

“Why Immigrant Workers Are Coming to the U.S., and How We Can and Need to Work Together”

Luncheon speech by Garrett Brown

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First of all, let me thank the organizers of this important conference for their kind invitation to speak with you today. This conference is a great leap forward for the labor movement and I wish you every success in discussing one of the key issues of our times.

What I would like to do for the next 20 minutes is to talk about three things: 1) how the global economy works; 2) why immigrant workers are coming to this country, especially from Mexico and Central America; and 3) what we as union organizers and health and safety activists can do to work together with immigrant workers for the good of all.

The Global Economy

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

The 500 largest transnationals control 70% of world trade, one-third of all manufacturing exports, three-fourths of all commodities trade, and four-fifths of all technical and management services. These transnationals control two-thirds of capital used for economic development in the developing world.

There has been a profound shift in global manufacturing over the last two decades. Production of goods, especially consumer goods, in the global economy has shifted from relatively “well regulated,” high wage and often unionized workplaces in the developed world to basically unregulated, very low wage, and non-union workplaces in the developing world.

All of these workplaces are now competing with one another to offer transnational corporations the lowest production costs and the maximum competitive advantage.

So almost all of the consumer goods we buy today come from long, long production chains that start with the international “brand” retailer that sells them, to contract factory operators, to sub-contractors, to brokers and agents, and to industrial homework in workers’ houses.

Today 100% of television, 80% of other electronics, 75% of toys, and two-thirds of the \$180 billion worth of clothes sold in the United States are made outside of the U.S. But it

is key to understand that this is the result of deliberate corporate policy – 50% of all U.S.-owned manufacturing is done outside the U.S. to exploit low wages in other parts of the world.

More than 40% of all “imports” from Mexico and 55% of all “imports” from China are nothing more than internal transfers from one division of a U.S.-based transnational corporation to another division. The U.S. transnational buys the raw materials in one country, sends these for processing and assembly in another country, and then ships the product to the U.S. for sale here.

And this worldwide “race to the bottom” in wages and working conditions in manufacturing is bleeding over to other sectors of the global economy. Rapidly increasing amounts of U.S. business services, including “high technology” jobs, are being “outsourced” and “off-shored” to low-wage and no-regulation countries. Almost anything done electronically is now at risk to being transferred to the lowest paid, least protected workforce.

Moreover, corporate policy in economic sectors that cannot be moved – such as construction, building services or food processing – is to “bring the race to the bottom home” by driving down wages, ratcheting up production, and expanding “management prerogatives” in scheduling, job assignments and work procedures.

This “new world order” in the global economy is not only due to changes in technology, but is also due to the “new rules” of the global economy enforced by trade and investment agreements such as the North American Free Trade Agreement (NAFTA), the Central American Free Trade Agreement (CAFTA), and the World Trade Organization (WTO).

We could spend the entire day talking about these agreements and their terrible impact on working people around the world. But the short version is that the goal of these agreements is not really about free trade, but rather it is to “lock in” the new rules in the global economy. These rules – spelled out in the hundreds of pages of text of NAFTA and CAFTA – guarantee the transnational corporations maximum penetration in the countries’ economies, maximum profits and legal protection, maximum exploitation of the countries’ workers, and minimum regulation by and obligation to the countries where they operate.

The inevitable result of this corporate-led globalization – established in the new rules and new forms of economic production – are 1) increased poverty and 2) massive migration.

The global economy today, then, is characterized by a ferocious competition between employers to find and exploit the lowest possible production costs; and by millions of workers in crushing poverty who are so desperate for work that they cannot refuse any work, no matter how dangerous, unsafe and unhealthy.

Why Workers Are Coming Here

The “rising tide” of world trade has not “lifted all boats” as promised.

Forty percent of the world’s population – almost three billion people – lives on less than \$2 a day. 980 million people live on less than \$1 a day. The richest 1% of the world’s population has more wealth than the bottom 57%. The number of “least developed countries” – that is countries with a per capita income of less than \$75 a month – has doubled from 1979 to 2000, from 25 countries to 49 countries. Eighty countries had declines in their per capita income in the ten-year period of 1992 to 2002. In 1960, the world’s richest countries had 16 times the per capita wealth of the poorest countries; in 1999 the richest countries had 35 times the per capita income of the poorest countries, and it is higher still in 2007.

