

# WOMEN WORKERS: BEARING THE BRUNT OF NEOLIBERAL GLOBALIZATION

by

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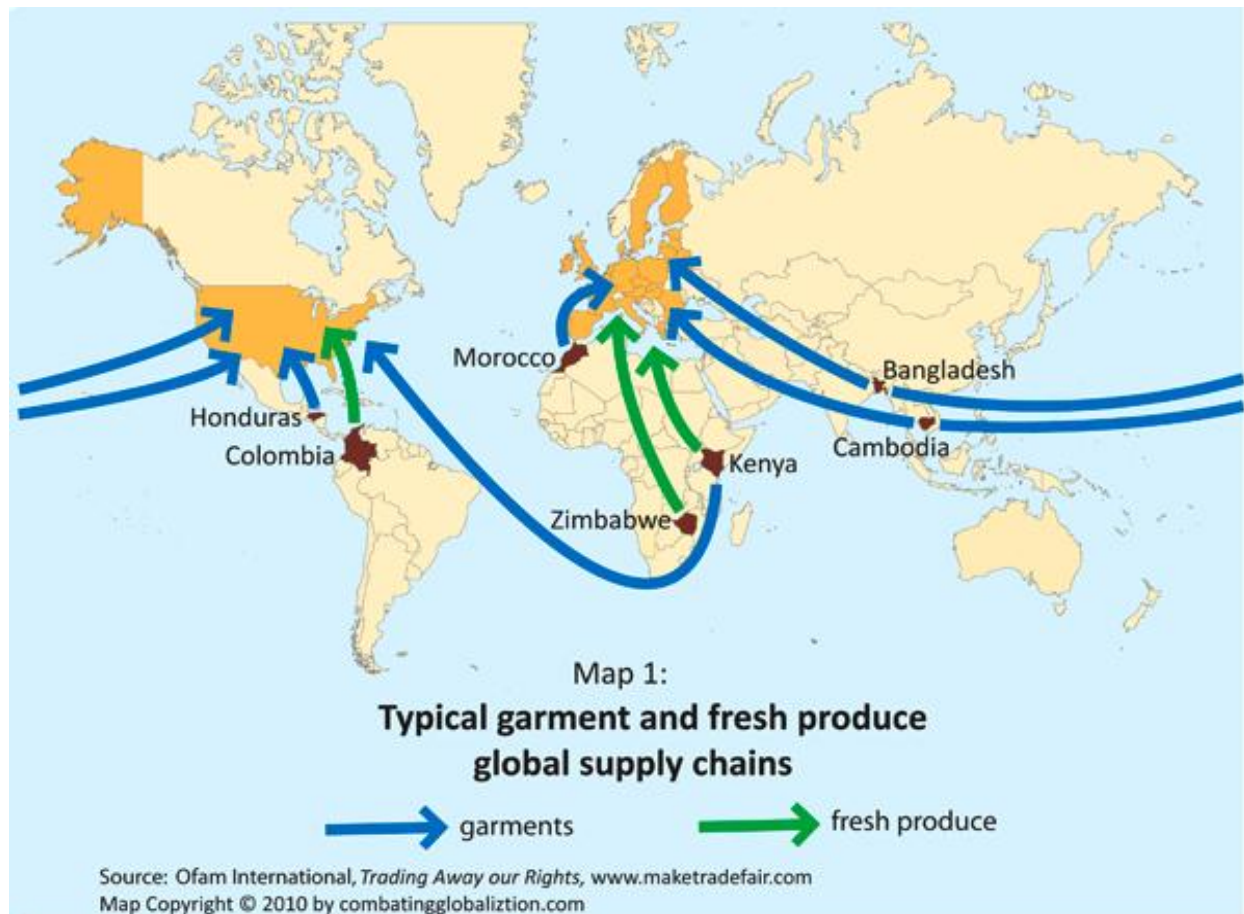
*This essay is dedicated to  
the young women and men of  
United Students Against Sweatshops  
(USAS),  
intrepid campaigners for global justice.  
[www.usas.org](http://www.usas.org)*

