

Exploitation of workers in developing countries



Since the time, plans were being made to implement “ free trade” we were guaranteed it would be a win/win situation. This was one of the very important step for the pioneering of Globalization. First world consumers, manufacturers, industrialists, farmers, laborers — everyone would benefit. Not only the first world countries, the whole world would benefit. It would pull the developing world up because there would be plenty of good, well-paid jobs that would be created . When borders opened to the free flow of goods and services, consumers would have more variety, and at cheper prices. Even agricultural goods could move around the world to new markets, sluggish farm prices would also rise. The farmers in developing countries would now have new markets for their goods, and they would bow out of piteous poverty. It seems like the perfect idea and sounds great too, doesn't it? But like most things that sounded too good to be true, it quiet was. The American/British/European workers who had jobs that paid pretty well in the scheme of things found that their employers could clear up the factories and move to a country where the workers weren't so well paid. A country where there are no tariffs, so goods could be shipped back into the First world countries and sold, often cheaper than when they were made in the rich countries. Not only was labor cheaper, but environmental laws were generally more lenient in, say, Mexico, India or China. The companies could use child labor too and there were no laws forcing a 40-hour workweek. Drive your workers to the point of exhaustion and pay them as little as possible. If they complain, replace them-This is the formula adopted by all the third world factory bosses for success. All the consumers care for is low prices from their favorite clothing stores and supermarkets. So is this what Globalization called for ? To exploit the labour in third would countries all for <https://assignbuster.com/exploitation-of-workers-in-developing-countries/>

the benefit of the rich countries like America , Europe, etc. Consumers in the first world countries found goods were economical when they were made overseas. The foreign workers did not have the high-paying jobs as promised. They had poverty-wage jobs and the sweatshop was back. They were under paid and working in poor conditions with masses of eager workers waiting in line for them to quit. My argument in the essay is “ How Globalization has resulted in Labour Exploitation and Child Labour in many third world countries.”

An International Confederation of Free Trade Unions report said, “ MULTINATIONAL corporations remained the main beneficiaries of globalisation as more than 1, 3-billion people around the world lived on less than \$1 a day”.(Globalisation: the plight of billions stressed , By René Grawitzky, Business Day, 30 March 2000) The widening inequalities should be addressed as part of a broader strategy by unions in dealing with the effects of globalisation. “ What does globalization mean to working people? Ask a member of UNITE and she’ll talk about the thousands of good paying jobs that were taken overseas. Talk to the young woman in Bangladesh who gets 20 cents for making a shirt that sells for \$30 at The Gap. Ask the 14- to 16-year-old women in Central America who are forced to swallow birth control pills in front of their bosses so the company can keep them on the job, since it doesn’t pay for health care. Ask the laid-off steelworker about the foreign imports, made by U. S. corporations abroad and exported to the U. S. because they make more profits. Or ask Iqbal Masih, the 12-year-old rug maker from Pakistan who was enslaved from age 4 and forced to learn a trade.” (What globalization means to working people, John Gallo, People’s

Weekly World, 20 April 2002) . What is the reason for all this wretchedness ? Everywhere, the lives of working people are degenerating. If they're not working from dawn to dusk, Slogging all day, for not enough to live on, they are made dispossessed and being bombed. Is it due to " globalization," or greed, or laziness? " Or is there something more fundamental, something less obvious, behind the world's current problems." (What globalization means to working people, John Gallo, People's Weekly World, 20 April 2002).

In the name of competition, employers try to produce cheaply in bulk and sell larger volumes. One way to put together cheaper labour and still make greater profits is by keeping salaries as low as possible -by any means necessary. " Since all wealth is produced by human labor, the fruits of that labor, or value, go either to the workers or the owners. The less workers get, the more the owners get. That accounts for the long, brutal history workers have faced when trying to form unions or improve their livelihood." (What globalization means to working people, John Gallo, People's Weekly World, 20 April 2002) The third world Countries such as Indonesia, Malaysia, India and Brazil have become more capitalized. The small farmers in these countries now work in factories and mills. They have become workers and in a number of ways find themselves similar to U. S. workers 70 years ago. As poor as they had been, these new workers now have less. They are concerned in trying to form unions to fight to improve their wages and working conditions. They are no more cut off in their country and continue to making ' ties of solidarity' with their fellowmen all over the world. They are the workers who will change the face and the power of the working people in the world.

