

WOMEN'S

PERSPECTIVES

Globalization—the New World Order

Editorial

By Marjorie Ross

Trade and investments: ends in themselves or the means to achieve just development for all, not just the affluent and the powerful?

A year or so ago, I saw a magazine advertisement showing a well-to-do South Asian family, grandparents, parents and children, grouped around a bride and groom in an attractive sub-tropical garden. The caption was simply “British Airways”.

The sub text is that families like this, in India, Pakistan, the Middle East, Africa and East Asia can (and do) fly thousands of kilometres for family events. And British Airways, as a legacy of empire, has good connections from Heathrow to most parts of the global south. The ad makes the point beautifully.

It also illustrates one of the facts of globalization. Technological changes—from quick air travel to the internet and the cell phone—have shrunk our world, and economic policies have created a thin layer of wealth, privilege and connectedness in almost every country. The lifestyles of the members of this privileged group become increasingly similar. At the same time, the problems of the vast majority who are excluded in the “North” begin to reflect problems long faced by the masses of the “South”. The slogan—“the rich grow richer, and the poor grow poorer”—is true on a world scale.

Our implementation of neo-liberal policies has integrated the economies of much of the world through export-oriented trade, low trade barriers and deregulation. All of this is designed to promote economic growth, which, its proponents say, is bound to be good for everyone. “The rising tide lifts all boats” as they say, whether the boat is the Queen Mary or a dinghy. They believe that the good life is now accessible to anyone who is willing to work hard and exploit his/her opportunities. Each person has a chance to climb the ladder to material prosperity. The vision is “Everyone for his/her self, and everyone at liberty to maximize their potential”.

Yet, as we know, many people have been left behind, and in the era of globalization the power of the national state to protect its citizens has eroded. Moreover, while goods,

money, and ideas exist in a world without borders, the movement of people is increasingly restricted. Immigration regulations are being augmented by physical barriers built to prevent the poor and desperate from entering our countries—or our gated communities. This issue will focus on the economic dimension of globalization while refugees and migrants will be the subject of the next two issues.

Economic globalization is a huge fact of our time—and a huge topic. I will try to give some glimpses into the changes it has brought to our lives, how consumer education and even rising fuel costs may be altering the economic rules, and how women in the South have both benefited from—and been exploited by—globalization.

I share the perspective of Christian thinkers who have long called for a new model of globalization, in which ordinary people have some control over their lives, in which the environment is protected, and the social well-being of all people is the reason for economic activity. This issue will provide some hints of ways in which we might move towards that model.

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By Marjorie Ross

Ken Kim is now the executive director of PWS&D, but for six years he was seconded by International Ministries to COVERCO (Commission of Verification of Codes of Conduct), a Guatemalan NGO dedicated to monitoring working conditions in export-free factories and export-oriented agriculture—coffee and bananas. He has first-hand experience with this aspect of globalization.

Background: a basic imperative of globalization is exploiting “comparative advantage”. Countries in the South compete to attract multinationals by offering incentives to businesses to build factories producing goods for export to the North. The “advantages” the host country can offer are low labour costs, a docile work-force, and minimal regulation. Brand name clothing is designed in the North and produced in Central America, Mexico, the Philippines and elsewhere. Initially welcomed as a source of employment, and thus revenue into the local economy, export free zones have pitted countries of the South against each other. Multinationals shift operations, first from high wage North America to Mexico and the Philippines, and later to countries with even lower wages—in Central America, the Pacific islands, China.

Ken: For a while there was tremendous fear in the Guatemalan export factories (called maquilas) that the work would be moved to China. Thus far, it seems that the increased time and money involved in shipping across the Pacific cancel out China’s lower costs. The wholesale exodus has not taken place. In fact, the maquila in Guatemala are doing well; those in Nicaragua are booming, because of extra government incentives.

MJR: But is this a good development?

Ken: No, it’s not a good model of development, but for most of the workers employed in the maquilas, (80% are women) there are no other options. The only other options are very demanding agricultural work, domestic service, or staying at home to work a tiny farm and raise a family. For some, petty trading or “micro-enterprises” can provide a way out of poverty, but the vast majority lacks the capital to be successful. Work in a factory gives them a sense of a formal occupation, of self respect, and a pay cheque.

