7

POWER AND GLOBALIZATION

Trade Is Trade, Foreign and Domestic

Working class power sometimes seems impossible in the "global economy." The fact that a capitalist can pick up shop and move overseas is a formidable challenge and a common threat when workers start to organize. But we sometimes forget that the global economy is just the capitalist economy operating across national boundaries. There is hardly any difference between international and interstate trade, between domestic and international competition.

Often people think of the U.S. economy as somehow separate from the global economy: our domestic economy is here, globalization is "out there" in China, India, Honduras, and other countries now producing goods and services we used to produce here. But global supply chains exist in which parts are made all over the world and assembled somewhere into final products. Finance flows freely across borders. People cross borders all over the world to find work, not just into the United States. Trillions of dollars of goods and services are traded every year beyond their countries of origin. With all this going on worldwide, we will be better served to understand the global economy as an increasingly integrated structure of markets in which people in the United States and in most other countries engage in economic activity that draws us all into a common global capitalist process.

All too often, critics of this global system divide the world into two broad camps: the "global north," representing the advanced capitalist countries, and the "global south," representing the developing countries of Asia, Africa, and Latin

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America. These critics see the global south as victim of the raw self-interest asserted in world politics by the powers of the global north. But this way of looking at the world confuses countries with classes. It conceals the fact that developing countries have elites within them that support global capitalism because they benefit from it, sharing interests and aspirations with their counterparts in the industrial countries. At the same time, the countries of the global north have working classes whose interests challenge those of capitalists in all countries, and who might ally with their counterparts in developing countries. On the global stage, as well as within single countries, understanding class clarifies a political question: Who are our friends and who are our enemies?[1]

One feature of globalization is the ability of capital to move across borders to find cheap labor. Within the United States, workers have been dealing with the problem of "runaway shops" as long as owners have moved business from one city to another. Long before business moved from the United States to Mexico, business moved from Massachusetts to South Carolina. From the point of view of the worker whose job is leaving town, it hardly matters if it goes to a different state or to a different country. Despite the power advantage that capitalists have in their ability to move, workers have historically been able to make gains even with capital moving between states. Today they are beginning to find the ways to make gains in the global economy as well.

Media and financial analysts usually discuss international trade as though it is a separate world from the domestic economy, but it is not. The same capitalist principles and values that operate domestically operate globally, although the fact that different countries are involved, with different currencies and economic policies, creates complications. As we deal with globalization, it will be helpful to keep careful track of what is similar and what is different about international trade compared with the domestic economy. Although the differences tend to get the attention, the similarities are more important.

The most important similarity is that trade can generally improve our lives, including the lives of working class people. The first lesson of economics, going all the way back to Adam Smith and still true, is that trade allows for specialization and the division of labor, which allow us to create more with limited resources. This is a reason to welcome opportunities to trade. But two questions arise about the benefits of trade: Who gets the added wealth made possible by trade? And how can workers survive the instability caused by trading competition, which destroys some jobs as it creates others?

These problems appear in domestic trade just as much as in global trade. Jobs cannot be saved from international competition any more or less than they can be saved from domestic competition and economic change. The problem in each case is how to deal with the transitions and the risks of trade, and how to use

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some of the gains from trade to pay for the costs. The techniques we can use to do this domestically are available to handle international trade as well. But thus far we haven't solved these problems domestically any better than we have in global trade, because the principal winners in both arenas, the capitalists, are reluctant to give up their gains, and have done so only when push has come to political and economic shove.

It makes no more sense to solve the problems created by international trade by stopping that trade than it does to save jobs by stopping all trade between Oregon and Nebraska. Pat Buchanan draws support for limiting international trade by appealing to U.S. super-nationalism, and the militarism and racism that go with it. For him, international trade is bad while domestic capitalism is good.[2] But why would a beef packer in Oregon feel better about losing her job to a worker in Nebraska than to a worker in Argentina, except that one is North American and the other is not?

International trade and capital flows present the same problems as domestic trade and capital mobility, except that nationalism complicates the understanding people have of what is happening. Workers lose their jobs; that's a problem. It doesn't matter who got the job or why. Make new jobs and train the workers for them. That is part of a solution. When there are problems caused by international trade, the focus needs to be on fixing the problems, not stopping the trade.

