



Most of the debate over globalization has concerned trade policy and trade treaties, although these treaties have included clauses that go well beyond simple trade policy to intellectual property rights, investment rights, and assorted other rights of capital. Therefore this paper will focus on trade treaties such as the proposed Free Trade Area of the Americas (FTAA) treaty or the previously enacted North American Free Trade Agreement (NAFTA).

The remainder of this paper will be divided into three sections. In the first, we will examine the debates over the likely effect of the FTAA on Florida, and note problems with some versions of each side in that debate. The second section will briefly examine likely impacts on Florida in three areas: jobs losses or gains, workforce composition, and immigration. The third will suggest possible public policy responses by the state to future increased globalization.

### **I. Free Trade and Globalization: Debates over the Impact on Florida**

The case for the FTAA and similar agreements has many facets, but the core basis of the argument rests on the assertion that greater trade increases wealth for all countries. This is well established economic theory: if every country exports those things that it produces most efficiently, and imports from other countries those things that they produce more efficiently, more gets produced at a lower cost for all concerned. By relying on its own “comparative advantage”, each country comes out ahead, compared to how well it would do if it tried to produce everything itself, including those things it produces inefficiently.

There is abundant evidence that, over the long run, no country is able to develop fully without opening itself to extensive trade. Attempts at isolationist economies have

uniformly been disastrous failures, if measured by conventional measures of economic growth. There is plenty to debate about “stages” of economic growth and the wisdom of import substitution industrialization (ISI) strategies during earlier stages of industrialization, but the evidence is clear that the most successful industrialized countries have in time engaged in substantial trade with the rest of the world.

That is the essence of the argument for free trade (and extensions of the same argument are often made for free movement of investment across borders also). The strength of the argument is the overwhelming evidence that, all other things being equal, more trade is a positive for a nation’s economy. While those making this argument understand that there will be winners and losers when a country opens up to completely free trade, it is argued that the winners will far outnumber the losers, and newly created jobs plus retraining of displaced workers can take care of the damage done to those losing their jobs.

The labor-based case against the FTAA and similar treaties again has many variations, but the core of the argument is that these treaties result in job losses in advanced industrial countries and exploitative low wage jobs in underdeveloped countries that do not help the country or its low paid workforce. Instead, it is argued that these treaties strengthen the hand of multinational companies against workers in both types of countries, increasing inequality and transferring wealth from workers to owners of capital. Opponents oppose a “free trade” agenda with a “fair trade” one: workers’ rights, human rights, environmental protection rights, and similar measures must be built into the ground rules of trade agreements, and these rights must be just as enforceable as those given to traders and investors.

Critics usually focus most intensely on the investor's rights provisions of these treaties, as well as related intellectual property rights issues. The U.S-backed version of these treaties always goes well beyond simple trade. NAFTA, for example, includes investor rights to sue and collect damages from laws or policies of foreign countries that harm the position or profitability of the investor, since these laws or policies are seen as "unfair trade barriers". It is argued that the logical extension of these provisions is an attack on many or all of the social welfare measures, environmental protections, consumer protection measures, and public sector provision of citizen needs that may interfere with a company's profits. For this reason, this particular aspect of this treaty is attacked by unions, environmental groups, and other "civil society" organizations. These groups argue that unelected business-dominated mechanisms and tribunals override democratically chosen policies meant to protect workers, the environment, consumers, etc. thereby undermining democratic control over public policies.

Critics also usually tie free trade agreements into a larger set of policies known by a number of names, among them the "Washington consensus", the "neoliberal agenda", or "market fundamentalism". This is the belief (derided by critics as a species of quasi-religious faith) that market relations unrestrained by governmental intervention of any type other than setting the basic free market rules and protecting property rights will lead to the optimal outcome for all concerned. If the extreme version of this neoliberal agenda is chosen, it is easy to find numerous apparent contradictions between it and many of our notions of economic fairness, environmental protection, social welfare, etc.