*"I am a woman worker,  
a housewife, a father,  
a mother."*

Maria, a Honduran garment worker  
interviewed by Oxfam<sup>i</sup>

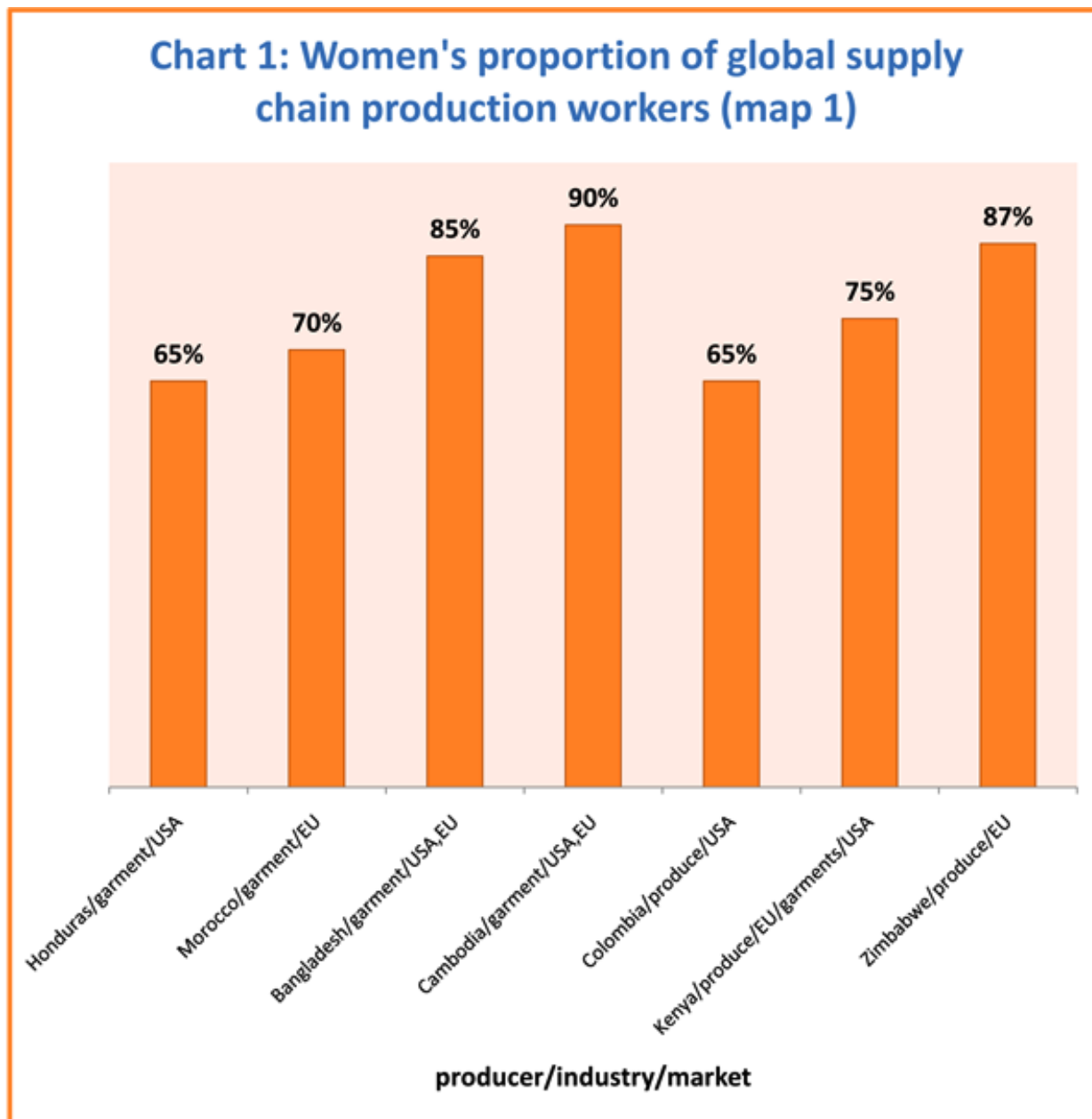
**Neoliberal globalization and the super-exploitation of women**

The free trade labor policies of neoliberal globalization have added a new dimension to the exploitation of labor. The offshoring of jobs from developed countries to cheap foreign labor markets allows **transnational corporations (TNCs)** to utilize a full arsenal of traditional and new anti-labor tactics against workers employed in global supply chains. Focusing on two representative industries of the globalized economy, the supply chains that provide garments to the major clothing retailers and those that deliver fresh-produce to the food service industry and supermarket giants, provides an overview of how the modern system of exploitation works.