In 1980, I spoke with a group of workers in Minneapolis. International trade was just coming into focus as a problem for American workers because of the Japanese economy's rising strength at the time. The workers from a local Ford plant argued for high tariffs or import quotas or some other means to limit Japanese car imports, to save their jobs. Other workers in the room built thermostats for Honeywell. They were sympathetic to the UAW people, listened carefully, and wanted to find an answer. But they also pointed out that two-thirds of what they made went to Germany. They wondered if saving auto workers' jobs through a quota would cost them their own jobs if the German government somehow decided to restrict imports of Honeywell thermostats.

For a moment we counted jobs, comparing those that might be saved at the Ford plant with those that might be lost at Honeywell, but it soon became clear that the problem couldn't be solved with that calculation. Why should one group of workers be asked to sacrifice their jobs to save the jobs of another group? No one thought that made sense.

The same issues come up in the continuing debate about the North American Free Trade Agreement (NAFTA) that links the United States with Canada and Mexico. Both advocates and opponents have spent a great deal of time comparing the number of jobs lost to imports to the number of jobs created to supply new export markets. But that comparison isn't the point. Trade creates some jobs and

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wipes out others. Some winners will be U.S. workers, some Mexican and Canadian. The same is true for the losers. The point is to help those who lose their jobs, not to complain about those who get them.

The problem that U.S. workers face isn't caused by Mexican or Canadian workers, any more than it is caused by workers in another state or city in the United States. The problem comes from the capitalists who take the gains from trade and then put workers into competition with one another, instead of using some of those gains to smooth the difficult transitions that any change in trade will cause. NAFTA is grossly unfair to workers. But the measure of that unfairness is not the number of jobs created or lost. It lies in the greater power NAFTA gives to capitalists, while undermining the power workers have to join in the gains from trade.

One indication of this inequality is the different way NAFTA treats capitalists on the one hand and workers and the environment on the other, when disputes arise. If a capitalist feels his or her business interests have been violated under the terms of the treaty, enforcement mechanisms can result in fines and punitive tariffs against the offending party. But worker interests and environmental protections are not part of the treaty. They are discussed in "side agreements" that the Clinton administration negotiated on top of the basic agreement, which it had inherited from the first Bush administration in a form that was completely silent about labor and the environment. The side agreements state good intentions, but offer no enforcement mechanism. Violations go unpunished if workers or the environment are injured.

We saw a vivid indication of this power difference in the days just before NAFTA went to a vote in Congress in November 1993. Many industries jockeyed for favors in the final package, lobbying intensely through their trade associations to have their products made exempt from the treaty. Unions strongly opposed the whole deal because of the weakness of the side agreements. Even though the Clinton administration and treaty advocates bitterly criticized labor's opposition as the pursuit of narrow special interest, at the last minute Clinton gave special assurances to sugarcane and citrus growers. Their products would continue to have specific protections and not be subject to more intense competition from Mexico. Why did President Clinton insist on these last-minute changes in the agreement and win them from Mexican negotiators? Because he needed the votes of the Louisiana (sugar) and Florida (citrus and sugar) congressional delegations, and he got them.[3] Sometimes, it seems, special interests are not called "special interests."

When NAFTA passed, an academic economist I know who is a strong supporter of free trade muttered, "If it's really free trade, why is the bill over two thousand pages long?" NAFTA and other trade treaties contain hundreds of

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provisions and exceptions that favor interests powerful enough to gain protection. "Free trade" isn't free, any more than tax time means it's time for everyone to pay taxes. With both trade and taxes, class differences in power play the dominant role.

In 1993, the labor movement was largely powerless to shape trade arrangements. By 1997, with new leadership and better organization, the story had begun to change. The AFL-CIO successfully lobbied to block Congress from giving "fast track" approval to future trade agreements, thus leaving proposed treaties open to amendments that could win concessions for workers. The business community was alarmed, and newspaper editorials worried about the prospect of trade being "held hostage" to union demands. But from the point of view of the working class, what happened was that trade, for a change, was not entirely hostage to corporate demands. These disputes continued through the George W. Bush administration into the early Obama years, where standoffs between labor and capital have until 2011 blocked passage of free trade agreements with Colombia, Panama, and Korea.

Just as workers need to take wages and safety standards out of competition in the domestic economy, they need to do the same in international trade. The problem with NAFTA is that it encourages the kind of competition that takes advantage of low wages and weak labor and environmental protections in Mexico. Trade is not the problem. The problem is trade without standards to block the effects of greed.