There is another factor. It is very easy to see the impact of globalization in a country like Guatemala. Even in rural areas, the lure of the consumer society is strong. It’s the source of the pull to the city; it’s why they would try for a job in a maquila. You might be able to feed yourself and the family on the farm, but you won’t have the cash for those prestige items. The image of western fashions, shown on television, in advertisements, on bill boards is everywhere. Every young boy knows the brand name jeans and running shoes—and wants them.

The wall between Central America and the Caribbean and North America is high, but it’s transparent. Central American workers are more aware of North America than the workers in east Asia where the cultural divide is much wider. Women working in the maquilas know where their products are going.

MJR: What is COVERCO’s role?

Ken: COVERCO’s chief concern is documenting management’s conduct towards their workers, observing whether they are obeying local laws and international labour codes. These laws provide quite good protection for workers, but they are often poorly enforced. When no government inspectors show up, or are easily manipulated (bribed or misled) the factory managers feel they can afford to ignore them. COVERCO also tries to ensure workers know their rights.

MJR: Has concern in the North about “sweat-shop abuse” had an impact?

Ken: Companies know that Northern shoppers are anxious to wear “guilt-free” (although still cheap) clothing. In a number of places, brand name companies have worked out “covenants” of commitments to good labour practice (e.g. women workers must be protected from abusive supervisors, and pregnancy issues should be dealt with properly). COVERCO has been asked to monitor such covenants to ensure compliance on the part of local management.

For more information, visit the web sites for COVERCO (www.coverco.org.gt) and the Maquila Solidarity Network (www.maquilasolidarity.org).

by Marjorie Ross

Property rights come before human rights in (the Philippines). Workers are marginalized, particularly in designated Export Processing Zones like Cavite.

In some parts of the world, export processing zones have acquired a very poor human rights reputation. Repressive governments, eager for foreign investment, use police and military to ensure that their labour force remains compliant and low-cost.

The Philippines, a major Asian centre for free trade zones, is the scene of violent struggles for workers' rights. Since 2001, 835 leaders of workers' and peasants' organizations have been killed. Many of these people were also leaders in the churches.

In March 2007, KAIROS* together with the Anglican and United churches invited an ecumenical delegation to come from the Philippines to meet with Canadian government officials, and raise awareness in Canada of the killings targeting church leaders, labour activists, and leaders of peasant organizations. The delegation said that the government of the Philippines has used its support for the U.S. "War on Terror" as a framework to target labour activists and human rights workers. Export Processing Zones are now the most militarized parts of the Philippines.

A KAIROS letter (Easter 2007) signed by executive director, Mary Corkery, urges its supporters to write letters of protest to Philippines President Gloria Macpagal-Arroyo. The letter contains the following:

On the morning of October 3, 2006, Bishop Alberto Ramento of the Philippine Independent Church was found stabbed to death in his church in Tarlac City. Bishop Ramento was chairperson of the Board of Directors of the Workers' Assistance Centre and a lifelong advocate for human rights. He had been receiving death threats since March 2005 and his name was on the military's "Order of Battle" – a hit list. His murder came in the midst of two important strikes by garment workers at the Cavite Export Processing Zone.

The letter quotes the director of the Workers' Assistance Centre, Father Jose Dixon, as saying

Property rights come before human rights in (the Philippines). Workers are marginalized, particularly in designated Export Processing Zones like Cavite. In these zones, unions and strikes are not allowed lest they interfere with foreign investment.

* KAIROS, Canadian Ecumenical Justice Initiatives, is made up of churches and religious organizations and carries out research and advocacy on a wide variety of human rights, economic, and environmental issues. The Presbyterian Church in Canada is a founding member. Its web site is: <http://www.kairoscanada.org>

The Lowly Telephone Booth...

A few years ago, I was being driven through a poor neighbourhood in Guatemala City. First on one street-corner, then on another, I saw smashed and vandalized pay phones. I asked what people had against pay phones, especially since few families in this neighbourhood have home phones.

The answer is a good illustration of the way in which "market forces" often lead to decisions which make sense for everyone except the marginalized majority. The phone company thought it would increase efficiency, and be more convenient for their customers, if it replaced the existing coin-operated pay phones with ones operated with phone cards. The phone cards would be widely sold, and "people would no longer have to worry about having the right change". It sounded fine in the company office and to middle class customers. But the cost of a card was several days' income for most people in the country. They could afford a few small coins for the occasional necessary call, but who could save up that much for a phone card?

The fancy new card-operated phone booths became a symbol to people of companies who ignored the poor. In this case the company (a government monopoly, to make matters worse) had taken away a service they could afford and replaced it with one that was of use only to the middle class. And so the pay phones in marginalized neighbourhoods were smashed. No one could use them anyway.

