

# Darrell G. Moen, Ph.D.

Promoting Social Justice, Human Rights, and Peace

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## Global Village or Global Pillage?

Narrated by Edward Asner (25 minutes: 1999)

Transcribed by Darrell G. Moen

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### The Race to the Bottom

**Narrator:** The global economy: for those with wealth and power, it's meant big benefits. But what does the "global economy" mean for the rest of us? Are we destined to be its victims? Or can we shape its future - and our own? "Globalization." "The new world economy." Trendy terms. Whether we like it or not, the global economy now affects us: as consumers, as workers, as citizens, and as members of the human family. Janet Pratt used to work for the *Westinghouse* plant in Union City, Indiana. She found out how directly she could be affected by the global economy when the plant was closed and she lost her job. Her employer opened a new plant in Juarez, Mexico, and asked Janet to train the workers there.

**Janet Pratt** (former *Westinghouse* employee): At first I thought, "Are you crazy? Do you think I'm going to go down there and help you out [after you took my job away]?" I wanted to find out where my job was; where it had went. So that's why I decided to go. What I found there was a completely different world. You get into Juarez and [see] nothing but rundown shacks. And they were hard-working people. They were working, doing the same thing I had done up here [in Indiana]. But they were doing it for 85 cents an hour. I, up here, was doing the same thing for a lot more than that. When I left *Westinghouse*, I was making \$13.65 an hour.

**Narrator:** As Janet Pratt discovered, in today's global economy it is getting easier and easier for companies to move their operations around the world. This promotional video encouraging companies to move to Mexico proclaims the benefits of moving to low-wage areas.

**Promotional video narration:** Why have so many American manufacturers moved production to Mexico? Simply put, the U.S. - Mexico production-sharing concept works! American manufacturers report savings of up to \$25,000 per direct-labor

employee per year due to the fact that the Mexican hourly minimum wage has remained under \$1 per hour for the past eight years.

**Charles Kernaghan** (*Executive Director, National Labor Committee*): Basically, and I think the companies are pretty open about this, they roam the world really with no checks and balances, in search of misery, poverty, and unemployment. They will tell you, in their own testimonies, that naturally, in those areas, you will find the lowest wages. It's a brilliant system. I mean, it's worked handsomely for the companies. But it's deadly for human rights.

**Narrator:** Corporations that used to be American, or British, or Japanese have gone global. Of the 100 largest economies in the world today, 51 are not countries but huge global corporations.

**Jeremy Brecher** (co-author): These corporations can move their operations around the world with the greatest of ease. So they can pit workers and entire countries off against each other to see who will provide the lowest wages and the cheapest environmental and social costs. The result is what has been called "a race to the bottom." Each seems to be getting ahead, but in fact, all are being driven down to the level of the poorest and most desperate.

**Thea Lee** (economist: *AFL-CIO*): What we hear from our members, working people around this country is that every week (really), when they sit down at the bargaining table to talk to their bosses about trying to get a decent wage, or better working conditions, or better enforcement of existing standards, that their bosses always say, "Well, we can always move."

**Loretta Ross** (*Executive Director: Center for Human Rights Education*): I'm afraid. We all should be afraid of what's happening because we're being shown over and over again that our labor is no longer needed to make this system function. It may be cheaper to get it overseas. So, we're really a part of this globalization process.

**Charles Kernaghan** (*Executive Director: National Labor Committee*): This "race to the bottom" has definitely come back to the United States in the growth of sweatshops, which not only violate every single wage per hour law and basic human dignity, they don't pay taxes either (they're unregulated) so they're riding on the backs of the rest of the population.

**Narrator:** It's not just unskilled labor that's being pulled into the race to the bottom.

**Thea Lee** (economist: *AFL-CIO*): Computer software programmers or data entry jobs are also mobile, and the companies are finding that they can save even more money on

a computer programmer or an engineer than they can save on a production floor worker.

**Narrator:** When companies move around the world, they are also able to escape environmental regulations.

**Tim Costello** (co-author): Countries compete to lower environmental regulations to attract global corporations. The pollution those global corporations pour into the air, land, and water, poison people locally. But environmental degradation doesn't stop at national borders. It affects people all over the world through global warming, the depletion of the ozone layer, deforestation, or the extinction of endangered species.