As they are usually stated, both arguments have some apparent strengths and some apparent weaknesses. The free trade argument is undoubtedly correct that trade in

general is a positive thing. Attempts to protect narrow slices of a nation's workforce on a nationalistic, protectionist basis are unlikely to be successful in the long run. Instead of healthy economies, we end up with stagnant economies and trade wars if such policies are widely followed. Yet the fair traders also have strong arguments. Strictly *laissez faire* free market policies have proven unworkable in individual advanced industrial capitalist societies, and consequently all such societies have chosen to regulate economic relations more or less extensively, with the intent to avoid "boom and bust" cycles, exploitation of the labor force, destruction of the environment, etc. On an international basis there is no reason to believe that strictly *laissez faire* policies will work any better. Beyond the ideological argument, it is undeniable that the "free market-free trade" trend has been accompanied by increasing inequality around the world (World Bank, 2000: 51).

Weaknesses of the arguments of both sides are primarily apparent in the aspects of the issue that they ignore. Free trade enthusiasts like to gloss over or ignore real-world phenomena that do not validate their vision. A good example is a very cogent, well-written article in *The Economist* of December 30, 2003. Analyzing the impact of the NAFTA agreement ten years on, this publication argued that evidence of its effects regarding jobs creation, quality of jobs, effect on the environment, etc. is entirely irrelevant to a judgment of whether this is a good treaty:

In all three countries, the perceived results of NAFTA seem to have eroded support for further trade liberalization. NAFTA's champions are partly to blame for this: they oversold their case. It was never plausible, for instance, to expect that NAFTA would be a net creator of jobs. . . NAFTA was never going to be, as some enthusiasts claimed, a win-win proposition for all of North America's citizens, even if all three countries could hope to gain in the aggregate. So far as its economic effects are concerned, the right question to ask of NAFTA is simply

whether it indeed succeeded in stimulating trade and investment. The answer is clear: it did. ("Free Trade on Trial", 2003)

The article goes on to show that trade between the three NAFTA countries has indeed increased, and hence NAFTA has been a success. The same article notes that Mexican workers have achieved very impressive gains in productivity in the ten years under NAFTA, but that real wages have not kept pace. In reply to critics' claims that this shows NAFTA did not benefit workers but allowed big business to cream off most of the profits, the article argues that unrelated currency valuation problems are to blame for lowered wages and breezily states that, "The lasting influence of higher productivity on wages may not be clear for another decade. . ." ("Free Trade on Trial", 2003).

This argument that, somehow in the long, long run we'll all be better off is not convincing to most people, especially those hurt in the nearer and medium term. Also, treating increasing inequality as either irrelevant or benign is not persuasive. And ignoring evidence that unregulated free trade and free investment policies empower multinational corporations to unbalance the power relationship between themselves and workers to such an extent that workers in both underdeveloped and developed countries see wage cuts and lose any effective bargaining power is also a blind spot of this perspective.

On the other side, by far the biggest weakness of some in advanced industrial countries like the U.S. who oppose treaties such as NAFTA or the FTAA is an under-appreciation of the desperate need for economic growth and jobs in underdeveloped countries. Coupled with that, some critics display an unwillingness to confront the possibility that the standards they advocate may be applied by wealthy countries such as the U.S. in a discriminatory manner that promotes protectionism for politically connected

domestic industries or promotes a political agenda unconnected to economic development. The U.S., for example, may block goods coming in from an underdeveloped country really because those goods compete with a politically-connected industry or due to disapproval of the political stance of the exporting country, all under the guise of applying a labor or environmental standard while ignoring abuses by much worse violators of that standard who are politically favored.

Global justice advocates in countries like the United States need to be very sensitive to the serious impact it would have on the economies of smaller underdeveloped countries if their access to the U.S. market is cut off. It would have a very small impact on the U.S. economy or on U.S. workers, for example, if U.S.-produced goods were not allowed access to the market of small country such as Ecuador. But the reverse situation could be devastating to the Ecuadorian economy and Ecuadorian workers. Some variants of the case against treaties like the FTAA show little awareness of this fact.

Hidden biases favoring protection of domestic interests over promotion of the good of all is not confined to the opponents of treaties like the FTAA, however. In fact, the official U.S. stance in negotiations is invariably for opening up access to foreign markets for U.S.-based corporations while simultaneously attempting to keep other topics, like the huge government subsidies for U.S. agricultural products, off the agenda. That is one form of hypocrisy that casts into doubt the "free trade" rhetoric usually applied to these treaties and to the U.S. position. (The U.S. government is not the only government engaging in such hypocrisy, of course – it is just one of the biggest and most powerful to do so.)

