

“An Economy That Works For All”

(10-minute version – October 1, 2007)

America’s economy is not working for working families.

We are the most productive workers in the world, but our wages are stagnant. We work more hours than workers in any other developed country – but massive job losses have created widespread economic insecurity. The U.S. economy generates more than \$13 trillion a year in income – but health care and retirement benefits are vanishing. We’re working harder and longer than ever – but we’re still struggling just to keep up.

Why is it so hard for so many working men and women to make a decent living in the richest country in history?

It’s about power. Workers used to have it. Corporations and Wall Street took it. To make our economy work for all of us, we have to reclaim power.

Today, we want to present a framework to discuss the economic policies that have dominated our economy over the past 30 years and to propose an alternative – a “Working Families Agenda.”

First, we will consider – how did we get to where we are today?

Over the past 30 years we have seen a massive shift in bargaining power away from workers and toward employers. The increased power of employers has allowed them to deny wage increases, cut or eliminate health care and pension benefits, outsource work, and walk away from their obligations to their employees.

When the middle class was built after the Second World War, the economy generally worked for all of us. Real family incomes doubled – for poor and rich alike. Unions grew and the power of workers helped create a more just society. As worker productivity increased, wages increased proportionately.

But beginning in the early 1970s, the growth of family income slowed, and the rich got richer much more quickly than the rest of us. Manufacturing and industry declined, while advances in technology and globalization expanded rapidly. As the percentage of workers in unions declined, so did our bargaining strength. And, although productivity continued to grow, wages have not – meaning that workers have been falling farther and farther behind.

Eroding benefits have devastated many workers and their families. As health care costs continue to soar, more and more employers are shifting costs onto America's workers – who are in no position to shoulder them. Today, some 47 million people have no insurance at all.

Dwindling retirement assets also are worsening the economic situation for working families. Fewer than half of all workers have an employer-provided retirement plan of any sort.

At the same time, CEOs and other corporate insiders have used productivity increases to boost profits and returns to shareholders – and dramatically increase their own pay. The average CEO earns more on the first day of January than the average worker earns all year long.

It doesn't have to be this way.

The economic problems facing workers and their families are not purely accidental – nor are they the result of some failure on the part of workers to take the initiative to get ahead on their own. They are the direct result of a specific set of unrestricted free-market economic policies that have dominated our country for decades to the benefit of corporations, corporate executives, and the wealthy.

Behind aggressive employers lies the “Corporate Agenda,” which we describe as “a policy box” pressing in on workers and their unions. Imagine that the sides of the box represent different policies that haven't been followed for the past three decades.

On one side of the box, you will find **globalization**. Many of the policies followed here have resulted in the growth of: free trade; off-shoring; and workers in the U.S. being placed in direct competition with some of the most impoverished and oppressed workers in the world, fueling a “race to the bottom.” Manufacturing workers understand globalization as a threat to their jobs, and they are right. The U.S. has lost 3.4 million manufacturing jobs since 1998.

The opposite side of the box is “Small Government.” Public sector workers understand this as policies that privatize and deregulate public services and provide tax cuts for corporations and the wealthy, all in the interest of “getting government off our backs.”

The bottom of the box is labeled **economic stability**. These policies promote slow growth, high unemployment, and fiscal austerity.

Finally, the top of the box, **labor market flexibility**, gives employers maximum control over the workforce and the freedom to do what they want without interference from unions or governments. They promote strategies like a sub-minimum wage and union busting, and “YOYO” – You’re On Your Own.

The policy box provides a framework to help integrate the various economic issues that we’ve been forced to deal with – restrictive monetary policies, privatization,

attacks on Social Security, and restrictions on workers' right to organize and bargain collectively – and shows how each affects the balance of power between workers and employers.

Each side of the box shows a different aspect of the shift in power from workers to employers. Taken together, these policies systematically allow corporate insiders to enrich themselves by attacking the wages and working conditions of workers.

The labor movement must challenge the policies of the Corporate Agenda so that workers can begin to benefit from the prosperity their work helps create. Unions must organize new members, bargain aggressively, restore the right to organize, and elect pro-worker legislators. We also must engage in a “war of ideas” and directly challenge the “Corporate Agenda” – economic policies that obstruct union growth and weaken bargaining power.

Key to rebuilding worker power is the enactment of the Employee Free Choice Act, which would restore the freedom of workers to form unions in America. This law would allow card check recognition, provide for mandatory arbitration if necessary for first contracts, and impose real penalties on union-busting employers.

Also critically important is health care reform. Soaring costs are creating severe hardships for working families, eroding wage standards, and undermining collective

bargaining. Health care reform must provide comprehensive, affordable coverage for everyone in America. It also must have effective cost controls, offer a choice of providers, be financed through shared responsibility, and not undermine existing plans that work. Reforming America's health care system is crucial to restoring the balance of power between employers and workers. In America, no one should go without health care.

We won a tremendous victory in 2006 by helping the Democrats take back the House and the Senate and between now and November 4, 2008, we will do everything we can to nominate and elect a Democrat as President who will be a true champion for working people. Overturning the Corporate Agenda, though, requires more than throwing out Republicans and electing Democrats. Important players in both parties champion the Corporate Agenda, so when the next Democrat moves into the White House, it won't do any good if Wall Street continues to set our country's economic policies.

We must dismantle the Corporate Agenda and build a Working Families Agenda.

We must restore the relationship between wage growth and productivity so that we can restore the American dream.

We need to ensure that the economy exists to serve the needs of people; not the other way around.

We must also reconnect with several important working family values that resonate powerfully with all of us. Those values include:

- Anyone who wants to work should have a job.
- Workers are proud of their work should have the chance to do it right.
- All workers and our families should be able to live in dignity with health care and retirement security.
- Every worker should enjoy the freedom to form a union and bargain collectively.
- Workers want to contribute to, and share in, building a world-class economy.

The Working Families Agenda emphasizes investment in policies that support:

- **A World Class Economy** – Fair trade, rebuilding manufacturing, and justice for migrants
- **Good Government** – Quality services, public investment, and fair taxes;
- **Full Employment** – Rapid growth and good jobs for all; and
- **Workers' Rights** – A living wage, freedom to form unions, and strong social protection.

This Working Families Agenda sets the foundation for our economic policy work with elected leaders, policy-makers, and the public at large. The agenda also provides the content for an expanded program to educate and mobilize our leaders, activists, and members to engage in discussions with candidates for political office.

The Working Families Agenda can become a reality by integrating the pieces of our work:

- **Organizing and collective bargaining;**
- **Changing the rules and demanding corporate accountability;**
- **Mobilizing for the 2008 elections to elect pro-worker candidates;**
- **Holding elected officials accountable;** and
- **Educating union members and the public at large** about the fact that the economy does not have to be the way it is today; it can be changed.

The American labor movement is the most powerful organization fighting for economic justice in our country's workplaces, communities, and at the polls. The challenge we face is to make change not just happen *to* us, but to work *for* us.

Communicating with union members about why the economy isn't working for most of us doesn't have to be complicated. Most people understand because they're living it.

We can begin to change things by volunteering for political action through Labor 2008, becoming active in the campaign to restore the right to organize and calling on Congress to enact the Employee Free Choice Act, and participating in the campaign for comprehensive health care reform.

Complaining won't change anything. Action will. With the force of millions of working families voting for the Working Families Agenda, we can transform the political and economic landscape of our country.

We *can* make change. We *can* build a better world for working families. The future is constantly unfolding – and it's ours to create.