

Globalization, Infrastructure and the Future of Labor

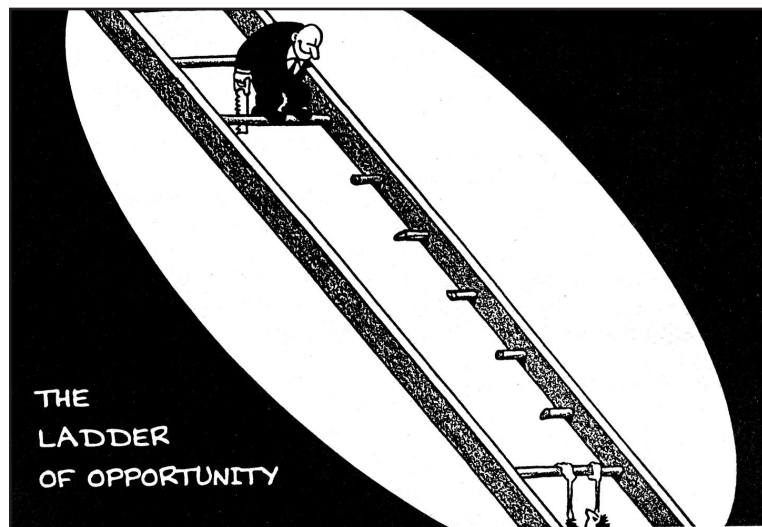
In order to sell infrastructure expansion projects like new mines, highways and power plants to the public, the governments and institutions behind them usually claim that such projects are necessary for “economic growth.” Economic growth, we are told, will make all of our lives better.

But if there has been any bitter lesson learned from more than a decade of the North American Free Trade Agreement (NAFTA), it’s that this is a flat-out lie. While economic growth certainly helps the rich get richer, it often has the exact opposite effect on the average worker.

Labor Standards: A Race to the Bottom

The globalized economy — based on manufacturing products under the cheapest possible conditions and then exporting them to consumer markets around the world — inevitably creates a “race to the bottom” in terms of labor conditions. Manufacturers situate their factories in countries with the fewest labor protections, so that workers work under horrendous and dangerous conditions for only dollars a day. This means a corresponding loss of jobs in countries with rigorous labor laws.

This effect is not accidental, but is in fact a deliberate strategy of corporate globalization. In this economic model, poverty is transformed into an economic asset. This is why the infrastructure megaproject known as the Plan Puebla Panamá (PPP) refers to the crushing poverty of southern Mexico as a “competitive advantage” and calls for the construction of a massive belt of *maquiladoras* (export-oriented sweatshops) in that region. The South American Regional Infrastructure Integration Initiative (IIRSA) likewise encourages the creation of industrial and agricultural zones dependent on cheap labor.



It’s no accident that governments around the world engage in activities designed to make it harder for indigenous people and small farmers to live in self-sustaining communities. *Campesinos* and *campesinas* (subsistence farmers) forced off their land become desperate, low-wage workers, with their land now available for purchase by large corporations.

The globalized economy is based on a colonialist labor dynamic, in which the people of the Third

World are exploited to produce luxuries for the First World. This worker-consumer dynamic remains tragically unchanged since the days in which sugar grown by West Indian slaves and gold mined with forced South American labor were shipped to the markets of Europe.

The Wal-Mart Effect

An import-based, globalized economy favors large corporations over small businesses. Economies of scale allow massive companies to actually save money by situating their manufacturing overseas, an impossibility for smaller businesses. Mass-production favors companies like Wal-Mart, which are able to provide products at much lower prices than their competitors. This leads to a situation in which small businesses go out of business and eventually, the only companies available to work for or buy from are multinational corporations.

As corporate control over our lives increases, the position of the average worker worsens. Corporations have shown that they have no investment in the long-term economic health of communities and that

they view labor protections simply as obstacles to be overcome. While a privileged few may rise high in corporate ranks and reap great financial rewards, the vast majority of corporate employees will remain on the bottom rungs. This is vastly different from an economic model based on small businesses, where more people are able to be their own bosses.

The Role of Infrastructure

The word “infrastructure” describes the physical basis of an economy — the transportation, electrical and communications networks required for the extraction and movement of resources. Specific examples of infrastructure include highways, railways, ports, dams, mines, oil and gas pipelines, power plants, power lines and telecommunications cables. Until this groundwork is laid, industrial production is simply impossible.

Likewise, certain infrastructure is essential to the functioning of a globalized economy. A system dependent on imports is likewise dependent upon transportation infrastructure to move products, telecommunications infrastructure to coordinate this trade, and electric infrastructure to keep the whole thing moving.

But existing infrastructure is simply insufficient for the massive trade volume anticipated from new free trade agreements, increased resource extraction and ever-increasing consumption. That’s why expanding “international trade infrastructure” is one of the top priorities for business and political leaders throughout the Americas.

Prevent this expansion, and we put a squeeze on the whole exploitation-based global economic system.

Long-term Labor Solutions

Governments and industry often claim that infrastructure projects provide benefits to local communities in the form of jobs. But inevitably, such benefits are provided only to small numbers of people for a short period of time — once a road or dam is built, the jobs dry up. This small, short-term benefit hardly

compensates for the wide-scale destruction that such projects cause to those communities, whether it’s the dislocation caused by a highway, the destruction of water supplies from a dam or the degradation of people’s health caused by a mine or power plant.

A better way to guarantee the economic health of communities over the long-term is to shift toward a *local* economic model. In such a model, networks of related communities produce for themselves the food and other goods that they consume. In this way, they are more directly in control of their lives, deciding what products they wish to consume, what local environmental costs they are willing to bear, and what conditions they wish to work under. This would provide true job security: the

security that comes from producing only that which is needed, from being in control of that production, and from keeping that production on a small, local scale.

In this system, it is no longer possible for the costs associated with a product’s manufacture to be forced upon another community. There would be no destructive mining of ore for consumption far away, or chemical plants dumping toxins in a community that would rather have clean drinking water. Since there isn’t much place in such a model for multinational corporations that are based around shipping products over vast distances, local economies would also lessen corporate control over our lives. This vision may seem like a long shot. Indeed, sensing a threat to their continued dominance over our lives, corporations and governments will try to stand in our way. But it’s a vision worth fighting for.

Which brings us back to the primary reason for targeting infrastructure: because it’s a weakness of the system that stands between us and the realization of our dreams.



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