Because of this growing poverty and increased inequality:

- 225 million children, aged 5 to 14, are working full or part time;
- 67 million workers, mostly women workers, toil in “export processing zones,” like Mexican and Central American maquiladoras, with greatly restricted rights or no rights under the law;
- 220-plus million workers are migrants within their own countries, with 190 million workers alone in China working away from their home regions; and
- uncounted millions work in the “informal sector” of developing countries and as “temporary,” “contingent” or “perma-temp” workers in the developed world.

Massive migration for economic reasons is an inescapable part of corporate-led globalization and is, in fact, a global phenomenon, not just something affecting the United States.

The International Labor Organization estimates that there are at least 120 million workers outside their home countries with different legal status around the world: 34 million immigrant workers in the United States, 30 million immigrant workers in Europe, 12 million immigrant workers in Central and South America, 9 million immigrant workers in the Mideast, and 7 million immigrant workers in South and East Asia.

The ILO estimates that 10-15% of these immigrant workers around the world are “illegal,” “undocumented,” or with what the United Nations now calls “irregular status.” This includes some 12-15 million workers in the United States and 3.5-5 million workers in Europe.

But there are also some 1.5 million “illegal” or “undocumented” workers in Malaysia (mostly Indonesians and Philipinos); 800,000 undocumented workers in Argentina (mostly Bolivians and Paraguayans); and 500,000 undocumented workers in Thailand (mostly Burmese and Cambodians).

Immigrant workers, with or without immigration papers, play essential roles in the national economies where they work. For example, in the United Arab Emirates, literally all 500,000 construction workers in the country are immigrant workers, with 50% of these workers coming from the Indian subcontinent.

These UAE construction workers, like immigrant workers elsewhere, are super-exploited. The average monthly pay of these immigrant construction workers is \$175, while the per capita monthly pay for UAE citizens is \$2,100.

The primary goal of immigrant workers all over the world is to send money home. The “remittances” from immigrant workers to their home countries in 2006 amounted to over \$100 billion. This total was far more than the official development assistance provided by developed countries; larger than the export incomes of many home countries; and greater than the private investment received by the home countries.

Remittances from immigrant workers represent a very significant percentage of many developing countries gross domestic product (GDP). The survival of entire communities, individual families, and even the countries they live in, are dependent on remittances from immigrants working outside their home countries.

The Case of Mexico and Central America

Everyone here is no doubt familiar with NAFTA’s impact in the United States – 800,000 to 1 million lost jobs (according to the government’s own statistics), entire communities devastated by plant closures and mass layoffs, and workers’ new jobs (if found) providing much lower wages and benefits than their previous jobs.

As bad as NAFTA has been for workers in the United States, it has been a complete catastrophe for Mexican working people.

In the Mexican countryside, 2 million farmers have been driven off the land by subsidized U.S. imports. Imports of U.S. corn have increased from 2.7 to 6.1 million metric tons over the last 10 years, while the price of corn for Mexican farmers has dropped by 70%. Starvation has literally emptied out rural villages of everyone but the old and very young.

For Mexican workers, their productivity has increased 45% since NAFTA went into effect in 1994, but their real wages have dropped by 22% over the same period. In 1975, the average Mexican wage was 23% of the average U.S. manufacturing wage, but by 2002, Mexican wages were only 12% of the average U.S. wage. For many immigrant workers, one hour of the California minimum wage is more money than they make for an entire day in Mexico.

Young people in Mexico – who make up a large portion of the immigrant workers in the U.S. – have it particularly bad. The Bank of Mexico has reported that one million new jobs are needed every year for young people entering the job market for the first time –

but only 500,000 to 600,000 jobs a year have been created over the last decade. For 2007, the Bank said 1.1 million new jobs are needed, but only 615,000 jobs were expected to be created. This means that there will be no jobs whatever for 400,000 young people coming into the workforce in Mexico this year.

Taken altogether, the economic status in Mexico has led to deepening poverty. Of the 110 million people in Mexico, some 54 million live in poverty with incomes less than \$3 a day, while 13 million Mexicans live in “extreme poverty” on less than \$1 a day. The Mexican government itself has admitted that 82% of the working population has less income than what is need for a “basic subsistence” life.

So today – 13 years after NAFTA went into effect – 19 million more Mexicans are living in poverty than in 1994.

What working class Mexicans face at home are millions being driven off the land, increasing unemployment in the cities, young people with literally no job prospects, and deepening poverty throughout the country. In these circumstances, Mexicans have three choices:

- 1) work in the “informal sector” with no formal wages or benefits and in competition with the 30-60% of the economically active population already there;
- 2) go to work in the maquiladoras on the U.S.-Mexico border for wages of \$1 an hour; or
- 3) come to the U.S., with or without papers, to work whatever jobs they can find.

