Globalization undermines Workers' Rights in America

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Part II of The War On Working Americans

This article was written to assess the state of working America in the run-up to Labor Day, 2007. Organized labor today is severely weakened following decades of government and business duplicity to crush it. Part I reviewed the labor movement's rise in the 19th century and subsequent decline post-WW II and especially in the last three decades. Hope arose for some change in the Democrat-led 100th Congress. A weak effort emerged, but Senate Republicans killed it.

Organized labor is struggling to remain relevant and claw its way back. The enormous obstacles it faces are reviewed below as well as the condition of working Americans today in a globalized world affecting their lives and welfare heading "south" in the "land of opportunity" offering pathetically little.

The Loss of High-Paying Jobs from Outsourcing Under Globalized Market-Based Rules

World trade isn't new, and the General Agreement on Tariffs and Trade (GATT) was its mid-20th century version after 23 founding nations signed it on October 30, 1947 in Geneva. Earlier in 1946, they drafted the International Trade Organization (ILO) that followed the creation of the IMF and International Bank for Reconstruction (now the World Bank) at Bretton Woods in 1944. Fifty-three nations then signed the GATT in Havana in March, 1948 as the founding international instrument governing world trade.

Subsequent rounds of negotiations followed through number eight launched in Punta del Este, Uruguay (the Uruguay Round) in 1986. It was signed in Marrakesh, Morocco in April, 1994 by most of the 123 participating countries as the updated version of the original 1947 GATT. It was then succeeded by the WTO January 1, 1995, one year to the day after NAFTA took effect as another worker rights legislative weapon of mass job destruction. DR-CAFTA followed next for the Central American countries signing on to it after El Salvador did first in March, 2006.

The WTO is well-seasoned with a corporate-friendly alphabet soup of Uruguay-negotiated agreements like the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), General Agreement on Trade in Services (GATS), Agreement on Agriculture (AoA), Agreement on Technical Barriers to Trade (TBT), and others all designed for one purpose. It's to override member states' national sovereignty so they're now governed under a uniform set of global market trading rules favoring capital.

They're designed for the Global North, giant corporations and the rich at the expense of

Global South developing nations, ordinary people everywhere, concern for environmental standards as well as sanity and public safety. Along with the IMF, World Bank, and other international lending agencies, this entire structure is big capital's neoliberal scheme to commoditize everything, including people and life itself in the human genome, to strip-mine the planet for profit.

Globalized trade has a long history, but the notion of a globalized marketplace came into its own in the 1980s. It was hailed as a western, mainly US, prescription for economic growth and prosperity lifting all boats. In fact, only yachts benefitted by design so the privileged could gain at the expense of all others preyed on.

The UN's International Labour Organization's (ILO) commission on the social dimensions of globalization is comprised of representatives from labor, government and business. In 2004, it issued a damning appraisal of world trade rules harm and the subsequent distress caused by unfair practices. It ranges from how TRIPS prevents affordable generic life-saving drugs being sold in developing countries to the shifting tax burden from business and the rich to workers, and much more.

In the US and West, the damage comes from exporting jobs and offshoring manufacturing and service operations to low-wage countries. It began in the late 1950s when modest numbers of them went to Canada to take advantage of the cost savings there. The pace then quickened in the 1960s and 1970s with the exodus of production jobs in autos, shoes, clothing, cheap electronics, and toys as well as routine service work like credit card receipt processing, airline reservations and basic software code writing.

What started as simple assembly and service work early on, then took off in the 1980s. It spread up and down the value chain and now embraces almost any type good or service not needing a home-based location such as retail clerks, plumbers, and carpenters; top-secret defense research, design and selected types of manufacturing; and certain types of specialized activities companies so far have kept at home. What's moving abroad, however, is big business getting bigger with Gartner Research estimating outsourcing generated $298.5 billion in 2003 global revenues.

The toll adds up to a global race to the bottom in a country where services now account for 84% of the economy. The once bedrock manufacturing portion is just 10% and falling as more good jobs in it are lost in an unending drain. Since the start of 2000 alone, about one in six factory jobs, over three million in total, have been affected. The sector is less than a third of its size 40 years ago and one-fourth the peak it hit during WW II.