Globalization has impeded a number of interrelated concerns with respect to its social repercussions. The impact on labour employment, income distribution and labour standards are some of the issues included. Global competition has led to job losses or flexible job arrangements in many countries. Compared to the regular jobs these are often less secure and provide fewer social benefits. Economies all across the globe are more volatile now because of short term capital movements. This has resulted in severe economic and financial crises that further leads to unemployment and poverty. All these have created a sense of diffidence among workers and created resistance to globalization from various quarters. A well designed system for social protection is critical for long term growth prospects in open economies. The extent of social protection remains low in Asia, Africa and Latin America. In terms of social protection, there are increasingly unpredictable and fragmented employment relationships that lead to more and more workers not being covered by “ cash sickness benefits”.

There has been establishment of global labour standards by organizations like International Labour Organization (ILO) which work to promote rights at work, enhance social protection and encourage decent employment opportunities. But can these regulations actually improve lives of workers in LDC's? Will the anti sweatshop campaigns raise labour standards ? Will WTO's imposing trade sanctions on countries that violate standards actually help ? With economic globalization accelerating in the past few decades these questions have just got more complex and controversial. Trade and investments may not be the best way to pull up and help workers in poor countries. Labour standards and free trade are interdependent rather than

competing ways to improve welfare. Unions based in first world countries play a eminent role in the dispute over globalization and labour standards whereas workers in LDC's are rarely heard from. The cause for this gap is that these poor countries, mainly those with non democratic governments, do not provide the necessary freedom of association or the legal protections for collective bargaining. If the workers from poor countries had been given little opportunities to protect their own interests and voice their concerns, there would be less need for activists from advanced countries to intercede on their behalf.

International labour mobility has also increased due to globalization and the growing economic interdependence of states. This has also resulted in the deregulation and exploitation of labour migration. Even the migrant workmen are devoid of legal protection in the foreign countries. Even though many states have put down strict barriers on the legal entry of labour migrants, there are still a large number of irregular and illegal migrants working in low paid sectors lacking the benefits of a national worker. " Most of today's migration presents characteristics that converge with concerns for labor migration policy. In short, most permanent immigrants and refugees - as well as migrant workers- seek remunerative activity, participate in the labor force, and face discrimination and xenophobia directed at foreigners in host countries." (Globalization, Labor and Migration : Protection is paramount, Patrick Taran & Eduardo Geronimi , 22 november 2002) The LDC's " face serious social and economic dislocation associated with persistent poverty, growing unemployment, loss of traditional trading patterns, and what has been termed a ' growing crisis of economic

security’.” (Globalization, Labor and Migration : Protection is paramount, Patrick Taran & Eduardo Geronimi , 22 november 2002) The concerns will only increase because since 1975 the figures have only been doubling, from a 75 million in 1975 to 150 million in 2000, these figures represent the migrants living outside their home countries.

The other issue in this article that needs to be focussed on is Child labour in light of Globalization. Apart from labour exploitation, Child labour is a serious concern for the consequence of Globalization. It is a grave and extensive problem in LDC's today. It was revealed in a very recent International Labour Organization (ILO) report (ILO, 2006) that approximately 166 million children in the age group of 5 - 14 years were classified as child laborers in 2004. That accounts for 14% of all children in that age group. These children are engaged in precarious work which adversely affects their growth, moral development and health. They are concentrated mainly in the developing countries. More than half of these children were from the Asian pacific region . The others being from Latin America and Sub saharan Africa. They work in the carpet marking factories, pornography, glass blowing, fireworks, prostitution, etc. Child labour came under the limelight in the 1990's when the campaigns were started by industrialized worlds on why such large number of children were working when they should be gaining knowledge. “ In November of 2000, ten children earning around \$11 per month burned to death in a garment factory in Bangladesh. The exits from the factory were chained shut. Images of children chained into factories, sold as slaves, or forced into prostitution stain the popular imagination about child labor. Fortunately, while many children work in the developing world, relatively few