Map 1 highlights two defining characteristics of neoliberal globalization: (1) the ongoing flood of human and material resources from the developing nations of the Global South to the wealthy nations of the Global North, and (2) the incredible distances that products are transported between production points and markets. The cargo ships and airplanes that carry these products generate tremendous amounts of transportation pollution that is contributing to climate change. Many garment supply chains are 8,000 miles long, while some fresh produce travels in excess of 5,000 miles to market. With many products, the cost of transportation exceeds the cost of production.

A look at the demographics of the workforce in these global supply chains discloses who is bearing the brunt of neoliberal globalization.



Source: Oxfam, Trading away our rights; Women working in global supply chains, [www.maketradeair.com](http://www.maketradeair.com)

Chart 1, *Women's proportion of global supply chain production workers* discloses a range of 65% to 90% women in the 7 representative global supply chains tracked in map 1. Chart 1 illustrates the central fact that *the intense exploitation of women is the bedrock of neoliberal globalization*.

Knowledge of how state and international institutions facilitate global exploitation is a prerequisite for fighting the system.

## The state and exploitation

"Also, there **will** continue to be winners and losers in a global economy led by market forces, especially so in the field of labor, which **will** be subject to particularly ruthless laws of supply and demand."

The conclusion of the UK's Ministry of Defense.  
(*DCDC Strategic Trends*, Third Edition)<sup>ii</sup>

The '**ruthless laws of supply and demand**' (alternately called the '**invisible hand**' of the free market) cited by the defenders of capitalism tell us far less about the contemporary mechanisms of exploitation than a close examination of the **heavy hand of the state** in the rise of neoliberal globalization. The institutions developed specifically for the exploitation of labor have been obscured by volumes of political doublespeak and layers of legal jargon but, once demystified, their function is singularly clear.

## Free Trade Zones, Free Trade Agreements, and the World Trade Organization

The last three decades of free trade practiced under neoliberal globalization have witnessed the offshoring of the worst features of capitalism from the developed to the developing nations of the world. The direct, naked, shameless, and brutal exploitation of labor that characterized the early development of capitalism in the West now plagues the developing world.

Global exploitation has been institutionalized in three increasingly powerful and sophisticated free trade mechanisms:

**Free Trade Zones (FTZs)**, sometimes designated as **Export Processing Zones (EPZs)**, are labor-intensive manufacturing sites that import components and raw materials and export finished products such as shoes, clothes, sneakers, toys, household appliances, electronic goods, and various food products. Most FTZ's are located in developing countries and are used primarily by TNCs to assemble or process consumer goods destined for markets in developed nations.

TNCs operating in FTZs are exempted from most taxes and tariffs, are often granted government subsidies, and, although not legally exempted from the labor laws of host nations, are effectively shielded from them by government and FTZ authorities.

At the beginning of the 21st century, there were in excess of 3,000 FTZs located in at least 116 countries that employed an estimated 43 million people. These, FTZs are the foundation stones of neoliberal globalization.

**Free Trade Agreements (FTAs)** are legally binding trade agreements between nations that sanction free trade zones. The authority of FTAs ranges from relatively small designated sites near international airports or seaports to entire countries and, in some cases, entire geographical regions.

[As of 2010 the USA alone has FTAs in effect with 17 countries with 3 more awaiting congressional approval and a far-reaching Trans-Pacific regional FTA in negotiation.](#) Most US FTAs are bilateral agreements. But some, like the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement-Dominican Republic (CAFTA-DR), include multiple nations. All of the FTAs that the US is a signatory to are asymmetrical arrangements that grant far more power to the US than to any of its trading partners, virtually guaranteeing the US unrestricted access to cheap labor worldwide.