There is a Canadian parallel to this story. On May 2, 2007, the Globe and Mail carried a news item: the Canadian Radio-television and Telecommunication Commission (CRTC) has agreed to a request from phone companies that they be permitted to double the cost of a local call from a pay-phone (from 25 to 50 cents). Acknowledging that most of us do use pay phones from time to time, the article points out that not surprisingly, your need for payphones increases as your income decreases: 22 percent of low-income

Canadians use pay phones daily. People at the lowest income level find cell phones too expensive, and home phones are disconnected if you don't pay the bills.

The Globe article quotes a spokesman for the Ottawa-based Public Interest Advocacy Centre which opposes the rate increase for pay phones. "The need for pay phones is real. It's sort of a lifeline service." So why has this increase happened? The reality is that "the pay-phone sector is not a vibrant market".

The same forces are at work in Guatemala and in Canada.

Source: *Pay phones provide a lifeline*. Rebecca Dube, *The Globe and Mail*, May 2, 2007, p.L3

The Church and Globalization

What is the church's position on globalization? In 2004, a consultation took place in Stony Point, New York which brought together representatives of churches in Canada, the United States and Mexico. The Presbyterian Church in Canada was part of this gathering, which issued a declaration entitled, **What Does God Require of Us? A Declaration for Just Trade in the Service of the Economy of Life.**

The following is an excerpt:

We are witnesses to the ever-expanding demands of economic globalization and their negative impact on our communities and throughout the world. Inequality is growing even while technological and other advances have made it possible for a small segment of humanity to achieve unprecedented material prosperity...

We believe that current economic arrangements, international financial institutions, and trade and investment treaties (e.g. NAFTA) unjustly distort the rules governing trade and investment to the advantage of the affluent and powerful. When trade and investment are seen as ends in themselves, and not as the means to achieve just and sustainable development, our global community is reduced to simple exchanges of goods and services and does not reflect the Biblical vision for justice, peace and the integrity of creation.

What We Eat and Where it Comes From

By Marjorie Ross

My mother would never eat any fruits or vegetables that were "out of season". This meant that through three seasons, she ate only local produce, and in winter ate mostly canned or frozen (or root) vegetables. She was not trying to reduce her "carbon footprint"—her motives were preference for the taste of fresh local produce, and a desire to support local farmers.

I try to follow her example; I have a mini-celebration of the "first asparagus", then rhubarb, strawberries, raspberries, the "first corn", "first field tomatoes", melons, peaches, plums, zucchini, etc. through to the squashes and apples of the fall, the cornucopia of plenty we celebrate at Thanksgiving.

There are many like me, yet we know that at least one, perhaps two, generations of consumers assume that these foods can be eaten fresh all year round. It has been one of the symbols of the wonderful new world of globalization that fruit and vegetables (and cut flowers) can be whisked thousands of kilometres from low cost operations in the South to shoppers in the North. A few have lamented that flavour has been

sacrificed by breeders to improve the "ship-ability" of some products (strawberries and tomatoes come to mind), but most people would view the globalization of the food supply as one way in which their daily living has been enriched.

Meanwhile, much of the good farm country where Canadian market gardeners produced the food they sold in nearby farmers' markets has been swallowed up by urban sprawl. Most felt there was no need to protect our own ability to feed ourselves, because the food supply system now operated on a global scale. Canada has an advantage in producing grains, but others can beat us in tender produce, and so we should export what we did best, and import everything else.

But now, people are taking a second look at the ease with which we abandoned food self-sufficiency. Rising fuel prices may make that California lettuce prohibitively expensive. It may still make economic sense to fly computer parts across the world, but imported fruits and vegetables may become luxuries, or even unavailable. "Buying local" may become a necessity for most of us. Moreover, at long

last, the public now knows the damage that all this consumption of carbon fuel has done to our planet. Food globalization was probably a bad idea from the beginning.

The “eat local” movement is gathering momentum. There is the “100 mile diet” and several organizations promoting local food in Vancouver. Ontario residents could visit www.farmersmarketsontario.com who are promoting local producers in competition with the supermarkets.

