

Talking About Trade with Solidarity

Donald Trump promised to stop the Trans-Pacific Partnership (TPP) and end unfair trade deals. Then one of his first acts as President was to pull the US out of TPP negotiations! A few months later, his administration launched a renegotiation of NAFTA.

At first glance, this is a victory for workers in the US, Canada and our trading partner countries. The evidence is clear: trade deals have hurt workers in all countries, giving employers more power to move jobs and investments across borders and drive down wages and working conditions. For decades, unions have been calling for “fair trade” rather than “free trade.”

The Real Problem with Trade Agreements

While we’ve seen a dramatic decline in living wage manufacturing jobs, it isn’t just because of trade. Employers have moved many good jobs from one part of the US to another (from the higher wage, unionized North and Midwest to the low-wage, non-union South). Some unions have agreed to “two-tier contracts” that allow employers to pay lower wages to new employees or subcontracted and temp workers. The decline of manufacturing wages has occurred in part because of larger trends that impact most workers in the US: weak enforcement of labor law, rise in union-busting and the growing power of the financial sector.

Global competition does matter, as do trade agreements. One of the most dangerous elements is the Investor-State Dispute Settlement (ISDS) mechanism that allows corporations to sue governments that impede their ability to earn profit. For example, if Mexico passes a strong environmental law, a US corporation could sue Mexico for lost future

profits. Trade agreements enhance the power of corporations at the expense of average citizens. This means our partner countries cannot improve their laws—such as raise the minimum wage or strengthen union protections—without a potential lawsuit from multinational corporations. This hurts workers in Mexico, Canada and the US.

Better Solutions

But stopping trade won’t necessarily bring jobs back. Even if some manufacturing does return, employers will likely increase automation, resulting in far fewer jobs than once existed. Trump speaks as if trade is a win/lose game: either Mexican workers have jobs or US workers have them. But pitting workers against one another like this will always mean workers on both sides of the border lose. The only real winners in this game are the employers. Unions lose when we fall into the trap of thinking workers in other countries are enemies.

Unions also lose when we allow politicians to blame budget deficits and government spending for our economic problems. Rather than raising taxes on corporations and wealthy individuals, politicians promise to cut federal programs and employment—a practice known as “austerity.” But even conservative economists now realize that austerity only stalls economic growth further, and is terrible for workers.

We can oppose bad trade deals and austerity while developing solutions to job creation. The key to healthy job growth includes policies that help convert tens of millions of existing “bad jobs” into “good

jobs,” as well as steps to stimulate growth and nurture innovation. Rather than cutting government spending, we need to increase investment in our future. This

includes:

- public investment in infrastructure, publicly funded and built by union labor
- enforcing labor and employment laws
- raising the minimum wage
- establishing universal health care
- investment in affordable and accessible education—pre-school through college
- regulating the financial sector
- public investment in research and development

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Showing Off Solidarity

In difficult times unions must remain united across borders. Instead of “Buy American,” let’s start saying, “Buy Union.” We are all better off when there are good jobs on both sides of any border.

In early 2017, a number of unions and organizations from the US, Canada and Mexico met to develop a list of demands for a more fair NAFTA. You can read their declaration online. It includes: “Since the implementation of NAFTA in 1994, it is the working people, communities and the environment in all three countries who have suffered, while wealthy investors, big corporations and their executives have reaped more profits and acquired more rights and power. That power has had a negative effect on our democracies.” You can read the whole statement at www.alainet.org/en/articulo/185853.

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