

Increasing unemployment and impoverishment, as well as the loss of public services through privatisations after these crises, led to a shift in the tone of anti-imperialism as well.

In short, the nexus between finance and imperialism has been theorised since the early 1900s. Even though there is no definite fully fledged theory of the link between financialisation and imperialism, there is much interest in the issue. Clearly, there is still a need for more empirical work examining the propositions advanced in the literature. On the other hand, the 2007–08 US financial crisis and the ensuing global financial crisis and economic slowdown suggests that while the US and other leading powers might have benefited from being able to manage the process of financialisation, the future of financialisation and the position of the core within this set-up remains uncertain.

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Free Trade Zones, Export Processing Zones, Special Economic Zones and Global Imperial Formations 200 BCE to 2015 CE

Introduction: Imperialism old and new?

Export processing zones (EPZs) – historically often labelled Free Trade Zones (FTZs)

and, more recently, special economic zones (SEZs) – have been and continue to be one of the most striking phenomena in the global capitalist system. In the 1970s and 1980s it was common for social scientists to regard the rise of EPZs as a new pattern of Western imperialism. Imperialism was understood as, for example, ‘the system of military, political, economic, and cultural domination of the Third World by its former colonial masters’, and EPZs were portrayed as bastions facilitating the exploitation of the Third World by multinational corporations (MNCs) (Lim 1983: 73). Authors working with a different perspective on imperialism, one that considers complicity among Third-World bourgeois, explained the rise of EPZs by a fear of ‘growing internal pressures for change’ that drove such bourgeois to ‘initiate self-expanding capitalist development’ (Landsberg 1979: 50–63, 51).

During the 1970s, EPZ employment grew at a scale that an important macro-sociological theory saw them as drivers of a ‘new international division of labour’. This was particularly affecting the garment and the light-consumer electronics sector, where relocation created structural unemployment in industrially advanced countries and super-exploitation in the receiving regions of so-called newly industrialising countries (NICs) (Fröbel and Kreye 1981). EPZ factories employed mainly young women, whose labour was devalued by patriarchal discourses nurtured by MNC factory managers as much as by nationalist right-wing (often religious) groups and political movements which propagated a ‘myth of the male breadwinner’ that rendered women’s earnings irrelevant for the sustenance of the population (Safa 1995; see also Neveling 2015a; Ong 1987; Kim 1997). This way, super-exploitative wages were morally sanctioned although they were insufficient to reproduce labour power and therefore extended kin-groups ended up co-funding exploitation (Meillassoux 1981). These issues indicate that the nexus of imperialism and EPZs is more complex than an analysis positioning the West against the rest allows for. This essay therefore seeks to offer a definition of EPZs, and of their recent re-labelling as SEZs, that recognises their negative impact on all workers and the fact that capitalist elites in the First and Third Worlds alike have (had) an interest in increasing the number of zones since the beginning of the Cold War.

The following section provides a brief overview of existing definitions, mainly those of international organisations such as the World Bank and the International Labour Organization (ILO). I argue that the very technical definitions offered and the – however important – statistical research on the global spread of EPZs rather ignores the question of their position in global capitalism. This essay’s third section presents an analysis of this positioning in historical terms. The concluding section offers a comprehensive definition that considers EPZs as patterns of imperialism and as pertinent, highly contested patterns of capitalist exploitation in the 21st century.

FTZs, EPZs, and SEZs from the vantage point of international organisations

The above introduction illustrates the impact of the global spread of EPZs in the 1970s. Although relations between capital, state, and labour have been and continue to be a hotly debated issue in and around EPZs across the world, definitions coming out of the research departments of international organisations address technical issues mainly. An ILO working paper from 1995 defines an EPZ as ‘a delimited geographical area or an export-oriented manufacturing or service enterprise located in any part of the country, which benefits from special investment-promotion incentives, including exemptions from customs duties and preferential treatment with respect to various fiscal and financial regulations’ (Romero 1995: 1). Based on a similar definition, one recent survey by an ILO in-focus group counted more than 3,500 such zones in more than 130 countries employing more than 70 million workers worldwide (Boyenge 2007). A 2008 survey by FIAS, a ‘multi-donor investment climate advisory service’ under the auspices of the International Finance Corporation (IFC), which is the World Bank’s public-private partnership wing, supports the ILO survey data but proposes ‘special economic zone (SEZ)’ as the new umbrella term for free-trade zones, export processing zones, free ports, enterprise zones, and single-factory EPZs (Akinci et al. 2008: 10–11).