experience such atrocities.”(Globalization and the Economics of Child Labor, Eric V. Edmonds, n. d) Of course the world organizations like UNICEF, ILO and governments initiated policies to check child labour globally. But did it help enough is the big question ?

Globalization increases employment opportunities specially in developing countries due to the rapid increase in foreign investment. This therefore surges the demand for local labour and higher wages. These changes in the developing economies springing from globalization could further lead to child labour due to earning opportunities. To illustrate how trade policy and globalization can have an affect on child labour, I would like to take Vietnam as an example on how its increase in the price of rice led to a decline in child labour. “ Vietnam restricted its exports of rice starting in 1989. These quotas suppressed the domestic price of rice. Between 1993 and 1997, Vietnam gradually relaxed this export quota so that by 1998, Vietnam was completely exposed to the international price of rice. During this period of liberalization, the price of rice increased by 30% relative to the rise in the consumer price index. Rice is an important commodity in Vietnam. It is the primary staple in the Vietnamese diet, the largest single component of household expenditure, and 70% of households produce rice. Moreover, in 1993, before the liberalization of rice prices in Vietnam, 26% of children between 6 and 15 worked in rice production in Vietnam, and rice production was far and away the largest employer of adults. Thus, rice price increases should affect both children and adults. The study finds that rice price increases can account for 45% of the overall decline in child labor that Vietnam experienced in the 1990s. This corresponds to approximately 1 million fewer working children in

Vietnam.” (Globalization and the Economics of Child Labor, Eric V. Edmonds , n. d)

In India child labour has become an accepted practice. It is believed to be a necessity to overcome poverty. The carpet industry, for example pays these children extremely low wages since adults refuse to do these jobs. Even MNC's exploit child labour in poor countries. Nike is accused of using child labour in countries like pakistan, india, bangladesh, china, etc. These children were all in the age group of 4-5 years. More than 200 children were involved in each production processes. The Nike soccer balls in Pakistan are accused to be stained with the harsh truth of child labour. More than half of the soccer ball production is done in Pakistan and every step of its production has child labour involved. So is a reputed company like Nike ' helping or exploiting' these developing countries? In china, the members of a chinese minority group mainly young girls aged 15-18 were employed in the Longfa Shoe factory in the Guangdong province. Longfa Shoe factory supplies Nike , Inc. These companies get down to the extent of illegally swapping ID's, making fake birth certificates, illegal migration, etc. Even the chocolate industry is accused of using child labour. In Côte d'Ivoire, West Africa thousands of children are forced to labour in the production of cocoa. Even the well established companies like Puma, Wal-Mart, Hanes are believed to use child labour. Allegations were made against Harvest Rich factory in Bangladesh, which is a contract supplier to these US and European companies. Young children were found sewing clothes for these companies. There were at least 200 children involved, some as young as 11 years. These children work upto almost 12 hours a day. They were reported to be beaten,

slapped and forced to work for 19-20 hours sometimes. They get horribly low wages which could be as low as 6.5 cents per hour. The Firestone Tire and Rubber Company is operating the world's largest rubber plantation in Harbel, Liberia for the last 80 years. They exploit labour and also use child labour. The rubber tappers are forced to bring their wives and children, they use toxic pesticides without protection. The children are forced to carry about 70-80 pound buckets of rubber on their shoulders for miles. These laborers live in shacks which exist since 1920's. All these cases, which are just a few to illustrate, include big companies from the developed countries who use child labour only to their benefits. Is this what globalization has called for?