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# The New Colonialism

**Selling Free Trade** 

by CARL FINAMORE

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A glorious feature of our world, poets and artists remind us, is the bountiful array of different shades, colors and hues of the human race. Our differences are truly worth celebrating. How dull and boring to all be of the same spirit.

"To such an extent does nature delight and abound in variety," Leonardo da Vinci poetically acclaimed 500 years ago.

Alas, in our time, the great Renaissance master would be greatly dismayed to discover, it is giant corporations and uber-rich investors that abound and it is where varieties and differences among us are enjoyed only to the extent that they can be exploited.

This is vividly displayed in the Free Trade discussions now being choreographed in Washington by President Barack Obama.

Behind all the false rhetoric of the Trans Pacific Partnership (TPP), there are substantial differences in our world that U.S. corporations are very eager to take advantage of – their greater access to capital, their more advanced technology, their vast marketing networks and their globally integrated distribution chains.

Very impressive differences, indeed, but what really whets the appetite of investors most are the wide variety of labor costs across borders.

This is very essence of underdevelopment, the haunting legacy of colonialism and imperialism, and where 2.2 billion people lived on less than US \$2 a day in 2011.

And, it is they who have been targeted for even further exploitation. Free Trade is, in fact, the new colonialism.

Dreadful social conditions, exacerbated by grotesquely underpaid labor, provides fertile ground for industrialized countries to expand tenfold their other superior assets. It is, therefore, totally appropriate and commendable to add international labor standards to Free Trade agreements as many "Fair Trade" activists advocate.

For example, opposing Free Trade agreements that contribute to the plunder of the earth's resources, that profit from extreme poverty and that benefit from violations of basic rights of workers to organize and bargain.

But even more can be done, much more, including proposing a whole new way of looking at international trade—it is a concept I will term "Equal Trade."

#### **Different Values of Human Labor**

Do millions of foreign workers making commodities for Walmart, circuits for Apple and shoes for Nike have less value than production workers in the U.S.?

How about Mexican manufacturing workers making auto parts for General Motors or textile workers in Bangladesh, China, Taiwan, Indonesia, India and Vietnam, is the time and labor of these workers less valuable than the time and labor of auto and textile workers in the U.S.?

Yes and No.

Workers do, in fact, have different exchange values on the capitalist competitive world market when measured by variances in their customary living standards, productivity and wages and benefits.

But, their labor time when measured as the value of a human being, their social worth so to speak, is absolutely the same – of equal value.

As a result, workers should not be economically penalized or socially stigmatized because of their lower productivity which, itself, is almost exclusively a matter of less technology and not at all about being lazy or taking too many lunch breaks.

On the contrary, as stated earlier, underdevelopment is the disturbing consequence of colonialism and imperialism, further acerbated by today's increased monopolization of technology and concentration of capital in the advanced industrialized countries.

Thus, both our reform demands on Free Trade, and our separate and independent vision of genuinely Equal Trade, should aim to eliminate the historically repugnant distinction between "inherent market value of labor" and "intrinsic, individual social worth."

## **Exporting Solidarity**

We should, therefore, not only add International Labor Organization (ILO) standards to any Trade Agreements but we should also incorporate borrowed language from the Davis—Bacon Act of 1931, a U.S. Federal Law that requires paying local prevailing wages, the average wage in the area, on federal public works projects for laborers and mechanics.

Similar "prevailing wage" laws have been passed through the years by state and local governments and the same requirement has even been expanded beyond construction jobs to all foreign workers with work visas, regardless of their industry or job classification.

For example, U.S. guest workers must be offered wage and benefit payments consistent with the local area's economy for their particular job.

Thus, the argument goes, the hiring of a foreign worker should not adversely affect the wages and working conditions of U.S. workers comparably employed.

However, this leaves untouched unfair competition with workers overseas whose lower wages and benefits definitely puts downward pressures on the living standards of U.S. workers.

"Bad trade agreements that do not have worker protections" Karl Kramer, campaign co-director of the San Francisco Living Wage Coalition, told me, "and rely on moving manufacturing and production to low-wage areas of the world are causing a vicious spiral to the bottom, without a safety net for those displaced from their livelihoods."

And, it is precisely these outsourcing threats Kramer describes that are regularly aimed at U.S. workers who chafe at continuous pressures to lower working conditions, wages and benefits.

For example, while it is widely disputed just how many job losses result directly from the NAFTA free trade agreement enacted 22 years ago, it is indisputable that since, over five million manufacturing U.S. jobs have been lost and 57,000 plants closed.

A very unsettling statistic, to say the least.

### **Prevailing Wage for All Workers**

In any case, elementary international labor solidarity requires struggling to raise the living conditions of working people everywhere, thus eliminating being used as competing pawns on the global investors' chess board.

I would, therefore, suggest incorporating "prevailing wage" language into all trade agreements stipulating, for example, "that workers in all forms of production within the various countries targeted for investment by U.S. companies must meet the comparable prevailing wages and benefits of similar production in the U.S., where the investments originated."

This would eliminate a major incentive to offshore jobs by exploiting as a competitive advantage the vastly lower wages and benefit of workers in foreign countries.

One would hope American workers threatened with displacement would see the mutual benefits of this international solidarity proposal.

By the same token, U.S. export traders should not continue to enjoy their enormous competitive edge over poorer countries who have inferior technology, little or no financial support from their government and far less access to private capital.

Local producers, including small famers, in countries that face a surge of U.S. exports should have access to comparable amounts of capital, state subsidies and technology as American exporters in exchange for a requirement that business entities would pay prevailing wages comparable to those in the U.S. and that they would allow for full labor rights to organize and bargain.

This would, again, level the playing field, reduce trading advantages due to poverty and allow the axis of trade to be focused on the actual use value and quality of the product and not on the uneven exchange rate due to exploitation.

It would also allow for products more natural to local areas to be produced closer to home, eliminating wasteful added labor of exporting from developed countries hundreds or thousands of miles away.

This is the case in Mexico where the domestic corn crop has been eviscerated by the massive flooding into their market of U.S. government-subsidized corn. It has been blamed for the displacement of two million campesinos over the last two decades who had been the crop's main producers for centuries.

"It's been roughly a tripling, quadrupling, quintupling of U.S. corn exports to Mexico, depending on the year," said Timothy A. Wise, the director of research and policy at the Global Development and Environment Institute at Tufts University.

#### A Revolution in Trade

Demanding a level playing field of all working people across the globe that would in essence "export" the wage and benefit standards of U.S. workers is certainly a far more effective and decent expression of international solidarity than the AFL-CIO chauvinistic, frequently racist and continually futile, politically bankrupt "Buy American" campaign.

Yet, obviously, Equal Trade is a very radical proposal with enormous obstacles in its path while the economy remains in private hands.

For sure, the idea projects a vision of a new society where a world community of peoples acting together replaces the corporate, competitive world of nation states in which we currently live.

But, is that not worth thinking about? After all, it's not only the poets who should think about reshaping our world.