But even more important, the very framework of negotiations is usually inherently "protectionist" – but it is protection of patents, "intellectual property rights", corporate "rights" to earn profits without competition from government or publicly provided goods and services, and the like. If African countries are prevented from manufacturing or trading for cheap generic anti-AIDS drugs because of patents held by a multinational pharmaceutical company, we have a form of protectionism (for the pharmaceuticals) that does not appear to be ethically defensible. Yet that is precisely the so-called "free trade" rules of the game that these treaties aim for.

Therefore, the real argument over treaties such as the FTAA is not one between "free traders" and "protectionists". Granted, there probably are real free traders (exemplified by the Cato Institute and others) on one side, and real protectionists (exemplified by Pat Buchanan or H. Ross Perot and others) on the other side. But the bulk of those lining up as either pro- or anti- recent treaty attempts such as the FTAA or CAFTA cannot be so easily categorized. It really is a question of how to promote more trade, and what are the basic ground rules governing trade. Both sides want the basic ground rules to "protect" certain interests, but the interests to be protected differ. The "pro's" are intent on protecting the rights of investors and corporations, while the "anti's" are intent on protecting the rights of workers, the environment, indigenous peoples, consumers, and so on.

Because I favor trade and investment rules that uphold environmental standards, certain basic labor standards, flexibility for local governments (particularly in underdeveloped countries and for indigenous peoples) to enact certain local procurement and consumer protection and other measures, I find myself rather consistently opposing

the versions of trade agreements that are actually put on the table by the U.S. and other advanced industrial countries. The U.S. versions are consistently protectionist for certain favored powerful industrial or sectoral interests in the U.S. (the agricultural example was given earlier), and invariably do not contain meaningful enforceable standards on labor, the environment, and the like. The pending CAFTA treaty is the latest negotiated by the US that clearly fails in that respect, despite the plain requirement of Congress to include such enforceable provisions expressed in the Trade Act of 2002 that restored the president's "fast track" negotiating authority.

In the late 19th Century and throughout the 20th Century, the U.S. has gone through major struggles over what form of industrial capitalism we will have in the country. Progressive political pressures have forced business-dominated governments to develop a regulated form of capitalism that restrains unbridled corporate power and ensures basic standards regarding labor, the environment, consumer protection, and much more. Those same struggles have forced the U.S. government to operate in an open, public manner that creates accountability to interests other than simply corporate ones, at least to some degree. From my point of view, an analogous struggle is currently going on in the world arena. Some world business institutions, such as the World Bank, are just beginning to respond to the growing political reaction against corporate-dominated versions of worldwide trade and investment policy. But most global institutions are either ignoring or deriding opposition as protectionist and backward, rather than conceding the need for change in both substance and process.

A recent survey by the German Marshall Fund of residents in Britain, France, Germany, and the United States shows that popular support for FTAA-style treaties will

only be forthcoming if those changes occur. That study found that only 4% of the American people view NAFTA in a favorable light, despite enthusiasm for the general principle of increased trade. The same survey showed that support for trade agreements grows when labor rights, human rights, and respect for the environment are incorporated into agreements. In all four countries, 56% believed that multinational corporations benefit the most from current free trade treaties, while only 9% believed ordinary people do. And on average, 80% favored more "openness and accountability" in trade pact negotiations, rather than the current method of pacts negotiated behind closed doors by governments in consultation with business interests (Bussey, 2004: 4C).

In this case, I believe the American people have it right. If the U.S. government and international institutions are forced to incorporate these changes in future negotiations, trade and investment agreements that will aid economic growth in an equitable manner can be negotiated, and there would be very little opposition. But until then, there will continue to be public opposition and demonstrations wherever the trade talks are held.

## **II. Impacts on Florida**

Measuring the impact of "globalization" on the state of Florida is an amorphous task that could entail many things. In this paper I will not attempt a comprehensive analysis of the way various aspects of globalization have impacted the state. Instead, I will briefly look at possible impacts of trade agreements on jobs, and then briefly look at another (frequently ignored) aspect of globalization: immigration.

