After the WTO Protest in Seattle, It’s Time to Go on the Offensive. Here’s How.

by WILLIAM GREIDER

The promise of Seattle was captured in an antic moment observed by one young environmental activist. Amid broad ranks of protesters, he saw that a squad of activists dressed as sea turtles was marching alongside members of the Teamsters union. “Turtles love Teamsters,” the turtles began to chant. “Teamsters love turtles,” the truck drivers replied. Their call-and-response suggests the flavor of this loose-jointed new movement—people of disparate purposes setting aside old differences, united by the spirit of smart, playful optimism.

The corporate-political establishment doesn’t get it yet, but sea turtles and Teamsters (with their myriad friends) can change the world. This popular mobilization, disparaged as “Luddite wackos” by the prestige press, is still inventing itself, still vulnerable to the usual forces that can derail new social movements. But its moment is here, a rare opportunity to educate and agitate on behalf of common human values. Among its tasks, this new movement can excavate the human spirit, buried by a generation of arrogant power and a brittle-minded economic orthodoxy.

So what’s next for turtles and Teamsters? The World Trade Organization’s failure at Seattle (gridlocked on commercial disputes, oblivious to the reform agenda from the streets) has inspired a new organizing slogan: “Fix it or nix it.” The WTO is the visible symbol of globalization, and the network of forty country-based campaigns that produced Seattle is working now on when to stage another international day of action.

The US coalition is, meanwhile, gearing up for another crucial fight: blocking Congressional action that would give China a permanent “good housekeeping seal”—instead of annual approval of most-favored-nation status—as it joins the WTO. Any genuine reform of the global system becomes far more difficult if China is to be treated as a “normal” trading partner—one reason business is so anxious to win this one.

Beyond immediate battles, this new movement will sustain itself and grow powerful only if it goes on the offensive—that is, if it can tell a positive story about how the world will look if its values prevail. It can do this with hard facts about the present realities, facts that blow away the establishment’s smug abstractions. It should propose concrete legislation—reform laws to be endorsed at the community or state level and enacted by Congress. Not after years of diplomacy, but right now.

What follows is a rough draft of what this national legislation might look like (based on conversations with some leading activists and my own reflections). The central principle is that Americans have the sovereign power to impose rules on the behavior of their own American-based multinational corporations (notwithstanding the WTO’s pretensions). Congress did so in 1977 with the Foreign Corrupt Practices Act, which prohibits corporate bribery in overseas projects. That law was passed in response to public outrage over repeated scandals revealing that major US companies were buying foreign governments. Human abuses present in the global system are far more grave than business bribes.
Since it’s obvious that the WTO and other international forums have no intention of acting, Americans really have no moral choice but to assert responsibility. After all, random brutalities in the production system are done in our name and to our benefit as consumers, shareholders, company managers. As the United Students Against Sweatshops has demonstrated, when people learn the facts, moral revulsion follows. Famous brand names find themselves confronted by what they have long denied.

In addition to holding US companies accountable, this first round of legislation should focus on empowering voiceless peoples on the other end of the global system—workers, civic activists, communities—mainly by providing them with the industrial information that will help them speak and act in their own behalf. That means collecting hard data from American companies on where and how they produce overseas. Why would the business cheerleaders object, since they claim globalization itself fosters free-flowing information and democratic values?

These initial proposals are deliberately modest in scope because reformers from the wealthy nations, especially the United States, must first establish their bona fide intentions. The objective is not to stymie industrial development in low-wage economies or to rewrite laws for other societies. Poorer countries are naturally skeptical of our high-minded motives, since they’ve had long experience with the power of American self-righteousness. If this movement is truly international, it will begin by convincing distant others (the citizens, if not their governments) that our commitment to common humanity is genuine.

If these modest measures succeed, however, they will draw a new map of the world—delineating factory-by-factory which multinational companies are actively subverting shared human values, which nations are truly trying to improve conditions for their people and which are merely participating in the exploitation. The map separates sheep from goats, culprits from victims.

The information is essential because it can set the stage for subsequent legislation that eventually establishes minimum standards for corporate behavior on environmental protection, labor issues and human rights. Then penalty tariffs or other measures could be aimed at the firms or nations that systematically pursue the low road, profiteering on human suffering and ecological despoliation. Trade reform can likewise reward and nurture those nations struggling to break free of the “race to the bottom.”

Business will howl that these new measures would put it at a competitive disadvantage, just as they opposed the antibribery law as an intrusion on quaint customs in foreign lands. The impact will be quite marginal if one believes the companies’ own lofty claims about their offshore production. In any case, as the world’s main buyer of last resort, the United States has the market power to lead on these reform issues. Our trade diplomats should start lobbying Europe and Japan to join this effort because eventually public opinion will turn on any multinational producer that attempts to reap short-term profit by ignoring standards for humane conduct.

