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Labour Conditions in the Free Trade Zones of
Some Countries

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Introduction

The need for developing countries to participate in the increasing world trade in manufactures is well recognised. Various policy measures have been introduced by them. The Free Trade Zones (FTZ) is one instrument which is being selected by them in this process, drawing largely from the experience of free ports of earlier times. It is thought to be a catalyst of export-led industrialisation (ELI). The objectives of setting up FTZs seem to be of two types;

- (i) to stimulate the transfer of technology, link and integrate with the domestic economy, and generate foreign exchange surpluses through foreign trade;
- (ii) to generate employment and stimulate the training of workers in industrial skills.

Research studies have highlighted the dubious role of the first set of objectives. (Narayana, 1986). Our main concern in this paper is the labour and employment aspects.

Labour and employment in the FTZs of the developing countries has attracted some attention in the recent past (Edgren, 1982 and Ford, 1984). What is lacking in these studies is a descriptive account of the working and living conditions in these zones. The aspect of historical continuity of some of these processes of labour control starting from the period of Industrial Revolution is altogether missing in these studies. Consequently, the whole process of "setting the clock backwards", as it were, involved in the labour and employment conditions of FTZs is ignored and the conclusions seem to be running on the following lines :

".....labour conditions in the EPZs in the developing countries are generally better than in the host country outside the zone" [UNIDO, 1980: 22]. This paper is an attempt at viewing the labour and employment issues in the FTZs "in the joint context of domestic 'social formations' and the imperatives of the 'world system'....." [Lim, 1983 : 32]

The paper is organised into four sections. Section I describes the reality of labour in the FTZs of four Asian Countries^{1/}. Section II is a critical analysis of labour conditions in the FTZs primarily based on the data presented in Section I but supplemented by information available in other studies. Section III touches upon the impact of the ELI - FTZ strategy on the trade union rights and the larger political processes in these countries. Section IV makes an attempt at viewing the labour and employment conditions in the FTZs as a continuation of the exploitation of female working population through the two centuries since Industrial Revolution. In other words, the task of viewing the labour and employment issues in the FTZs in the joint context of the imperatives of the world capitalist system and the social formation is attempted here.

The four Asian countries studied are Philippines, Taiwan, Malaysia and Sri Lanka accounting for about 79 per cent of the number of FTZs in Asia and about 56 per cent of the employment in the Asian FTZs in 1980. Taiwan is the first Asian country to set up FTZs and Sri Lanka the last, with Malaysia and Philippines falling in between.

Though setting up of the FTZs with the attendant incentives did help in attracting increased foreign direct investments into all these

countries such investments tapered off after the initial spurt in the activities of the zones. The predominant activity located in the FTZs were related to the industrial groups of electronics, textiles and some light manufactures. Further, certain types of activities came to be located in certain zones -- electronics related activities in Ireland, Taiwan, Korea and Malaysia; textiles in Philippines and Sri Lanka ...etc -- basically dictated by the global reorganisation of production operations by the Multinational Corporations (MNCs). Activities located in the zones were simple assembly or fabrication operations remotely related to the host country's economy.

Export earnings did go up with the setting up of the zones; but imports also shot up thereby leaving rather low net foreign exchange earnings. The other 'externalities' or 'spin - offs' of the zones were also not significant. Linkages were ruled out for the operations carried out were not integrated with the host economy but with the global set up of the MNCs. There was hardly any technology useful for the developing countries associated with the simple operations carried out in the zones. In a nutshell, spin-offs were insignificant and the net benefit over costs was not positive for many of the zones (Narayana, 1986).

I. Conditions of Labour in the FTZs of Four Asian Countries

In this section a descriptive and detailed account of the labour and employment conditions in the FTZs of the four Asian countries is provided. This is found necessary for such information is generally difficult to come by and hardly ever presented in any great detail.

Taiwan

The three FTZs together employed nearly 63000 workers in 1982, 85 per cent of whom were women. The workers were predominantly young with 61 per cent between the ages of 16 and 24 years. The workers above 40 years constituted hardly 8 per cent.

