

Rachel's Environment & Health News

#619 - The Bridge To The High Road -- Part 2

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Our major problems all seem connected:

** Real wages for working people have been dropping for 20 years and there are no national policies (either governmental or private) to counter this trend. Indeed, there are legions of senators, Chicago economists, newspaper editors, and captains of finance who view this as a good thing --it holds inflation in check and "disciplines" working people so they don't get their expectations too high. As an unspoken industrial policy, America is vigorously pursuing the low road of economic development --"de-industrializing" and expanding the low-paid service sector.[1]

** As wages drop, working people are taking two and three jobs (increasingly, part-time without benefits) to make ends meet, thus making it harder and harder to pay proper attention to children, family, neighborhood and community life. More and more, people deal with their troubles separately and alone rather than in any organized way. The social fabric is becoming frayed as people are forced by circumstances to turn inward.

** The people who are promoting the low road are themselves getting rich. The S&P 500 stock market index had quadrupled in the past 5 years. [2] Mergers and acquisitions now total a trillion dollars each year.[3] In many cases, speculative ventures have replaced solid, productive business as major sources of new wealth. The newspapers have taken to writing coyly about our "casino economy." Many of these speculative Wall Street "deals" diminish the nation's productive capacity and destroy good jobs.[4]

In short, many corporate chieftains have figured out that they can make more money by buying and selling other corporations than they can by providing high-quality goods and services. The chairman of U.S. Steel epitomized this view when he said, "We are in business to make money, not steel." And, sure enough, American steel companies refused to modernize, foreign competitors beat them to the punch, and the nation's steel-producing capacity was destroyed. Communities dependent upon steel were simply written off, discarded, as thousands of good jobs were knowingly destroyed. This is the cynical face of the low road.

** Our economy is now characterized by an astonishing inequality --the richest 1% owns more than the bottom 90%.

** Inequality translates into political power for the few, and disengagement for the many. In both political parties, big money translates directly into insider influence with elected officials and lawmakers, leading to tax policies that benefit the wealthiest 5% at the expense of everyone else. This is the low road.

** Far fewer than 50% of the electorate actually vote, perhaps because they see that the system offers no real choices and that voting no longer promises to make any substantial difference in their lives;

** The "haves" have shown themselves dismayingly reluctant to invest in anything that might specifically benefit the "have nots." This is the low road. The wealthiest 40%, emulating the top 1%, tend to favor tax decreases at almost any cost, so we are cutting back the hours at our public libraries, and reducing budgets for our public schools. With voucher proposals, we are encouraging families to abandon our public schools entirely. In some central-city Baltimore public schools, the children have no books, let alone computers. No books. Thus are they being prepared for entry into the information age. Thus are we paving a long, low road into the future.

** Government bureaucracies are still huge and burdensome, but they are now in retreat, unresponsive, protected from public access by labyrinthine voice-mail systems.

** Technological changes --the electronics and information revolutions - -have put a tremendous premium on quality and

quantity of education that most people cannot afford. Yet neither political party --nor the private sector --has proposed programs to help large numbers of working people upgrade and modernize their skills, to keep America competitive. This is the low road.

** Forty percent of the nation's children are being raised in poverty. The prisons are being expanded now to house them when they grow up. This is the low road --turning our backs on the development of our people, writing off whole central-city populations.

In sum: America's governmental and private-sector leaders have chosen the "low road" of economic development --the road that:

** seeks short-term, speculators' gain for a small portion of the "private sector" no matter what the costs to communities or the nation's productive capacity;

** treats workers like any other inanimate cost of production, relentlessly driving down wages;

** actively discourages worker organizations;

** insists that firms and capital remain footloose and ready to move offshore at the first sign that a community expects something in return for hosting a firm;

** pays lip service to environmental values but refuses to develop sustainable alternatives, such as renewable sources of energy, and blunders ahead with powerful, poorly-understood technologies like genetically-engineered crops.

In sum, the "low road" is now synonymous with "business as usual" in America. And we are told that this is all inevitable and unchallengeable, made so by forces of "globalization" that are entirely beyond our control.

Fortunately, there is another way, though getting there will not be easy. Dan Swinney, of the Midwest Center for Labor Research in Chicago has recently published a manifesto called BUILDING THE BRIDGE TO THE HIGH ROAD, subtitled Expanding Participation and Democracy in the Economy to Build Sustainable Communities.[5] It could be as important as the PORT HURON STATEMENT was in 1964, provoking a generation of activists to do their best thinking.[6]

Swinney has worked for 20 plus years in Chicago, as a machinist, labor union activist, and, most recently, analyst helping small and mid-sized companies buck the trend and stay in business in Chicago. The low road has cost Chicago 80,000 good jobs in the last 20 years, and Swinney thinks 75% of those jobs could have been saved by people taking the right actions at the right time. Recently, Swinney's purview has expanded to New York City and beyond because the "low road" is destroying jobs and productive capacity everywhere, and everywhere people are looking for answers. Swinney's "high road" manifesto is the beginning of Swinney's answer --he says he'll probably turn it into a book during the next year or two.