Obviously, this is politics for the long haul and difficult at every stage. But none of the barriers are insurmountable if we have our values straight. The action can begin with simple, straightforward matters like fire prevention.

The Pro-Life Factory

In 1993 the worst industrial fire in the history of capitalism occurred at a mammoth toy factory outside Bangkok—188 workers killed, 469 seriously injured. All but a handful were women, some as young as 13. They were assembling toys for American children—Sesame Street dolls, Bart Simpson and the Muppets, Playskool “Water Pets” and many other popular items.

The most macabre fact about this historic tragedy was that hardly anyone in America noticed, though the Kader Industrial Toy Company’s production supplied famous US brands like Fisher-Price, Hasbro, Tyco and Kenner, and retailers like Walmart and Toys ‘R’ Us. Indeed, the Thai death toll surpassed the most scandalous calamity in America’s own industrial history—the Triangle Shirtwaist Factory fire of 1911—and resembled it in haunting detail. Fire exits were blocked or inadequate, doors were locked to prevent pilfering, flammable materials were stacked randomly on the shop floors. Not even the most rudimentary fire precautions were provided for this factory with 3,000 workers. Desperate women jumped from upper-story windows by the score, just as young American women had done eighty-two years before in New York City.

Nor was this event unique in industrializing Asia. In 1994 ninety-three were killed and 160 injured in a Zuhuai textile factory when a fire led to the collapse of the building. In 1993 eighty-seven women died in the Zhili toy factory fire in Shenzhen, China. At Dongguan, a raincoat factory burned in 1991 and killed seventy-two people. Also in 1993, a textile plant fire killed sixty-one women in Fuzhou province. “Why must these tragedies repeat themselves again and again?” the People’s Daily in Beijing asked. China’s Economic Daily blamed “the way some of these foreign investors ignore international practice, ignore our own national rules, act completely lawlessly and immorally and lust after wealth.”

The factory fires continue to this day in Asia, though they haven’t been quite as horrendous. These routine human tragedies provoke local protests and official investigations but somehow escape the attention of the US media. One obvious cause of the fires is the so-called three-in-one factory design—peasant workers sleep in a dormitory on the top floor, with the factory and warehouse beneath them. When a fire starts, the women are trapped, often suffocated by noxious fumes. This arrangement is officially illegal in China but still widely used.

Last June the Zhimao Electronics plant fire at Shenzhen left twenty-four dead and forty injured; the China Labor Bulletin described it as “a copycat of at least six similar fires in south China.” Nineteen people, including five children, died in a furniture factory fire last spring at Nanyang. In August the largest apparel factory in Dhaka, Bangladesh’s industrial zone burned to the ground on a Sunday night in August (evidently without casualties). Firefighters reported the absence of any fire-safety system. In October factory fires in Guangzhou’s Baiyun district and Zengcheng’s Shitan county killed thirty-one women, according to the South China Morning Post. A year ago, five workers were killed and twenty-three injured at a toy factory

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in Shenzhen when two of the dorm’s balconies collapsed.

We begin with this mundane subject because there is absolutely no mystery about how to build and operate a safe industrial facility protected against this ancient hazard. It costs a bit more, that’s all. What’s missing in the global system is the political will to punish those who are scoring easy profits by ignoring such long-established industrial standards.

Congress can start here. It should enact a law that prohibits entry for any goods made in a factory that is not independently certified as employing standard fire-prevention design and equipment. The target is not mom-and-pop sweatshops operating in back alleys but the vast industrial plants producing for major global companies. They can afford to do this. Because the safety issue is so clear-cut and the human losses so dramatic, the law should permit zero tolerance for firms that ignore prudent precautions.

Does that sound too burdensome for business or too intrusive on foreign sovereignty? Consider this: The Federal Aviation Administration routinely performs similar safety tasks for aircraft, both at home and abroad. The FAA inspects production of foreign-made components that go into Boeing airplanes, certifies the airworthiness of foreign-made airliners and examines the work done offshore at overseas repair centers. Would you fly on a jetliner that was not certified by the FAA?

In fact, there are numerous other matters in which the US and other governments demand the right to inspect foreign production or the content and origins of imported goods before trade is permitted. If America has the power to protect US patents and copyrights by investigating knockoff CD factories in Southeast Asia, it is surely capable of protecting the lives of low-wage workers who make the toys, shirts, shoes and electronics we buy. If other nations don’t wish to accept those terms, we can buy shirts and shoes somewhere else.