It's been devastating for the nation's 130 million working people. No longer are unions strong and workers well-paid with assured good benefits like full health insurance coverage and pensions. Today, all types of financial services comprise the largest economic sector. Much of it is in trillions of dollars of high stakes speculation annually producing wads of cash for elite insiders (when things go as planned) and nothing for the welfare of most others and the good of the country.

Worst of all is the poor and declining quality of most service sector jobs measured by wages, benefits, job security and overall working conditions. It's because fewer good ones exist, unions are weak, and workers are at the mercy of employers indifferent to their plight. People are forced to work longer and harder for less just to stay even. Jobs in this sector are mostly concentrated in unskilled or low-skill areas of retail, health care and temporary services of all kinds. They pay lots less than full-time jobs, and have few or no benefits and little prospect for future improvement. This all happened by design to crush worker rights and commoditize them like all other production inputs.

The Department of Labor now projects job categories with the greatest future expected growth are cashiers; waiters and waitresses; other restaurant-related workers; janitors and cleaning personnel; retail clerks; and child care workers – all low-skill areas. Harvard degrees aren't required. Neither are high school ones.

Most in-demand higher-skilled jobs are projected to be for nurses, post-secondary teachers and sales representatives. There are still plenty of high-tech jobs in areas like network systems and data analysis and software engineering applications and systems. But watch out. They're being lost as well to low-wage countries in an unending domestic job drain affecting all types of work able to be done anywhere. It shows why domestic job growth is stagnant (despite the hype it isn't), eligible workers are dropping out of the work force, and the decline is sure to continue unless legislation stops it. None is in sight or imagined.

The loss of good well-paying jobs means fewer high-end and a range of low-skilled ones are all that remain for vast numbers of young people whose future looks bleak. Two research studies among others highlight the problem. One by University of California staffers in 2004 estimated up to 14 million American jobs are at risk to outsourcing, and another by Gartner Research predicts as many as 30% of high-tech jobs may be lost to low-wage countries by 2015. In addition, writing in the March/April, 2006 issue of Foreign Affairs on what he calls a "third Industrial Revolution," former Federal Reserve vice-chairman Alan Blinder estimated 28 – 42 million American service sector jobs are vulnerable and could be lost to foreign labor.

In low-wage countries, they're done at far less cost to US employers in their company-owned or subcontracted out operations. Blinder added starkly "We have so far barely seen the tip of the offshoring iceberg, the eventual dimensions of which may be staggering." Veteran financial analyst and writer Bob Chapman calls this the "rape of our economy" with enormous, wrenching and destructive consequences to the lives of millions of working people pursuing an illusory American dream.

It affects the skilled and unskilled alike for all types of jobs at risk. Chapman cites India as an example noting once only low-skill and routine programming jobs went there. Now, he says, it's "software aeronautical engineers, banking, insurance, investment banking and drug research" along with many other high-end jobs where companies can hire skilled professionals at a fifth the cost of US and European ones. So why wouldn't they, and more are in a growing trend.

All types of financial jobs at all levels are also being eliminated with financial institutions moving sizeable chunks of investment banking, research, trading operations, and other professional jobs abroad for big cost savings. Deloitte Touche estimates the industry will outsource 20% of its cost base by 2010 with more to come in a continuing job drain for big cost savings abroad. The ones lost will be in financial services and most other sectors in a trend looking like it won't end until the US is as low a wage nation as those now taking our jobs.

An Unprecedented Fall in Workers' Standard of Living

Over the past 30 years, most people have seen an unprecedented fall in their standard of living. Adjusted for inflation, the average American worker now earns less than in the mid-1970s with the minimum wage unchanged at $5.15 an hour since 1997 until the 110th Congress raised it in pathetically small steps to a wholly inadequate top level. Beginning July 24, it rose to $5.85, will go to $6.55 July 24, 2008 and to $7.25 July 24, 2009. Until the increase, minimum worker pay was at the lowest point relative to average wages since 1949. It got many states, comprising over half the population, to raise their own, but it’s not enough.

A recent study released by the Center for Economic Policy Research (CEPR) shows the dire state of things. It reported about one in three jobs in the country, about 47 million of them, pay low wages (defined as two-thirds the median wage or $11.11 per hour or less) with few or no benefits like health insurance, pensions or retirement accounts. It’s barely enough for a family of two adults and two children to exceed the official understated poverty level of $20,444 in 2006 (or $9.83 an hour), and by this definition one in four workers (35 million) only earned poverty-level wages. But millions of others fall below it because official statistics way understate the problem, and workers earning around $11.11 an hour in cities like New York, Chicago, Los Angeles and other large ones can’t get by if they have to support a family on it.

