

Texas Fair Trade Coalition

“Free” Trade Comes at Cost to Workers

Over the last 20 years, so-called “free” trade policies have been anything but free. They have taken a tremendous toll on workers. From the WTO to NAFTA to CAFTA, the free trade model has been devastating for working people in this country while bringing great profits to the big multinational corporations.

Here are some ways “free” trade has hurt workers:

- *Wages and labor standards have been pushed down around the world*

Countries are not required to comply with the International Labor Organization's core standards, resulting in a "race to the bottom" on workers' rights. Big companies can shop around for the workers that can be paid the least and be provided the most miserable working conditions. This puts downward pressures on wages and working conditions in every country. Under these trade agreements, countries can decide not to enforce any portion of their existing labor laws and they can, and do, weaken their existing labor laws to attract investment.

- *In the United States, millions of jobs have been lost, and wages have gone down*

Since the era of WTO and NAFTA, nearly 1 in 6 high-wage U.S. manufacturing jobs have been lost. Texas lost more than 76,000 jobs due to NAFTA alone. U.S. jobs lost were replaced by jobs that provided, on average, only three-quarters the pay. Those who are left unemployed are not provided adequate education or job training to find new employment. Although worker productivity has jumped 85% since 1973, overall wages have increased only a nickel an hour.

- *Union strength has been undermined*

Unfair trade makes it easier for employers to drive down wages. Employers threaten to move jobs overseas to squelch union organizing campaigns and gain leverage in collective bargaining. The Bureau of Labor Statistics reports that in 2006, only 12% of workers were union members, a sharp decline from the 1983 rate of 20.1%. The percentage of workers that are union members hasn't been so small since 1931, during the Great Depression.

Abroad, employers routinely fire and threaten union members and leaders. In El Salvador and Guatemala, workers caught organizing unions are fired and blacklisted with no protection from the government. In Colombia, over 3,000 union leaders have been killed since 1986, with very few perpetrators being prosecuted. Passing trade agreements with these countries condones this extremely anti-union behavior.

- *State laws designed to support workers are threatened*

Procurement rules written into these “free” trade agreements, limit the ability of states to decide how state taxpayer dollars are spent. These rules can prohibit states from including preferences for local workers or local goods. They could also keep Texas from being able to pass laws requiring that companies who take state money pay prevailing wages or provide health insurance. If a state policy is out of line with trade agreement policy, fines and sanctions can be levied against the United States until the law is reversed.