## CHAPTER I

# Introduction

The history of people living and working in the global capitalist system since the fourteenth century can be divided into distinct periods or eras. These periods are defined in part by the broad strategy used by the system as a whole to accumulate a social surplus that is used to keep the system going. They are also defined by the social struggles of ordinary people who find the specific rules that define this strategy to be contradictory to their own development as human beings. Historically, each period has ended in crisis and has ushered in a new strategy for the accumulation of surplus. Each period has also generated the need for people to find new ways to struggle for their humanity by contesting the terms of the new era.

We entered a new period in the mid-1970s. Both aspects of the period—the global rules that define its strategy and the character of social struggles contesting its terms—have been evolving since then. I call this period a "new world order," using the phrase originally coined by U.S. President George H. Bush. This book traces the impact of this shift on urban public policies and on the lives of the people who are affected by those policies. It also looks critically at current efforts to organize against the abuses of this new world order, offering an alternative organizing strategy better suited to the present era.

#### The Dawn of a New Era

In the late 1970s, I lived and worked in Southeast Chicago. At the time the neighborhood was a vibrant, mixed-race, working-class community of solid single-family homes and manicured lawns. Its economic anchor was the steel industry. U.S. Steel Southworks, Wisconsin Steel, Republic Steel, and Acme Steel employed over 25,000 workers. Southeast Chicago was also teeming with businesses that used steel or that sold products to the steel mills: steel fabrication shops, industrial machinery factories, plants that made farm

equipment, and railroad cars. There were also firms that sold the mills industrial gloves, shoes, tools, nuts and bolts, and welding equipment. The commercial strip had retail stores, bars, and restaurants. Many of these, like the steel mills, were open twenty-four hours a day, seven days a week. Not only were the community and its economy vibrant, there was a system in place that looked to future generations. The mills and many of the related firms had strong unions. Through the union you could get your children into the steel mills to learn a trade or get a well-paying job that would allow them to save and go on to college.

Some of the nostalgic accounts of these times, however, leave out important considerations that are critical for understanding today's realities and possibilities. One is that in the 1930s and 1940s workers fought for the good pay and benefits of the heavy industrial economy. The formation of the Congress of Industrial Organizations (CIO) and its union constituents, like the United Steel Workers of America (USWA), was bitterly contested by corporate management. On Memorial Day 1937, police in the employ of steel mill owners attacked a peaceful protest of workers and their families in front of Chicago's Republic Steel mill. Ten workers died and dozens were badly wounded. The living wage jobs enjoyed by workers in the 1970s did not come easily.

The multiracial character of the steel mills was also the result of struggle—often among co-workers as well as with the corporations. International Harvester's Wisconsin Steel Company, for example, was racially integrated only after being forced to do so by President Roosevelt's executive order in 1940. But racism in and around the mill persisted. During this period, the white workers living near the mill fought the integration of their community and the mill by systematically stoning the cars of black workers as they traveled to and from work. Despite protests to management and city of Chicago officials, this practice persisted for two years. Up to the early 1980s, struggles against racism in the workplace continued. Inspired by the civil rights movements of the 1960s and 1970s, all of the major steel mills had black, Latino, and women's caucuses that operated in the mills and the union. The caucuses struggled to modify work rules that kept members of their group in the worst jobs with the lowest pay.

In addition, not all people of color and women workers had access to the better-paying union jobs that dominated the Southeast Chicago economy. For those who lacked access to the better workplaces, there were many smaller firms, which had either corrupt unions or no unions at all. The bulk of workers at these firms were African Americans, Latinos, and sometimes women. Pay and benefits were relatively meager. Working conditions were often dangerous and dirty. I worked at two such plants during the late 1970s and early 1980s. I was fired from both for organizing for better pay and working conditions.

One of these, the Chicago Shortening Company, employed forty male production workers. All but three were African American or Latino. Basic pay

was half of what was available in the steel mills and benefits were poor. The working conditions were dangerous; there were many accidents. U.S. Department of Agriculture inspectors frequently shut the plant down because of unsanitary conditions. Also, the union was corrupt. Workers believed that contract ratification votes were routinely fixed. In 1978, following a suspect ratification vote, we took our own poll and found that nearly all of the workers claimed to have voted against the contract while the company and union (who counted the votes together without workers present) maintained that an overwhelming majority voted for it. So we went on strike.