These growing millions now comprise a permanent underclass in a nation unwilling to admit what census data and private research now show. America is a rigid class society by design with extreme wealth at the top, a declining (maybe dying) middle class, and a growing underclass of low-paid workers and poor, many desperately so.

Following the inequalities of the 1920s, the nation experienced what economic historians Claudia Goldin and Robert Margo called “the Great Compression.” Income gaps narrowed from the positive effects of New Deal and Great Society programs, strong unions, and an equitable tax system for individuals and corporations. From then to now, call it “the Great Expansion” of inequality with the gap between rich and most others the greatest it’s been since the Gilded Age of the “robber barons” and getting worse.

Business Week magazine highlighted the trend in December, 2003 and accompanying research. It showed a decline in social mobility over the past few decades. The article was called “Waking Up from the American Dream – Meritocracy and Equal Opportunity Are Fading Fast.” It noted the “Wal-Martization” of the country corporate America embraces to control labor costs by outsourcing jobs, de-unionizing, hiring temps and part-timers, and dismantling internal career ladders to boost profits at the expense of people. What’s left is a proliferation of dead-end, low-wage jobs with public policy skewed to keep it that way. It needs stressing again. This didn’t happen by chance. It was by design to destroy organized labor, and so far it’s working.

In its most recent State of Working America – 2006/2007, the Economic Policy Institute (EPI) reports the official poverty level in 2004 stood at 12.7% or 37 million people, including 13 million children. It also showed for the first time ever, poverty in the country grew in the first three years of an economic recovery. In its study, EPI cited factors today they call “historically unique:”

— increased globalized trade;

— low union membership;

— more low-skilled and high-skilled immigration; and

— fewer favorable social norms guiding employer behavior to provide "adequate safety nets, pensions, and health care arrangements."

EPI noted the biggest challenge in today's "new economy" isn't (macro) growth but how benefits get distributed with such a high proportion skewed upward.

Left out entirely are the 16 million 2005 census figures show are on the very bottom living in "extreme" poverty that's defined as a family of four with an annual income of $9903 or less. Even more disturbing is how fast the poverty rate is increasing. The numbers of those worst off grew by 26% from 2000 – 2005 or 56% faster than for the total poverty population. Further, it happened mostly in years of economic expansion after the 2001 recession ended late that year. Notable also is the disturbing decline in higher-paying jobs leaving what's left for unskilled or low-skill workers. They pay pitiful wages and few, if any, benefits with crumbling social safety net protection left to pick up the slack.

The Oakland Institute policy think tank promotes social and economic justice. It recently reported its disturbing assessment of things saying 10% of the US population (around 30 million) "experiences hunger or is at risk of going hungry." A December, 2006 Helsinki-based World Institute for Development Economics Research of the UN University study also reported disturbing findings. They showed the richest 1% of adults owned 40% of global assets in 2000, and the richest 10% held 85% of them.

EPI reported the top 1% controls more than one-third of America's wealth, the bottom 80% has 15.3%, and the top 20% holds 84.7% of it. In contrast, the poorest 20% are in debt and owe more than they own. Globalization, automation, outsourcing, the shift from manufacturing to services, weak unions, deregulation, and other harmful economic factors all add to the problem.

Other data show an astonishing generational shift of well over $1 trillion of national wealth annually from 90 million US working class households to for-profit corporations and the richest 1% of the population. It created what economist Paul Krugman calls an unprecedented wealth disparity getting worse that shames the nation and is destroying the bedrock middle class without which democracy can't survive.

A similar conclusion also came from an analysis of income tax data by Professor Emmanuel Saez of the University of California-Berkeley and Professor Thomas Piketty of the Paris School of Economics. Both men are noted for their work on income inequality. Their research found the top 1% of Americans in 2005 (about 3 million people) got their largest share of national income since 1928 – 21.8%, up from 19.8% a year ago or a 10% gain. Further, the top 10% received 48.5% of all reported income in 2005, also the highest level since 1928, up 2% from 2004, and one-third since the late 1970s.

