

# **Immigrant Workers Are Our Allies, Not Our Enemies**

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First of all let me express my thanks to Don Ellenberger and the Center to Protect Workers Rights for the opportunity to be here today with you at this important conference in Tijuana, Mexico. I salute your interest and willingness to see how things look like “from the other side of the border,” and I think this is an important step forward for the American labor movement.

I would like to talk about three things in the next 30 minutes: (1) how the global economy functions; (2) how the global economy impacts us as workers and unionists in the U.S.; and (3) what we can do about it.

## The Global Economy

As you may know, 51 of the 100 largest economies in the world today are not countries but transnational corporations.

The 500 largest transnational corporations control 70% of world trade; 1/3rd of all manufacturing exports; 3/4ths of all commodities trade; and 4/5ths of all technical and management services. These transnationals control 2/3rds of all capital used for economic development in the developing world.

The global economy has shifted in a fundamental way from production in relatively “well regulated,” high wage, often unionized workplaces in the developed world to basically unregulated, very low wage, non-union workplaces in the developing world. All these workplaces are competing with one another to offer the transnationals the lowest production costs and the maximum competitive advantage.

Much of the world’s consumer goods are made in long, long production chains that start with the international brands that sell the products, to contractors, to subcontractors, to brokers and agents, to industrial homework in workers own homes.

For example, Nike produces goods in more than 600 factories in some 50 countries around the world, employing 600,000 workers. But none of those workers actually work for Nike. The Disney company sells goods from more than 20,000 factories around the world, but not a single worker in any of those plants works for Disney.

The U.S. is the world's marketplace, but 100% of televisions, 80% of other electronic goods, 75% of toys, and 2/3rds of the \$180 billion worth of clothing sold in the U.S. are all made outside of the United States.

But all this economic activity in the developing world has *not* resulted in increased wealth for workers, the famous "rising tide" has not "lifted all boats."

Today 40% of the world's population – some 3 billion people – lives on less than \$2 a day. 1.3 billion people live on less than \$1 a day.

The number of "least developed" countries – that is countries with a per capita income of less than \$75 a month – has doubled in the last twenty years: from 25 countries in 1979 to 49 countries in 2000. 80 countries around the world have seen a per capita decline in the 10-year period of 1992-2002.

All these figures and trends remain essentially unchanged in August 2005.

Moving from the population level to individual workers, the picture is no better. According to the International Labor Organization:

- more than 246 million children ages 5 to 14 are working full or part-time around the world;
- there are more than 150 immigrant or migrant workers (40 million in China alone) who are working outside of their country or their home region;
- more than 30 million workers toil in formal "export processing zones" – such as the maquiladoras here in Mexico – where their rights are partially or completely abridged by law as a concession to the transnationals.

Uncounted millions of workers in both the developing and developed economies work as temporary, "contingent" or "perma-temp" workers with few or no benefits beyond low wages.

The key characteristics of the global economy, then, are a ferocious competition between employers to find and fully exploit the lowest possible production costs; and millions of workers in crushing poverty and so desperate for jobs that they simply cannot refuse work of any kind – no matter how dangerous or unhealthy.

But, alas, there's more to put into the calculus:

With economic power comes political power for the transnational corporations. For example, Wal-Mart had sales revenues of \$254 billion in 2004 – this gross income was more than the combined government budgets of Russia and India together.

The transnationals, through their economic power, also have the political power to:

- control or dominate political parties (as they clearly do in the United States and Mexico);
- control or dominate local, regional and national governments;
- write the laws and regulations through their politicians and lobbyists;
- prevent new laws and regulations from being passed, especially in the areas of environmental and occupational health;
- obstruct the enforcement of existing regulations, such as workplace safety protections; and
- demand and receive subsidies, exemptions and all manner of favors from governments at all levels.

One key way that the transnationals exercise their power is through trade and investment treaties, such as NAFTA, CAFTA, FTAA and the WTO. Actually these treaties have little to do with trade, and everything to do with “locking in” the new rules of the global economy where the transnationals win and everyone else loses.

The real-world record of the North American Free Trade Agreement (NAFTA) shows this very clearly.