**Narrator:** The era of globalization has been marked by a growing gap between the rich and the poor. In the last four years of the millennium, the number of people living in abject poverty worldwide increased by over 200 million (200,000,000). In those same four years, the world's 200 richest people doubled their wealth.

**Dennis Brutus** (*International Organizer: Anti-Apartheid Movement*): Third World countries are being forced to race to the bottom. They have to compete with each other, outbid each other in offering cheaper labor than their competitors, and also offering more stringent legislation to control labor, so you get both repression and increased poverty. You depress the economy, but you also repress the freedom of the people.

**Charles Kernaghan** (*Executive Director: National Labor Committee*): When we first came upon some of these activities of some of U.S. companies, we saw these ads in *Bobbin Magazine*, which is the largest apparel journal in the world. And it tells you: "You can hire Rosa Martinez, and she will produce apparel for the U.S. market on her sewing machine in El Salvador. You can hire her for 57 cents an hour. Rosa is more than just colorful. She and her co-workers are known for their industriousness, reliability, and quick learning." That was the ad that ran in 1990. Here, you have the exact same ad in 1991 with Rosa again, except her wages are cut almost in half. You can hire her for 33 cents an hour.

**Narrator:** The race to the bottom: it affects our environment, our jobs, and our communities. It makes many people feel powerless. But are people powerless in the face of globalization? Some people are trying to do something about the global economy. They are creating new grassroots movements, using new technologies, and finding new ways to cooperate across national borders.

**Ralph Nader** (*consumer advocate: founder of Public Citizen*): There is a growing understanding of what corporate globalization is all about. And as more people understand this, they understand what the countering strategies have to be. They understand what coalitions have to be built, between labor, environmentalists,

consumers, children's groups, progressive people in government. They understand the march of democracy against the juggernaut of autocratic, corporate globalism.

**Narrator:** Globalization puts people in different parts of the world in competition. But it thereby gives them a common interest in forestalling a race to the bottom.

**Charles Kernaghan** (*Executive Director: National Labor Committee*): There are enormous common interests between the people in the United States and the people around the world who are now drawn into the global economy by the multinational corporations. It's not just a moral connection or a human connection, it's this connection of self-interest. Like if we don't work together to raise standards, there is no place for the economy to go except down.

**Jeremy Brecher** (co-author): Instead of competing in the race to the bottom, some people are joining together in what's been called the "Lilliput strategy." The tiny, little people in the story "Gulliver's Travels" were able to capture Gulliver, even though he is many times their size, by tying him with hundreds of threads. [In this manner], workers and communities are reversing the race to the bottom by joining together around the world.

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## Combatting Sweatshops

**Narrator:** A prime example of the race to the bottom has been the global growth of sweatshops: factories that exploit low-paid labor working under inhuman working conditions. The worldwide campaign against sweatshops is a prime example of the Lilliput strategy. When young women sewing clothes for *The Gap* in a sweatshop in El Salvador tried to start a union, they were fired. But to *The Gap's* surprise, they were able to link up with supporters in the United States.

**Charles Kernaghan** (*Executive Director: Nation Labor Committee*): We would have meetings with like 200 workers at a time. I mean it was extraordinary.

**Narrator:** Human rights groups and unions in the United States pressured *The Gap* to improve conditions in its factories in Central America.

**Newscaster** (*Channel 28: Scranton, Pennsylvania*): Local garment workers charged through the local shopping mall fighting foreign imports. Today's target: *The Gap* clothing store. These textile workers don't want imports banned. They would like the U.S. government and retailers to force factories overseas to improve slave wages and [working] conditions. That's why they brought Judith and Claudia to the United States. Both teens work in 14-hours a day split-shifts, 7 days a week in Central American clothing mills.

**Charles Kernaghan** (*Executive Director: Nation Labor Committee*): Judith makes 56 cents an hour. For an 8-hour day, that's \$4.50 a day. So a company like *The Gap* pays the 40 workers who produce these 1,000 shirts collectively \$180 in wages, and retail the shirts for \$22,000.

**Narrator:** The Gap finally agreed to open the factory to regular inspection by local religious and human rights groups.

**Charles Kernaghan** (*Executive Director: Nation Labor Committee*): And so they signed the agreement, and for the first time that I know of, a contractor's factory was opened to independent investigation and it's up and running.

**[demonstrators chanting: "The people united, will never be defeated!"]**

**Narrator:** Students across the country joined the anti-sweatshop movement. They had sit-ins demanding that their university stop selling clothes made in sweatshops.