The top one-tenth of 1% (about 300,000 people) did best of all, to no surprise. It got as much income in total as the bottom 150 million Americans combined. In addition, while total reported income rose almost 9% in 2005, average incomes for the bottom 90% of the population dropped .6% from the previous year.

Further, the Bush administration tax cuts for the wealthy greatly widened the income gap between rich and poor that was the whole idea behind them with a healthy piece of the benefits going to big corporations. In the 1950s, they contributed an average of 28% to federal revenues. That dropped to 21% in the 1960s and about 10% and falling since the 1980s. It’s happening with the corporate tax rate at 35%, but few of the giants pay it. According to the Government Accountability Office (GAO), 94% of major corporations now pay less than 5% of their income in taxes, and corporate tax payments overall are at their lowest level in 60 years. In addition, many large companies pay no tax, and some end up with sizable rebates on top of huge corporate welfare subsidies under a system of socialism for big corporations and the rich and “free market” capitalism for the rest of us.

Saez and Piketty also reported their findings may be understated because the wealthy are more likely to file late tax returns so those who did weren’t included in the study. Also, the IRS acknowledges it can account for only about 70% of business and investment income, most, of course, going to high-income earners. What’s missing is $300 – $400 billion a year that adds up to trillions of untaxed dollars for the rich with the rest of us having to make up for it.

Recent US Commerce Department data is also disturbing. It shows the share of national income going to wages and salaries the lowest on record with their data going back to 1929. And the Center on Budget and Policy Priorities (CBPP) finds wage and salary growth in the current recovery growing at half the average rate for post-recessionary periods since the end of WW II while corporate profits in the current period grew over 50% more than the post-WW II average. It’s the first time on record, corporate profits got a larger share of income growth in a recovery than wages and salaries – 46% to 34%.

The Growth and Shredding of Social Services in America

The golden age of social service benefits and worker protections emerged during The Great Depression, but they didn’t begin then. An obligation was felt to help the needy as early as colonial times but without an organized effort to do it. Back then, local towns and villages did it through the poor relief system and almshouses. That began changing as the nation became less agrarian and more industrial when a number of states added services like cash allowances, mothers’ pensions and by the mid-1920s old age assistance for the blind. Also, then and earlier, the Federal government and States began recognizing the need for public welfare social insurance financed through contributions guaranteeing protection for all rather than public assistance for the needy alone.

The first instance of it began in 1908 with a Federal workers’ compensation law covering some government workers. States then added their own, and by 1929 all of them had it except four holdouts. Other efforts followed including State and local retirement plans and Federal benefits and services for veterans. Even the private sector added their own with token amounts of health care, pensions, life insurance and sick pay.

The Great Depression hard times of the 1930s changed everything creating a golden age for worker rights and benefits mentioned above. It followed the roaring 1920s era of anything goes corporate greed and loose regulation. It ushered in the Roosevelt administration’s New Deal to aid the needy and reform the economy when 25% of the working public had no job in 1933. Those in power feared the worst knowing they had to act to save capitalism at a time of mass hostility to it they feared might erupt in a Russian-style 1917 revolution.

They did it then like never before or since starting by passing the National Industrial

Recovery Act in 1933. It was based on a "bubble up" theory of recovery to raise wages and thereby stimulate consumer purchasing power hoping it would lead to increased production and new investment. Despite good intentions, things go as planned. The Depression dragged on until the 1939 early WW II build-up began ending it. It packed greater economic punch than in earlier public sector spending. Those efforts were less for reform and more for what John Maynard Keynes recommended – upgrading infrastructure to revive durable goods production that, in turn, would revive the economy.

Still New Deal policies were remarkable in how mirror opposite they were to what's been enacted since 1980 and especially in the gilded age of George Bush. There were stimulative loans and grants to the States and landmark measures like the FDIC insuring bank deposits, the SEC regulating financial markets, and the NLRB through the Wagner Act explained above. Most important was a broad array of social programs. They included Federal emergency relief, public works and others under an alphabet soup of initiatives. They were way inadequate, but, nonetheless, tried to jump-start a moribund economy by providing substantial work and relief for the unemployed and needy.