The label ‘special’ implies that the zones are different, not just formally set apart from a ‘regular’ national economy. As I said, international organisations define such exceptionality

not by aggravated exploitation and a gendered, new international division of labour but in spatial and legal terms. Social scientists, instead, often regard the zones as exceptions because they are a main marker of 'graduated' national sovereignty that has emerged at the turn of the 21st century (Ong 2000). Sovereignty is said to be graduated in the zones because nation states abstain from basic (post-colonial) rights such as taxation and the collection of customs duties in an effort to attract foreign and local direct investment.

Taking into account the role that EPZs play in the establishment and maintenance of super-exploitation, we are left with incommensurable definitions. Such incommensurability is also evident on the policy level. In India, for example, SEZ legislation introduced in 2000 (replacing an existing EPZ scheme) has resulted in the large-scale dispossession of landowners, particularly smallholders, for the construction of new SEZs. Fierce protests leading to violent police crackdowns are often blamed on insufficient compensation, while the actual battle waged is over fundamental assumptions guiding the SEZ scheme. Pro-SEZ arguments in India resemble those of recent World Bank policies claiming that without SEZs there would be no growth in exports, hence no 'overall economic growth' (Anathanarayanan 2008: 44). So-called deregulation of labour laws is said to increase productivity. Tax breaks and deregulation of fiscal laws 'are needed in order to attract investment' (47). All this is framed by reference to global competition and claims that 'SEZs have succeeded in many countries in Asia, like China' (51; what is criticised here as new imperialism matches promotions in recent World Bank publications, e.g. Akinci et al. 2008; Farole 2011).

Statistics illustrating the global spread of EPZs seem to back these arguments. Table 1 reveals two strands of global EPZ/SEZ development. First, the great leap forward was between 1986 and 1997 when zone-employment grew from 1.3 million to 22.5 million. Second, this great leap forward is largely attributable to China; indeed is a development that is labelled as 'the rise of the Chinese model' (Baissac 2011: 36).

Confronted with the rise of EPZs, analysts and policymakers in international organisations have for long had an urge to define the zones' origins. A joint report by the International Labour Organisation and the

United Nations Centre on Transnational Corporations, for example, says that EPZs are modifications to 'an age-old concept, the free trade zone'. Such free ports have offered non-protectionist storage and trans-shipment of goods ever since the Roman Empire. The establishment in 1959 of the world's first EPZ in Shannon, Ireland, radically altered this principle to include tax and customs-free manufacturing (UNCTC and ILO 1988: 1–3). In the late 2000s, World Bank researchers abandoned this notion of rupture and now portray SEZs as permanent features of human sociability, tracing their positive impact back to 167 BC when a free port was established on the Greek island of Delos and the 'island's status as a trading platform improved greatly' (Baissac 2011: 31). The fact that the Roman Empire used the Delos free port to destroy the economy of an enemy, Rhodes, by undercutting transit duties, is deliberately ignored (see Reger 1994: 256). More strikingly, that World Bank publication knows nothing of failures in free-port establishment in the past 2,181 years.

The following shows that it is imperative to look at such failures to understand firstly the role of free ports in the history of the Roman Empire as well as in the history of 19th-century European imperialism; and, secondly, the leverage that populations have in their response to the establishment of FTZs and, later, EPZs/SEZs. I consider two examples: failure to establish a second Singapore in northern Australia in the 19th century and a succession of failed EPZs in Haiti in the late 20th and early 21st-first century.

In 1846, a certain George Windsor Earl published 'Enterprise in Tropical Australia'. This summed up several years of British failure to establish a port city on the Cobourg Peninsula. Still, *The Spectator* (1846), a London-based weekly, triumphantly reported that the presence of the mission had prevented a French expedition from claiming northern Australian shores and waters. This was as far as success went. Except for the French, no-one showed interest in Port Essington. Indian Ocean merchant communities that had had a good share in the rapid growth of Singapore, and even Macassan trepanners, who annually harvested the northern Australian shores working with coastal populations, avoided the British settlement. The free-port regime did not matter because the vast northern Australian

Table 1 The global spread of EPZs/SEZs since 1975

Year	1975 [†]	1978 [*]	1984 [*]	1986 [†]	1997 [†]	2002 [†]	2006 [†]
Number of countries with EPZs	25	28	35	47	93	116	130
Number of EPZs	79	N/A	N/A	176	845	3000	3500
Employment (millions)	0.725 ^{**}	0.6945	0.8375	1.97 ^{††}	22.5	43	66
- of which PR China	-	-	0.015	0.07 ^{††}	18	30	40
- of which other countries with figures available	0.725 ^{**}	0.6945	0.8225	1.9	4.5	13	26
Share of PR China in %	0	0	1.79	3.55	80	69.77	60.60

Note: These figures are pooled from sources with different definitions of what an EPZ is and should be understood as approximations.