Banana case study

Bananas are hugely important in the economies of many small tropical countries. In the majority of cases, bananas are grown on plantations owned by giant agribusinesses. These companies have a tremendous impact—for good or ill—on the lives of the workers, and the environment of the host countries. Two differing examples:

Chiquita:

This huge business has 127 farms, and employs 30,000 workers in seven countries in Central and South America. Until recently, it had a very bad image—there were bad working conditions on the plantations, agrochemical runoff contaminated water, and tropical forests had been ruthlessly cleared for expansion. Environmental groups were giving them terrible publicity, and top management realized that their bad reputation “could influence (our) brand”

Chiquita teamed up with an environmental group called Rainforest Alliance to experiment with two farms in Costa Rica. As a first step, they laid out a modest \$40,000 to phase out toxic pesticides and build better storage for agricultural chemicals. They began to monitor water quality and provide better safety equipment for workers.

How safe is the global food system?

Commonly consumed processed food contains ingredients which come, by some estimates, from as many as five different countries. Yet recently the public has been alarmed by the discovery of tainted grain from China as a minor ingredient in pet food. Even more alarming, it is now becoming known that regulations in China governing the production of many kinds of exported food are below international standards, and poorly enforced. If consumers are to continue to accept a global food system, they must be assured that international standards truly are applied everywhere. At a minimum, customers should insist that labels on processed food list countries of origin for all ingredients

Two sides of the coin

Many could argue that until rising fuel costs and global warming became widespread concerns, food globalization has been a good thing for us. Exactly the opposite has been true for most of the people in the South. The countries of Central America and the Caribbean are the principal suppliers of fresh fruit to North American tables. Ordinary people in those countries cannot afford to buy that fruit—it is all for export.

The logic of globalization took away the trade barriers which protected small Mexican corn farmers from the flood of corn produced by U.S. agribusiness. Not only could they not compete—many have been driven off their farms to seek work in the cities—but their diverse varieties of seed are threatened by genetically modified seed.

This worked so well that now nearly all their farms are certified by Rainforest Alliance.

Now they recycle 100% of the plastic bags and twine they use, have cut pesticide use by 26%, and created buffer zones along farm borders to contain agricultural run-off

They have built better housing and schools for families, and most significantly, now permit workers to join unions.

The good news for the company? Productivity is up 27%, and they are saving \$5 million on pesticides.

USLEAP—an organization that advocates for workers’ rights—says Chiquita is on the right track, but notes they have closed down some farms

Source: article by Jennifer Alsever in FORTUNE, November 27, 2006, p.73. It originally appeared in Business 2.0 magazine

Dole:

Dole and Chiquita are the two top banana producers, but Dole is far less unionized, far more secretive, and far less prepared to engage responsibly in negotiating workers’ rights. It is a target of campaigns by numerous non-governmental organizations (NGOs). Banana workers in Nicaragua and elsewhere have brought law suits against Dole, Dow Chemical and Shell for health problems they claim were caused by agricultural pesticides containing a chemical agent which was banned in the U.S. in 1979.

Sources: “Banana Benders”, by Megan Rowling, New Internationalist, October 2004, p.6.

Web links: www.rainforest-alliance.org and www.usleap.org

the Consumer as a Force for Change

by Marjorie Ross

Recent awareness of universal human rights—especially women's rights—leads many to care deeply about the workers who make their clothes or grow their food, even though they are thousands of kilometres away.

For the past twenty-five years the dominant principle in global economics has been the removal of all restraints on the free operation of market forces. Removing restraints within a country requires the withdrawal of government from the market-place by dismantling regulations, marketing boards, subsidies etc. Removing restraints between countries takes the form of lowering trade barriers thereby creating “free trade”. Through free trade, each country is able to exploit its economic advantages (i.e. abundant power, natural resources, cheap labour). For a minority in many countries this has produced a period of unprecedented wealth. For far more, the struggle against poverty and disease has grown harder.

Yet, one of the “signs of our times” is an uneasiness increasingly being felt by many of those who benefit from this system. It may be that this uneasiness is itself becoming a market force which will tend to tip the balance towards “capitalism with a kinder face”.

To some extent, this is history repeating itself. Nineteenth century European capitalists used the technological innovations of the previous century and cheap raw material from their empires in the South to create enormous wealth in Europe and parts of North America. But there was tremendous human cost, both in the South and in the industrial cities of the North.