The high water mark came in 1935 with the passage of the landmark Social Security Act. To this day, it's still the single most important piece of social legislation in our history. More than any other government program, it's the one most responsible for keeping vast numbers of elderly people out of poverty as well as providing other essential services and benefits for the needy and disabled. Other important social legislation came out as well including Unemployment Insurance with the Federal government partnered with States; the Railroad Retirement System; Public Housing; and Social Security Old-Age and Survivors Insurance.

Post-WW II there was lots more:

— the National School Lunch Program (established in 1946);

— Aid to the Permanently and Totally Disabled (APTD – in 1950) that later became Supplemental Security Income (SSI) in 1972;

— Social Security Disability Insurance (SSDI);

— Medical Assistance for the Aged (preceding Medicare);

— Aid to Families with Dependent Children (AFDC – 1960);

–the Food Stamp Program (1964);

— the School Breakfast Program (1966);

— the WIC food assistance program (1972);

— Earned Income Tax Credit (EITC – 1975);

— Low Income Home Energy Assistance; and

— Temporary Assistance for Needy Families (TANF – 1997 successor to AFDC that was a huge step backwards explained below), among others.

Lyndon Johnson's Great Society earlier saw other landmark social legislation with the establishment of Medicare and Medicaid in 1965. It guaranteed the elderly and indigent health care coverage at affordable, minimal or no cost when they needed it most.

That was the good news, but it changed with the election of Ronald Reagan in 1980. Mark Weisbrot from the Center for Economic and Policy Research (CEPR) called his administration's rollback of social services his "project of building a bridge to the 19th century in areas of social policy." It was that and more, but despite it, the dominant media shamelessly exalted him in life (see Mark Hertsgaard 1989 book "On Bended Knee: The Press and the Reagan Presidency") and practically deified him following his death on June 4, 2004. Left out of the eulogies was the true scorched earth legacy he left behind. His "war on international terrorism" was a devastating precursor to its updated version under the current administration. This article, however, only addresses his domestic damage on people least able to handle it.

The Reagan administration instituted a generational decline of worker rights and vital social programs. It allowed them to erode through higher payroll taxes, raising the retirement age, increasing Medicare premiums, and cutting Medicaid benefits for the poor. His years were characterized by large increases in military spending, big tax cuts for the rich and big business while slashing social benefits, union worker rights and running up huge deficits.

Discretionary domestic spending for most social programs, other than Social Security, Medicare and Medicaid, was cut by one-third from 1981 – 1988. Programs for low income earners were hard hit with a 54% cut. Subsidized housing lost over 80%, housing assistance for the elderly 47%, and training and employment services over 68%. Reagan also reduced health and safety protections and weakened federal statutes guaranteeing workers the right to organize and bargain collectively.

Beneath his avuncular persona, Reagan was callous and indifferent to notions of equal justice, civil liberties and human need. He showed it in his support for the Christian Right's hate campaign against gays and lesbians in its early days of ascendency by refusing to address the AIDS problem he allowed to become a global epidemic.

HIV/AIDS first surfaced in the US among gay men in New York and California in 1981, Reagan's first year in office. It was called a "gay disease", and still is largely today by those who demean it. Most notably, extremist Christian Right leaders call it God's revenge against gay people they say are diseased sinners. When the Centers for Disease Control first reported the outbreak they, too, stigmatized the gay community as disease-carriers calling it GRID – gay-related immune deficiency.

Ronald Reagan went along with this notion refusing even to mention AIDS or do anything to address the problem in the first seven years in office. It caused enormous setbacks for HIV/AIDS research and appalling discrimination against the infected and gay community overall. In addition, there were no government-directed efforts at prevention or education. It thereby allowed a health problem that might have been contained to become an epidemic killing a half million people in the US alone and infecting an estimated one million others now living with the disease.

Worldwide the numbers are catastrophic with an estimated 25 million deaths and another 34 – 47 million people currently infected. In addition, millions more are added to the numbers each year who might have been helped if the Reagan administration had led a worldwide effort to contain what's now an out-of-control plague in parts of the world like sub-Saharan Africa. None of this was mentioned in Reagan's eulogy that should have been a denunciation for this and his other crimes against humanity George Bush is now doing his best to match or exceed.

The GHW Bush years followed the "Reagan Revolution." They were pathetically "kinder and gentler" domestically and made worse by a "new world order" imperial agenda harming working people everywhere that's standard practice now under all Presidents. It was the same under Bill Clinton who called himself a Democrat but never governed like one. His tenure included NAFTA and WTO responsible for mass and growing poverty, human misery and ecological destruction under one-way globalized trade rules providing cover for predatory capitalism.