Sources: [†] Boyenge (2007: 1); ^{*} Currie (1985); ^{**} Fröbel et al. (1981: 310); ^{††} UNCTC and ILO (1988: 163, figure for PR China 17).

coastline could not be controlled by the British in the same way as Singapore controlled access to the Strait of Malacca (for detailed summary and analysis, see Neveling 2002). Now, according to that recent, widely cited World Bank publication, Port Essington would go down in world history as a Special Economic Zone (SEZ), a failed one, but an SEZ nevertheless.

The brief assessments of the Delos free-port regime shows that imperial power in Mediterranean antiquity (as in other eras and regions) relied on the ability to control trade and turn this against enemies and defectors. The race between France and Britain in northern Australia underscores how highly this principle was contested in the 19th century and that European imperial powers had little leverage over significant parts of the global system, which allowed others to plainly ignore their efforts. In the 20th century, this has changed significantly. The miserable working conditions in EPZs founded since 1947, instead, could only emerge within captivated markets. Markets were captivated because workers in regions where EPZs were set up had little choice but to subject themselves to the new regimes. The following account of failure concerns Haiti and illustrates that international organisations are aware of the existence of captivated labour markets and sometimes use this knowledge in bold and cynical terms to promote EPZs.

Paul Collier declares himself a former anti-imperialist, as he was part of the 'Oxford

Revolutionary Socialist Students' group in 1968 (2007: xiii, ix, 205). That such a group was a *contradictio in adjecto* is best illustrated by his biography. Collier is a former World Bank economist whose most recent, widely cited work blames 50 'failed states' for the existence of the world's 'bottom billion' population. The only cure for these nations is to 'get a dynamic manufacturing sector' and there is no better way for this than EPZs, backed by preferential bilateral trade agreements granted by generous Western industrially advanced countries (167). Although Sumner (2010) has rebutted Collier's theses on empirical grounds (the bottom billion rather lives in middle-income countries), he has co-authored the 2009 edition of the influential *Industrial Development Report* (Collier and Page 2009). Also, his expertise was called upon to revive the Haitian economy after the most recent disasters. The creation of jobs on a massive scale is, of course, no secret ingredient to such cures and had been central to Haitian government development agendas for a long time. To the measures of the 2007-UN 'HOPE II' programme giving Haiti preferential access to the US market, Collier added recommendations to create EPZs, arguing that a 'few islands of excellence' were preferable to efforts 'to improve standards across the whole country'. The fact that this particular strategy has a long history in Haiti, where several waves of EPZ establishment have done more harm than good over recent decades, has nevertheless escaped Collier (Shamsie 2009).

Collier's approach of saving a country from economic and social mayhem by the single, grand stroke of a development scholar's genius has been central to the global spread of EPZs in the second half of the 20th century. Importantly, this motive runs counter to the recent World Bank effort to date the zones back to Antiquity. For the ideology informing such 'saviour-dom' is inextricable from capitalist development policies during the Cold War and its implementation in a number of post-colonial nation states. The following section considers this and shows, among other issues, how former colonial powers and international organisations have been instrumental in the global spread of EPZs.

The global spread of EPZs/SEZs – for real

The ideological foundations of the linkage between developmentalist saviour-dom and EPZs are nowhere as evident as in the US dependency Puerto Rico, where the world's first EPZ-like structure emerged in 1947. That Caribbean island's trajectory from a 19th-century colonial economy to a 20th-century post-colonial economy is not necessarily prototypical for global developments but not dissimilar from many of the world's planation economies. At the turn of the 20th century, Puerto Rico changed from Spanish to US colonial rule. The Foraker Act of 1900 established the island as US territory but not as part of the US federal system, with the exception of its monetary system. A common tariff also became operational. US agricultural trusts turned Puerto Rico into 'a classical monocultural economy' (Dietz 1986: 98), giving a fast-forward lesson in the imperialist policies in other colonies (for British Mauritius, see Neveling 2013; for Indonesia, see Stoler 1985). That lesson was particular for the US because the Spanish colonies they had acquired were those of a declining imperial power and, hence, in rather derelict condition with few efforts having been made to replicate the establishment of industrial agriculture seen in other European colonies. In the 1930s there emerged an alliance between the local government and the mainland New Deal administration and policies seemed to change. Early efforts focused on the production of shoes, cement, and glass bottles in government-owned factories and plans for a government-owned sugar mill

that would free cane-growers from having to sell to the mills owned by US trusts had been drawn up.