In a survey conducted in 1982 it was observed that about 63 per cent of the workers had attended senior high school with another 3 per cent attending college. Majority of the workers came from rural or semi-rural backgrounds: 38 per cent from small towns and 54 per cent from country areas.

As regards overtime, 62 per cent of the workers reported that they were not required to do overtime. Of those working overtime 74 per cent freely did so; it was not forced on them. Compared to the average monthly wage of all industrial workers -- \$NT 11,746 for male and \$NT 9979 for female -- 65 per cent of the zone workers reported a wage between \$NT 6000 and \$NT 8000. 19 per cent of them reported wages of less than \$NT 6000 per month.

About 60 per cent of the workers reported satisfaction with the present levels of salary. The percentage reporting satisfaction with the working hours was slightly over 80%. Regarding overtime work nearly all of the workers were non-committal with only about 9 per cent reporting not satisfied. The response to overtime pay was also similar. Workers seemed to be satisfied with the type of work they do -- over 75 per cent reporting satisfied.

30 per cent of the workers were not satisfied with their foremen whereas it was only 5 per cent regarding employee relations. The per centage of workers not satisfied with promotion and salary raise was nearly 50.

As about half of the workers surveyed had working experience outside the zone, a comparison was attempted between the zone and its outside in terms of worktime, overtime etc. It was observed that only 34 per centage reported better salaries within the zone; 47 per cent reported better workhours and 69 per cent better overtime provisions within the zone. 57 per centage reported better overtime pay within the zone. Regarding the type of work, work environment, attitude of management and policy of salary raise and vacation about half of the workers reported better conditions within the zone. However only 27 per cent of the workers reported better employee relations within the zone.

Though majority of the workers seemed to be satisfied with the air quality, lighting, medical facilities and dormitory services in the factories, the health status of the workers speaks otherwise. 37 per centage of the workers surveyed reported that their working environment had a negative effect on their health: 15 per cent reported weakening of eyesight due to the environment; 9 per cent complained of bronchial respiratory afflictions; 6 per cent reported a general feeling of tiredness; 3 per cent of digestive disorders and 4 per cent of a variety of other physical complaints.

The rate of turnover of the workforce is very high -- at least 30 per cent per year. And it is often seen that when a factory worker got married or became pregnant she is pressurised to leave the job -- the pressure

is brought about by increasing the work load, by moving her more than once to new work. Similar tactics are used to force older workers to quit.

Though unions exist -- about 55 per cent of the factories reported to have unions -- their role seems to be limited. Cases of unions resisting overtime of over 45 hours a week are reported. But the general belief among workers was that unions were handmaids of the factory bosses.

Dormitories attached to the factories are not uncommon, but they are often congested. In one case it was reported that there were six persons to a room with just one table and hardly any space for keeping the belongings.

Often the workers hailed from rural backgrounds whose families were poor. The workers are reported to be sending 25 to 40 per cent of their salaries to support their families.

Malaysia

The total employment in all the FTZs of Malaysia is about 70,000 with 83 per cent of them being women. The workers are predominantly young: of the surveyed workers in Batu Berendam 77 per cent were between 16 and 24 years. Almost all of them were single (94 percent).

Bulk of the workers did not possess high academic qualifications. 20 per cent had completed primary school only and 42 per cent had managed to receive education up till the SRP level. 83 per cent of the workers hailed from rural areas majority of whose parents were rubber tappers, Felde settlers, farmers or factory workers (77 per cent). Thus, almost all

of them originated in poor, large families and had taken up employment in FTZs fresh from school.

A substantial proportion of the workers were production operators (85 per cent), and very few held senior positions that too under foreign officers. Workers were required to adhere to strict hours and rather high quotas. They were often forced to speed up failing which they were abused. Frequently workers were required to work overtime on Sundays and public holidays. About 91 per cent of the workers reported to have worked overtime with hours exceeding 9 hours a week (45 per cent). The length of rest time given to workers after two continuous weeks of night shift was rather short 36 hours off after a week of night shift compared to 96 hours for hospital workers in the government sector..

