
Global Economic Trends Impact Rural Policy

Don Villarejo

In early November the Rural Economic Policy Program of the Aspen Institute for Humanistic Studies hosted an informal workshop to discuss global economic trends and their impact on rural policy. Designed for rural development practitioners, the workshop brought forty community-based leaders from across the country to the Coolfont resort near Berkeley Springs, West Virginia.

An unusual feature of the workshop was the roster of outstanding presenters. Jeff Faux, Lester Thurow, Frank Levy and Martha Riche made lengthy presentations which were followed by discussion panels of practitioners and resource people. Susan Sechler, former Deputy Secretary of Agriculture, and her Rural Economic Policy Program staff also contributed to the discussions.

The workshop began with Jeff Faux's review of the origins of the 1960s' "War on Poverty" and the policy lessons learned from that experience. Faux's summary pointed out that community economic development programs are essentially demonstration projects, and have the additional benefit of teaching local activists basic business management skills. Some of the programs initiated during the 1960s have clearly succeeded, most notably the Head Start and school-based child nutrition programs. However, he has concluded that most economic development programs will never have enough money to make a serious impact on widespread poverty. In addition, there is a basic tension between the desire of community activists to

have democratic control over their program and the efforts of the political establishment to limit the extent of that local control. This tension seriously damaged many of the initiatives by crippling the ability of local activists to make their own decisions and to learn from that experience.

Lester Thurow's presentation on global economic trends set the tone for much of the subsequent discussion. Essentially, Thurow argued that U.S. prosperity in the post-World War II period was a product of our global economic dominance and that this dominance benefitted most Americans. In the words of former President Kennedy, "When the tide comes in all boats rise." However, the U.S. is no longer the dominant world power and now faces, for the first time in modern history, formidable competitors on the world scene.

The central points of Thurow's analysis are the following: first, we are in the midst of a major technological revolution, one that makes it possible for competitors to effectively compete with the U.S. on a worldwide basis; second, because of its dominant economic position following World War II, the U.S. wrote the rules for world trade and favored its own economy when it did so, but now Europe dominates the world economy and will write the rules of trade; third, the U.S. lacks a national economic development strategy and needs to formulate one to be a competitor. The absence of national economic policy is, in Thurow's view, the reason that none of the new Japa-

nese automobile assembly plants in the U.S. pay any local property taxes. Individual states, in competing with one another, offered major tax concessions in an effort to get the factories located in their locale.

Thurow offered as evidence for this view the fact that the U.S. alone comprised 75% of the gross world product at the end of World War II but now has just one-quarter. The former dominant position of the U.S. was, in his view, the major factor in the thirty-five year rise in real wages enjoyed by American workers. For the past dozen or so years, real wages in the U.S. have declined, leading to the prospect of further substantial declines in the U.S. standard of living. To attract new investment and industries by further lowering real wages in the U.S. will simply make matters worse. There are no winners in that kind of low-wage competition.

To meet the new world economic competition, Thurow says that the U.S. should seek to become the leading power in certain key, high-wage industries. These industries share certain characteristics: high value-added products, high rate of growth of productivity and high elasticity of demand. These industries are microelectronics, computers plus software, airframe technology, biotechnology, telecommunications and robotics. In order to win these industries, the U.S. needs to develop a highly educated labor force and formulate a national policy of aggressively seeking to become the dominant power in this set of industries.

Frank Levy presented data documenting the fall in real income of U.S. workers, especially of non-Hispanic white men. The political implications of this fact clearly are at the root of the emergence of the "politics of blame" being advanced by David Duke. Martha Riche presented demographic data underscoring the rapid rise in the numbers of Hispanics and Asians in the U.S. On a world-wide scale it is clear that the world's population will become younger and darker in the decades ahead.

One of the notable gaps in the presentations at the workshop was consideration of mass organizations in shaping the economic trends being discussed. For example, the post-World War II period saw the emergence, for the first time in U.S. history, of mass industrial labor unions, mostly affiliated with the C.I.O. In 1946 these labor unions conducted national strikes that resulted in three times more worker-days lost to strikes than in any previous or subsequent year. These successful worker strikes set a pattern of gains of wages and benefits that lasted for at least two decades.

By the mid-1970s the decline of the trade union movement was evident. It can be argued that the fall in workers' real income in subsequent years was associated with the collapse of militant trade unionism. Indeed, the fraction of private sector workers who were unionized fell from about 35% to less than 15% today.

Similarly, the 1960s' congressional actions, including the War on Poverty, came in a setting of unprecedented mass actions by millions of Americans. The civil rights movement put enormous pressure on the national political leadership and, at the same time, put local leadership into place to implement new programs at the community level. Indeed, the 1964 rejection of the Mississippi Freedom Democratic Party at the national Democratic convention put the party on the defensive, from which it has yet to recover.

Overall, the workshop was a valuable learning experience for all participants. Faced with the overwhelming evidence of the globalization of the world economy, participant Wilma Warren startled herself with a new insight, "The agrarian era is over."

For further information about the workshop, please contact:

The Aspen Institute for Humanistic Studies
1333 New Hampshire Ave, NW
Suite 1070
Washington, DC 20036
(202) 466-6410

Alianza Campesina: Una organización con principios, estatutos y Comité Coordinador

Nueva esperanza para campesinos

Alianza Campesina quedó constituida como una organización con su propia estructura, principios, estatutos y con un Comité Coordinador en la sexta Conferencia de Organizaciones de Campesinos que se llevó a cabo el pasado 10 de noviembre en la ciudad de Stockton.

La primera conferencia fue en Fresno el 4 de noviembre de 1990, donde se reunieron representantes de organizaciones campesinas con el propósito de analizar la situación de los trabajadores del campo y de intercambiar información. Los asistentes acordaron continuar reuniéndose y de invitar a otras organizaciones a participar.

En la tercera conferencia, en Reedley, fue donde las organizaciones decidieron formarse en una Alianza Campesina. Se eligió un comité que elaboró un borrador de principios y estatutos para la organización.

Después de varias conferencias y reuniones del comité, con la participación abierta y democrática, y la asistencia de otras organizaciones y representantes de agencias que se relacionan con los campesinos, quedó por fin constituida la estructura de la Alianza Campesina en la conferencia de Stockton, donde por votación se eligió a un Comité Coordinador.

Alianza Campesina es integrada por organizaciones y comités de campesinos de los valles agrícolas de: Sacramento, Salinas y San Joaquín, y hace la invitación a toda agrupación de campesinos que estén de acuerdo con los principios de esta alianza a la unidad para buscar en conjunto mejorar la vida del campesino.

Alianza Campesina convocará a su próxima conferencia a principios del mes de marzo 1992, en el condado de Tulare.

Interesados en asistir y participar llamar a (209) 575-3701 / (209) 723-9779 o escribir a: Alianza Campesina, P.O. Box 1265, Merced, CA 95341.

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