NAFTA has had significant effects on immigration as well. According to authors of an Institute for Policy Studies report, it "almost certainly contributed to the sharp increase in the number of Mexicans living in the U.S. without authorization, from 2 million in 1990 to an estimated 6.2 million in 2005. With barriers to agricultural imports lifted [by NAFTA], Mexican farmers have found themselves competing with an influx of cheap, heavily subsidized U.S. agricultural commodities. Facing dire poverty in the Mexican countryside, millions have made the wrenching decision to leave behind families and communities and head northward."[4]

Immigration, the movement of workers across borders, is inseparable from the more general movement of capital across borders, and international trade in goods and services. Capitalism has been an international system since the earliest days of European exploration and conquest that coincided with the development of markets, from the sixteenth century onward. New immigrants to the United States from Ireland and central, eastern, and southern Europe were treated harshly by native-born whites descended from earlier waves of English immigrants, but there were no legal restrictions on entry to the United States (except for people from China, and for reasons of disease) until 1924. After the

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Russian revolution of 1917, fear of radicals, communists, and anarchists entering the country led Congress to create strict immigration quotas and impose political tests to keep new people out. These restrictions, as amended in major immigration reform legislation in 1965 and 1986, generate seemingly insoluble social and personal problems.

We saw in chapter 4 that immigrants are subject to a variety of attacks based on myths and faulty stereotypes. But international movements of working people are a natural part of global capitalism. Corporate executives generally support immigration to have the largest available pool of workers. But the corporate preference for various "guest worker" programs, in which workers enter the country legally for a limited period on condition that they work for specific employers, creates a three-tier labor force: native-born and permanent-resident workers, guest workers, and undocumented workers, each tier with different rights and degrees of economic and social vulnerability. These divisions weaken working people's ability to join together for common standards and rights of employment—wages, working conditions, ability to limit the power of the employer—and common political action.

Increasingly the capitalist class constitutes itself on a global scale.[5] The capitalists remain powerful within their own countries, but, as Chrystia Freeland writes, "the real community life of the 21st century plutocracy occurs on the international conference circuit."[6] Major capitalists from around the world and the senior managers, academics, and media personalities who operate in those circles come together at such places as the World Economic Forum in Davos, Switzerland, the Aspen Ideas Festival, the Clinton Global Initiative, the Bilderberg Group, and the Boao Forum for Asia. They form the networks and common understandings that play a central part in drawing individuals of like circumstance into a coherent economic and social class. "They are becoming a trans-global community of peers who have more in common with each other than with their countrymen back home," Freeland writes. In 2010, the CEOs of two of the five largest U.S. banks (Citigroup and Morgan Stanley) were immigrants, as were the CEOs of Pepsico and Pimco, the largest bond-trading company in the United States.[7]

Capitalists want the greatest freedom they can win for themselves. They tend to think they are entitled to go anywhere and do anything that makes a profit. Their demand to be able to invest internationally without restriction just expands their demand to be freed from burdensome labor and environmental restrictions in the United States. The same motive, to get rich by any means available, at any cost to others, drives them at home and abroad. That is why, in international trade as well as in the domestic economy, we need enforceable standards to keep the drive for profit from going over into greed. The problem for working people is to find

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ways to limit the power of capital and to promote competition through better productivity and quality, not through a cross-border hunt for the lowest wages. With limits in place, working people could more easily capture some of the gains from trade and higher productivity, in higher income, cheaper products, or a shorter work week. To secure those limits, workers need to overcome the three-tier labor system that business seeks to impose through immigration policies that divide the workforce according to immigration status. And workers need to form global networks that can enforce these limits on an international scale.

Enforcing International Standards

We are back to the question of who will bell the cat. Just how are these standards going to be drafted and applied? How will they be enforced? At the international level, solving these problems will involve three things: asserting the standards of the International Labour Organization (ILO) and the UN's Universal Declaration of Human Rights, enforcing these standards through government action, and bringing to bear the power of a labor movement organized across international boundaries.

In 1948, following the catastrophes of world war, the United Nations adopted a statement of universal human rights, to assert an international moral standard. Workers are human beings and remain human when they go to work. No employer and no government has the right to take human rights away. Property rights do not include the authority to violate the human rights of those without property, anywhere.