The NAFTA winners have been the U.S.-based transnationals. Exports from low-wage Mexico and foreign direct investment into no-regulation and services-subsidized Mexico have both tripled since 1994. The labor productivity of Mexican workers has increased by 45% in the same period, while real wages have declined over 25% since NAFTA went into effect.

The NAFTA losers have been the workers and family farmers of the U.S. and Mexico. At least 800,000 jobs have been lost in the United States, according to the U.S. government’s own statistics, with entire communities devastated with mass layoffs and plant closures. Only a very small percentage of laid-off workers have been able to find jobs with wages and benefits equal to what they lost. These workers, their families and their communities have suffered a tremendous decline in their standard of living, through no fault of their own.

As bad as NAFTA has been for working people in the U.S., it has been a complete catastrophe for Mexican workers and farmers.

In the Mexican countryside, more than 1.5 million farmers have been driven off their land by heavily subsidized U.S. corn and other agricultural products. In the last decade, corn imports in Mexican have risen from 2.7 to 6.1 million metric tons, and the price of corn has dropped by 70%. Family farmers have been driven off the land by starvation.

Tens of thousands of small businesses in Mexico – such as the once thriving toy industry – have been driven out of business by competition from U.S. manufacturers or U.S. brands retailing products made in even-lower-wage Asian workplaces.

Workers and farmers have flooded the Mexican “informal” sector – which now accounts for 30-60% of the economically active population – where they have no formal wages or benefits whatsoever. Or they have looked for work in the U.S.-owned and -operated maquiladoras – which pay \$1 an hour wages. Or they have headed north across the border to do whatever work they can find.

Some surveys indicate that there are about 10 million Mexicans living and working in the United States – almost 10% of the country’s population, or the equivalent of 28 million Americans crossing the border into Canada.

Overall, NAFTA has brought increased poverty to Mexico – despite all the pretty promises to the contrary. Of the 105 million Mexicans living in Mexico, 54 million are living poverty (under \$3 a day in income), while 13 million are in “extreme poverty” (less than \$1 a day).

In December 2002 the Mexican government itself reported that 75% of the economically active population had incomes less than what was needed for the basic necessities of life. Today – 11.5 years after NAFTA – 19 million more Mexicans live in poverty than in 1994.

Mexico’s national sovereignty has also been eroded by NAFTA under the famous “Chapter 11” provisions which allow transnational corporations to sue countries for “lost profits” if the corporations decide that health-protective regulations prevent them from “making a profit.” Forty-two lawsuits have been filed by transnationals under NAFTA’s Chapter 11, and Mexico has already had to pay \$16.7 million to a U.S. corporation whose hazardous waste dump in Mexico was closed for environmental reasons.

One of the inescapable byproducts of the new global economy and its trade rules are, as we have discussed today, massive immigration. The case of Mexico is quite clear: millions of farmers driven off the land, increased unemployment in the cities, deepening poverty throughout Mexico. The only place for starving people to go is wherever there are jobs – and that means to the U.S.

It’s worth thinking about what we – you and I – what would we do in these circumstances? I think we would do just the same as Mexican workers and farmers have done – we would come north looking for whatever work we could find to keep our families and communities alive.

Immigration has become essential for Mexico’s survival. In 2004 the “remittances” – or money sent by immigrant workers in the U.S. to their families in Mexico – amounted to \$16 billion. Remittances are now the second greatest source of foreign income for the country – second only to oil sales and ahead of tourism and the maquiladoras for Mexico. Without these remittances, Mexican families would not survive, their towns and communities would not survive, and the country would be even poorer than it is now.

This set of circumstances is a direct result of the global order established by the transnational corporations and managed through agreements like NAFTA, the World Trade Organization (WTO), and the proposed Free Trade Area of the Americas (FTAA).

Two weeks ago the U.S. Congress approved CAFTA – the Central American Free Trade Agreement. CAFTA means more of the same for workers and farmers in Central America and more immigration to the U.S., despite all the lying, sales propaganda for the treaty.

Farmers in Central America are even more vulnerable than Mexican farmers to massive imports of subsidized agricultural products from the U.S. and more will be driven off their lands. Small businesses in Central America are weaker than Mexico's were, and more susceptible to crushing competition from U.S. transnationals and their low-wage producers in global supply chains.