These “excesses of capitalism” gave rise to the doctrines of Karl Marx but also to milder reform movements led by churches and philanthropists motivated by Christian teachings. Reformers worked tirelessly to ameliorate working conditions, to improve housing, and to press governments to regulate the safety of food and water. All of these actions “restrained” the free operation of the market in the name of compassion—although also in clear-eyed recognition of the dangers posed by epidemics and an angry and rebellious underclass. In time, the

countries of Europe, Canada and (to a lesser extent the United States) had highly regulated economies, and governments were dominant players in the global market-place. But then came neo-liberal thinking, (harking back to the liberals of the nineteenth century) and much of this regulation came to be seen as a hindrance to growth and prosperity.

One of the main characterizations of globalization was the flight of manufacturing from the North in search of low cost labour and freedom from regulation. This has produced job losses in the North and exploitation in the South; nonetheless, globalization has had a positive dimension. New technologies and the free flow of information mean that at least some consumers in wealthy countries are very well informed about what happens on the other side of the world.

Moreover, these consumers have been conditioned (although they might not acknowledge it) by a century of social consciousness. Recent awareness of universal human rights—especially women's rights—leads many to care deeply about the workers who make their clothes or grow their food, even though they are thousands of kilometres away.

Human rights organizations, the churches, and labour organizations publicize the conditions in which name-brand running shoes and clothing is made. Campaigns take place in support of agricultural workers and against the business practices of baby-food manufacturers.

This new activism to restrain the excesses of capitalism differs from the older movements. Although there is some attempt to press governments to take regulatory action, the real targets are the companies themselves. Campaigns identify companies that they believe are abusing human rights of southern workers, and play on the guilt of northern consumers. The women who will

be the buyers of name-brand clothing feel some shame when they realize that they are paying less because of the oppression of women in free-trade zones on the other side of the world. This leads a growing number to avoid buying from the targeted company and search for “guilt-free” clothing.

In turn, reacting in classic economic terms, the companies seek to meet these new consumer preferences. There have been several attempts, some genuine, some window-dressing, to draw up “Codes of Conduct” for the factories that produce their goods off-shore. These “Codes” are well publicized to their customers. Some companies are promoting the “sweat-free” logo on apparel which is supposed to guarantee that it was manufactured under decent working conditions.

Similarly, several of the giant agri-businesses became aware that they had “image problems”. Investigative journalists and human rights workers actually traveled to the far-off plantations where bananas, cocoa, tea and coffee are grown. Their stories of child labour, environmental degradation, and the displacement of small independent farmers brought to light the human cost of these familiar items in our diets. NGOs and aid organizations are offering conscientious buyers “Fair Trade” products as an alternate which promise a much better deal for small Southern farmers.

Yet neither the Codes of Conduct or “Fair Trade” are in themselves the whole answer. Both have their critics, and the debate continues in the churches as to whether we should instead devote our efforts to opposing the whole basis of the current economic structure—globalization and the free operation of the market.

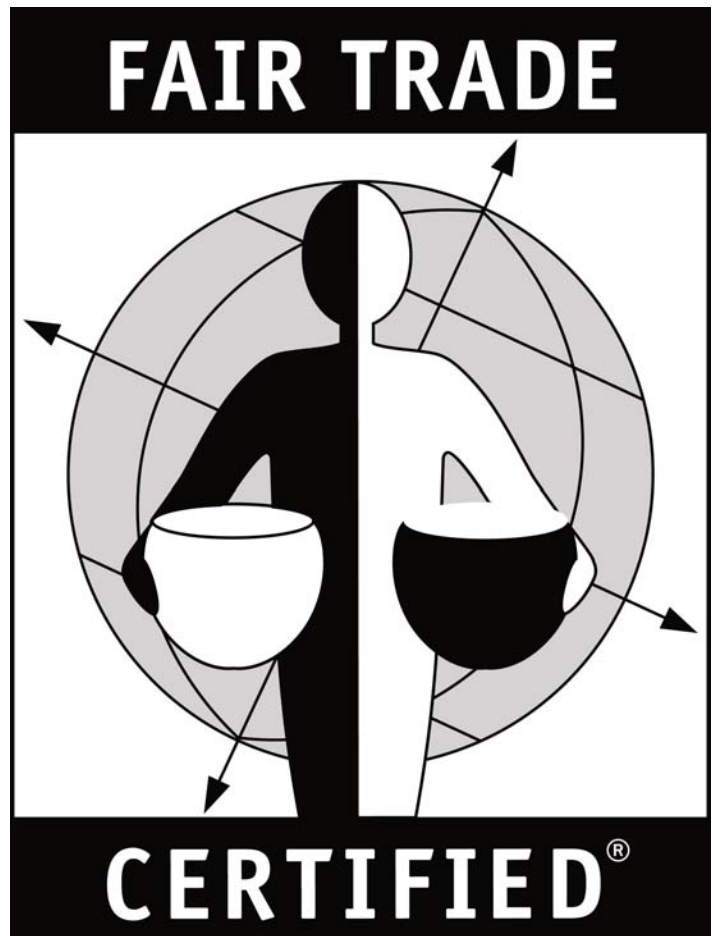
Is Fair Trade a good response to globalization?