This issue, simple as it sounds, goes right to the heart of how globalization is organized because it challenges the irresponsibility of the “virtual corporation,” that model of efficiency widely praised by management experts. “Virtual” firms operate like the central brain of a nervous system, connected to far-flung networks of suppliers and capable of shifting contracts regularly from one subcontractor to another, with no fixed accountability. One can blame the foreign-owned suppliers who scrimp on fire safety or blame local governments that do not enforce their own laws. But the moral culpability ultimately resides with the multinationals that run this arrangement (and, by extension, with the people who buy their products).

Subcontractors cut corners recklessly because they are compelled to compete on price for the next contract—a continuing cost-cutting contest that drives standards downward and ensnares poor nations as a whole. If Thailand enforces its laws too vigorously, the factories pick up and move somewhere else—Vietnam or China or Bangladesh—where workers are even cheaper and officials more compliant. This flexible system describes the treadmill that frustrates progress in poorer economies. Pioneered in low-end sectors (apparel, toys), it is increasingly evident in high-end production (autos, aircraft, advanced electronics).

Simple morality requires that we throw a little sand in the treadmill. Elementary rules, set in law, would reverse the incentives for corporate managers. Otherwise, as price-conscious consumers, we are all responsible for what happens to those young people.

**Eco-Justice Goes Global**

In federal district court in New York City, 30,000 residents of Ecuador are suing Texaco for class-action damages to their health and local environment. The oil company’s executives are accused of making a conscious decision to dump more than 16 million gallons of oil and toxic wastewater into the Amazon River over two decades—three times the size of the Exxon Valdez oil spill in Alaska. The plaintiffs include three indigenous tribes and are represented by a Philadelphia law firm [see Eyal Press, “Texaco on Trial,” May 31, 1999].

Stay tuned—this is a fast-developing new front in the globalization of law enforcement. In recent years, inventive lawyers have revived a 200-year-old federal law (the postrevolutionary Alien Tort Claims Act) as the legal basis for foreign citizens to sue US multinationals in US courts for their environmental or human rights abuses overseas. Unocal is being sued by Burmese workers for alleged collaboration with forced labor and torture by SLORC, the hideously repressive government of Burma. Royal Dutch/Shell announced a new code of conduct on human rights hours before the family of Ken Saro-Wiwa filed a lawsuit alleging Shell’s role in the Nigerian military’s execution of Saro-Wiwa.

This doctrine of legal standing is a long way from being established in the courts, but these and other suits are attempting to hold companies liable for malpractices abroad and the deception of American consumers at home. Obviously, this is not what American business had in mind as “tort reform.” But the legal risks are quite real for US multinationals, according to Stanford’s Armin Rosencranz, an authority on international environmental law. It also opens a promising new field for trial lawyers, who took on big tobacco and showed that significant reform is still possible, despite America’s stalemated politics.

Reform legislation, both at the state and national level, can advance the cause by ratifying in law that foreign citizens have clear standing to sue US companies in US courts, thus preempting the Supreme Court’s business-friendly conservatives.

At the same time, Congress could require the companies to provide hard, precise data on environmental damage to those foreign communities and citizens who are usually kept in the dark about what’s being done to their surroundings. Information is powerful. That’s why companies don’t often volunteer it. Daniel Seligman, head of the Sierra Club’s responsible-trade campaign, suggests a preliminary outline: Congress could enact legal requirements that US multinationals disclose toxic releases at overseas production facilities that would parallel the existing laws for industry at home.

When an oil or mining company plans to open a new project in a foreign country, it would have to prepare the equivalent of an “environmental impact” assessment and share it with the affected community. The company would be required to engage in open discussions on potential consequences, not just with the national
government but with the people whose health and habitat are threatened.

Furthermore, multinationals and their affiliated producers would have to disclose an annual inventory of what exactly is being dumped in the river or ground, what emissions are released into the air and, of course, what toxics are inside the factory. This does not intrude on any country’s pollution standards, but it does equip citizens to act for themselves.

As US environmentalists have learned from long experience, the process of enforcing pollution standards can be tortuously slow and incomplete if it relies solely on government agencies. Enforcement of US toxic “right to know” laws in the eighties was a crucial turning point. The information unleashed grassroots energies and compelled many companies to accelerate compliance. No one should imagine that poor people in Asia, Latin America or elsewhere are indifferent to what’s happening to their local environment. The problem is that they usually have no voice in the matter.

Thus, a new law would embody two fundamental reforms: First, companies would be compelled to make full disclosure of their pollution, and, second, affected foreign citizens would have the right to sue them for damages in American courts.