The jobs impact of a trade agreement will depend very much on the details of what it covers or does not cover. For example, if the FTAA were to force the U.S. to

drop its steep tariffs and quotas on imported citrus and sugar, the negative jobs impact on Florida would be severe. (The citrus industry alone, which claims to provide 90,000 jobs in Florida, is protected behind a tariff on foreign imports of almost 30 cents per gallon of frozen orange juice concentrate. The sugar industry claims to provide 25,000 jobs, and is protected by a two-tier tariff structure and import quotas that keep the U.S. price of sugar at 2-3 times the rate paid on the world market.) Florida spokespersons for these industries support free trade agreements like the FTAA, but insist that they themselves have to be exempted. If these industries were exempted from free trade pacts, job loss in Florida would be much less.

In the case of these industries with their large political contributions to elected officials, a relatively pure politics of protectionism is playing itself out. So far they have been mostly successful, and politicians of both major political parties have continued to shield the citrus and sugar industries from the necessity to open domestic markets to foreign producers. Most recently, under strong political pressure from the US sugar industry, sugar was excluded from the U.S-Australia Free Trade Agreement at the last minute, despite the fact that Australia is currently the world's most efficient producer.

In any case, job impacts can only be determined by estimating (or measuring, after the fact) the growth in both exports and imports caused by a free trade agreement. For example, if a trade agreement resulted in 10,000 additional exports of computers from the United States, while also resulting in 10,000 additional imports of identical computers into the United States, the net result would probably be neither growth nor shrinkage in number of jobs. It would not do to simply add up the additional jobs created

by the 10,000 additional exports while ignoring the jobs lost from the 10,000 additional imports.

Disaggregating the increased exports and increased imports into their various industrial segments, and using government statistics on jobs per output in each segment, we can then arrive at actual impacts of job growth or shrinkage. Unfortunately, some proponents of free trade agreements ignore the import side of the equation entirely, and attempt to "sell" pacts solely on the basis of increased export volume. That is equivalent to trying to balance one's checkbook by counting only deposits, not expenditures.

An example of this incomplete methodology is a report produced for Florida FTAA, Inc. by Enterprise Florida, Inc. in partnership with J. Antonio Villamil, Chairman of the governor's Council of Economic Advisors. The report, *The Economic Impacts of Locating the FTAA Secretariat in Florida* (May 2003), appears to assume that in the ten years following passage of an FTAA, **imports to Florida will increase by zero while exports will triple**. This element alone is enough to place the study's seriousness in question.

There are other severe problems with this study. It assumes that just "branding" Florida as the "Hub of the Americas" because the FTAA secretariat is in Miami will simply create 28,000 jobs through new investment. This cannot be taken seriously; the location of NAFTA headquarters in Texas has not resulted in any such upsurge in investment in that state. Business location decisions depend on many factors, but they primarily relate to genuine business opportunity, cost, and market realities, not a "brand" on a state or the location of a small secretariat office in a city. The study assumes that most of the increased exports from Florida would disappear if the secretariat were placed

in a U.S. city, such as Atlanta, but not if it were placed in a foreign city, such as Panama City. This again is simply not credible, and no explanation is given for the disappearance of export opportunities.

In short, the study is at best, incomplete and open to question. Yet it is repeatedly referred to as an authoritative analysis of the Florida impact should an FTAA be established with its secretariat in Miami. Its prediction of 89,000+ new jobs is repeatedly reported in Florida news media. The most recent example to come to my attention is a July 9, 2004 op-ed piece in the *Miami Herald* by Jorge L. Arrizurieta, president of Florida FTAA, Inc. In this op-ed he repeats that FTAA would create 89,259 new jobs with \$3.2 billion annual payroll over ten years (Arrizurieta, 2004).

"Selling" trade pacts on the basis of indefensible figures does the cause of increased trade no favors. One of the reasons NAFTA is so wildly unpopular with the American people is because similar unsupportable promises of massive job gains were made to sell it to the America people. When the job gains did not materialize, disillusion set in. (On the other side, H. Ross Perot made equally unsupportable predictions of massive job loss with his "giant sucking sound" sound-bite.) Trade pacts will continue to be unpopular as long as proponents yield to the temptation to over-claim positive results.