The wildcat strike was undertaken with a certain confidence that if things didn't work out we could get work elsewhere. There seemed to be plenty of jobs; and even though pay, benefits, and working conditions were bad in many of them, a worker could still make a living that supported a family. And there was also a sense of militancy and optimism that had grown out of the civil rights movement and the related social justice movements of the late 1960s and 1970s. We all believed that worker solidarity could improve our lives. During the strike both the anger at injustice and the optimism that things could change for the better were summed up by one worker when he joked, "There ain't no justice, there's just us."

We lost the strike and the company fired nearly all of us. While the loss of the strike and our jobs was hard to take, there was still a strong sense of optimism. As one of the workers said after the firings were announced and we watched scab replacements walk into the plant, "If I had known what would happen when we started this I would have still done it. These were the proudest days of my life."

But this sense of optimism and the militancy that went with it were about to come to an abrupt halt. During the 1980s, the Chicago steel industry collapsed and took down with it much of the related industrial and service economy that depended on it. Both Wisconsin Steel and U.S. Steel Southworks eventually closed. Republic Steel was bought out by a conglomerate and was greatly downsized. Steel jobs in Southeast Chicago declined from about 25,000 workers to less than 5,000 in a decade. And the decline in manufacturing extended far beyond steel. The Chicago metropolitan area suffered a net loss of 150,000 manufacturing jobs during the 1980s. People's lives were torn asunder in the wake of massive layoffs. Divorces, alcoholism, even suicides were on the rise. Industrial unions were decimated and union membership declined throughout the United States The new jobs created in the wake of this decline paid far less than the jobs that had been lost. Many were temporary or part-time and usually lacked benefits like health care. Workers taking these jobs no longer made enough to live on. So they worked two or sometimes three jobs to make what they had previously made at one. Many of the dislocated workers never worked again. This turn of events hit people of color and women the hardest. The struggle over civil rights in the workplace and within the union was over because the workplace itself no longer existed. And a certain nostalgia emerged for the previous life in the mills or even that at plants like Chicago Shortening.

#### A New World Order

In the 1960s and 1970s, when African American, Latino, and women workers struggled for justice within their unions and workplaces and workers generally continued to push for better pay and working conditions, certain aspects of the society we lived in were considered to be permanent. The manufacturing-based economy with jobs that paid living wages were seen this way. The gains that had come out of social struggle were also seen as permanent. Not only better pay, benefits, and decent working conditions, but also social gains for women, African Americans, and Latinos were viewed as conditions that, once established, acted as a social ratchet. They could be improved upon, but they also provided a floor that we could never go below again. The large industrial workplaces of the period also played an important role in the creation of a widespread faith in the efficacy of social struggle. The interdependence of workers in their places of work revealed the reality of social power based on class.

Government was viewed as the protector of these conditions. If you had a labor dispute, you could go to the labor board for relief. If you were discriminated against by your company or union based on your race or gender, you could file a complaint with the Equal Employment Opportunities Commission. If you were laid off, you could pick up your unemployment compensation and find another job through the Department of Employment Security Jobs Service. If unemployment became prolonged, there was always the social safety net—food stamps, Medicaid, public housing, and welfare. If government agencies treated you unfairly, you organized to protest with the expectation that justice would be done.

It was the sense of permanence of such conditions combined with the social character of the manufacturing workplace that produced the militancy and optimism that marked our strike at Chicago Shortening—even when we lost it. The fact was, however, that there were social processes under way even before the strike occurred that were undermining the stability of all of these "permanent" features of U.S. society. Global decisions were being made that propelled us into a period of transition to what former U.S. President George H. Bush called a new world order. But at the time, we didn't have any idea we were in such a transitory state. And when the collapse of manufacturing jobs came to Chicago, we were unprepared to understand it and to figure out what to do about it. Very quickly a new set of permanent conditions replaced the old ones. The new world order required each individual and every firm to be globally competitive. The new workplaces and the state of unemployment

lacked the social character of the old job. Individualism, fueled by President Reagan and his British sidekick Prime Minister Margaret Thatcher, prevailed. A global economy that favored deregulation and a high degree of mobility for capital, goods, and services was developing. And in this world, improved conditions, it seemed, would not come through social action and government programs but from individual effort and free markets. And those who did not fit in, who wouldn't conform to the standards of the new world order, were categorized and demonized as part of a pathological "underclass."