“This has nothing to do with eco-imperialism,” Seligman emphasized. “It simply holds our own firms accountable to our values. It’s not dictating the levels of pollution, but it’s giving communities, not just governments, the information they need to decide their own destiny.”

This reform should further stimulate the development of international civil society and the rule of law, both of which the business establishment claims to want. Local citizens, alarmed by the despoliation, could seek expert help from established environmental groups elsewhere in the world. If the facts are truly alarming, they could hire a lawyer to represent them in American courts.

Where Are the Workers of the World?

When consumer activists targeted the wages and working conditions associated with Nike and other famous brands, Mattel decided to act on its own, before Barbie dolls got caught in the same cross-hairs. Half of the Barbies are now made in China, where labor conditions are notorious and Mattel uses 300 subcontractors, according to the Asian Monitor Resource Center. Mattel developed a detailed industrial code for its producers, prescribing standards for everything from injury rates to the number of bathrooms per 100 workers.

The three-member Independent Monitoring Council chosen by the company to oversee compliance includes economist Murray Weidenbaum, an antiregulation conservative and well-known apologist for business practices. PricewaterhouseCoopers, the global accounting firm, was hired to audit. No one should be surprised that their first report, in November, covering three major factories in China and some others in three other nations, gave Mattel high marks. It describes the local managers as enthusiastic about correcting certain deficiencies.

Still, even Mattel’s own handpicked inspectors were baffled by the payroll records at two Chinese plants—the accounting system for wages, hours worked, overtime paid. The monitoring committee admitted that it “experienced difficulty in verifying certain elements of the pay structure…. A large majority of workers…expressed a lack of understanding of their pay stubs.”

The workers, likewise, seemed unfamiliar with Mattel’s “Global Manufacturing Principles,” though the new standards were supposedly explained to them. The council noted that when some workers responded to questions, “it appeared that these were memorized answers.” Nor were workers able to say much about free expression or complaints to managers. “Most of them were either not conscious or were reluctant to talk about the freedom of association or unionization issues,” the report noted.

A less charitable explanation of the wage-and-hour confusion was provided by the Asian Monitor Resource Center in a March 1999 report on what its citizen investigators found at twelve Chinese toy factories, including several where Mattel is active. “During the peak season, not a single worker can leave the workplace after eight hours’ work,” the center reported. “Most workers in these toy factories work ten to sixteen hours a day, six or seven days a week…. Since most toy workers are paid by piece rate, they never receive overtime pay.”

Corporate codes of conduct have led to some improvements, the center noted, including on fire safety. “However,” the report added, “we still found numerous blatant violations of workers’ basic labor and human rights—including flagrant violations of China’s own Labor Law, even though many of the factories we investigated are subcontractors for [multinationals] having codes of conduct on paper.”

The Asian center, for instance, found that the Tri-S factory in Dongguan, which it identified as a Mattel and Tyco supplier, was still operating a “three in one” factory that is ostensibly illegal. Three hundred workers slept on the third floor; the second floor was full of raw materials.

The issue is not Mattel’s sincerity. The question is whether Americans will allow enforcement of labor rights to be “privatized”—left to the moral judgments of individual companies—or whether these complex matters must be codified in law as clearly stated benchmarks, so that corporate claims can be tested by independent verification and, if necessary, challenged in courts of law. Even if one accepted any individual company’s good intentions, that still leaves millions of peasant workers subject to low-road practices by thousands of other companies and their contractors, responding to fierce market pressures that cut costs at human expense.

The first weapon is disclosure. One can collect countless horror stories on several continents, but the lack of reliable, comprehensive information remains a central problem. The codes of conduct, of course, further confuse the picture, since brand-name firms develop PR campaigns around them, while still refusing access to independent investigators.

In fact, until quite recently, companies would typically not even reveal where their goods were made—much less how their workers were treated. Under pressure from student activists and universities, Nike folded last October. It disclosed the locations of forty-two of its 365 factories.

Once again, national legislation should start with simple stuff—requiring firms to disclose information that enables citizens here and abroad to check out corporate behavior, and giving private citizens and organizations the legal standing to sue for damages if companies falsify their reports to the US government. Given the overbearing political influence of the multi-
nationals, legal standing for private lawsuits is crucial.

This much we do know: The US government cannot be trusted to enforce labor standards, since it has repeatedly failed to do so under already existing laws. One especially sickening example occurred in 1994 when Suharto still ruled Indonesia. The Clinton Administration certified the regime’s improving labor policies—thus keeping Indonesia eligible for trade preferences—at the very moment Suharto was smashing a promising new labor federation, imprisoning scores of its brave leaders and charging them with subversion.