The jobs impact on Florida of an FTAA (or CAFTA, or other free trade agreement) is not entirely foreseeable, but the state's experience with NAFTA should be instructive. In general, FTAA can be seen as "NAFTA writ large", extending comparable terms to numerous other countries beside simply Mexico and Canada. Therefore, Florida's experience with NAFTA should be instructive.

Robert E. Scott wrote a study on NAFTA's job impact for the Economic Policy Institute that includes calculations for Florida (2003). It is the only study of which I am aware with state figures. The study looks at growth of exports and imports between the U.S. and its NAFTA partners in the ten-year period 1993-2002. Both export and import figures are confined to exports of domestically-produced goods and imports of foreign-produced goods, to eliminate distortions that would occur if domestic jobs were imputed to exports of good produced abroad or if no domestic jobs were imputed for imports of goods originally produced in this country. Exports and imports are divided into 192 sectors, and jobs are assigned according to U.S. Bureau of Labor Statistics figures on job requirements per dollar volume of output. Each state is assigned its share of overall job gain or loss according to its percentage of total U.S. production in that sector.

The net NAFTA impact on jobs found over ten years is small, but discouraging. The study finds that Florida gained 28,586 jobs through increased exports, but lost 64,097 jobs through increased imports, for a net loss of 35,511 jobs. This net loss of jobs was offset by an enormous increase in population and consequent overall growth of jobs in the state over that ten-year period, but the net independent impact of NAFTA on the state was a loss of over 35,000 jobs in the state.

Because the Economic Policy Institute is a well-known opponent of NAFTA, I have looked to see if there are any biased assumptions in the study's methodology, but none are apparent. This study's conclusions appear to be the most accurate we have. Where were the jobs lost? U.S. Department of Labor findings on NAFTA-induced job loss in Florida indicate that apparel, electronic and medical equipment, auto parts, and fresh vegetables are the main industries.

So, the available evidence is that NAFTA produced a small net loss of jobs in Florida. Would an FTAA have a similar impact? The answer would have to lie in a closer analysis of Florida's trading patterns with various countries covered under the FTAA. And it certainly would depend on the terms of inclusion, if any, of Florida's citrus and sugar industries. In any case, the most lavish promises of job creation are certain to be wrong, as would be the most apocalyptic predictions of massive job loss.

But I find the almost exclusive focus on job loss or gain to be problematic. Surely the gain or loss of jobs is important, but an exclusive focus on this issue in isolation from other concerns turns the issue of global economic exchange into a zero sum game where the workers of one country gain only at the expense of workers in another country. Surely mutually beneficial types of increased economic relations are possible, even if the narrow corporate-dominated forms being pushed today are not beneficial to an average worker on either side of a border. Thus, we need to turn our attention to issues beyond simple job creation or destruction.

Here I want to briefly examine another aspect of "globalization", namely immigration. Saskia Sassen (2001) and others have shown that immigration is not a simple response to wage differentials between countries or to absolute poverty levels in country of origin, but is rather related to complex patterns of commercial, military, and related ties between countries. But, however complex the relationship, it is true that immigration is related to "globalization" in the broad sense of the term. And in Florida, immigration is a major fact of life that is bound to become even more important as globalization continues apace.

Florida is considered one of six "gateway" states that are the primary entry point for immigrants to the U.S. According to the 2000 Census, 16.7% of Florida's population in 2000 was composed of immigrants (compared to 11.1% in the U.S. as a whole). This is up from 12.9% in 1990. Almost four in ten (38.6%) of the state's immigrant population entered between 1990 and 2000. Only four other states (New York, New Jersey, California, and Hawaii) have a higher immigrant proportion of their population. The biggest areas of origin for Florida's immigrant are Caribbean, Central American, and South American countries, although Mexico is also becoming an important country of origin, since NAFTA devastated the livelihoods of thousands of Mexican farmers attempting to compete with subsidized U.S. agricultural crops.

There is no doubt that "globalization", broadly conceived, is a major contributor to the increasing flow of immigrants into the state. Banking, trade, and investment relations often precede or accompany the flow of people across borders. And since we can confidently predict that inter-country economic ties will continue, we likewise can foresee further immigration into the state.