But the Second World War drew Puerto Rico into the US economic machinery for winning the anti-fascist battle. After the war, the Puerto Rican Partido Popular called for independence. The US Tariff Commission responded with calculations stating that independence would increase economic hardship because Puerto Rico would lose its free access to the US markets. That report reversed the logic of the New Deal policies for the island. In an early version of the nowadays commonplace trickle-down argument, it was argued that mainland capital investment was for the benefit of the island as it created profitable investment and employment, and should therefore receive political and financial support from the local government.

Already in 1942, the consulting company Arthur D. Little Inc. (ADL) was hired to recommend on changing the Puerto Rican economy. ADL had been thriving in the Boston area that in those days had a Silicon Valley-style atmosphere nurtured by proximity to the Massachusetts Institute for Technology and Harvard University. This helped ADL become the world's leading consultancy firm in the 1960s. Following ADL recommendations, in 1947 the local government set up the Puerto Rico Industrial Development Corporation, established a development bank, sold off government-owned factories at low prices, and built new factories for leases to mainland investors. This brought Puerto Rico considerable increases in employment and export earnings and was also beneficial to US foreign policies. As more and more US mainland corporations set up shop on the island, Puerto Rican senators travelled around Latin America praising the benevolence of the US government and US corporations while US ministries invited any Third-World delegation that expressed interest to Puerto Rico to witness the benefits of export-oriented policies (see Neveling 20015b; 2015c).

Before moving on to sketch the global spread of EPZs from Puerto Rico, it is important to outline how policies there related to the global debate over development policies for Third-World nations in the 1950s and after.

Many post-colonial nations that emerged from the ashes of European imperialism in the decades after 1945 put similar emphasis

on import-substitution policies to boost industrialisation as the Puerto Rican New Deal did. Post-war policies were backed on scientific grounds by what would become known as the Prebisch-Singer thesis in the 1950s. Raúl Prebisch was director of the UN Economic Commission for Latin America in 1950 and would become the first secretary general of the United Nations Commission on Trade and Development in 1965. His thesis suggested changes in the global division of labour based on an analysis of commodity and capital flows in the global system. Imperialism, Prebisch stated, had turned many regions of the world into little more than suppliers of raw materials for manufacturing industries located in the wealthy countries of the world. The plight of former colonies and the continuing prosperity of former colonisers continued after decolonisation because the price that former colonial powers paid for imports of raw materials from former colonies did not reflect the gains that manufactured goods would fetch when sold to countries that produced the raw materials (see Bair 2009).

Now, the Puerto Rican scheme offered a rationale that was different and can be read as a preclusive response to Prebisch's work. Instead of closing off the economy by protective measures to generate 'native' industries, the door was opened wide for industrial relocations from the former colonisers' countries. Government money was channelled into the coffers of investors who enjoyed so-called 'tax and customs holidays', implying that paying taxes was hard work and a holiday was well deserved.

Importantly, the EPZ scheme emerged in the early days of the Cold War. In the coming decades, violent crackdowns and witch-hunts against communists and trade unionists would dominate the capitalist bloc's domestic and foreign policies. Central to early Cold War US foreign policies was a programme called 'Point Four'. This identified poverty and large-scale deprivation as the road to communism (Neveling 2015c). The Puerto Rican scheme under the populist label 'Operation Bootstrap' would become a crucial instrument within Point Four; making ten-year tax breaks and other incentives to invest in manufacturing operations would become a blueprint for capitalist development policies around the globe.

ADL was likewise of importance for the global spread of EPZs. The zone set up in

Shannon, for example, was inspired by visits from Irish officials to Puerto Rico and to Panama, where a similar zone became operational in the late 1940s. In the 1950s, ADL would advise on zone development in Egypt and Honduras under Point Four. But it was one of the company's employees who would remain a central figure in global EPZ development until the 2000s. Richard Bolin was acting head of ADL's Puerto Rican office from 1957–62. In the early 1960s, when tax breaks ended and other zones offered better deals, many US investors left the island and so did ADL. Bolin then advised the Mexican government on the Border Industrialisation Programme (BIP). Under the BIP-scheme, bonded factories, later infamous as *maquiladoras*, opened in Tijuana, Juarez, and other cities along the border with the US. As millions of Mexicans had to return from working in the US agricultural sector in 1965, when the so-called Bracero-Program ended, there was an abundance of labour. Not only US companies but also Japanese and South Korean companies tapped this vein to get an entry into the US market; a development that is so far under-represented in scholarly accounts of the rise of non-Western MNCs despite the fact that in places like Mauritius South–South capital flows made up more than 50 per cent of investment (for a 1970s exception see Watanabe 1974).