An initial labor code should, obviously, require all US multinationals to identify the names and addresses of offshore factories and their subcontractor plants, the owners and principal investors. Next, the corporations would answer some fairly simple questions about each factory: the number of workers and what they make, the base pay for production workers, the factory’s labor costs as a percentage of its value-added output.

Finally, for every production site, the company would be required to certify the existence of well-accepted labor standards or to explain why its factory ought to be granted an exemption. Does the workplace comply with the host country’s own labor laws? Does it comply with the International Labor Organization’s “core labor standards,” guaranteeing the right to organize, forbidding child labor and forced labor? If not, why not?

A more controversial suggestion would require each company to attest that its industrial workers do at least receive a “living wage,” that is, income sufficient to provide for basic subsistence in terms of their own country and culture—food, housing, clothing, health and education. If not, these powerful companies would have to explain why such a minimal benchmark for modern industrial life is too expensive for them.

No one can demand that American companies alter another society’s laws and customs, but once again we are separating bad guys from innocent players. It is not always the foreign government that suppresses labor rights but sometimes American companies who insist on it. My favorite example is the US semiconductor industry’s production platform in Malaysia—famous names like Intel, Motorola, Texas Instruments, Hewlett-Packard. At their insistence, the electronics sector operates union-free, though Malaysia has vigorous, independent unions everywhere else.

A typical reaction is: Do these foreign workers really want or need our help? Despite sometimes harsh conditions, aren’t they better off with the jobs and grateful? It is true that many of the young people in poor countries, entering industrial life for the first time, are quite bewildered by their new circumstances. They have migrated from the desperate poverty of rural villages, eager for wage incomes. Many of them do not even grasp what a union is, much less understand the broader rights accorded to workers elsewhere in the global system.

What many of them do understand, however, is that they are being exploited. They don’t have to be told this by do-gooders from America. They know it from the sordid working conditions or from meager wages and their own disappointed hopes. That’s why there are so many wildcat strikes—thousands of spontaneous strikes that occur regularly across developing nations, not organized by any unions but by workers themselves. Angry workers even strike in China, despite the real risk of imprisonment.

These sporadic, local protests are seldom mentioned in the US press, but together they constitute an optimistic statement about our common humanity.

Freedom and Unfreedom

Nobel economist Amartya Sen begins his new book, Development as Freedom, with a provocative comparison: “The battle against the unfreedom of bound labor is important in many third world countries today for some of the same reasons the American Civil War was momentous.” Is it possible that Americans are once again participating in an economic system that is half free, half unfree?

The question does not seem farfetched when one examines more closely the predicament of the young women in many Chinese factories. Typically, they are recruited from remote villages by a government agency that collects a fee from them for the job. They must pay for their own travel, then place a “deposit” with factory managers, who will withhold their wages for the first month or two and frequently also take away the workers’ official ID cards. Hired under three-year contracts, they cannot leave or jump to better jobs without losing their money and perhaps identity papers too. Their factory dorms are fenced and guarded, the workers cannot come and go freely, the stories of brutality by security guards are commonplace.

This is not slavery, to be sure, but it does resemble a sly form of indentured servitude, imposed on people who are powerless to resist its terms. What can be done to stop it? For starters, a serious Congressional investigation that digs into the ugly facts and calls corporate CEOs to explain themselves would do more than embarrass industry. The American people, I believe, cannot bear the guilty knowledge of how their consumer trifles are produced, any more than they could live with knowledge of the racial caste system in America once the civil rights movement compelled them to confront it. This new movement has the same task of teaching and confronting.

The “enhancement of human freedom,” Sen argues, “is both the main object and the primary means of development.” Democracy and civil rights are thus central to economic progress, but the “unfreedoms” Sen describes involve much more than legal guarantees of free speech and religion or standards for powerful corporations. Poverty also enslaves lives. So do the still-existing, precapitalist feudal systems that deny individual aspirations in some countries. So do the social hierarchies that send adolescent girls to work in the factories while the boys go to school. These confining forces and others interact with the marketplace, which sometimes liberates people and sometimes uses unfreedoms for its own ends.

Human rights, in other words, pose the most profound challenge for reform because the issues go to the core nature of every society, and legislation alone cannot resolve them. Americans, above all, must remember to bring humility to this struggle. The promise of life expectancy, as Sen observes, is greater for people in some very poor nations than it is for African-American males in the United States. Our luxurious wealth, not just our values, is sometimes implicated in the unfreedom of others. As this new movement educates us about global realities, we shall see ourselves more clearly.