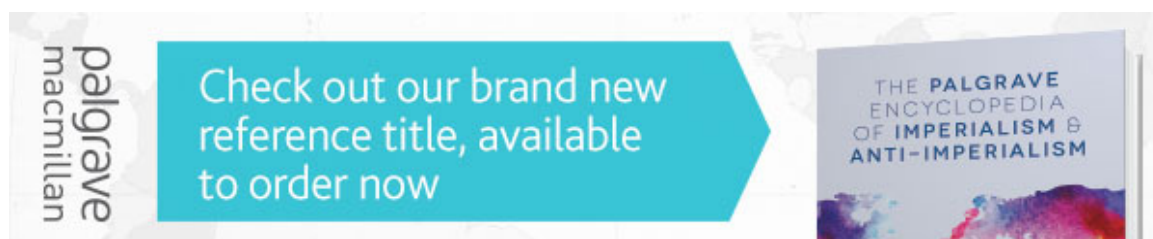


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Free Trade Zones, Export Processing Zones, Special Economic Zones and Global Imperial Formations 200 BCE to 2015 CE

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 such 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 relabelling 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

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(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' (Ananthanarayanan 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

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).

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 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).

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1 Also, his expertise was called upon to revive
2 the Haitian economy after the most recent
3 disasters. The creation of jobs on a massive
4 scale is, of course, no secret ingredient to such
5 cures and had been central to Haitian govern-
6 ment development agendas for a long time. To
7 the measures of the 2007-UN 'HOPE II' pro-
8 gramme giving Haiti preferential access to the
9 US market, Collier added recommendations
10 to create EPZs, arguing that a 'few islands
11 of excellence' were preferable to efforts 'to
12 improve standards across the whole coun-
13 try'. The fact that this particular strategy has
14 a long history in Haiti, where several waves of
15 EPZ establishment have done more harm than
16 good over recent decades, has nevertheless
17 escaped Collier (Shamsie 2009).

18 Collier's approach of saving a country from
19 economic and social mayhem by the single,
20 grand stroke of a development scholar's
21 genius has been central to the global spread
22 of EPZs in the second half of the 20th century.
23 Importantly, this motive runs counter to the
24 recent World Bank effort to date the zones
25 back to Antiquity. For the ideology inform-
26 ing such 'saviour-dom' is inextricable from
27 capitalist development policies during the
28 Cold War and its implementation in a num-
29 ber of post-colonial nation states. The follow-
30 ing section considers this and shows, among
31 other issues, how former colonial powers and
32 international organisations have been instru-
33 mental in the global spread of EPZs.

The global spread of EPZs/SEZs – for real

34
35
36
37 The ideological foundations of the linkage
38 between developmentalist saviour-dom and
39 EPZs are nowhere as evident as in the US
40 dependency Puerto Rico, where the world's
41 first EPZ-like structure emerged in 1947.
42 That Caribbean island's trajectory from a
43 19th-century colonial economy to a 20th-
44 century post-colonial economy is not neces-
45 sarily prototypical for global developments
46 but not dissimilar from many of the world's
47 planation economies. At the turn of the 20th
48 century, Puerto Rico changed from Spanish
49 to US colonial rule. The Foraker Act of 1900
50 established the island as US territory but not
51 as part of the US federal system, with the
52 exception of its monetary system. A common
53 tariff also became operational. US agricul-
54 tural trusts turned Puerto Rico into 'a classi-
55 cal monocultural economy' (Dietz 1986: 98),
56

giving a fast-forward lesson in the imperi-
alist policies in other colonies (for British
Mauritius, see Neveling 2013; for Indonesia,
see Stoler 1985). That lesson was particu-
lar 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 col-
onies. In the 1930s there emerged an alliance
between the local government and the main-
land 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 inde-
pendence 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 common-
place trickle-down argument, it was argued
that mainland capital investment was for
the benefit of the island as it created profit-
able investment and employment, and should
therefore receive political and financial sup-
port from the local government.