It’s worth thinking about what we – you and I – what would we do in these circumstances. I think we would also come north looking for work to send money home.

Today about 10% of Mexicans – some 12 million people – live in the U.S. Two-thirds of these immigrants have arrived since NAFTA went into effect in 1994. The remittances they send home are essential for their families and for their communities.

In 2006, Mexican workers sent \$23.5 billion home, which was the country’s second biggest source of foreign income after oil. Several states in Mexico depend on remittances for their well being. Remittances represented 15% of the gross domestic product of the state of Michoacan; 9% of the GDP of the state of Oaxaca; and 8% of the GDP of Guerrero and Zacatecas.

In fact, for the states of Michoacan, Oaxaca and Guerrero, remittances by Mexican workers in the U.S. were 50% more than the salary of all workers in the formal sector in those states in 2006.

In the case of Central America, the same set of factors is at play. The five Central American countries have even weaker, more vulnerable economies than Mexico; they

have fewer resources than Mexico; they have even worse poverty levels than Mexico; and CAFTA is even worse than NAFTA.

Taking El Salvador as an example, a full 25% of its population – more than 2.3 million people – live in the United States. The remittances these workers send home are absolutely essential for the country. In 2006, the remittances from workers in the U.S. totaled \$3.3 billion, or 17% of the country's GDP, and 29% of all Salvadoran families receive remittances, including 60% of families in the poorest fifth of the population.

How We Can, and Must, Work Together

Given this panorama, the question is how should the construction unions, and working people in the U.S. as a whole, respond to immigration and immigrant workers.

The first step is to recognize how the construction industry in the United States fits into this global “big picture.” In fact, the “new world order” in construction is the same “race to bottom” we see in manufacturing, services and other sectors of the economy.

Construction employers, like their counterparts else, want to replace good contracts with bad contracts; to replace bad contracts with no contracts; to replace union workers with non-union workers; and to replace workers with citizenship rights with workers without citizenship rights.

Their simple goal is to exploit all workers to the maximum, and take advantage of the most vulnerable, the most desperate, and the most defenseless. They know if they can get away with low wages and bad conditions for workers in Mexico and China, then they will have an easier time of it with workers in the United States. They know if they can get away with low wages and bad conditions for immigrant workers in the U.S., then they will have an easier time of it with native-born workers.

How to fight this employer plan is exactly the goal of this conference. Based on what I heard in the morning sessions, there are four clear themes of how we need to respond: education, organizing, solidarity and political action.

You all – not me – are the experts here because you are the ones doing the education with workers, organizing on the work sites, and doing the political work in your states and nationally. But please allow me to chime in on the theme of solidarity.

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.

Conclusion

I would like to conclude with the words of an international labor leader who lives and breathes globalization, poverty and migration. If you think you have a tough job – be glad that you are not Neal Kearney. Kearney is an Irishman who is head of the International Textile, Garment, and Leather Workers Federation. In short, he is in charge of organizing workers in the worst sweatshops in the global economy.

The ITLWF has some 10 million members in 220 unions in 110 countries. But there are millions and millions more garment and footwear workers, the vast majority of whom are migrant or immigrant workers, and all of whom are competing against one another in the fastest race to the bottom on the planet.

Based on his 25 years experience, Kearney summed up the immigrant labor issue in January of this year thusly:

“The full integration of immigrant workers into the host community is vitally important. The workplace is one of the key areas of reception and thus a fundamental component of integration. Employment offered should match skills and immigrant workers should have equality in wages, conditions of work, rights and opportunities.

“Trade unions need to do more to ensure the integration of immigrant workers. They should recruit them into membership, include them in union activities and governance, and insist on their full equality. Much would be gained from exchanges of union officers between the sending and receiving countries.

“It is worth recalling that the need for representation of and support for migrant workers in Europe more than a hundred years ago provided the stimulus for the creation of global unions in the textile, clothing and footwear industries.

“A worker is a worker regardless of origin and should be treated as such,” Kearney proclaimed.

So my message today is that if we work together, then there’s almost nothing we can’t accomplish. If we allow ourselves to be divided, then we don’t stand a chance.

Let’s work together – all of us who do the work – and together we can build a society worth living in and worth leaving to our children.

Thank you very much.