

CHAPTER 2

Free Trade = Bad Medicine

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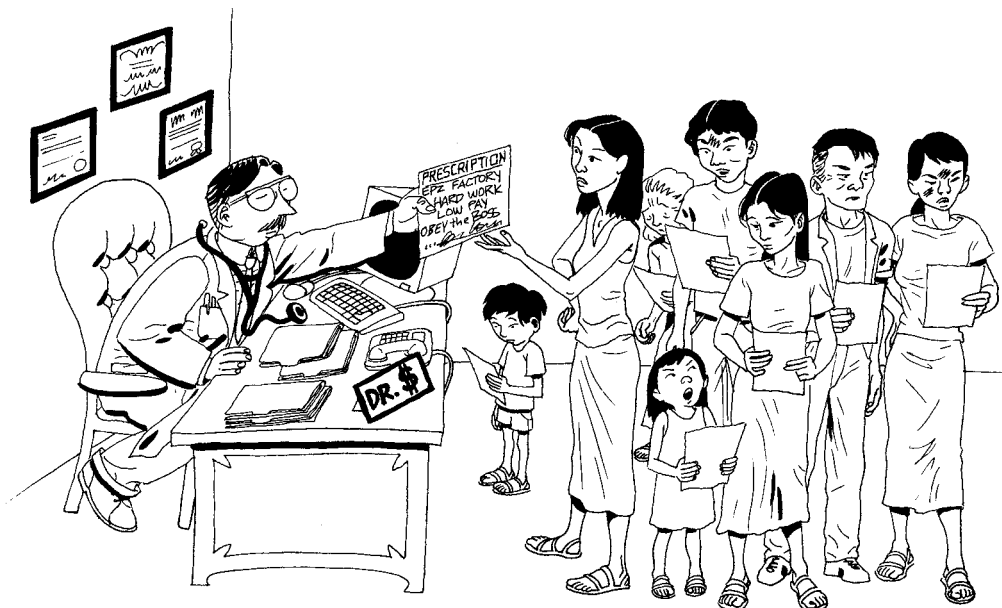
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FREE TRADE = BAD
MEDICINE

“Free Trade” is the “medicine” prescribed by rich governments (such as the United States) and international agencies (such as the World Bank) for poorer nations to improve the health of their economies. This medicine requires a poor nation to sacrifice protective laws and sell its citizens to work in export factories as cheap, hard-working laborers. The rich “doctors” say this medicine will attract money from the World Bank and outside companies, usually rich companies from rich nations. The money and factories are promised to bring economic health to the

poor country and its citizens.

The “Free Trade” prescription forces poorer nations to offer incentives to outside companies to open factories in Export Processing Zones (EPZ) or Free Trade Zones. These zones have low taxes, low wages, weak laws protecting workers’ rights, and inexpensive facilities, electricity, telephone, and roads. EPZs usually guarantee healthy profits for the factory owners, but rarely bring health or wealth to workers or their communities.



Bad Medicine: No options, no union, no talking back.

Organizing in Export Processing Zones

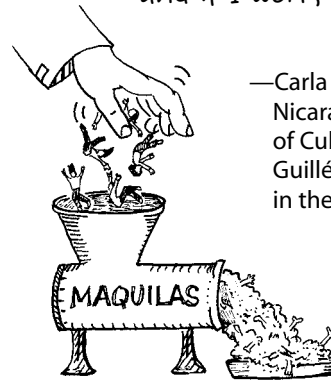
The International Labor Organization (ILO), unions, human rights groups and women's organizations have investigated EPZ conditions and confirm that EPZ workers have difficult jobs and lives. For most of these workers the EPZ job is the best job they could find.

Workers organizing in EPZs find themselves in long organizing campaigns against employers who aggressively fight back. It is legal to organize a union in most countries, even in EPZ factories. However, government officials are usually not willing or able to enforce labor laws and protect workers who are organizing. Once workers succeed in forming a union, their employer usually refuses to recognize the union and negotiate a contract, or the factory is closed.

These are difficult conditions for organizing, but workers in many countries continue doing it. And they are slowly winning. Each organizing victory inspires the

next campaign in a factory down the road or across the ocean.

"If I do not work, I die,
and if I work, it will kill me."



—Carla Manzanares, Nicaragua, uses the words of Cuban poet Nicolás Guillén to describe work in the maquilas.

Source: Ret-UITA

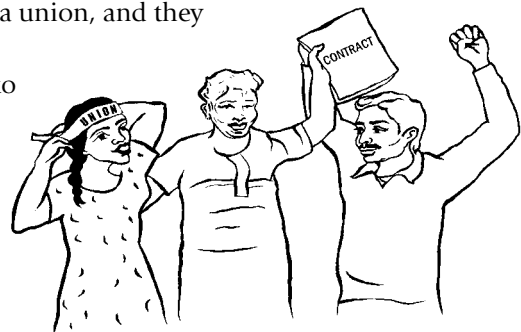
In the Spanish-speaking countries of the Americas, many people call EPZ factories "maquiladoras" or "maquilas".

ORGANIZING AT YOO-YANG

Workers at the Yoo Yang garment factory in Honduras were tired of harassment, low pay, and bad working conditions. They were inspired by workers at the Kimi garment factory nearby who had formed a union, and they decided it was their time to organize.

They formed a union called STEYY, Sindicato de Trabajadores de la Empresa Yoo Yang (Yoo Yang Factory Workers Union). For a year the workers pushed for recognition from the government and a contract with the factory. They pressured their boss to listen to them through creative actions like boycotting the cafeteria and tying solidarity ribbons on all their machines. They marched into the factory together and held 5-minute work stoppages. The workers were harassed and illegally fired, and the factory threatened to close, but the union was strong and won a contract. The owners agreed to pay higher wages, increase benefits, and meet with a workers' health and safety committee every month.

STEYY supports workers in another Yoo Yang-owned factory who have formed a union. The new union is working for recognition and a contract, and to stop the factory from intimidating union supporters.



A race to the bottom

The factories in Export Processing Zones are usually contractors to large companies based in another country or to multinational companies with factories in many countries. The brand names - such as Nike and Gap - of the products from these factories are often known around the world.

Whether the clothes made in these factories cost a lot or a little to buy, the workers make poverty wages. When the clothes are sold, most of the money goes to the contractors, factory owners, and brand name companies.

Around the world, factories in EPZs compete with each other to sell what they make at the lowest price. By keeping their labor costs as low as possible, factories win

contracts from global companies. It has become a race to the bottom for the factories while the companies simply wait for the next factory in the next country to offer its workers at lower wages.

This EPZ "medicine" clearly does not improve the health of people in poor countries. The medicine they need is companies and governments that respect the dignity and rights of workers and communities. They need decent jobs, living wages, and good working conditions. This new medicine might be bad news for those who profit from the way things are, but it would surely make the rest of the world healthier.