Already in 1942, the consulting company
Arthur D. Little Inc. (ADL) was hired to rec-
ommend on changing the Puerto Rican econ-
omy. 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 main-
land 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

1 mainland corporations set up shop on the
 2 island, Puerto Rican senators travelled around
 3 Latin America praising the benevolence of the
 4 US government and US corporations while US
 5 ministries invited any Third-World delegation
 6 that expressed interest to Puerto Rico to wit-
 7 ness the benefits of export-oriented policies
 8 (see Neveling 20015b; 2015c).

9 Before moving on to sketch the global
 10 spread of EPZs from Puerto Rico, it is impor-
 11 tant to outline how policies there related to
 12 the global debate over development policies
 13 for Third-World nations in the 1950s and
 14 after.

15 Many post-colonial nations that emerged
 16 from the ashes of European imperialism in
 17 the decades after 1945 put similar empha-
 18 sis on import-substitution policies to boost
 19 industrialisation as the Puerto Rican New Deal
 20 did. Post-war policies were backed on scien-
 21 tific grounds by what would become known as
 22 the Prebisch-Singer thesis in the 1950s. Raúl
 23 Prebisch was director of the UN Economic
 24 Commission for Latin America in 1950 and
 25 would become the first secretary general of
 26 the United Nations Commission on Trade and
 27 Development in 1965. His thesis suggested
 28 changes in the global division of labour based
 29 on an analysis of commodity and capital flows
 30 in the global system. Imperialism, Prebisch
 31 stated, had turned many regions of the world
 32 into little more than suppliers of raw materi-
 33 als for manufacturing industries located in the
 34 wealthy countries of the world. The plight of
 35 former colonies and the continuing prosperity
 36 of former colonisers continued after decoloni-
 37 sation because the price that former colonial
 38 powers paid for imports of raw materials from
 39 former colonies did not reflect the gains that
 40 manufactured goods would fetch when sold to
 41 countries that produced the raw materials (see
 42 Bair 2009).

43 Now, the Puerto Rican scheme offered a
 44 rationale that was different and can be read
 45 as a preclusive response to Prebisch's work.
 46 Instead of closing off the economy by protec-
 47 tive measures to generate 'native' industries,
 48 the door was opened wide for industrial relo-
 49 cations from the former colonisers' countries.
 50 Government money was channelled into the
 51 coffers of investors who enjoyed so-called 'tax
 52 and customs holidays', implying that paying
 53 taxes was hard work and a holiday was well
 54 deserved.

55 Importantly, the EPZ scheme emerged in
 56 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 cap-
 italist 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 vis-
 its 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 *maquilado-
 ras*, opened in Tijuana, Juarez, and other cit-
 ies 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 com-
 panies 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 coun-
 tries 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

1 of US products outside the mainland. This
 2 way, a US car manufacturer can have several
 3 production steps in EPZs in Mexico or else-
 4 where and still have the final product, the car,
 5 declared a US product without ever having
 6 paid duties for cross-border shipments in the
 7 assembly process. US tariff legislation then
 8 creates a global assembly line with commodi-
 9 ties labelled 'Made in the US', although no US
 10 worker has been involved in labour-intensive
 11 production steps. It is no wonder that trade
 12 unions in the US have opposed these tariff
 13 regulations for many decades. One such pro-
 14 test led to a hearing of the Ways and Means
 15 Committee of the US Congress in 1976. Such
 16 hearings call all parties involved for interview,
 17 from workers, labour activists, and industrial-
 18 ists in Mexico to US government officials and
 19 corporate pressure groups. In that 1976 hear-
 20 ing, former ADL employee Bolin showed up
 21 as director of a certain Flagstaff Institute that
 22 had written a report in favour of US business
 23 interests in Mexico. His arguments won the
 24 day (STCWM 1976).

