity to the tradition does not mean merely repeating the very words of the Scripture or of older church teaching. The Christian tradition is a living tradition, and fidelity involves a creative fidelity which seeks to preserve in its own time and place the incarnational principle. Creative fidelity is the task of the church in bearing witness to the word and work of Jesus.

12 September 1986: 461