The “investor protection” provisions of NAFTA's Chapter 11 have actually been strengthened in CAFTA. This means the extended “patent protection” provisions of CAFTA will raise the drug costs for the region's 275,000 AIDS patients from \$216 a year to \$4,900 a year. CAFTA is literally a death sentence for these quarter-million Central Americans.

Environmental and occupational health will pay a heavy cost as well. The Texas-based Harken Energy company has announced it will sue Costa Rica for \$58 billion (more than the country's entire gross national product) if it is not allowed to begin offshore oil drilling in protected waters designated by the United Nations as a “World Heritage Site.”

CAFTA will bring more and deeper poverty to Central America and increased immigration north as starving people look for a way out. Still on the horizon, in terms of trade and investment treaties, are the FTAA, dozens of bilateral treaties between the U.S. and individual countries, and the proposed “world trade rules” of the WTO.

So the background to our discussion here in Tijuana about workplace safety and the global economy is a panorama of an accelerating “race to the bottom” in wages and working conditions; rampaging transnational corporations maximizing their economic and political power; and vulnerable workers their communities trying to survive.

### Impact on us and the U.S.

The impact of this global economy on working people in the United States is three-fold:

- (1) An increased competition between all workers for jobs, both laid-off domestic workers and immigrant workers, all desperate to support their families;
- (2) An increased competition between cities and regions to provide concessions, subsidies and tax breaks in response to the “economic blackmail” of corporations; and

- (3) An accelerated “race to the bottom” from competitive pressures on wages and working conditions, and ongoing corporate assaults on meaningful government enforcement of health-protective regulations.

These impacts have been felt not just in the manufacturing and service industries, but also they have and will impact the construction industry.

An ever-larger, non-union, more desperate labor pool looking for construction jobs of all types will mean lower wages and longer hours for all construction workers. It will lead to increased “flexibility” in job assignments and production speed-ups on the job.

The economy-wide corporate assault on workplace health protections will also impact construction workers. There will be weaker enforcement of existing regulations – the four “OSHA reform” bills recently passed in the House of Representatives are a good example of this – and gutting the effectiveness of regulatory agencies through under-funding and under-staffing. The corporate campaign to prevent any new regulations will mean that the extensive exemptions for construction work sites will continue to exist for the foreseeable future.

The global corporate assault on the role of the government to set a floor of workplace protections for workers, and any social protections for those on the margins of society, will result in deepening “privatizations” of government services, including public works. Some analysts and “free-trade” promoters have predicted the end of public works and the end of any “prevailing wage” protections on construction projects under proposed treaties and WTO trade rules.

Generally speaking, we are returning to the 19<sup>th</sup> century’s “savage capitalism.” There will be no “safe harbors” anywhere in the global economy. If the hurricane has not struck you yet, it’s on its way to the construction industry, and soon, very soon.

### What Can We Do About This?

If we understand what the global economy is all about, and its inescapable byproducts of increased poverty and migration of working people worldwide, then we know that there are no “magic bullets” to solve our problems tomorrow.

But I do have four suggestions for what we as unionists, as working people, and as health and safety activists can do: education; organizing; solidarity and political action.

First is education, of ourselves and of our peers. This includes education on technical matters such as workplace hazards, control strategies and effective teaching techniques so we can transmit this information to others, and they to many more people. These topics are exactly what you have come to San Diego and Tijuana for these three days.

There is a second kind of education, also essential, which is fundamentally political in nature. This is education about what workers' rights are and how they can meaningfully exercise these rights; and also to understand the global context of occupational safety and health and what impacts it.

Second, we must organize because there is nothing weaker than individuals struggling alone, especially in the global context we have been talking about today. As the construction labor pool gets bigger – through national layoffs and foreign immigration – then the unions must grow because that's the only way we can protect ourselves on the job.

There is actually every reason to be confident about the possibilities of expanding the unions. Several recent polls have show that 40-50% of those polled would join a union tomorrow if given the opportunity, and if there would be no employer reprisals.

Many of the immigrant workers coming to the U.S. – especially those from Central America – have had extensive union experience at home, and in an atmosphere where union activism can result in your death. So these workers represent a great potential resource for U.S unions.

