



Why only great projects can create productive employment

by Jorge Carrillo Rojas

The following is the text of the speech to the Atrato-Truandó conference by Jorge Carrillo Rojas, vice-president of the Union of Colombian Workers (UTC) and president of the Union of Workers of Bogota and Cundinamarca (UTRABOC). On Aug. 20, Colombian President Belisario Betancur appointed Carrillo to the post of labor minister.

The form in which the government intends to resolve the problem of unemployment is absolutely inadequate, and not only does not solve the problem of unemployment, but institutionalizes underemployment. The best proof of this is the promotion of the so-called "micro-business" [a program designed by the World Bank for a revival of 18th-century cottage industries], as "job-creating."

The jobs which the country needs must be jobs which are well paid and highly productive, in the sense of creating useful, tangible, wealth. Micro-businesses, businesses so small that you have to use a microscope to see them, do not serve to exploit our natural resources such as coal, oil, natural gas, uranium, and phosphoric rock. To base a program for the country on micro-business is to turn over the exploitation of our resources to the designs of multinational firms, which go so far as to finance guerrilla groups, while we fool around with little candy carts, and stalls which sell *arepas* and *bocadillos* [traditional Colombian foods], as if this were our supposed "autonomous" model.

The micro-businesses, what some call low-capital, labor-intensive industries, do indeed seem to employ more of the population—but with a lower salary level, which means that more people work for the same amount of income.

Let me develop this point. Let us suppose that a large firm, through lack of investment, high interest rates, and failure to modernize its technology, begins to fail. Let's suppose that this large firm is in the textile industry. A skilled worker was earning an average 60,000 pesos per month in the firm, including both direct and indirect payments. He is suddenly fired, and decides to set up a micro-business using his wife's family sewing machine.

Now, if he's lucky, he could do a little clothes-selling to the neighbors, and could get an income, perhaps equal to what he earned before, 60,000 pesos. But now he is not working alone: His wife and his two daughters are working,

too. In other words, the so-called family micro-business is using four workers, but among the four, they generate the income which was obtained before by one alone. With the micro-businesses, the working class works more, gives more manhours of labor to production, but receives the same, or less, payment than before. This is a loss for the working class as a whole, and not a gain.

This is the same monetarist and usurious mentality of all those who loudly insist that the way to create employment is to eliminate fringe benefits, to thus have more people working, but reduce the remuneration per worker. This was Hitler's idea—the Hitler who gave everyone employment in the concentration camps, where he had no need to pay any salary because people had no food, waiting to die.

The reason micro-businesses cannot provide good salaries is because of their low productivity. If modern and advanced technology is used, productivity is greater; that is, each worker produces a greater quantity of goods with less effort, and the companies are in a better position to give the workers better salaries.

Something similar occurs when productive firms reduce their unproductive expenses, such as, for example, payment of debt service. Here, the President of Peru, Alan García, has given us a great example. On the one hand, he reduced the interest rates by 50%. With the savings that the companies gained on the reduced debt payment, the minimum wage was raised 50%.

The Atrato-Truandó Canal

That is why, on many occasions, the UTC and UTRABOC have defended the launching of great economic development projects, such as the Atrato-Truandó Interoceanic Canal. Even more important than the quantity of people employed directly in the construction and running of the canal, is the increase in productivity that it would give to the whole economy. The construction of the canal would create the foundations for an initial population of 250,000 in new settlements. These people would have different kinds of jobs in economic projects which have been described here, projects which would be impossible without the canal. With the canal, we are integrating a region of national territory into the national economy.



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A Fusion Energy Foundation exhibition in Bogota, Colombia shows a model of the proposed Atrato-Truandó Canal. Great infrastructural projects of this kind will make skilled, productive workers of today's unemployed.

For example, I have heard that Japan is interested in buying coal from the Cerrejón [region], but that it is not profitable to buy it because the Panama Canal only allows transit by small boats, in which coal transport is not profitable. With the "new" canal, we would open all the East to the export of our products. We also know that Japan wanted to buy tropical fruits, such as mango, watermelon, and other melons, from the Atlantic Coast, but they had the same transport problem as with coal. In other words, these fruits could be grown on a large scale for export.

This is the correct way to create jobs, with macro-projects which, in turn, generate macro-employment. This was precisely the idea, when, a few years ago, we proposed that the highway system be doubled in size, and the rail system the same, to integrate the country and have the infrastructure necessary for a process of rapid industrialization. This industrialization would be centered principally in the production of machine tools and heavy industry, which would permit us to have industries which produce industries, as well as capital goods. We showed that with a program of this nature, not only would the unemployed receive jobs, but we would need more people [than the current labor force] to work.

Many will ask how we can finance such a quantity of projects. I say to them, that such works finance themselves, because they are productive works. Ask yourselves, how were they able to build great projects in ancient times, with-

out the necessity of loans in dollars from international banks or the World Bank? The only thing they needed was the work of the people and the decision to carry the projects out.

We need technology? Absolutely. But technology is nothing more than work and accumulated human knowledge. The construction of the Atrato-Truandó Canal has purposes which are much more productive than those of the builders of the Great Wall of China or the pyramids of Egypt.

Let us build the canal. To those who are worried about the financing, we say that the service on the foreign debt of the Colombian government during this year will be \$1.7 billion. If we assume that this amount will be similar during the following three years, we could finance the Atrato-Truandó Canal in three years, just by suspending the payment of debt service.

This is why it is so important that we, in this forum, support the proposals which the President of Peru, Alan García, has made, to dedicate no more than 10% of export revenues to debt payment, and the proposal to integrate our countries in a common market, which would allow us to unite our efforts to carry out these great projects.

Our unemployed, who go from highly-skilled professionals to unskilled workers, are anxiously waiting to get productive jobs where they not only work to earn a living, but also feel that they are giving something to the nation and to the world. Therefore, let us build the canal!