Almost all the workers (93 per cent) were daily rated and received a daily rate ranging between 4.70 and 5.50 US dollars for production operators. The monthly wage (inclusive of all allowances) of 83 per cent of the workers was below US 300 dollars which is considered by some as the poverty line in the state. Consequently they had hardly any money left for sending to their families back home. Further, the high inflation rate in the country seems to be eroding the real wages steadily.

The work conditions seemed to be poor. Incidents of industrial accidents and diseases was very high. 34 per cent of the workers surveyed reported to have contacted various kinds of diseases after they began work at the electronics factories in the zone. Although it is difficult to establish precise causation there is reason to believe that the work place and the work conditions tend to 'burn up' people. The incidents of industrial

accidents was as high as 51 per cent. The noise levels were rather high — 58 per cent found it to be high, though not the temperature levels — 32 per cent found it to be too high or too low:

Unionisation is low in the zones. Though union activity is not officially banned unofficial obstruction is seen to be very effective.

Almost all the employers did not provide the crucial facility of housing. Only one of the electronics firms provided hostel facilities. Consequently, a majority of them, 59 per cent had to share a room or a house. There were cases of some sharing a house with 20 others.

However, it was observed that the firms in the FTZs effectively promoted social activities such as dinner, dance and beauty-queen contests, which only helped in reproducing the dominant ideology of a 'natural' world with male dominance and female as an object of beauty.

Philippines

The employment in the FTZs is around 25,000, 87 per cent of whom are women. 79 per cent of the workers are single and the age distribution is biasedly young, 78 per cent between 16 and 25 years.

Workers had a fairly high educational attainment: 15 per cent had received college education and of the rest 3 per cent were vocational graduates and 59 per cent high school graduates. Almost all of them hailed from rural areas (97 per cent) and were of peasant origin, parents of 72 per cent were in the agricultural sector with another 20 per cent in the production sector as foremen, carpenters etc.

The tenure of the workers in the zone is predominantly short term: 42 per cent have stayed for two years and less, 33 per cent from three to four years, 16 per cent from five to six years. Tenures in any factory within the zone gave a different picture: 54 per cent had stayed for two years or less, 29 per cent from three to four years, 10 per cent from five to six years. The above set of figures clearly points to considerable mobility within the zone.

The workers are seen to carry out very fragmented processes. The survey found 63 per cent of the electronics workers doing assembly work, with machine operators, quality control inspectors and section heads forming another 18 pc. These operations did not call for much skill and were easily mastered. But management placed them on probation for several months. Because of the fragmented nature of the production processes and the pyramidal structure of work hierarchy there was hardly any scope for upward mobility.

70 per cent of the firms enforce a policy of mandatory overtime with the following schedules:

1. 8 AM to 8 PM (12 hrs);
2. 8 AM to 10 PM (14 hrs);
3. 6 AM to 10 PM (16 hrs); and
4. 8 AM to 5 AM (12 hrs stay in, allowing only 15 minutes rest every two hours at night)

In the reference month some workers even spent the 30 straight days rendering overtime work. On the average workers spent 35 hours monthly at such overtime schedule. The pay during overtime was only 25 per cent of the basic pay per hour. It was observed that 25 per cent of the workers

were engaged in shift work.

Most of the workers had quotas which are raised thrice or even four times a year. One of the reasons for raising quotas is over efficiency. Over-efficiency, on the other hand, is achieved by providing incentives initially for meeting quotas and by punishing those who miss quotas. Missing quotas often resulted in forced overtime.

The physical environment of the factories varied: in garment factories work places were not properly ventilated, were noisy and humid, some were also dusty. In many electronics factories chemical fumes permeate the work areas. Factories, often, lacked enough safety measures. 62 per cent of the workers were involved in work-related injuries.