The high road is about developing the nation's economy around high-wage jobs, investing in people and equipment to make firms efficient and productive and therefore competitive and profitable. But it's about more than that. It's about people in communities taking responsibility for CREATING WEALTH, insisting that they can control their local and regional economies.

This is the most far-reaching message for environmental and community activists in Swinney's paper.

For years, in an unspoken social contract, we have allowed the business community to create wealth, and we --tens of millions of us working in different ways --have restricted our efforts to urging a fair distribution of that wealth. Labor unions have urged that

working people get their fair share. Housing activists have pressed for homeless people to get at least a pittance. Many people have urged that libraries and schools should get decent funding, that the minimum wage be raised, that the well-to-do pay their fair share of taxes. Others have urged that the salmon be protected, the trees preserved, and that "justice for all" must include environmental justice. Most of us have approached these problems in a single-issue way, focusing our efforts narrowly, fiercely, without letup. But we have taken a hands-off approach to business.

It is now clear that we have failed --failed to achieve a fair distribution of benefits, failed to persuade the well-to-do to invest adequately in the nation's human capacity, its infrastructure, or its productive capacity, failed to protect the ecosystems provide the platform that supports us all.

And so the old social contract is broken. It is simply no longer in effect. Communities and working people must begin to see themselves as having the responsibility to not merely redistribute wealth, but also to CREATE wealth and to do it sustainably. It will take 30 or 40 years to make the transition to the high road, but we are left with no choice. We must seek control of the economy, insisting on our right and our capacity to manage it at every level. That is what it means to be a sovereign people. Only then can the economy be made modern, efficient, and sustainable.

In Swinney's view, the high road is characterized by:

** Development that is environmentally sustainable, which requires companies to make products and use processes that are good for the health of workers, consumers, and surrounding communities; and that restore rather than damage the environment;

** Good jobs that can support a family and allow time for leisure, education, and social participation;

** Development that is socially sustainable, with a goal of overcoming historic divisions and oppressions related to race, class, gender, and national origin.

** A strategic alliance between the labor movement and political, democratic, environmental, economic, new immigrant, and social organizations;

** Recognition that labor and community must accept the responsibility to lead in creating wealth and developing productive capacity;

** Recognition that the business sector includes friends and allies as well as low-landers, and that we must be prepared to modify a narrow anti-corporate analysis;

** Identifying market forces as well as mass movements as our tools and terrain for change;

** Being entrepreneurial --seeking to be leaders in the market place as well as in the social and political world --and defining the essential connection between the two;

** Defining a clear role for government, including a responsibility to expand our civic structure and life, and to measure success in governance by progress at the company and community levels.

Dan's paper is much richer in detail that we can recapture here. He offers numerous vignettes of real companies in real communities struggling to get onto the high road, some succeeding and some failing. Dan's paper is not the last word on this broad and deep subject, but it is an excellent first crack at stating the problem and the direction we need to go.

Dan is a member of the board of directors of Sustainable America (SA). We urge all our readers, including elected officials and business people, to join Sustainable America, so that, together, we can build a strong infrastructure for ongoing multi-issue work. Check out www.sanetwork.org, send E-mail to sustamer@sanetwork.org, or telephone executive director Elaine Gross in New York City: (212) 239-4221.

--Peter Montague (National Writers Union, UAW Local 1981/AFL-CIO)

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[1] Michael Perelman, THE PATHOLOGY OF THE U.S. ECONOMY; THE COSTS OF A LOW-WAGE SYSTEM (New York: St. Martin's Press, 1993, 1996).

[2] Data from Prophet Information: www.prophetinfo.com.

[3] "Merger Volume Caves in Amid Fall Market Slump," INVESTOR'S BUSINESS DAILY October 6, 1998, pg. 1

[4] Donald L. Barlett and James B. Steele, AMERICA: WHAT WENT WRONG? (Kansas City: Andrews and McMeel, 1992). And see Donald L. Barlett and James B. Steele, AMERICA: WHO REALLY PAYS THE TAXES? (New York: Simon and Schuster, 1994). Barlett and Steele both work for the PHILADELPHIA INQUIRER.

[5] Dan Swinney, BUILDING THE BRIDGE TO THE HIGH ROAD (Chicago, Illinois: Midwest Center for Labor Research, 1998). Available from the world wide web --www.mclr.com --though you have to download it in 14 sections and reassemble them into one piece. You can also order a paper copy for \$10 from MCLR, Room 10, 3411 W. Diversy, Chicago, IL 60647; phone (773) 278-5418.

[6] The text of the PORT HURON STATEMENT is available many places on the world wide web. For example, see <http://lists.village.vir->