Since all US FTAs (as most FTAs worldwide) are established on the framework provided by the WTO Agreement, a basic understanding of the principles and practices of the WTO is essential to an effective fight-back.

**The World Trade Organization (WTO)** which currently has 153 member nations is an elaborate and powerful organization developed by the agents of neoliberal capitalism to consolidate and perpetuate the control of global trade by transnational corporations. In order to become a member of this international trading community a nation must agree to two fundamental principles of free trade that literally guarantee the domination of the most powerful:

1. The principle of "**most-favoured-nation**" (**MFN**) that demands absolute non-discrimination between trading partners, virtually guaranteeing the economic advantages enjoyed by the most developed nations, and
2. The principle of "**national treatment**" that demands that goods and services offered by foreign producers must be treated the same as those offered by national producers. National treatment, like the principle of MFN, ensures the advantages of the most developed economies because it prohibits developing nations from protecting their domestic industries through tariffs and subsidies.

Trade disputes between nations are settled by the WTO through special panels of three to five appointed experts whose decisions can be appealed but can only be overridden by a consensus of all 153 members. The WTO can impose sanctions on nations ranging from directives of compliance to compensation for loss of trade, including payment to TNCs for lost investment and revenue. The WTO agreement effectively compels national governments to act on behalf of the TNCs.

The WTO openly proclaims that it represents an attempt by governments to make international trade stable and predictable in order to provide market security for traders and investors. That the WTO protects the interests of capitalists at the expense of working people is made perfectly clear in its official position on labor in the [1996 Singapore ministerial declaration](#):

*We reject the use of labor standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question.*

The free trade labor policy of the WTO has profound global ramifications -- by declaring low wages a "comparative advantage", the WTO keeps the door open to the exploitation of labor in the developing world and forces all countries to lower their labor standards if they want to compete in the global labor market. By insisting that human labor be treated as a commodity like any other commodity, the WTO becomes the prime driver of the "race to the bottom" for working people.

The outcome of the free trade principles enforced by the WTO has been ruinous for millions of workers, especially women, worldwide. A close examination of common labor practices in FTZs under the auspices of the WTO exposes the details of how neoliberal globalization works.

## Free trade labor on the ground

Most people in the world support themselves and their dependents by selling their labor power, and there is, strictly speaking, no such thing as a "fair wage" -- employers try to dictate wages and never pay more for labor than they have to. There are, however, widely accepted labor standards that have been established through the years. Systematic violations of these labor standards in FTZs and under FTAs are used to keep wages low and consistently impact women workers the hardest.

The following discussion describes how free trade labor works on the ground. Many of the common FTZ anti-labor practices are violations of constitutional or statutory rights recognized in the host countries, and a number of them are blatant violations of internationally recognized human and labor rights.

Paying the **lowest wage possible** is the raison d'être of FTZs. The claim that employers in FTZs pay more than the legal minimum wage mandated by the host country is true in many cases, but it is a decoy. The [overriding issue](#) is that the average wages paid in FTZs are a fraction of prevailing wages in developed nations. FTZ wages are undermined even further when host governments set legal minimum wages as low as possible in order to attract foreign employers. The universal truth that nobody wants to toil for the lowest wage possible underscores the importance of collective bargaining and the right to strike.

The **avoidance of collective bargaining** is a major attraction of FTZs. The right to form unions to negotiate wages and working conditions and the right to strike are universally recognized

human rights ([UNDHR, Article 23](#)) and protected by law in many nations. However, union organizing in FTZs is extremely problematic. Access to workers is restricted by FTZ security forces that, in many cases, are paramilitary units also utilized as strike breakers. Under the pretext of the global war on terror, many unions and workers' organizations in FTZs are declared terrorist organizations and suppressed by state forces.

The **subversion of existing unions** to avoid collective bargaining is accomplished by company or FTZ authority interference in union business or government control of labor organizations.