All the factories had canteen and toilets but lacked drinking fountains, medical and dental clinics, first aid service etc. The recreational activities were mainly directed at diverting their attention from the objectivity of their working and living conditions.

Most workers received a sum of 29 pesos daily effective pay which was below the mandatory minimum wage. Casuals and probationers received only 14 pesos per day, and apprentices only 12 pesos per day. There were few benefits except free T shirt and vacation leaves; few enjoyed social security benefits, housing, transportation and medical benefits. The daily wage of most of the workers did not meet the cost of food and other basic necessities for a reference family of six estimated by the National Wages Council in 1982 at 56.44 pesos per day.

The housing units available inside the zone could accommodate about 25 per cent of the workforce, the occupancy rate of which were only

70 per cent. Workers preferred to live in the town, though it meant cramped houses with 30 or more persons and sometimes more than 50 sharing a toilet, for the following reasons:

town was nearer to the factories saving transportation cost;

town was cheaper for goods and services;

town had a natural social life which the zone lacked.

72 per cent of the workers were members of unions ^{and unions} were active.

Workers have often resorted to concerted mass actions to press for their demands. And at least 47 per cent of the workers reported harassment of union leaders as well as rank and file members. 92 per cent of the workers believed that unions were effective in fostering unity among the workers which it was believed was important for any of their undertakings to succeed.

Sri Lanka

The workforce employed in 1981 was about 19000 with female workers predominating (over 85 per cent). Majority of them were very young, 80 per cent between 18 and 24 years of age. ^{2/} 91 per cent of the workers were unmarried. Though married workers were not formally banned from taking up employment in the zone the gradual elimination that takes place during the first six months of employment coupled with the requirement of long periods of work, night shifts, entry into and exit from the factory at varying times, unpredictable overtime and weekend work eliminate most of the married women. Even those who were married -- 9 per cent of the sample -- had no children (40 per cent) or had only one child (33 per cent). Though workers came mainly from the rural areas (67 per cent) their level of education was very satisfactory: 61 had passed their GCE (O.L) and 8 per cent their GCE (A.L)

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which is equivalent to university entrance examination.

The process of retaining the workers of the preferred age group and civil status and also retaining some at the preferred periods, say during a boom, are rather systematised. In the former letters of warning were issued for non-attendance without informing, for inability to keep work targets, for talking while at work and other similar 'offences'. Three warning letters are enough ground for termination. In the latter case the system followed was to compel the workers to place a financial deposit which would be forfeited on leaving.

Discipline is ~~se~~vage. Punctual and regular attendance of workers and their readiness to be available for work even at night and non-working days when necessary is ensured by a system of fines and expulsions. Targets are set for workers and often raised as the workers gather speed. Overtime is compulsory in almost all the factories. Discipline is imposed by humiliating punishments:

"There were occasions on which workers were punished for talking while at work by asking them to keep standing in front of the others. In other factories those working the night shift have been asked to keep standing while they work or asked to run around the factory when they felt sleepy and slacked"

Practices such as issuing a card and permitting a limited number of minutes for going to the toilet are not uncommon.

Though semi-skilled workers and above received the minimum wages prescribed by the GCEC unskilled and trainees did not and the latter

constituted 17 and 20 per centage respectively of the workforce within the zone as of March 1983. The figures published by the Ministry of Plan Implementation showing that 83 per centage of the workers received more than the minimum basic wages needs to be taken along with the fact that all workers work for longer hours -- 46 per cent worked for more than 46 hrs and 17 per cent more than 55 hours --- and the intensity of work is very high -- 54 per cent could not meet the targets and 43 per cent could only nearly equal. Few firms provided fringe benefits such as uniforms, transport or medical facilities -- over 75 per cent of the workers did not receive any subsidies on food and uniforms.