To many workers, and especially to people of color, the new world order has meant lower living standards and, in many cases, abject poverty. This has certainly been true in the developing world, where not only job security, but even food security has been destroyed. But it has also been true in the United States and specifically in Chicago, the focus of much of this book. Many are searching for a solution to their plight that is constrained by the new sense of permanence. They take for granted the institutions and values of the new world order, which appear as permanent attributes of society to which they must adapt. The discipline of the market is increasingly being accepted as the highest arbiter of social concerns. Each individual must make himself or herself "competitive." Having a job is seen primarily as a form of behavior rather than as a source of income. A job is something that provides the worker with "discipline and regularity," which is key to being competitive.<sup>2</sup> This means that holding a job—any job, even if it is dangerous and doesn't pay enough to live on—is considered critical to survival in today's permanent reality. The issues of the Chicago Shortening strike are now passé. The concerns of the African Americans, Latinos, and women who formed caucuses in the mills are not only outmoded but condemned as having been wrongheaded to start with.

During a television debate in the early 1990s, that I had with an economist in the employ of Citicorp she talked about the tragedy of her family—mother, father, brothers and sisters—who had all been autoworkers in Detroit. We were debating the merits of the North American Free Trade Agreement (NAFTA) and a simultaneous proposal then before Congress to raise the minimum wage. She was for NAFTA and against raising the minimum wage. The tragedy of her family, in her view, was not that they lost their jobs as General Motors and Ford shifted production to low-wage/high-productivity plants in Mexico or that they were forced to take low-wage jobs that didn't pay enough to live on. The tragedy was that the high pay they had received as autoworkers in the past had destroyed their jobs and undermined their incentive to get more education, which would have made them more competitive in today's world. None of them would ever be economists in the employ of Citicorp because they had been misguided by their high pay and decent living standards. Essentially, she argued that decent living standards had distorted or masked the market signals that would have led them in a more fruitful direction. To the extent that one agrees with this view, any social action to improve conditions is pointless, silly, and self-defeating. Such a line of reasoning is part of the new world order.

### Philosophical Perspectives

The new world order has been evolving for more than two decades. Yet, throughout the developing world, peasants whose labor once fed their nations and themselves are forced to export cash crops while they go hungry. Some eventually have to abandon their lands. They come to the cities, where they live in poverty through the informal economy. Others go to work in the export-processing zones, where firms from Chicago and throughout the developed world pay poverty wages and workers toil long hours to survive in squalid shantytowns. Still others come to the developed world in search of work. Here they are often met by racist hysteria from workers suffering under the new world order in their own nation. In the United States they are met by the militarization of the U.S. border with Mexico, new laws that violate their civil rights, and vigilantism.

In the developed world, and specifically in the United States, workers have felt the pain of the elimination of hundreds of thousands of living wage manufacturing jobs. Many have been unable to find comparable work, and their sons and daughters are facing the prospect of either no work at all or jobs that are temporary or part-time and that pay below what it takes to live a decent life. Government is more interested in balancing its budget and getting smaller (except when it comes to going to war) than in offering protection to workers caught in the fallout of the new world order. The U.S. government is destroying publicly subsidized housing and shrinking housing subsidy programs as the ranks of the homeless soar. In Chicago, a program is under way to eliminate over 18,000 units of public housing at a time when there is a shortage of affordable housing—more than two families looking for every unit that is available. Public funds for basic subsistence living (food, clothing, and medical care)—programs won by workers' struggles of the past—are being eliminated and people are being told to find nonexistent jobs. In the Chicago area during the height of the 1990s economic expansion, there were over thirty people available for every entry-level job that paid a living wage.

I describe and begin a critique of this period in Chapter 3. However, it is not enough simply to condemn this state of affairs or to argue about exactly what the new world order is. A key point of this book is to seek ways to organize to improve social conditions for everyone. If we are to find a direction forward that can truly improve the lives of the millions of people who are presently hungry and without adequate housing and health care, we need to initiate a discussion that is grounded in the experience of real people. Summarizing that experience with numbers is important, and this book does so. But change comes about when people are able to bring their experiences together and con-

nect them to the bigger picture. That process is necessarily social in nature. A book can serve the purpose of initiating dialogues to stimulate such a social process. Toward that end, this book combines social science research on the new world order and its impacts with a memoir that includes reflections on my own experiences-my recollections of countless encounters with other people and more deliberate personal interviews.