Moreover, the cold, hard reality of the global “savage capitalism” will be the greatest recruiter for unions offering real protections for workers. Health and safety issues have long been recognized as one key way to organize workers in their own defense. It is increasingly recognized and documented that there is a positive “union effect” on workplace health and safety when there is a union on the job.

In fact, one of the most important health and safety measures in any workplace is to have informed and active workers as part of a member-controlled union on site.

Third, solidarity among all working people in the global economy, and especially among all of us working in the United States, is essential. This will be a challenge for us in the U.S. because of all the recent efforts to scapegoat immigrant workers and to have us believe that “it's the lousy Mexican and Chinese workers who are stealing our jobs.”

But it is absolutely crucial that we overcome that corporation-absolving approach. Our future depends on us seeing Mexican or Chinese workers – in the U.S. or in their countries – as “fellow workers” with the same problems and goals as us; fellow workers with the same employers and the same enemies as us; fellow workers with the same dreams for themselves and their families as us; and fellow workers with the same future as us.

In the global economy of today, we either hang together, or we will hang separately. We are in the same boat with these workers, no matter what language, what culture, what country. This is our future.

Finally, we need to take effective and strategic political action.

Now, more than ever, it is clear that most of obstacles to safe and healthful workplaces are not really technical problems, but rather political and economic issues. So we need political action to address and correct these real obstacles to protecting workers' health and safety on the job.

Nationally, we need political action to defend existing regulations, to expand these to include newly recognized hazards, and to ensure that all workers are covered – including construction workers and those without immigration papers. We also need political action to ensure that the regulations are actually implemented by the employers, strongly encouraged by effective enforcement agencies.

Ideally what we need are:

- adequate regulations covering all workers;
- adequate enforcement by government agencies that have the political will; and the human, financial and technical resources necessary to be effective;
- workplaces where the employer also has the political will and mobilizes the resources required to protect workers; and
- workplaces where workers are informed of the hazards they face, the controls available and their rights under the law; and they have the capacity to speak and act on their own behalf.

This is what we need, but these are not “technical issues” but rather political action goals.

Internationally, because we live in a global economy, we need all of the above plus the understanding that the conditions in the developing world have a direct on the wages and working conditions in the United States. If the transnational can be made to protect workers' health and safety in Mexico or China, then we will have a much easier time to protecting our own health and safety here in the U.S.

This means recognizing that the real obstacles to safe workplaces in the developing world are also not strictly “technical,” but also political and economic.

The biggest threat to workplace safety in the developing world is the unpayable (actually already paid many times over) foreign debts owed by countries like Mexico, which makes promulgation and enforcement of occupational health regulations economic suicide and a political impossibility.

Mexico has a foreign debt of \$160 billion and has to pay more than \$11 billion a year just on the interest. Mexico is completely dependent on foreign investment to pay this debt to primarily U.S. banks, so any policy that “discourages foreign investment” – such as actual enforcement of workplace safety laws – is impossible. No matter how much Mexico wants to protect its own workers – it simply cannot survive if it does.



So political action to cancel the crushing foreign debts in Mexico, Central and South America, Asia and Africa must be one of our goals.

Likewise political action to mobilize the financial, human and technical resources needed to actually implement workplace safety in the countries where the world's new factory floors are now located is also key. These resources should come, first and foremost, from the transnationals reaping huge profits from these workplaces, but can also be raised from international bodies, governments in the developed world, and non-governmental organizations as well.

Finally, political action is needed to mobilize solidarity for workers in action in developing world who defending their right – and our right – to a safe and healthful workplace. This solidarity is especially needed for workers in our own industries, such as construction, and most of all for workers working for the same transnational employers as us.

So as crazy as it may sound, in today's global economy:

- foreign debt is a health and safety issue;
- trade treaties are a health and safety issues;
- immigrant rights are a health and safety issue;
- union rights are a health and safety issue.

We live in an increasingly brutal 19<sup>th</sup> century economy of savage capitalism, dominated by transnational corporations who roam the world looking for the most vulnerable workers and the most compliant governments. They succeed by playing countries off against one another and by pitting workers against one another as well. This economy affects not just workers in manufacturing and service industries, but has and will affect construction workers everywhere.

I cannot promise you any immediate solutions, but the way forward for all of us is to be found in education, organizing, solidarity and political action.

Thank you for your time and good luck with the conference.

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