Trade union activities were absent in the factories although there were no legal restrictions as such. However, the GCBC advocated the formation of joint consultative councils and the workers often avoided such responsibilities. Consequently, such a mechanism was found to be ineffective in redressing any grievances. The nonexistence of unions should, however, be amazing for a country with a long tradition of trade union activity. The party in power has managed to achieve it by crushing any voice of protest. The first attempt to curtail the strength of the unions was made by introducing a white paper on Employment Relationships, which was later withdrawn in the face of protests from all sections of workers. What could not be carried out legally was carried out by other means -- by crushing the strike of July 1980 and hounding out a large number of workers, by buying over the largest trade union in the plantation sector; and by forming a pro-UNP trade union movement.

The recruitment to the FTZs is through the job bank of the GCEC where registration is through the approval of the members of Parliament. This form of recruitment binds those families to the UMP. And given the socio-economic conditions of the families from which those workers hail they would be unwanted back at home. Further the society being a male dominated one the women just want to survive under any conditions of work or life. Thus, the dependency on the more powerful within the family and in the village virtually curbs any voice of protest in the factory. Despite such an environment harsh conditions have been met with strikes: in one case expulsion of a supervisor led to a spontaneous strike which resulted in some workers being expelled and the demands being not granted; the workers of another factory asked for half a days leave on 1st January and stopped work when refused, though the strike was settled 17 of the workers were expelled; in another case expulsion of seven workers led to a strike; inspite of every attempt made by the government using emergency powers to break-up the strike the strike was maintained for a number of weeks and the workers could win some of their demands.

Life of the workers of the FTZ is one of extreme deprivation. The large number of workers staying fairly close to the FTZ are packed in small rooms; each worker generally gets just enough room to stretch a campbed, or mat, with sometimes two sharing a bed. Among the workers who boarded 48 per cent were sharing the facilities with 5 or more others. In one extreme case a single latrine had to be used by 52 workers.

The charges for boarding and lodging in these boarding-houses ranged between Rs. 300 to Rs. 350 which accounted for between 50 to 70 per cent of the wages of majority of the workers. To save on boarding many of them had to resort to cooking their meals on their own, which meant time and energy spent on purchasing essentials and cooking them — clearly a reflection of the hard struggle that is waged to balance their monthly budgets.

The workers who live far away from the FTZ have to use public transport for the companies do not provide travel facilities even to those who work late hours in the night. Workers who travel 15 to 20 miles have to take buses at least by 4 AM to reach the factory at 6 AM and some workers could reach back only around 10 P.M.

After passing through all these harsh conditions only about 35 per cent of the workers are able to save part of their salaries — 5 to 10 per cent. Out of these 65 per cent deposit their savings in the bank presumably to meet the dowry requirements, for those women consider this employment as a relief until they get married.

The quantum of employment generated in the zones is only a minute fraction of the total employment in the economy of the countries. As is evident from table 1 the workers are predominantly female and young originating in rural or semi-rural backgrounds. Their working hours are long, the intensity of work is very high and the wages are relatively low. They hardly enjoy any other benefits and have to live in extremely trying conditions. The work environment coupled with the intensity of work results in various health complaints. The proportion of workers reporting accidents

Table 1: Age, Sex Composition of the Workforce and Labour
Conditions in the FTZs

Particulars	Country			
	Taiwan	Malaysia	Philippines	Sri Lanka
Employment in the FTZs (1981)	63,000	70,000	25,000	19,000
Employment in the FTZs as a percentage of employment in				
Manufacturing	4.7	4.7	1.4	1.62
All Sectors	1.27	1.27	0.1	0.24
Women employees as percentage of total	85	83	87	85
Percentage married	NA	6	21	9
Percentage of women between 18-24 years	61 (16-24)	76	median age 21	81
Percentage from rural, semi-rural backgrounds	92	83	97	67
Overtime	NA	Over 9 hrs a week 91 pc worked OT	OT is mandatory 35 hours monthly	46 per centage worked over 48 hrs 17 pc over 55 hrs a week
Quota system	NA	Only 25 pc could meet the quota	Quota existed; details NA	Only 13 pc could produce above the quota
Percentage reporting Work-related health complaints	30	34	59	NA
Percentage reporting involvement in accidents	NA	51	62	NA
Security of Tenure	Unstable	Unstable	Unstable	Unstable

is also very high. In a nutshell, the situation is a continuation of the one that existed during the Industrial Revolution in Britain and is existing in various forms in the factories of the MNCs in the developed countries. (see below p.27).