My perspective on the nature of the new world order, its impacts on urban life, and the implications for approaches to social change—the subject of this book—are necessarily grounded in philosophy. Philosophy is the method through which all of us comprehend the world around us. It is also the basis of action. Everyone, in this sense, is a philosopher. Thus in initiating a dialogue, which is the purpose of this book, it is important to lay out the philosophic ground each of us brings to that dialogue. Chapter 2 formally presents the philosophic ground of this book. There are three philosophic themes that are central to the analysis in the remainder of the book: value and its relation to broader values; space, place, and time; and social change.

#### Value and Values

A full understanding of the issues analyzed and discussed in the following chapters requires us to delink the concept of value from values. Marx argued that under capitalism money becomes the community because it is the basis for survival and the outcome of society's production process. In such a system, value becomes expressed as the price of a commodity or a service in other words, money. All other values of life—people's needs, the development of various capacities (loving, learning, creating), and their means of enjoyment—become subsumed under the money form of value. Broader values in most modern economic analysis are reduced to the abstract concept of utility, which is expressed as the choices one makes as an individual consumer in the markets society has constructed for this purpose.

The dominant culture's tendency to reduce all values to their expression as monetary bids in markets is nothing new. But the historical primacy of the money form of value takes on a specific character in the new world order. One aspect of this character is the individualization of everyday life. The credo of the new world order—markets make the best decisions; individuals must be competitive; social action to improve your life is silly and ultimately selfdefeating—has reduced all meaningful human activity to individual consumer choices expressed in money terms. The combination of this credo with the material fact of the destruction of workplaces where production was social in both appearance and essence means that the social dimension of everyday life is masked or obscured. This makes the development of a social movement whose goals are based on the betterment of classes and groups difficult to achieve. I argue in this book that an understanding of individualism in social terms—the notion of the *social individual*—is a philosophic prerequisite of such a movement. And it is crucial to our approach to organizing in this age.

Second, if value is reduced to money price, needs—even survival needs like food, clothing, shelter, health care, and a toxic-free environment—can only be met or expressed as needs if the people whose needs are not being met can pay for them. The very notion that there are universal human rights such as those contained in the United Nations Declaration of Human Rights or the International Labor Organization's (ILO) protocols becomes relegated to the trashcan of history. During his administration, President Clinton blocked international resolutions that declared housing and enough to eat to be human rights rather than manifestations of individual consumer sovereignty. In doing so, the Clinton administration essentially declared the fifty-year-old UN Declaration of Human Rights null and void. This book not only looks at the implications of this in terms of the housing of the poor and employment opportunities, it also demonstrates the importance of reestablishing fundamental human rights as the ground for organizing.

A third aspect of the primacy of the money form of value in the new world order is its global dimension. The extension of global rules for unimpeded capital and commodity mobility through the International Monetary Fund (IMF) and World Bank structural adjustment programs and multilateral free trade agreements like NAFTA has enhanced the political power of a handful of global corporations. Simultaneously, it has reduced political accountability at the national and local levels. Establishing a global-local link is thus critical to organizing in the present period.

Chapter 2 develops these ideas in greater detail and also presents an alternative conception of value that offers a framework for considering the tension between money price and other values.

## Space, Place, and Time

The dimensions of space, place, and time are key features of the new world order. Many have observed that falling transportation costs and the elimination of constraints on the flow of goods and capital around the world have given economic enterprises great mobility. But this observation is treated as an independent and permanent reality in much urban socioeconomic analysis. Some analysts have concluded that in these circumstances it is necessary to adapt to this new spatial reality by becoming more "competitive." I make two basic arguments to the contrary. One is that our conception and use of space is no more permanent than any other feature of social life. Social forces have given the mobility of capital, goods, and services the *appearance* of permanence. However, definitions of time, space, and place change. When they do, the place-based foundation of militant movements (such as the strike at Chicago Shortening being grounded in the Southeast Chicago manufacturing

economy) is undermined. I use this line of reasoning to critique the spatial dimension of the new world order. A key to social change in this new world order of high capital, commodity, and service mobility is to broaden the perspective of place-based social movements to include other places where people are also struggling with aspects of the new world order. The practical importance of this will be developed in Chapters 2 and 9, where I use notions of the social construction of space and place to discuss the importance and practicality of a global movement based on conditions and perceptions in multiple places—making the global-local link.

