On The U.S. Human Rights Record

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There's a conventional doctrine about the era that we are entering and the promise that it is supposed to afford. In brief, the story is that the good guys won the cold war shoot-out and they're firmly in the saddle. There may be some rough terrain ahead, but nothing that they can't handle. They ride off into the sunset, leading the way to a bright future, based on the ideals that they have always cherished but have not always been able to protect — democracy and free markets and human rights…

The reality, however, is very different. Power is increasingly concentrated in unaccountable institutions, and the rich and powerful are no more willing to submit themselves to market disciplines or popular pressures than they ever have been in the past. Let's begin with human rights, because they are the easiest place to start: they are actually codified in the Universal Declaration of Human Rights, passed unanimously by the United Nations General Assembly in December 1948. In the United States, there has been a good deal of very impressive rhetoric about how we stand for the Universal Declaration, and how we defend the principle of universality against backward, third-world peoples who plead cultural relativism.

But the rhetoric is rarely besmirched by any reference to what the Universal Declaration actually says.

Article 25, for example, states: "Everyone has the right to a standard of living adequate for the health and well being of himself and his family" — this is the terminology of 194 remember — "including food, clothing, housing and medical care and necessary social services, and the right to secure that in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood."

How are these principles upheld in the richest country in the world, with absolutely unparalleled advantages and no excuses for not completely satisfying them? The US has the worst record on poverty in the industrialized world. Tens of millions of people are hungry every night, including millions of children who are suffering from third world levels of disease and malnutrition. In New York City, one of the richest cities in the world, 40 per cent of children live below the poverty line, deprived of minimal conditions that offer some hope for escape from misery, destitution and violence.

This is, moreover, just one part of a general worldwide catastrophe. Unesco estimates that about 500,000 children die every year as a result of the debt repayment burden alone. Debt repayment means that commercial banks made bad loans to their favorite dictators, and those loans are now being paid by the poor, who of course had absolutely nothing to do with the process. Meanwhile, the World Health Organization estimates that 11 million children die every year from easily treatable diseases. The World Health Organization describes it as "a silent genocide": it could be stopped for pennies a day. And Unesco estimates that the human cost of what is called "economic reform" in Russia has been some 500,000 excess deaths a year since 1989. There are comparable figures for elsewhere in eastern Europe.

Let's turn now to Article 23 of the Universal Declaration. It states: "Everyone has the right to work, to just and favorable conditions of work, and to protection against unemployment, with remuneration ensuring for himself and his family an existence worthy of human dignity, supplemented if necessary by other means of social protection." Furthermore, "everyone has the right to form and join trade unions, for protection of his interests."

To take the last point first, in the US, technically, everyone has the right to join a trade union. But the reality is quite different. In 1992, the International Labor Organization, which rarely has an unkind word for its paymasters, called on the US to conform to international labor standards on "permanent replacement workers," which were then violated only by the US and South Africa in the industrial world. "Permanent replacement workers," otherwise known as scabs, are those brought in to replace sacked unionized workers to break strikes: international labor law condemns the practice, but it is condoned in the US. There was an article in Business Week last week describing some of the consequences of the American state's vicious anti-labor activities. Illegal firings for union organizing have gone up sixfold, it reckoned, in the past 25 years. In particular, thousands of union organizers have been illegally fired since the start of Ronald Reagan's presidency in 1981.

According to the US Labor Department, the destruction of the unions as been the main factor in the decline of real wages that has continued since the Reagan era. Health and safety standards in the workplace have also deteriorated: there are laws, but they're simply not enforced, so the number of industrial accidents has risen sharply in the past ten years. Then there is the effect of the decline of unions on democracy: the unions are one of the few means by which ordinary people can enter the political arena. Finally, there's a psychological effect. The destruction of the unions is part of a much more general effort to privatize aspirations, to eliminate solidarity, the sense that we're all in it together, that we care for one another.

Let's go back to Article 23 again: "Everyone has a right to work." The ILO has just published a report estimating the level of global unemployment in January 1994 at about 30 per cent. That, it says accurately, is a crisis worse than in the 1930s. Everywhere, there are idle hands, and everywhere there is work to be done, but the economic system is simply incapable of bringing them together.

In the US, of course, there is currently a recovery. But it's remarkably sluggish, with less than a third of the job growth of previous six recoveries. Furthermore, of the jobs that are being created, an enormous proportion — more than a quarter in 1992 — are temporary jobs, and most are not in the productive part of the economy. Economists welcome this vast increase in temporary jobs as an "improvement in the flexibility of labor markets." No matter that it means that when you go to sleep at night you don't know if you're going to have work the next morning — it's good for profits, which means that it's good for the economy.