2. An Analysis of the Labour Conditions in FTZs

The FTZs actively encourage segmentation of the work force by recruiting young female workers mostly from the rural areas. Only this preferred segments of workers is retained by expelling others through various methods such as increasing the quota, changing jobs, changing shifts etc. once they have crossed the limits of preference. The social characteristics of this workforce varies from country to country:

".....In Singapore, there is a large element of immigrants from Malaysia's New Villages and Kampongs. In Malaysia recruitment has gradually shifted farther away from the vicinity of the zones to more distant rural areas, when the supply has dried up in the neighbourhood. In Sri Lanka the workers are mostly urban middle class girls from the neighbourhood of the zone and in the Philippines they mostly come from other provinces adjacent to Batan....."
 [Elgren, 1982 : 9]

What is common to all of them is that they come from areas with large labour surpluses and they regard factory work acceptable. The picture does not look a bit different from that existing in the developed countries. Labour of the preferred age and sex characteristics is continuously drawn from the underdeveloped periphery. "Worn out or fed up, pieceworkers can always leave. They will be replaced by young school-leavers or immigrants willing to work for much lower wages. Most large towns have a pool of unemployed or underemployed women workers, many of whom are immigrants (West Indian, Asian and Irish in North London, for instance)....." [Herzog, 1980 : 26] .

The segmented workforce is, made to carry out low skilled operations that are monotonous and also physically as well as mentally wasting. They are required to work long hours often by building a compulsory overtime into their working hours. The data on actual working hours are scanty but whatever data that exists is conclusive (See Table 2).

Table 2: Weekly Hours in Manufacturing Industry

		1981	FTZs
South Korea	Total	53.6	
	Men	53.4	54-60 (FKIWIU)
	Women	53.9	
Malaysia	Total	47.5 (1979)	Hours no longer but extensive night work
Philippines	Total	43.7 (1976)	53.9 (ARTEP)
Sri Lanka	Women	47.7	54 (clothing)(ARTEP)

Source: FORD, Charles (1984), "Wages, Hours and Working Conditions in Asian Free Trade Zones", Development and Peace, Autumn.

Our own figures corroborate the above. In Sri Lanka 46 per cent of the workers worked for more than 48 hrs and 17 per cent for more than 55 hours. In Philippines on the average workers spent 35 hours a month at overtime and some workers had to spend the 30 straight days rendering overtime. In Malaysia 95 per cent of the workers had done overtime with 45 per cent exceeding 9 hrs a week. Thus, working hours are extremely long and working years are longer with fewer holidays and often holidays also being converted into working days.

Not only are the working days long but also is the intensity of work extremely high. There are hardly any breaks even for attending minimum nature calls:

".....There are frequent reports of women who develop urinary infections because they are not allowed to use the toilets except during tea and meal breaks. In addition to such instances, the study undertaken by the voice of women in Sri Lanka quoted a case of a breast-feeding mother who had been forced to stay on to work overtime when she was due to feed her baby. She had to seek medical attention to deal with disorders caused to her breast....." [Eggen, 1982: 17 - 18].