Chart 1 illustrates that the **exploitation of women workers** is endemic in FTZs. The issue of the exploitation of women in FTZs is not usually that women workers are paid less than men for equal work (Wage discrimination is also a violation of human rights [[UNHDR, Article 23](#)] and many national labor codes) but that women are hired almost exclusively for the lowest paid jobs while men work in higher paying jobs and management positions. The fact that many women workers who hold the lowest paying jobs in FTZs are heads of households and sole wage earners accounts for the fact that so many of them and their families live in abject poverty.

**Exploitation by race** in FTZs is seen in the practice of the extensive hiring of ethnic minorities and indigenous people who can be paid less than other native workers. Minority and indigenous women employed in FTZs face compound exploitation.

The rules governing **the employment of children** promulgated in both international law (UNICEF, [Convention on the Rights of the Child](#)) and national child labor laws are often ignored in FTZs. The restricted access of inspectors to FTZs and onsite inspections staged by management make the enforcement of child labor law extremely difficult. The worst cases of the exploitation of child labor are found in the fresh produce supply chains (map 1) where many children under the age of 12 work in isolated fields and packing sheds where inspectors seldom visit. The youngest of these children (many of them under 8 years old) often toil alongside their mothers, making meager contributions to their mothers' piecework wages.

The **payment of wages based on units of production (piecework)** rather than hourly wages, one of the oldest and most direct forms of labor exploitation, is a common practice in FTZs, especially in the garment and fresh produce supply chains. The abolition of piecework wages is one of the first demands pursued by organized labor. The **increase of production quotas (speed-ups)** and the **extension of working time** (the work day and work week) are tactics often used in conjunction with piecework wages that invariably lead to over-exertion and exhaustion, especially for weaker and older workers. For employees to achieve production quotas they often have to work extended hours or extra days in violation of the labor laws of host countries. Likewise, the **minimization of non-productive time** (shortening or eliminating breaks, including lunch breaks, monitoring toilet time, forbidding socialization between employees) are regularly used to increase production. Negotiation of these adverse conditions of employment, like wage negotiation, is all but impossible outside the avenue of collective bargaining that is effectively blocked in FTZs.

The **replacement of permanent employees with term (temporary and contract) employees** and the **replacement of native workers with migrants** further depress wages. Both are common practices in FTZs, even those that are located inside developed nations.

The **cutback of nationally mandated health and safety programs** within FTZs produces high rates of death and disability among workers and the **elimination of nationally mandated employment benefits** (social security, unemployment insurance, severance pay, paid vacations, health insurance, paid sick days, child care, and maternity leave) contribute to the growing poverty of FTZ workers. These practices are not possible without the collusion of the host state. The last four deprivations in the list are especially ruinous for the families of the large proportion of women workers in FTZs who are single parents.

**Tax exemptions** granted to employers in FTZs and the **elimination of tariffs** by FTAs reduce the public revenues available in developing countries to furnish social services. **Government investment in FTZ infrastructure** and **government subsidies** offered to employers strain public budgets even further. Single-parent households headed by women suffer the most under the resulting austerity programs.

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The free trade labor policies of neoliberal globalization have produced one of the most egregious contradictions of the modern world -- *the fact that workers in developing nations, especially women workers, whose labor feeds and clothes the developed world do not earn enough money to adequately feed, cloth, house, or educate their own children.*

The **good news** is that a [civic revolution](#) to correct this global injustice is underway.

## USAS: rattling global supply chains

In the face of the most elaborate apparatus for the exploitation of labor that has ever existed and the awesome power of the TNCs, **United Students Against Sweatshops (USAS)** has been rattling global supply chains since the group was formed in 1997. The most recent victories and initiatives of USAS indicate the direction that the fight against neoliberal globalization must take.

The [Russell Athletics campaign](#), spearheaded in the United States by USAS, was settled in November 2009 when the company agreed to rehire 1,200 workers in Honduras who lost their jobs when Russell closed down their factory after employees voted to unionize. The USAS organized a nationwide campaign against Russell garment contracts with almost 100 colleges and universities and conducted outreach into the community at large after Russell closed the Jerzees factory in January. In the settlement, Russell also pledged not to oppose unionization at its other plants in Honduras.