Another aspect of the recovery is that people are working longer for less money. The workload is continuing to increase, while wages are continuing to decline — which is unprecedented for a recovery. US wages — as measured by labor costs per unit output — are now the lowest in the industrial world, except for Britain. Having been the highest in the world in 1985 (as one might expect in the world's richest country), US labor costs are today 60 per cent lower than Germany's and 20 per cent lower than Italy's. The Wall Street Journal called this turnaround "a welcome development of transcendent importance."

It is fashionable to claim that all this is simply the effect of trade and automation, transmitted through "market forces," operating rather like natural laws. In fact, the state has played a decisive part in both trade and automation. Trade is massively subsidized, particularly through manipulation of energy costs for transport: a realistic assessment of the costs of trade would somehow have to include, for example, a proportion of the costs of maintaining the US military presence in the Middle East, a major purpose of which is to keep oil prices within a particular range. Not too low, because the oil companies need to make plenty of profit, but not too high because trade has to be "efficient."

Similarly, for decades, automation has had to be developed in the state sector (meaning, in the US, the military sector). In the 1950s, for example, before computers were marketable, they were virtually 100 per cent supported by the taxpayer. The free enterprise system means that the public bears the cost, and if anything comes out of it, it's handed over to the corporations.

This is not to say that the state can control market forces. Here, it is worth recalling, after Richard Nixon's death last month, his demolition in the early 1970s of the Bretton Woods system for regulating international currencies, in which the US served in effect as international banker. One effect of the deregulation of currencies was a huge increase of the size of capital and financial markets. And the amount of capital transferred daily is increasing. It's probably now about a trillion dollars a day — again swamping governments.

There has also been a radical change in the nature of currency transactions. According to John Eatwell, an economist at Cambridge University, before Nixon dismantled the system, about 90 per cent of international currency transactions were for long-term investment or trade and about 10 per cent for speculation. Now there's a vastly greater amount, and figures have reversed. It's 90 per cent for speculation, and about 10 per cent for investment and trade. And this appears to be a major factor in the decline of growth rates since the early 1970s. A study published in The Wall Street Journal a week or so ago estimated that about half the decline in growth rates is due to the speculative capital. Bond holders want money to be stable: they don't want growth because it might lead to inflation.

The increase in speculative capital means that it is now difficult for a nation state — even the US, the richest economy in the world — to carry out even minimal economic planning. (For a third-world country, the position is hopeless.) And the new GATT agreements are designed to undercut the possibilities for planning even more, by extending so-called liberalization to what they call services — meaning that big Japanese, British and American banks can displace the banks in smaller countries.

While capital is now highly mobile, labor is increasingly immobile — and that has immediate consequences. It means that it is easy to shift production to low-wage, high-repression areas of the world with low environmental standards. And it also makes it very easy to play off one immobile national labor force against another, as happened during the North American Free Trade Agreement debate in the US, for example, when the media carefully focused on the argument that NAFTA would mean jobs flowing from Mexico to the United States.

On the other hand, there was another point that just about everybody agreed on across the board; that the effect of NAFTA would be to cut wages in the United States for unskilled workers (a technical term that means about 70 or 75 per cent of the workforce). The agreement is expected to have the same effect in Canada and could well cut wages in Mexico, although for different reasons. To cut wages, you don't have to move manufacturing, you just have to be able to threaten to do it. The threat alone is enough to lower wages and increase temporary employment.

The shift from national economies to a single global economy also has the effect of undermining functioning democracy. The mechanisms are pretty obvious. Power is shifting into the hands of huge transnational corporations and away from parliamentary institutions. Meanwhile, there's a structure of governance that's coalescing around these transnational corporations.

A couple of years back, the Financial Times described this as "a de facto world government," including the World Bank and the IMF, GATT, the World Trade Organization, the G7 Executive, and so on. This has the very useful property that it removes power from parliamentary institutions, which are considered dangerous, naturally, because they might fall, at least partially, under the influence of the rabble.

The Economist recently described how important it is to keep policy "insulated from politics." If the policy is insulated from politics, you can have democratic forms, certain that they're not going to harm anything. The insulated technocrats can work for the health of the economy in the technical sense of that term, meaning low growth and low wages — but high profits for that small section of the world's population that already enjoys extreme wealth and privilege.

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