The work targets are often so high that they are far ahead of the targets in the developed countries:

".....firms producing textiles, garments and electronics in free production zones in Malaysia concurrently reported that, after a starting time of a few months, the productivity per worker was the same as in comparable US and West German firms. The management of an integrated Japanese textile factory in Malaysia, employing 1900 workers (80 per cent of them women) reported that, after a training period of not more than two weeks, the labour productivity was the same as in Japanese factories....." [Ford, 1984:26]

Even if the productivity per hour is the same in the UDCs the yearly productivity would be substantially higher:

"....., there is evidence that the labour productivity per working year is often substantially higher in EPZs in Third World countries than at the traditional sites in industrialised countries. The explanation is a higher labour intensity reflected in more work per week and fewer holidays per year" [Ford, 1984: 26]

Thus, FTZs is a picture of the pace of work dictated by the

technology of the developed countries and the extra long hours typical of the developing countries. In other words, it is a picture of the intensive exploitation of developed countries and the extensive exploitation of the developing countries put in one. This gives the lie to contentions such as, "it should be emphasised that labour conditions in the EPZs in the developing countries are generally better than in the host country outside the zone"^{21/} simply because the technology outside the zone is of a lower level and the machine pacing is correspondingly lower.

The pace of work and extra long hours have resulted in numerous accidents at the place of work (see table 1). The most common accidents are the trapping of fingers or hair in running machines. The situation is comparable to that of the child and women workers during the industrial revolution:

".....In some factories work went on ceaselessly day and night, so that the machines might never stop. In such cases, the children were divided up into shifts, and the beds never got cold. Accidents were very common, especially towards the end of the over-long day, when the exhausted children almost fell asleep at their work. The tale never ended of fingers cut off and limbs crushed in the wheels"
[Mantoux 1927: 423].

The net result of such intensive and extensive exploitation is that the young workers are "burnt out" fast:

"In the assembly operations there is evidence to suggest that a more stable work force would not maintain the pace of work. That is, to some degree the young workers are "burnt out" by the inherent monotony and adverse conditions. In the absence of the very rapid turnover and the young age of the labour force, companies would be unable to maintain the high pace".
[UNIDO, 1980: 33]

The wages paid to these overworked women are only a fraction of what workers are paid in the developed countries. Often hourly earnings in the developing countries vary between 5 to 24 per cent of the earnings in US. And the workers in the FTZs get much less than what workers obtain outside the zone:

"The major female-dominated industries in the EPZs (in Philippines) pay lower wages than are normally paid outside the zone for the same type of work".

"In Malaysia,female factory workers are hired for 4 to 16 Malaysian dollars per day (2-3 US dollars). But in the zone, garment and textile workers "get even less than this" [Ford, 1984 : 27-28]

The above comparative wage figures along with the data regarding intensity of work in the zones clearly point to the fact that workers in the zones are earning even less than workers outside.

There are two consequences to such high intensity of work and such low wages: (i) their living is excruciatingly painful; (ii) those who are flushed out of the system are physically decrepit. With lack of any living accommodation provided by the companies, even when dormitories are provided by the companies, even when dormitories are provided they are highly congested, the workers are forced to board in the nearby towns or villages where housing is often scarce. Workers often had to share rooms with co-workers: in Malaysia 59 percent had to share a room or house; in Philippines sometimes more than 50 were sharing a toilet; in Sri Lanka 48 per cent were sharing the facilities with 5 or more. Most of them could hardly buy food because that would have left them starving for part of the month thereby compelling them to cook their

food in the already congested rooms. Despite such struggles they hardly saved any money: only in Taiwan some workers could save 25 to 40 per cent of their earnings; in Malaysia 83 per cent of the workers were below the poverty line; in Philippines the wages received by most of the workers were just half the minimum wage as estimated by the National Wages Council, in Sri Lanka only 35 per cent could save between 5 to 10 per cent of their salaries. Such struggles have become increasingly difficult with each passing day in the face of high rates of inflation: in both Malaysia and Philippines the decline in real wages has been very high:

Table 3: Index of Real Wages in Manufacturing for Malaysia and Philippines

	(1970 = 100)				
	1970	1972	1974	1976	1977
Malaysia	100	94	81	86	90
Philippines	100	87.6	66	62	64

Source: FORD Charles (1984), "Wages, Hours and Working Conditions in Asian Free Trade Zones", Development and Peace, Autumn.