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

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

43 Such activities were facilitated by an
 44 unlikely ally. That ally was the United Nations
 45 Industrial Development Organisation,
 46 whose mandate derived from the rise of the
 47 Non-Aligned Movement (NAM) in the UN.
 48 Operating in the spirit of the Prebisch-Singer
 49 thesis (see above) and bolstered by the foun-
 50 dation of the United Nations Conference
 51 on Trade and Development, UNCTAD, with
 52 Prebisch as director, the NAM sought to
 53 strengthen national sovereignty over resources
 54 and over the operations of MNCs. In 1975, the
 55 NAM call for a New International Economic
 56 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 plan-
 ning 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 indus-
 trially advanced countries, not least the US
 and the Federal Republic of Germany, to
 direct funding towards that UNIDO work-
 ing 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, train-
 ing 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 col-
 laboration. A UNIDO handbook outlining
 how to establish EPZs and including a blue-
 print 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 inau-
 gurated 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 ser-
 vices 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

1 for electronic industries to Shannon for a
2 training workshop (author's personal con-
3 versation with UNIDO staff members). Thus,
4 it remains to be studied whether the 'rise of
5 the Chinese model' was actually the rise of the
6 Irish model.

7 WEPZA lost its grip on UNIDO contracts
8 from the mid-1990s onward when Ryan
9 retired and anti-EPZ campaigns by labour-
10 rights organisations and international
11 trade unions, particularly the International
12 Conference of Free Trade Unions, success-
13 fully demolished the myth of EPZs as engines
14 of growth and happiness (ICFTU 1996). To
15 the contemporary historian's eye, the impact
16 of the ICFTU campaign is easily identifi-
17 able on the Internet pages of WEPZA, where
18 a furious Bolin went as far as publishing a
19 response that sought to contradict each and
20 every single paragraph of the ICFTU report
21 (WEPZA n.d.a).

23 **A definition of EPZs/SEZs** 24 **as guidance for a possibly** 25 **unpleasant future**

26 In light of recent developments, the 1990s
27 standoff emerges as a somewhat different
28 turning point in the global spread of EPZs.
29 After Bolin retired in the 2000s, WEPZA
30 was renamed as the *World Economic Processing*
31 *Zones Association*. A certain Claude Baissac is
32 now acting secretary general, assisted by a
33 certain Jean-Paul Gauthier (WEPZA n.d.b).
34 Baissac and Gauthier feature prominently as
35 authors in those recent World Bank studies
36 I have discussed above. That chapter locat-
37 ing the origins of SEZs in Roman antiquity
38 was authored by Baissac, who, according to
39 his LinkedIn profile, started off with a two-
40 year stint as research associate at WEPZA/
41 The Flagstaff Institute in 1995 (Baissac n.d.).
42 Now he runs Eunomix, a South African
43 'mining risk management company' that
44 fiercely opposes any state involvement in
45 mining and other resource-extractive busi-
46 ness. Eunomix is active in several south-
47 ern African states and its mission seems to
48 be putting the blame for incidents such as
49 the mass-killing of workers at the Lonmin/
50 Marikana mills on political parties and
51 labour movements (Candy 2012; Creamer
52 2012). While Gauthier, second in command
53 at WEPZA, seems to be making good busi-
54 ness with SEZ consultancies, many former
55 ICFTU officials have taken up influential

posts at the ILO in recent years. The succe-
sor of the ICFTU, the International Trade
Union Confederation (ITUC), continues to
support workers' rights in EPZs, not least
rights to collective bargaining, unionisa-
tion 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 work-
ers 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 strug-
gles such as those of Indonesian EPZ work-
ers against Samsung and other 21st-century
MNCs, not least by providing excellent docu-
mentation and analysis of zone regimes and
the harsh lives and times they create across
Asia (AMRC 2012).

As the struggle over EPZs and SEZs contin-
ues 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 abandon-
ing 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 aggra-
vated conditions of exploitation. From the
early days, when in the late 1940s US capital
abandoned mainland manufacturing loca-
tions 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 spend-
ing 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 cer-
tain sectors and local capital; often in close

1 alliance with, if not owned by, the post-
2 colonial political elites. EPZs and SEZs then
3 are emblematic for a global class struggle
4 by the bourgeoisie against the workforces in
5 developing and industrially advanced coun-
6 tries alike.

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