## Social Change

My research and teaching in an urban planning graduate school and my experiences as a factory worker in the 1970s and early 1980s, along with the subsequent collapse of manufacturing in Chicago, has led to an insight that informs this book. Much traditional economic analysis treats permanence as the natural state of things. Economic models often begin by defining a state of equilibrium as a price where the amount of goods or services that suppliers are willing to produce and those that consumers are willing to purchase are equal. Analysis attempts to discover why or how things get out of balance when supply is either more or less than demand. Yet, when I think back to the Chicago Shortening strike, the general attitudes of industrial workers in the 1960s and 1970s, and the cataclysmic events that followed, I am compelled to turn this type of analysis on its head. From the perspective of my experiences and reflection on this period, change is the natural state of things and analysis should attempt to explain the appearance of stability.

Why is this so important? If permanence is only the appearance of our present circumstances, then a study of the underlying forces that both create this appearance and at the same time undermine it can yield insights into how change can come about. Part of the new world order involves a perception about "the way things are." Markets make the best decisions! Individuals must be competitive! Government must not interfere! Social action to improve your life is silly and self- defeating! Treated as permanent, these ideas place limits on change by failing to consider alternatives that fall outside the prescriptions of the new world order. Unwittingly, the acceptance of these prescriptions also contributes to their political legitimacy. On the other hand, if we choose to study the historical forces from which the new world order emerged, and which continue to sustain the system, then we can see that these permanent structures are historically contingent. And we can then envision many new paths forward.

Ordinary people play a key role in either maintaining the appearance of permanence or destabilizing it. Much of social discourse attempts to undermine such a notion. When the subject of economics is discussed in the newspapers or on television, commentators talk about markets being "happy" or "unhappy"; or they reduce economic events to abstract concepts like gross domestic product, the federal funds rate, and the strength (or weakness) of the dollar. But rarely is economics associated with human beings. It is as if economics has a life of its own apart from the people who work, go to school, and enter into all sorts of relationships with other human beings. In the words of President Bill Clinton: "It's the Economy, stupid!"

Thus we are told that we must give up important health- and safety-related work rules on our jobs because of "competition." We can't find decent housing because of "the market." If we don't cut government social programs and balance the budget, we might have inflation, which will "upset the financial markets." Even much of the left falls into this trap by accepting many of the conditions we face as permanent, urging "practical" strategies that take these things into account.

What is the meaning of Marx's famous statement in his preface to Critique of Political Economy: "It is not the consciousness of men that determines their existence but their social existence that determines their consciousness"? Does it mean (and do we agree) that consciousness is determined by the material structures in which people work and live? A more dialectical view is in order. As people come up against material conditions that adversely affect their own development, they develop new ideas about how to get rid of the old and create the elements of something new. 8 The practical implication of such a view is that the road to change lies with ordinary people who are fully informed about their own situation. The tendency to see the role of people in a social movement as "bodies" at a demonstration or as "votes" to convince congresspeople of the wisdom (or lack thereof) of a particular piece of legislation will not lead to meaningful changes in today's new world order. What is missing in this approach to social change is the subjective element—the need and possibility of changing the basic perception of permanence. Again, these views of the nature of change inform the critique of much of today's organizing strategies and the approach taken in Chapter 9.

#### Global Decisions

Chapter 3 argues that in the mid-1970s there was a basic shift in the way global capitalism functions. The previous Fordist era had been in force since the end of World War II. It was a regime that was grounded in U.S. supremacy among capitalist nations. And it was fueled initially by the rebuilding of Europe after World War II. In the United States workers were essentially offered a share of the benefits derived from U.S. hegemony. In return, organized labor agreed to a set of rules that ensured a degree of labor peace. Labor leaders also agreed to support U.S. foreign policy, which was focused on competition with the Soviet bloc nations for world supremacy and the exploitation of the

developing world. Yet, by the late 1960s, this system was beginning to unravel. This evolving crisis manifested itself in both economic and political terms. Economically, the world was experiencing stagflation—simultaneous unemployment and inflation. Politically, there was growing unrest at home and abroad. In the United States people of color were demanding a fair share of the largess of the Fordist era. In addition, there was a militant anti-war movement that challenged the assumptions of U.S. cold war foreign policy. And many nations in the developing world began to resist and contest U.S. hegemony, which began its decline with the Vietnam War.