The ILO has adopted four standards, or "conventions," asserting the human rights that working people have. They are a prohibition against slavery, a prohibition against child labor, a prohibition against discrimination based on race, gender, nationality, and religion, and the right to organize unions and bargain collectively to seek improvements in working conditions.

We can evaluate the labor relations practices of any country and any corporation against these standards. We can say that the products of any country or any company violating these standards are not welcome for sale in the United States. We can say that any corporation chartered in the United States that violates these standards, anywhere in the world, will lose its charter and so lose the right to do business in the United States.

These labor standards carry the moral force of basic human rights recognized by the international community for over sixty years. The fact that they have gone unenforced because corporations have the power to ignore them is no reason to treat them only as abstract good intentions. These standards belong high on the

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banners of a working class movement in the era of globalization, serious and literal demands in a struggle for power and moral authority.

The standard that proclaims the right of workers to organize is particularly important because that right is what makes working class power possible. In countries as diverse and as important to U.S. trade relations as China, Mexico, Saudi Arabia, and Indonesia, leaders of independent union organizing efforts are routinely arrested and put in prison if not simply killed. In Iraq in 2011, the government still kept in force the 1987 law promulgated by Saddam Hussein that prohibited unions and collective bargaining in the public sector, which in Iraq includes over 80 percent of the workforce, in the oil fields, ports, electric utilities, heavy manufacturing, transport system, and education. This was one of the few laws the United States kept in force after deposing the Saddam Hussein regime, as it sought to create a free-market haven for business. Long after Saddam Hussein disappeared from power, the law has been the basis of severe repression of Iraqi trade unions.[8] These practices are unacceptable in a trading or political partner. The ILO standards should be a basic guide for U.S. trade and foreign policy.

But even in the United States it is not easy to organize unions in the business climate of the early twenty-first century. As in Baghdad and Basra, public sector unions have no legal protection in North Carolina and Indiana. The state governments in Wisconsin and Ohio were quick to destroy collective bargaining rights for public employees once militant pro-business majorities were elected in 2010. As Joe Alvarez, eastern regional director of the AFL-CIO in 1999, put it to a gathering of academic friends of labor: "Organizing a union is one of the very few rights Americans exercise in fear."[9] This is still the case. Businesses regularly fire union organizers and intimidate workers who might show an interest in the union's message, in violation of Wagner Act protections workers are supposed to have.[10] Companies pursue aggressive union-busting strategies, hiring consultants who specialize in keeping the workplace "union-free." After NAFTA passed, businesses increased their threats to move to Mexico to thwart union organizing campaigns.[11]

The fact that many U.S. corporations routinely fire and otherwise harass and intimidate their employees who try to organize unions is further evidence that the issues raised in international trade are no different from those involved in the domestic economy. When U.S. workers make demands for better treatment of workers in Mexico, Iraq, and China, they are also making demands on corporations in the United States.

To be effective, these demands must come from a labor movement no longer limited to national boundaries. The U.S. working class must organize together with workers in other countries. One reason they must is that often a single employer operates across countries. To take wages and working conditions out of

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competition, workers producing the same product for the same company using the same technology need to win the same treatment through bargaining coordinated internationally, just as they must do when dealing with a large company or industry-wide bargaining domestically. But workers have a common interest in the enforcement of international labor standards no matter who the employer. When U.S. workers insist that workers in other countries have the right to organize, they make it easier to call upon those other workers for help in solving their own problems.

International organizing of this kind can be done, as three examples from the mid to late 1990s show. Beginning in 1994, the Union of Needletrades, Industrial, and Textile Employees (UNITE, which then represented nearly a million workers in the United States) began organizing among the eight hundred thousand workers in the apparel industry in Mexico, Central America, and the Caribbean. Union representation was weak or nonexistent for these workers, most of whom worked for subcontractors to major U.S. apparel firms. UNITE helped organize unions that bargained contracts for five thousand workers in the Dominican Republic by 1999, and scattered contracts elsewhere.

Organizing in these countries is difficult and dangerous because unions are routinely and ruthlessly suppressed. Even successful efforts can be undone, as when Phillips–Van Heusen closed its facility in Guatemala a year and a half after workers there won the first union contract with a textile subcontractor in that country.