What impact does this immigration have on Florida and its economy? This is much too large a topic to engage here. Anti-immigrant groups and scholars argue that the influx of large numbers of people, many with relatively low levels of education, creates competition for jobs and drives down wages for native born workers (Borjas, 2001; Briggs, 1996). Some of the more extreme versions of this argument also try to paint immigrants as unduly drawing on public welfare measures without contributing a fair share into the economy or government coffers. Critics of this perspective argue that immigrants contribute a great deal to the economy, that they pay taxes at an equal or even

greater rate than their native born counterparts (for Florida, see Boswell, Nogel, Paral, and Langendorf, 2001), and that they are among the hardest working people in the country (American Immigration Law Forum Policy Reports, 2002-2004).

Due to space and focus limitations, this debate will not be addressed here, other than to note that the author's perspective is congruent with those defending immigrants and their rights. Large numbers of immigrants are in the country and in the state; public policy would be best directed toward helping them to integrate fully into the economy and toward protecting their rights.

### **III. Potential Public Policy Responses by the State of Florida**

State policy responses to globalization could take many different forms. Here I wish to focus on two: (1) state influence on national policy regarding trade pacts and immigrant issues; and (2) internal measures to prepare Florida's workforce for a more fully globalized future.

First, state officials and the state's many layers of public officials could attempt to influence national policy. As a large state, counsel from Florida is likely to carry a great deal of weight. Thus, state officials could communicate with both the executive and congressional branches of the federal government regarding trade pact and immigration measures.

Concerning trade pacts, if the analysis in an earlier section of this paper is correct, the wisest course of action for state officials would be to counsel the federal government to include strong labor and environmental protection features into future trade pacts. Doing so will end much of the opposition to such pacts. In my perspective, it would also allow increased trade to occur on a basis that causes less damage to the vital interests of

people and workers in all countries, although I realize that those with ideological beliefs generally opposing governmental restraint over corporate behavior or over market forces will reject this claim. Even those ideologically opposing governmental regulation of corporate behavior would do well to consider compromise with public opinion in this instance, because failure to do so will only result in ever-stronger public opposition to future trade pacts lacking such regulations.

A number of measures that the federal government could be urged to adopt nationally and to include in trade agreements are widely accepted throughout the world. For example, the UN's International Labour Organization (ILO) has seven core Conventions on labor rights that it asks all countries to ratify. The ILO Conventions guarantee four fundamental labor rights that are universally accepted as human rights that all nations should respect: (1) no forced labor or slavery (Conventions 29 and 105); (2) freedom of association, including the right to form unions, choose union leadership free from employer interference, and bargain collectively with employers (Conventions 87 and 98); (3) equal pay for equal work, and no discrimination (Conventions 100 and 111); and (4) no child labor (Convention 138).

The U.S. has refused to ratify any of these conventions except one that bans slavery (Convention 105, ratified in 1991). Yet, all of these Conventions have been ratified by between 130 and 170 nations, including many advanced industrial countries. This refusal by the U.S. makes the country appear hypocritical if it attempts to get other countries to respect such fundamental rights. Florida officials (and the Florida congressional delegation) could push for federal ratification of these seven ILO Conventions, and for their incorporation into all trade pacts the U.S. signs on to.

State intervention with the federal government over terms of national trade pacts may sound far-fetched, but in fact states have a great deal of leverage, should they choose to utilize it. In September 2003 U.S. Trade Representative Robert Zoellick requested that state governors commit in advance to comply with procurement provisions in forthcoming trade agreements. These provisions could ban state procurement preferences for locally grown food, locally produced goods, set-asides or preferences for local companies, construction project labor agreements requiring union labor, and the like, because they would be seen as "unfair trade barriers" discriminating against foreign companies. As of May 2004, at least four governors had refused to sign on to this commitment (Schroeder, 2004). (Unlike the four dissenting governors, Governor Bush committed Florida to compliance.) The four governors removing their states from the list of states promising compliance in advance now have considerable bargaining power with the federal government because their compliance is needed. It is not far-fetched to believe that state governments can have influence over federal trade policies.