The Mexican EPZs emerging from the BIP are another good example of the negative impact that the zones have on workforces in industrially advanced and developing countries alike. Two US tariff legislations, clauses 806.30 and 807.00, implemented in 1930, provide positive sanctions such as custom-free export and import for the part-assembly of US products outside the mainland. This way, a US car manufacturer can have several production steps in EPZs in Mexico or elsewhere and still have the final product, the car, declared a US product without ever having paid duties for cross-border shipments in the assembly process. US tariff legislation then creates a global assembly line with commodities labelled 'Made in the US', although no US worker has been involved in labour-intensive production steps. It is no wonder that trade unions in the US have opposed these tariff regulations for many decades. One such protest led to a hearing of the Ways and Means Committee of the US Congress in 1976. Such hearings call all parties involved for interview,

from workers, labour activists, and industrialists in Mexico to US government officials and corporate pressure groups. In that 1976 hearing, former ADL employee Bolin showed up as director of a certain Flagstaff Institute that had written a report in favour of US business interests in Mexico. His arguments won the day (STCWM 1976).

Within the limits of this essay it is impossible to give a comprehensive account of the global spread of EPZs and what nowadays are labelled SEZs. So before concluding, I want to follow briefly the trail of Richard Bolin as this leads directly to the authors of the most recent World Bank studies promoting EPZs that I have discussed above.

Bolin and the Flagstaff Institute would take centre stage in the global promotion of EPZs from the 1970s onward. In the 1980s, they would have a big hand in spreading EPZs as the World Bank Structural Adjustment Programs declared the zones a universal cure for the Third-World Debt Crisis. In the 1990s, Bolin and his institute rushed to post-socialist Eastern Europe where EPZs opened on a massive scale.

Such activities were facilitated by an unlikely ally. That ally was the United Nations Industrial Development Organisation, whose mandate derived from the rise of the Non-Aligned Movement (NAM) in the UN. Operating in the spirit of the Prebisch-Singer thesis (see above) and bolstered by the foundation of the United Nations Conference on Trade and Development, UNCTAD, with Prebisch as director, the NAM sought to strengthen national sovereignty over resources and over the operations of MNCs. In 1975, the NAM call for a New International Economic Order (NIEO) was at its peak. But, based on cross-referencing the 77 states making up the NAM with the list of states operating EPZs in the appendix of Fröbel, Heinrichs and Kreye's seminal study (1981), it emerges that 27 NAM members had operational EPZs or were planning such zones in 1975.

The UN had for long operated a so-called Special Fund and at UNIDO this was extended to a measure called Special Industrial Services (SIS). SIS invited UN member states to donate money to UNIDO for a defined purpose. In a nutshell, this enabled governments of industrially advanced countries, not least the US and the Federal Republic of Germany, to direct funding towards that UNIDO working group promoting EPZs. Actually, that

UNIDO working group came up with the label EPZ following a global survey of export-oriented development schemes and free-port structures conducted in 1970 (for a detailed account of this study and the establishment of the EPZ label, see Neveling forthcoming). UNIDO set up an EPZ promotion programme with technical assistance missions, training workshops and fellowships. Initially, the EPZ in Kaohsiung, Taiwan, set up in 1965 as part of a new container harbour, was chosen as the hotspot for EPZ training. But when the People's Republic of China entered the UN system, UNIDO had to move its training centre to the Shannon Free Trade Zone. The management of the Shannon Free Airport Development Corporation (SFADCo) quickly realised the potential benefits from this collaboration. A UNIDO handbook outlining how to establish EPZs and including a blueprint for national EPZ law in the appendix came out of Shannon, as did a certain Peter Ryan who would further accelerate UNIDO's EPZ promotion activities in the 1970s and 1980s after taking over the Export Promotion Unit from Japanese William Tanaka. To my knowledge it was Ryan who initiated the establishment of a World Export Processing Zones Association (WEPZA) that was inaugurated during a meeting in the Philippines in 1978 (author's personal conversation with Ryan). From 1980, WEPZA was headed by Bolin and its headquarters merged with the Flagstaff Institute. Of the consultancy services that UNIDO bought for dozens, if not hundreds, of technical assistance missions to Bangladesh, Togo, or Vanuatu, for example, WEPZA and SFADCo staff held well above 25 per cent of contracts. Even communist China sent Jiang Zemin during his term as minister for electronic industries to Shannon for a training workshop (author's personal conversation with UNIDO staff members). Thus, it remains to be studied whether the 'rise of the Chinese model' was actually the rise of the Irish model.