In the 1920s, subcontractors in New Jersey were considered foreign labor to the unions who had agreements with apparel makers in New York City. Today it is Honduras and Indonesia. But the same response applies: "The union has to follow the work."[12]

Sometimes workers in the United States must go overseas to get to their employer. When workers at Bridgestone-Firestone tire factories in Tennessee and Oklahoma went on strike over the company's union-busting strategy, the corporate decision makers were in Japan. Led by the United Steelworkers (which had merged with the rubber workers' union earlier in the 1990s), the workers took their dispute to the international arena. They traveled to Japan and to Bridgestone plants in Europe and South America to enlist the support of workers there. In 1996, after twenty-two months of intense international pressure on Bridgestone and its bankers and directors, the U.S. workers won. A local campaign would surely have been unsuccessful.

Workers in the United States can build on campaigns that have already shown the possibility of international labor cooperation, possibly working through the international trade secretariats that already exist. For example, the International Textile, Garment and Leather Workers Federation, based in Brussels, Belgium,

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includes union affiliates that represent over nine million workers in over a hundred countries.

We are some distance from effective international union organizing, but initial experience and organizational structures already exist.[13] Just as it has taken decades for international capitalism to develop rules and procedures, it will take some time for labor to mount the international stage. In the process, U.S. workers will have to become more active in support of workers organizing overseas, and not simply look abroad for others to support labor here.

Unions are not the only instrument that can challenge globalization through international action. The campaign to defeat the Multilateral Agreement on Investment (MAI) in 1997 and 1998 showed the power of environmental groups and other nongovernmental organizations (NGOs). The MAI was a treaty negotiated quietly by the major capitalist countries of the world, beginning in 1996. The idea was to bring down barriers to the flow of capital across borders, just as NAFTA and GATT had reduced barriers to trade in goods and services. The proposal would have voided any country's legal restrictions on international capital investment and given capitalists complete authority to conduct their business however they liked in any signatory country. For two years, the weekly negotiation sessions were held without public notice, but in 1997, as a draft treaty took shape, word of it began to leak out. Led by labor, environmental, and grassroots citizen groups, and joined by politicians defending national autonomy, an international firestorm of organized opposition arose, first on the Internet, then in politicians' offices. The radical demand by business to escape regulation was defeated and MAI was shelved.[14]

The battle over MAI is a reminder that our focus on globalization shouldn't be limited to trade in goods and services. Investment flows are also critically important. People often forget that NAFTA was only partly about freeing trade by lowering tariffs. It was more about opening up the Mexican economy to U.S. investment in banking, insurance, and business services, as well as in other sectors of the economy that Mexico had long closed to foreign capital. The point was to allow *capital* to move more freely, as well as goods and services.

Capital investment takes two forms, each with its own problems. First, investment can buy or build productive assets, factories and office buildings in which real work will be done. This kind of overseas investment should be subject to the same kinds of standards—labor laws, environmental rules, prohibitions on child labor—that regulate competition in domestic situations. Those were the limits the MAI tried to wipe out.

The second form of investment, called portfolio investment, involves buying and selling securities (stocks and bonds) rather than productive assets. Portfolio investment lends itself to short-term speculation, gambling on price changes in

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securities and currencies rather than relying on the long-term growth in output and profit that can come from the productive assets of direct investment. Portfolio investment has become much larger relative to direct investment.

In 1980, U.S. portfolio investment abroad was 18 percent of direct investment. By 1997, U.S. direct investment abroad had increased by more than 600 percent, but portfolio investment had increased nearly 2,500 percent, and reached 72 percent of direct investment flows.[15] In 1975, cross-border investments in stocks and bonds by U.S. investors were 4 percent of the GDP (Gross Domestic Product, the value of all goods and services produced in the country that year). By 1980, they had more than doubled, to 9 percent. By 1997, these U.S. portfolio investments abroad exploded to 213 percent of the GDP.[16] Between 1997 and 2009, U.S. direct investment abroad grew nearly fourfold, but portfolio investments grew more than fivefold.[17]

Meanwhile, international currency transactions—in which people in one country buy the currencies of other countries—also went through the roof. In 1986, the average daily value of currencies traded worldwide (total, not just by Americans) was $200 billion. By 1998, it had risen to $1.5 trillion, *every day.*[18] This 750 percent increase in currency trading came at a time when the volume of world trade in goods and services was growing by only about 5 percent per year.[19] By 2010, currency trades had risen another 267 percent to $4 trillion per day while the volume of trade grew only about 75 percent in the same period.[20] More than 95 percent of currency trades in 2010 were speculative, with less than 5 percent required to pay for trade in goods and services.[21]

Growth in trade is one reason for an increasing need for foreign currency. If Americans buy 5 percent more wine and other products from France, say, we will need about 5 percent more euros to pay for them. But the recent explosion in currency transactions has far outstripped the growth in actual trade. The bulk of the increase reflects a huge amount of speculation on the currency values themselves.