**Tom Wheatley** (*University of Wisconsin student*): We want rights for women because 90% of the people who produce our clothing are women. Nowhere, and I mean nowhere, in this world should a 14-year-old girl be forced to work 60 hours a week with only one day off. Nowhere!

**Narrator:** *Duke, Wisconsin, Georgetown*, and other universities agreed to student demands that they stop selling clothes made in sweatshops.

**Charles Kernaghan** (*Executive Director: Nation Labor Committee*): We make a big point of it, that this human rights work relating to sweatshop work is not only the right thing to do, the moral thing to do, it's also in your own self-interest. If you don't want to see your wages decline, your living standard decline, and your children's living standard decline, we'd better do something fast to put a net underneath this global economy and begin to improve human rights and living and working condition standards, or else we're all going down.

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## **Workers Helping Workers**

**Narrator:** As corporations go global, workers in different countries are beginning to develop new ways to support each other across national borders. When the Japanese-owned *Bridgestone-Firestone Company* demanded 12-hour shifts and a 30% wage cut for new workers in its American factories, workers struck. *Bridgestone-Firestone* fired them all and replaced them with 2,300 strikebreakers. American workers appealed to *Bridgestone-Firestone* workers around the world for help - and they got it.

**Union representative in U.S.:** If there's ever a fight that we're determined to win, this is the fight.

**Narrator:** In Brazil, *Bridgestone* workers staged one-hour work stoppages, then "worked like turtles" (the Brazilian phrase for a slowdown). In Japan, 500 Japanese unionists marched through the streets of Tokyo, supporting *Bridgestone-Firestone* workers from the U.S. In the wake of the worldwide campaign, *Bridgestone-Firestone* unexpectedly agreed to rehire its locked-out American workers.

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## Challenging Global Oppression

**Narrator:** Who makes the rules for the global economy? It's not a government elected by the world's people. It's a group of little-known international institutions.

**Tim Costello (co-author):** The *World Bank*, the *International Monetary Fund*, and the *World Trade Organization* exercise powers that were once reserved for national governments. They make decisions that affect the lives of millions of people, and yet they are almost completely unaccountable to any democratic process. They have therefore become prime targets for the Lilliput strategy.

**Narrator:** When the government of India proposed to build the *Sardar-Sarovar* dam with funds from the *World Bank*, tens of thousands of people protested against the destruction of their homes and villages, even threatening to let themselves be drowned in the rising waters before they would abandon their land.

**Medha Patkar (National Alliance of Peoples' Movements):** Here we are in front of [the monument opposing the dam construction] in this village. And [this monument] can be found in every single village in this region. The slogan [written on the monument] states: "No one will move out! The dam will not be built!"

**Narrator:** 900 [grassroots] organizations from 37 countries pledged to campaign to defund the World Bank if the dam went ahead. Faced with such a global threat, the World Bank cancelled its support for the dam.

**Medha Patkar (National Alliance of Peoples' Movements):** These integrated communities are not "backward." Rather, they are the hope for the future that will bring in the human vision of life to the whole world.

**Narrator:** As the economy has become more global, poorer countries have fallen deeper and deeper in debt, especially with the international economic crisis that began in Asia in the late-1990s.

**Jeremy Brecher** (co-author): Banks and international investors loaned money to poor countries and made a killing. Much of the money went to powerful politicians and their powerful cronies, and they made a killing too. Then the *World Bank* and the *IMF* insisted that in order to pay back the loans, poor countries [must] close schools and hospitals, chop down their forests and export the logs, and choke off credit to poor farmers who are [then] forced to leave the land and move to overcrowded cities. It's another aspect of the race to the bottom. The loans made the rich richer, but it was the poor [majority] who had to suffer [the consequences of having to pay back the loans].

**Narrator:** Religious groups around the world initiated a *Jubilee 2000* campaign demanding that these debts be cancelled. In Birmingham, England, 60,000 people linked arms around leaders of the world's richest countries demanding that they end the chain of debt. A year later, 40,000 people surrounded the same [G8] leaders in Cologne, Germany. Under intense pressure, the rich countries agreed to cancel about 1/5 of the debt owed by the world's poorest countries. *Jubilee 2000* is now campaigning for complete cancellation of the rest [of the debt].