So-called "welfare reform" in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) also was passed. Before it did, the needy got welfare payments through Aid to Families with Dependent Children or AFDC help. That changed in 1996 with time limits set so no one would be helped for more than five years under the new program called Temporary Assistance for Needy Families or TANF. Under it, the Federal government allots fixed block grants to the States they then administer at their discretion meaning the needy now get cheated by an uncaring state.

TANF also requires most recipients to participate in some kind of work or training to qualify for help. It doesn't matter that much of it goes to single mothers with young children needing them at home to provide care unavailable if the law prevents it. There's also no relief during recessions when jobs are lost and unskilled workers are least able to find one.

Clinton's main social initiative was his ill-conceived health care "reform." It was a complex mess based on the notion of "managed competition" and marketplace medicine instead of what's really needed in the form of a "single-payer" national health insurance program modeled on the kind in Western Europe, Canada or that all members of Congress and the administration get. They cover everyone, irrespective of ability to pay, and for US legislators and the executive it's gold-plated for life.

The Clinton plan (dubbed "Hillarycare") offered the public less choice for more affordability but wanted big insurers and HMOs to run it guaranteeing an illusion of full coverage the way it is now. Profits always trump need with insurers targeting young and healthy prospects while avoiding those posing the greatest risks.

The pace of social spending cuts accelerated dramatically under George Bush who'd eliminate them all given the choice, and he's working on it. He's against all of them to fund more tax cuts for the rich and provide multi-billions for his permanent state of war plus every imaginable weapon system the Pentagon and defense contractors want to wage them.

Bush's assault on organized labor was covered above, but he has lots more targets as well. Education is one of them in his appalling No Child Left Behind Act. It focuses on testing, not children. It's a boon to corporations supplying the materials but not to teachers who hate them. It forces them to teach "to the test" instead of educating students in course material that's the only way to run a classroom. Otherwise, kids don't learn, but that's part of the scheme as what kind of future do all but the well-off have to look forward to.

The Bush education agenda also promotes school vouchers disguising a broader goal to privatize public education and aid the white supremacist parochial part of it. Christian Right zealots support these schools because of their brand of hard right extremism dangerous to everyone outside the faithful. In most areas where vouchers are used, 80% of them are for these type schools. They renounce proved science like evolution and teach creationism instead, repackaged as “intelligent design.”

They also preach an extremist Christian doctrine waging war on truth and democratic principles of a free and open society. They replace it with faith-based pseudoscience on everything from creation to HIV/AIDS to pregnancy prevention to global warming to militarism, and all the while denounce non-believers as heretics. These schools also threaten the survival of public education. They divert funding from them and violate the constitutional separation of church and state which is why the Bush administration supports them.

His administration also opposes college aid at a time tuitions and fees are more unaffordable than ever and rising much faster than inflation. An undergraduate year at Harvard now costs over $50,000 with all expenses included, but even lower-tuition state schools aren’t affordable for many with the University of Illinois typical of most others. It’s much cheaper than Harvard but still costs about $26,000 a year “base rate” that’s unaffordable for low-income families without considerable financial aid. George Bush’s solution – cut or freeze maximum allowable Pell Grants so even holding them steady means amounts offered don’t keep up with rising costs and needy students lose out.

Bush’s prescription for health care is no better at a time 47 million have no coverage, millions more are underinsured, and 80 million in the country have no coverage at some time during the year meaning they need to be judicious about when they’re sick. Administration solutions are pathetic at best showing no intent to tackle a problem this huge. Suggested tax breaks are so inadequate, families with annual incomes under $10,000 would only save $23 in 2007. Those with higher incomes fare little better with the Bush plan only covering 9 million uninsured leaving 38 million others (and rising) with no help.

Then there’s Bush’s 2003 Kafkaesque Medicare Prescription Drug, Improvement, and Modernization Act (MMA) scamming seniors. It took strong-arming threats and bribes in an all-night congressional session to get it passed. Its controversial Part D costs tens of billions annually, does little for most Medicare recipients, but provides huge benefits for “Big Pharma.” It’s able to charge top dollar because the administration won’t negotiate lower prices the way the Veteran’s Administration (VA) does getting big savings on all drugs it buys so veterans today only pay $8 a prescription. Two decades ago, they paid nothing.