Beyond attempts to influence federal policy, the state should examine its own economic development and workforce development policies to ensure that they are congruent with the future likelihood that its economy will be even more globalized than is true at present. However, what it means to actually do so is somewhat vague. How can Florida's workers be prepared for the global future, and what specifically does the "global" dimension require?

In a good many respects, basic elements of workforce development will be the same, irrespective of how global the state's economy is or isn't. For example, strong basic skills in reading, writing, and mathematics are imperative for the state's workforce

in any case. In this area, Florida has much to do. An issue brief by the Council for Education Policy Research and Improvement notes that Florida's high school graduation rate recently ranked the state 45th of the 50 states (CEPRI Issue Brief #4, 2003).

According to the National Center for Education Statistics, Florida was 38th of the 50 states in funding for K-12 education in the 1999-2000 year (NCES website, Table 168).

A number of initiatives are underway to improve Florida's primary and secondary schools; it would take us too far afield to attempt to evaluate these measures, but one simple observation can be made: the state must be willing to put significant resources into its school system or it will never create a "world class" education system. And constantly cutting taxes, the apparent central preoccupation in Tallahassee, is counterproductive if the state is to be able to adequately fund its public school system.

Florida's higher education system likewise is underfunded; the state puts far less into higher education than does a typical state. According to the Center for the Study of Education Policy at Illinois State University, which compiles annual statistics on state effort in support of higher education, Florida ranks 40th of the 50 states in appropriations for higher education per capita. It ranks 39<sup>th</sup> in appropriations per \$1,000 of personal income (Center for the Study of Education Policy Grapevine website, Table 5).

Money alone will not solve Florida's problems with its educational system, of course. But it is equally true that without the resources some other states do put into their first class educational systems, our state will not be able to match their results.

The ever-growing immigrant proportion of the state's labor force raises other issues. What should the state be doing in response to increasing immigration? A general answer is to ensure that its workforce development programs are especially cognizant of,

and responsive to, this segment of the workforce, as well as other disadvantaged populations such as the African-American population. Failure to do so will slow down their integration as productive members of the workforce.

Translating that general principle into concrete measures will require some creative thinking. But some issues have already become matters of public debate. For example, the need for all resident workers in the state, immigrant or non-immigrant of any legal status, to be able to obtain a valid driver's license is clear if workers are to be ready to work in many geographic locations. The state legislature failed to affirmatively deal with this issue in the last legislative session, but it should do so in the next one.

The exposure of near-slave conditions in some Florida farm camps prompted responsive legislation that partially addresses the problem, but a further measure that the state should undertake is widespread community outreach and education programs in immigrant communities about labor rights in this country. Educational classes on workers' rights, held repeatedly on a periodic basis and arranged in conjunction with immigrant community organizations and leaders, could go a long way toward reducing one of the most distressing tendencies of globalization - to bring within Florida's borders the very worst abuses found in very underdeveloped countries.

The state's immigrant population also highlights language issues. English as a Second Language (ESL) adult education classes at low or no cost should be widely provided around the state, if we want a workforce able to communicate effectively with most employers. And the state's public school system needs to incorporate foreign languages (especially Spanish) into all levels of instruction.

Moving beyond the immigrant population to Florida's broader workforce, I believe the state needs to respond to the growing inequality that is accompanying globalization. Florida already has a more unequal distribution of incomes than most states. For example, in 1999 it ranked 19th of the 50 states in per capita personal income, but 40th in median household income (CEPR Issue Brief #2, 2003). A low median household income indicates a more unequal distribution of incomes, and Florida is one of the worst.

There are a number of measures the state could undertake to lessen inequality, boost low wage incomes, and bolster labor standards in the state. Examples include creation of a progressive state income tax, instituting a state minimum wage above the federal minimum wage level, supporting "living wage" legislation, bolstering workers' ability to defend themselves by removing the "right-to-work" provision from the state's constitution, using extra money raised through the state income tax for job creation, education and retraining for dislocated workers, expanded unemployment benefits, and the like. I hesitate to even raise these possibilities, because they are so far removed from the dominant political sensibilities of our state's political leaders. The odds of any measures like this even being contemplated, much less adopted, are close to zero. Yet, if we refuse to even contemplate measures that address the dislocation and pain that globalization visits on workers and low income communities, I predict that the path to the global future will be bumpy and full of conflict.