**Kofi Klu** (*Jubilee 2000/Africa*): We are going to make them hear us because this message, this event, is going to be replicated all across the United States of America, all across the Americas, all across Africa, Asia, Latin America, Europe, all across the world. And eventually, they'll know that we know [what they're doing], and they'll have to listen to us.

**Tim Costello** (co-author): Trade agreements like *NAFTA* and [trade organizations like] the *WTO* have reshaped the global economy, but they too are being targeted by the Lilliput strategy. When negotiations began in secret for a new agreement known as the *Multilateral Agreement on Investment (MAI)*, opponents got hold of a secret draft of the treaty and posted it on the internet for all to see.

**Maude Barlow** (*Chairperson: Council of Canadians*): If these rules are passed, it means that they're global, or that they're on their way to being global. It means that we not only have all those rules protecting the trade issues, but now total and complete investment, plus the provision (for the first time in this form) that gives transnational corporations in a treaty right more power than nation-states. It is, in effect, the transition from nation-state to [multinational] corporate rule.

**Narrator:** Opponents organized in 70 countries and coordinated their action around the world.

**Maude Barlow** (*Chairperson: Council of Canadians*): Collectively, we came from all over the world, and we're going to go back home all over the world and tell the story.

**[newspaper headline: MAI gets tangled in Web: Foes to trade deal marshaled worldwide via the internet]**

**Narrator:** Their global strategy worked. As the *Financial Post* reported: "But there is little doubt the Internet and its widespread use by non-government organizations opposed to the [MAI] pact played a pivotal role in sinking the wildly unpopular deal that would have forced countries to treat foreign companies the same as their own.

**Tim Costello** (co-author): Now, many of these same groups are promoting very different rules for the global economy; rules which protect human rights and the environment, and block the race to the bottom.

**Charles Kernaghan** (*Executive Director: National Labor Committee*): Obviously, the direction we're moving in is that basic human rights, worker rights, environmental rights, health and safety rights, must be incorporated right inside our trade bills, right inside our trade legislation.

**Loretta Ross** (*Executive Director: Center for Human Rights Education*): We have to set a floor beneath which no one will drop, and make that floor our [basic] human rights standards (everyone is entitled to food, to freedom of speech, education, medical care, freedom to vote the way they want to vote, everyone is entitled to exercise control over these economic actors affecting their lives - that also is a human right).

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## **Reversing the Race to the Bottom**

**Narrator:** Through grassroots organizing combined with mutual support around the world, ordinary people are beginning to find ways to counter the race to the bottom.

**Thea Lee** (*economist: AFL-CIO*): If our only choice is to have globalization that means drastic cuts in social security and lower wages and lower benefits and so on, we don't want we don't want that kind of globalization. But we can think of and define a different kind of globalization that would protect those basic rights and still allow goods to cross borders and investments to cross borders, but with ground rules that protected both social services and basic labor and human rights.

**Ralph Nader** (*consumer advocate: founder of Public Citizen*): The inherent part of the people here is more than enough to turn the tide if people realized more and more what's at stake and that they've got the power - with trade unions, environmental groups, consumer groups, demonstrations, and discussions - to prevail.

**Loretta Ross** (*Executive Director: Center for Human Rights Education*): The most important message we can give to people right now is the commonality of their

struggle and how interconnected their lives and their struggles are. You have to care because they affect the jobs in your community, they affect your standard of living, and your quality of life. This is why you need to care about human rights and issues of globalization, and really believe that the workers in Mexico and their well-being is important to your well-being because if they can maltreat them, they can maltreat us.

**Charles Kernaghan** (*Executive Director: National Labor Committee*): There's no end to the race to the bottom - it's not going to stop anywhere. [For example], there are 140 million (140,000,000) unemployed people in China. The wages there are already 13 cents an hour or lower. So there's no end to where this race to the bottom is going to go unless, in international solidarity and working with the Rosa Martinezes, [we organize and work at the grassroots] to raise standards. It's not only the right thing to do, it's in our self-interests to work together.

**Dennis Brutus** (*international organizer: Anti-Apartheid Movement*): It seems to me a pattern is very clearly emerging of global oppression. But it seems to me equally important to understand that global oppression is generating global resistance. We will have to get it together to take on this monster system, and we'll have to take it on together.

[For more information: [www.villageorpillage.org](http://www.villageorpillage.org)]

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