WEPZA lost its grip on UNIDO contracts from the mid-1990s onward when Ryan retired and anti-EPZ campaigns by labour-rights organisations and international trade unions, particularly the International Conference of Free Trade Unions, successfully demolished the myth of EPZs as engines of growth and happiness (ICFTU 1996). To the contemporary historian's eye, the impact of the ICFTU campaign is easily

identifiable on the Internet pages of WEPZA, where a furious Bolin went as far as publishing a response that sought to contradict each and every single paragraph of the ICFTU report (WEPZA n.d.a).

A definition of EPZs/SEZs as guidance for a possibly unpleasant future

In light of recent developments, the 1990s standoff emerges as a somewhat different turning point in the global spread of EPZs. After Bolin retired in the 2000s, WEPZA was renamed as the *World Economic Processing Zones Association*. A certain Claude Baissac is now acting secretary general, assisted by a certain Jean-Paul Gauthier (WEPZA n.d.b). Baissac and Gauthier feature prominently as authors in those recent World Bank studies I have discussed above. That chapter locating the origins of SEZs in Roman antiquity was authored by Baissac, who, according to his LinkedIn profile, started off with a two-year stint as research associate at WEPZA/The Flagstaff Institute in 1995 (Baissac n.d.). Now he runs Eunomix, a South African 'mining risk management company' that fiercely opposes any state involvement in mining and other resource-extractive business. Eunomix is active in several southern African states and its mission seems to be putting the blame for incidents such as the mass-killing of workers at the Lonmin/Marikana mills on political parties and labour movements (Candy 2012; Creamer 2012). While Gauthier, second in command at WEPZA, seems to be making good business with SEZ consultancies, many former ICFTU officials have taken up influential posts at the ILO in recent years. The successor of the ICFTU, the International Trade Union Confederation (ITUC), continues to support workers' rights in EPZs, not least rights to collective bargaining, unionisation and fair wages (ITUC n.d.). The ILO, on the other hand, has been rather quiet about EPZs since that in-focus study was published in 2006 (see above), but might be forced by the recent mass-killings of workers in Bangladeshi EPZ/SEZ-style garment factories to take a stronger position on the renewed promotion of EPZs/SEZs.

Labour rights organisations, such as the Asia Monitor Resource Centre (AMRC) in Hong Kong, continue to support struggles

such as those of Indonesian EPZ workers against Samsung and other 21st-century MNCs, not least by providing excellent documentation and analysis of zone regimes and the harsh lives and times they create across Asia (AMRC 2012).

As the struggle over EPZs and SEZs continues in the 21st-century, it is important to offer a definition of the zones that goes beyond the prevailing legalistic and spatial approaches I have outlined above. Starting with the issue of imperialism, the global phenomenon of EPZs/SEZs makes a strong case for abandoning simplistic notions that juxtapose former colonial powers and former colonies. Alliances supporting the spread of EPZs cut across this divide, as do alliances opposing the zones. Obviously, the conflict of interests in EPZs and SEZs is one over strongly aggravated conditions of exploitation. From the early days, when in the late 1940s US capital abandoned mainland manufacturing locations whose workers had gained bargaining power and turned to non-unionised, low-cost labour in Puerto Rico, the zones have served to increase the bargaining power of capital. A similar development is evident in the relation between the state and capital in the zones. Although it may seem ironic, it is nation states that set up EPZs and thereby abdicate from basic revenues in taxes and customs, while at the same time spending highly on infrastructure for investors. This move is not necessary voluntary, as my earlier remarks about the role EPZs have played in World Bank SAPs since the 1980s have indicated. In many cases, however, EPZ companies are joint ventures between leading international manufacturers in certain sectors and local capital; often in close alliance with, if not owned by, the post-colonial political elites. EPZs and SEZs then are emblematic for a global class struggle by the bourgeoisie against the workforces in developing and industrially advanced countries alike.

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