More social wreckage gets into each new FY budget with billions of new cuts heaped on past ones. It’s to free up more funds for the military, the rich, and corporate allies with the White House now audaciously proposing a further cut in corporate tax rates. It’s part of a near-three decade agenda furthering the interests of the privileged at the expense of all others. In America today, social welfare and the greater good are nonstarters.

Earlier damage included –

— killing OSHA workplace ergonomic rules more than 10 years in the making;

— revoking grants to study workplace safety and health;

— cutting funding for job training; and

— more cuts for enforcement positions at OSHA and the Mine Safety and Health Administration that was a key reason for the early 2006 Sago and Alma mine deaths in West Virginia, the latest tragedy in Utah (not earthquake caused), and the death of 60 miners and counting since January, 2006.

— Bush also proposed paying welfare recipients below-minimum wages;

— denying Homeland Security employees protection for being a whisleblower;

— blocking release of funds to monitor Ground Zero;

— ignoring New York rescue workers' health;

— cutting health care benefits for veterans and billions more cuts for Medicare and Medicaid;

— raising interest rates on student college loans;

— cutting the number of WIC-eligible participants;

— reducing the number of adults eligible for food stamps and children qualifying for school meals;

— cutting the Commodity Supplemental Food Program, child care, Head Start, affordable housing units for the elderly, home energy assistance (LIHEAP), Employment/Training Services, and education for the disadvantaged; and

— stiffening work requirements for two million adults (mostly single mothers) on welfare.

His administration is also at fault for the Walter Reed Hospital scandal because medical facilities for military personnel and veterans across the country are understaffed, underfunded and allowed to deteriorate under federal or private contractor management. The result is inadequate or sub-standard care for the severest of problems, and the worst is yet to come with tens of billions of new planned cuts through FY 2011. Only Bush's plummeting approval rating may slow him down. But it doesn't stop his war machine from getting all the funds it wants and lots more for the asking in supplemental add-ons.

Looking Ahead – Tough Choices with No Easy Answers

The state of working America today is bleak with few signs of improving in a globalized world of corporate omnipotence and an indifferent to hostile government. It backs the rights of the privileged while scorning the social welfare needs of all others. Somehow, some way this must change, but wishing only works if backed by effective action. A look back suggests how.

Past labor successes were noted above. What worked before can again, and there's nothing complicated about it. Above all, new leaders are needed because too many today are uninspiring at best. They must be committed and dedicated to the rights and needs of ordinary working people and be willing to go to the wall for them. Effective mass organizing is needed to build unity and strength of numbers, educate workers on what they lost, and lead the fight to win them back. It means taking to the streets, storming the halls of Congress, going on strikes, holding boycotts, doing battle when necessary that in the past meant paying for it in blood and lives.

It worked when it won an eight hour day, a living wage keeping pace with inflation, essential benefits like health care coverage and pensions, and a more level playing field guaranteeing labor the right to bargain collectively on equal terms with management. Those gains weren't handed over because change never comes from the top down. They were fought for and won with lots of blood and sweat expended to get them. Why not again?

It's called democracy, equity and justice and one thing about them is clear. Achieving and keeping them requires a strong middle class of ordinary working people that, in turn, needs a vibrant labor movement as a foundation and springboard for progressive grassroots social change. Organized labor is in tatters today at barely over 7% of private sector workers (a 100 year low). It's on life support, needs a survival strategy, and is heading for the dustbin of history only major change can avoid. The way is through organized people out-muscling organized money. It happened before and can again.

This is the great class struggle of our time against long odds for success. The stakes though are huge, and our future as a democratic society depends on the outcome as former US Supreme Court Justice Louis Brandeis explained in 1941 when he said "We can (either) have a democratic society or we can have great concentrated wealth in the hands of the few. We cannot have both." The concentration is greater than ever at a time American workers are in their weakest position in decades.

Bowed but not broken, they're in a war for survival with the rest of us, and their sovereign worker rights and ours in a free society are at stake. It's no time for timidity. It's a time for unity and pressing ahead. It happened once. Why not again, and the time to go for it is now with the rest of us pitching in to help for our own preservation and survival.

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