Cocoa trees and coffee bushes can be grown on large plantations or in small numbers as part of a subsistence farm. The small farmer likes cocoa and coffee as cash crops, but since they take up scarce land, and divert his/her time from growing food for the family, their selling price must be dependable. Unfortunately, small producers everywhere are always at a disadvantage in competition with the big volume producers, and very much at the mercy of market-swings in price.

In addition, small producers can only hope to have a profit if they have low costs for inputs—minimal outlay on pesticides, fertilizers etc.—as well as a predictable price.

This is the challenge the Fair Trade movement hopes to meet for at least some producers in a few Central American countries e.g. Nicaragua, Guatemala, Belize. The TransFair Canada web site (www.transfair.ca) says that their logo stands for “fairness and global social responsibility in international trade”. The information on their bags of coffee states that they promote “equal trading partnerships with small coffee farmers”, that they buy the coffee directly from “democratically-run groups” (usually co-operatives), that they offer “longer-term trade relationships” and provide “affordable credit” (for inputs) if requested.

There are a number of similar organizations which act as middlemen between farmers’ co-ops in the South and the Northern consumer. In 1994, the “Green and Black”



company produced Britain's first Fair Trade product—the “Maya Gold” chocolate bar from Belize cocoa beans. Ten years later, an investigative journalist followed up the impact of “Green and Black” on small farmers in Belize. He concluded that although the gains for the farmers were modest, Fair Trade had a far more positive impact than grandiose government aid projects. (*“Counting beans”*, William Sutcliffe, *Guardian Weekly*, August 20–24, pp.15-16)

For the Fair Trade movement to succeed, there must be customers who are willing to pay a premium for the peace of mind of knowing that they are participating in a system whose goal is to give small farmers a fair deal. However, they should be aware that the extra they pay is not going to the farmer. The reason the cost is higher is that small scale organizations don't benefit from “economies of scale” (the same reason that your local hardware store can't match WAL-MART prices).

Some concerns have been expressed that the “Fair Trade Movement” is not “fair” in that as yet only a minority of small farmers can benefit. But the movement is growing, and may, in time, provide many more Southern farmers with some control over their lives.

The supermarket as saviour

Under older trading relationships, imperial Britain gave preferential treatment to many of the exports of its colonies. (In return the colonies were markets for British

manufactures.) This system lasted into the last decade and was the foundation of the export economy of the small islands of the Caribbean.

Along comes globalization, and the European Union abolished all such preferential trade arrangements. The small farmers in little countries like St. Lucia knew they had no hope in competition with the giant U.S. banana producers. For several years, these small producers floundered.

Then, in an amazing intervention, the British supermarket Sainsbury came to their rescue. It announced that henceforth all their bananas would be “fairly traded” and that they would come from the small producers in the Caribbean islands. Sainsbury will be buying 75% of St. Lucia's crop, 80% of Dominica's, and much of the Windward Islands'. Income is flowing into rural economies, and schools and roads are being repaired for the first time in years.

Sainsbury made this move for business reasons. Few other marketing decisions would have enhanced its image more. Its customers feel good about Fair Trade, and many felt that the Caribbean islands had been innocent victims of the new trade rules. Sainsbury has won the plaudits of both the islands it is helping and—more to the point—its customers.

Source: “Saving St. Lucia”, by John Vidal, *Guardian Weekly*, March 9–16, 2007, p.27.

Women's Perspectives (WP) strives to keep women in touch with each other and share their theological perspectives, biblical insights, special interests, joys and concerns with the whole church. WP is published 6 times yearly. It is written by guest editors and overseen by WP Committee, in co-operation with the Women and Ministry Committee. These committees are connected to Ministry and Church Vocations, the Life and Mission Agency, The Presbyterian Church in Canada (PCC). Views expressed in WP are not necessarily endorsed by the WP Committee or the PCC.

Readers comments and contributions are welcome at womensperspectives@presbyterian.ca

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