The Russell Athletics campaign was a significant blow to neoliberal globalization because it forced a major transnational corporation to take responsibility for its blatant anti-labor activity in a FTZ.

The [Nike "Just Pay It!" campaign](#) was the second major USAS victory within the year. In 2009, Nike shut down two subcontractor plants, also in Honduras, resulting in the loss of 1,800 jobs. Nike refused to pay the fired employees several million dollars in severance pay mandated by Honduran labor law. Soon after USAS students launched their nationwide "Just Pay It!" campaign calling for the termination of Nike contracts with universities, the company came to heel. In July 2010, Nike agreed to pay \$1.54 million in severance pay and provide healthcare and vocational training for laid-off employees for a limited time. Nike also pledged to give priority to laid-off workers in re-hiring.

The Nike "Just Pay It!" campaign is an important follow-up to the Russell Athletics victory. It reinforces the principle of holding TNCs responsible for anti-labor practices in FTZs even when they operate behind the cover of subcontractors. The immediacy of Nike's response is a good indicator of the effectiveness of USAS strategy that was summarized succinctly by [one observer](#):

*"The students seem to have developed a winning strategy against massive multinationals they accuse of labor abuse: convincing individual universities to cut contracts with the companies while using traditional and new media to publicly shame the company into straightening up their act."*

In other words, **rattling global supply chains** works.

[Calling out Wal-Mart](#) for labor abuses in one of that company's major global supply chains is the latest USAS initiative. The headline posted on the USAS website is bold and clear:

### [Arrested Overnight in Bangladesh: Wal-Mart Allows Repression of Workers Rights Advocates](#)

The article reports that Kalpona Akther, a Bangladeshi labor organizer who had been a featured speaker at a recent USAS Midwest Regional Conference, was among 21 labor leaders and citizens who were arrested after recent labor rallies in support of garment workers in Bangladesh. USAS accuses Wal-Mart of sitting by and allowing the repression. USAS is calling on its supporters to take action by joining a letter campaign addressed to the CEO of Wal-Mart, the largest buyer of garments produced in that country, urging the company to live up to its pledge of ethical sourcing and to intervene to protect workers' rights.

This campaign, which targets the world's largest retailer of goods produced by free trade labor, represents a major escalation of USAS actions and signals a new stage of the anti-globalization struggle.

The first stage of the struggle that emerged during the 1990s was characterized by **mass political protest** which reached its zenith in the dramatic "[Battle for Seattle](#)" when an estimated 40,000 activists took to the streets to protest the 1999 WTO Ministerial Conference in Seattle, Washington.

The Battle for Seattle brought widespread public attention to the issue of the WTO and led directly to the creation of the [Independent Media Center](#) which has proven to be an invaluable source of alternative news and an effective organizing tool for the anti-globalization movement.

The current strategy of USAS, **direct political action against TNCs** at the top of global supply chains, is less dramatic than mass political protest but may prove to be more effective in the long run. The clear victories of the Russell Athletics and Nike "Just Pay It!" campaigns suggest a wide range of possibilities for significant action.

Groups like [United Students Against Sweatshops](#), the [Workers Rights Consortium](#), the [International Labor Rights Forum](#), the [Clean Clothes Campaign](#), [Oxfam](#), and others are in the vanguard of the struggle for global justice in the 21st century.

***[Join the civic revolution today!](#)***

***[Support USAS and other social justice initiatives!](#)***

(end)

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<sup>i</sup> The present essay is a political analysis based in part on information reported in *Trading away our rights: Women working in global supply chains*, [www.maketradefair.com](http://www.maketradefair.com). Anyone interested in the details of how the garment and fresh produce global supply chains work on the ground should read the full Oxfam report.

<sup>ii</sup> The MOD toned down the language of this statement in the Fourth Edition, but their prognosis for working people worldwide has not changed. [www.dcdc-strategictrends.org.uk/](http://www.dcdc-strategictrends.org.uk/)