The evolution of the present period eased the economic and political crisis that marked the end of the Fordist era. Chapter 3 argues that the new world order combines global deregulation of business with high mobility of goods, services, and capital that is fueled by expanded credit and speculation. Moreover, the system has become institutionalized, with public policies grounded in specific ideologies that feed socioeconomic theory and politics. I refer to these developments as "global decisions." The new world order's hegemonic grip on the world presently seems awesome. <sup>9</sup>

#### **Local Collisions**

The present system has produced a growing polarization of income and wealth both between and within nations. <sup>10</sup> Polarization is the result of the local collisions resulting from new world order practices and policies. In the developing world, despite some periods of economic growth, there has been growing poverty and an enormous increase in debt. In developed nations like the United States, the early days of the new world order brought with it terrible social dislocation. In the 1980s, hundreds of thousands of workers were displaced from living wage jobs. Chapter 4 examines this dislocation in Chicago through detailed case studies that include interviews with workers who talk about what this period did to them and their families. Some of these workers and their children were permanently removed from the labor force. Others found work at lower pay in the service sector or in the temporary and part-time work industry. In the United States generally, the consolidation of the new world order also brought about major shifts in urban policy. Chapters 5-7 look at these shifts and their impact on people from the middle to the lower end of the polarization as local collisions. The focus is on Chicago, but combines local data and case studies with trends in the United States. Chapter 5 discusses local politics as they apply to urban development strategies. City government not only provides public services, but helps organize production and distribution at a local level. Thus, it must deal with contradictions and conflicts that the broader system of each era generates. These roles shape local politics and place limits on what local government can accomplish for city residents. The chapter contrasts the regime of Mayor Richard J. Daley, whose administration coincided with the previous Fordist era, to that of Mayor Harold Washington, who attempted reform at a time when the new world order was beginning to take hold. Case studies of citizen efforts to contest development strategies during the Washington years that had carried over from the previous regime are used to discuss the limits of local government itself.

This theme is further developed in Chapter 6, which first shows how shifts in U.S. policies in the 1980s and 1990s that affect housing the poor are linked to the new world order. I then examine how this has played out in Chicago under the regime of the present mayor, Richard M. Daley. Two cases, one on gentrification and another on the destruction of public housing, show how citizens are trying to fight back. Chapter 7 focuses on employment, including the theories and policies that govern welfare "reform," job training, free trade, and labor rights. Again, there have been policy shifts that are linked to the evolving new world order. Because employment, wages, and their distribution profoundly influence urban development possibilities and housing, the lens of employment policy shifts and the theories and ideologies behind them are an appropriate way to sum up the link between global decisions and local collisions.

That link also has profound implications for what people can do about the polarization that marks the new world order. Chapters 8 and 9 include a discussion of how to organize to combat the ill effects of this period. While Chapters 5-7 include case studies of citizens organizing against various local collisions, Chapter 8 discusses the growing movement against institutions and programs that generate global decisions. Since the Seattle demonstrations in 1999, opposition to the World Trade Organization (WTO), IMF, World Bank, NAFTA, and related institutions and programs has been growing. In the chapter I offer insights into the origins and conduct of part of this movement through a detailed case study of the anti-NAFTA effort that began in 1991 and continues to this day. A major point of this chapter is that there is a disconnect between the struggles against the new world order that generated local collisions in cities like Chicago and those against the global decisions themselves. The root of this disconnect lies in both the practice of the antiglobalization movement and the approach to organizing used at both global and local levels. Approaches to organizing used during the Fordist era cannot simply be readapted to the new era. I develop these points first through the case study of the anti-NAFTA work and then through a return to the philosophic discussion of Chapter 2. Thus, in Chapter 9, which is the conclusion of the book, the concepts of value, space/place, and social change are used to sum up the limitations of current organizing to combat both global decisions and local collisions and to offer a framework for alternative approaches to organizing that can make the needed global-local link.