One consequence of ignoring growing inequality, dislocation of workers, and stagnating incomes is a backlash. A worker who has lost a \$45,000 a year job and who faces the prospect that replacement jobs will only pay \$15,000 - \$25,000 a year with little

attention or help from the government will not react mildly. Under these circumstances, a strongly protectionist mentality will indeed grow. So will a nativist backlash against immigrant workers. Neither of these is a desirable development.

My argument is that pursuing workforce development through a perspective that ignores the immediate needs of workers who are hurt by global change is not a viable approach. This may not be immediately apparent, and from a businessman's point of view it may seem that the costs of globalization can thus easily be externalized (to working class populations) while the benefits are reaped. But history shows us that this cannot go on for long. The European societies are facing globalization by incorporating a number of active labor market intervention measures and expansive social safety net features to cushion negative impacts on workers. One can safely predict that opposition to globalization will consequently be much less in Europe, and that their transition to a global future will be less conflictive than it will be here. Florida could learn something from the Europeans.

## References

American Immigration Law Forum. Policy Reports, 2002-2004, available on the web at:

[www.ailf.org/ipc/policy\\_reports\\_recent.asp](http://www.ailf.org/ipc/policy_reports_recent.asp).

Arrizurieta, Jorge. 2004. "Trade treaty would put Florida to work. *Miami Herald*, July 9.

Borjas, George. 2001. *Heaven's Door: Immigration Policy and the American Economy*. Princeton, NJ: Princeton University Press.

Boswell, Thomas and Jane Nogel, Rob Paral, and Richard Langendorf. 2001. *Facts About Immigration: Asking "Six Big Questions" for Florida and Miami-Dade County*. November 2001. Gainesville, FL: University of Florida.

Briggs, Vernon. 1996. *Mass Immigration and the National Interest*, 2nd edition. Armonk, NY: M.E. Sharpe, Inc.

Bussey, Jane. 2004. "Survey: Support for free trade has strings." *Miami Herald*, July 15. pp. 1, 4.

Census Bureau Website. Tables on foreign born by state, 1990 and 2000 Census.

Center for the Study of Education Policy Grapevine website

([www.coe.ilstu.edu/grapevine/](http://www.coe.ilstu.edu/grapevine/)), Table 5.

Council for Education Policy Research and Improvement (CEPRI). *Issue Brief #2 – The National Landscape: Where Florida Stands* (Draft). 8 pp. Available on the web at: [www.cepri.state.fl.us/pdf/Issue%20Brief%202.pdf](http://www.cepri.state.fl.us/pdf/Issue%20Brief%202.pdf).

Council for Education Policy Research and Improvement (CEPRI). *Issue Brief #4 – Barriers to a More Skilled Workforce* (Draft). 5 pp. Available on the web at: [www.cepri.state.fl.us/pdf/Issue%20Brief%204.pdf](http://www.cepri.state.fl.us/pdf/Issue%20Brief%204.pdf).

Enterprise Florida and J. Antonio Villamil. 2003. *The Economic Impacts of Locating the FTAA Secretariat in Florida*. May, 2003. 18 pp.

"Free Trade on Trial." 2003. *The Economist*. December 30.

International Labour Organization (ILO) website. ILO Conventions #29, #87, #98, #100, #105, #111, and #138.

National Center for Education Statistics (NCES) website. Table 168.

Sassen, Saskia. 2001. *The Global City*, 2nd edition. Princeton, NJ: Princeton University Press.

Schroeder, Michael. 2024. "Governors Rescind Agreement to Comply with Trade Pacts." *The Wall Street Journal*, May 14.

Scott, Robert E. 2003. *The High Price of 'Free' Trade: NAFTA's failure has cost the United States jobs across the nation*. Washington, D.C.: Economic Policy Institute. 13 pp. Available on the Economic Policy Institute website.

World Bank. 2000. *World Development Report 2000-2001: Attacking Poverty*. Box 3.3, p. 51. On the web at: [www.worldbank.org/poverty/wdrpoverty/report/ch3.pdf](http://www.worldbank.org/poverty/wdrpoverty/report/ch3.pdf).