One problem with this development is that exchange rates have sometimes come to be determined by speculative flows of money rather than the real conditions of production in a country. Since exchange rates are the price of a country's money, they have a direct and profound effect on the economic conditions of that country. Speculative flows are by their nature volatile, so the domination of exchange rates by speculation leads to instability. The economic crises that shook Asia and Latin America in the late 1990s are a case in point.

The financial crisis beginning in 2008 was a profound shock to those in the United States, but also to Europeans. It too was caused by wild speculation, mainly in newly invented obscure financial instruments unchecked by any regulator, public or private. Whole economies, from Iceland to Greece to the United States, were thrown into crisis, and existing global institutions were unable to

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meet the challenge. Seeking a coordinated international response early in the crisis, the major industrialized countries in the Group of Seven (G7) invited thirteen less developed but rising economic powers into the inner circle in late 2008, creating the G20 that included Brazil, Russia, India, China, Indonesia, South Africa, Turkey, and other national elites new to the world stage. But international economic and political arrangements were still in disarray as late as 2011, as European economic and political leaders struggled to maintain the euro and preserve the economic health of their national banks while responding to the Greek debt crisis, and political and economic elites disagreed on the best responses.[22]

There is no single world government that can subordinate individual countries to a single global policy or set of institutions, as a national government can regulate states and other internal jurisdictions. But economic elites from the industrial countries, joined by India, South Africa, Peru, and many other countries, formed the World Trade Organization (WTO) in 1995 to set and enforce economic rules that promoted "free trade" and unrestricted capital flows. By 2008 the WTO involved 153 member countries, each pledged to apply the doctrine of free markets in their own economic policies.

Despite this commitment in principle, the nations of the WTO have had a hard time extending it into policies that challenge powerful interests at home. Among the most difficult conflicts to resolve have been agricultural subsidies and the protection (or not) of intellectual property. As I write these words, the Doha Round of negotiations has been paralyzed for ten years. An early meeting of the WTO nations in Seattle in November 1999, made famous by the massive demonstrations of anti-globalization activists from around the world, also had failed to come to agreement. The Seattle failure is often ascribed to the demonstrations, but the WTO director-general at the time, New Zealander Mike Moore, had been warning for months before the meeting that disagreements threatened to result in failure, disagreements that had not been resolved by the time WTO leaders came to Seattle.

Instability in a world dominated by capitalist power means misery for working class people. Some capitalists do go down in any crisis, but overall the response of the international economic authorities of the World Bank, the International Monetary Fund, and the U.S. Treasury is to bail out the banks and the major corporate players, while imposing harsh discipline and austerity on workers, reflecting the relative power of the two sides.

A working class response to instability would be to demand that its underlying causes be controlled. This means putting limits on speculative flows of money, which is not easy to do either politically or technically, because business has a way of finding creative ways to get around regulations, but minimum time periods can be imposed between buying and selling securities and currencies. It also

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means imposing binding limits on the risky behavior of financial institutions, and forcing their shareholders and executives to bear the burden of failure. More broadly, it means constructing and enforcing policies that force all businesses to compete in constructive ways, without degrading workers, the environment, or the culture. A country can refuse a business the right to operate in its borders if it violates regulations.

Not every capitalist welcomes the explosion in speculative activity. Many business leaders understand that instability is dangerous to their power, and that derivatives and other bizarre and arcane financial instruments designed to limit risk only expose investors to greater risk after all. After World War II the United States and Britain put into place a set of international rules that limited speculation, but those rules fell apart in the 1970s. More recently we are again hearing from business and academic leaders that steps need to be taken to rein in speculation and return the markets to investment in real productive assets.[23]

Enforcing limits on capital flows and speculation requires the third force that workers need in the global economy, the government. There is a limit to the scope of ILO standards and to what unions and NGOs can do in collective bargaining and social campaigns across national borders. As important as these two elements are, government power as the third element in the workers' arsenal will be essential. Workers' relationship to government power is the subject of the next chapter.

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