As the workers are mainly from poor rural households and the social compulsions, like dowry and some money to meet the marriage expenses (in Sri Lanka), would necessitate them to continue in the FTZs as long as possible. Even when some of them get married the compulsion is to continue to work for a single person's earnings would hardly be enough to meet the family expenses. Such compulsions result in separated living even after marriage for both of them may not be working near the zone. In fact, this is built into the structure of the zone by its predominant female employment. In other cases the compulsions would be rather strong

not to have children. Having children would necessitate having some limits on the hours of work in the zone, on the shifts and on the holidays which would come in the way of the factory discipline. As seen, 40 percent of the married workers in the Sri Lanka zone did not have children and 33 per cent had only one child. Even when workers had children, most often, they could not look after them and they were left with grand parents or relatives.

Thus, zone work calls for full time devotion where love, marriage, children and such normal life activities are only considered impediments. The logic of zone work seems to be that life is for work and not work for life. The normal human values and emotives are turned topsy turvy within the zone. It is a territory where humans have only an animal existence, as beasts of burden or as work-slaves.

Naturally, the question that would come to the mind is aren't efforts being made to change these conditions. This is where the whole question of trade union activity comes to the fore. Trade union activity seems to be at a low key in almost all the FTZs, excepting Batan. Though unionisation was low spontaneous protests are not uncommon pointing to the fact that the workers did implicitly believe that was the only way to achieve better working conditions and wages. This implicit belief, however, has not taken any explicit form. Why? What are the impediments to organised union activity?

3. Trade Union Rights and Industrial Relations in the FTZs

Since the Second World War, trade union organizations and collective bargaining have been growing in Asia. The strength and structure of the

organisations as well as the laws and institutions governing the rights of labour differ across the countries. The legal systems are of the British style in Malaysia and Sri Lanka and of the American style in the Philippines. But all these countries had, some well developed and some embryonic, trade union organisations. The ELI vigorously implemented from the late 1960s has reversed the process and has considerably eroded whatever gains that have been made till then.

In Philippines there existed a fairly permissive system of labour relations largely following the American model. The model included such institutions as certification of elections for the determination of a trade union as a bargaining representative, the concept of unfair labour practices, labour injunction and bargaining "in good faith". The declaration of martial law was the US Marcos' regime's response to the growing militancy of the peoples' struggles; martial law threatened the workers' right to job security and curbed their right to strike. The Presidential Decree of 1972 prohibited strikes and picketing in vital industries which include EPZs. It also prohibited the collection of contributions for defense or strike funds by the unions. These were codified in the Labour Code of 1974. Though trade unions were not banned in the zones strikes were not allowed in "vital" industries, which included those of the FTZs. The zone Authority had exclusive right over the zones and was the final influence through compulsory arbitration.

The right of the workers to collective bargaining is a myth when their right to organise is restricted. And worse, they are deprived of their most effective weapon to assert their power -- the right to strike. Though right to strike has been restored since 1981 the fascist repression

goes on. The assaults, intimidation, and harassment of the workers by the military are for the purpose of weakening the labour movement.

In Malaysia the Malaysian Trade Union Ordinance of 1959 went to the extent of empowering the Minister to suspend a trade union for a period of time on what are in fact interminable grounds. Such suspension renders the union illegal and incapable of functioning legally. The ordinance prohibits public servants from being members of a trade union and bars outsiders and office-bearers of political parties from holding office in trade unions.

Under the Malaysian Industrial Relations Act, 1967 the Minister is empowered to give recognition to a union. The act exempts "pioneer industries" from collective bargaining and makes strikes practically impossible. In addition, the government laid such strict rules for registering unions, particularly in the electronics industry — the FTZ industry, and for the election of union office-bearers, that it became impossible for existing unions to get a foot-hold in the "pioneer industries".

These measures have affected a good number of trade unions. Most of them have been declared illegal. A classic example is the public policies administered by the trade union Registrar who annulled the first appearance of a trade union that regrouped the workers in the electronic and electrical factories contending that these were considered to be of two different industries.

In Sri Lanka, till 1977, the Sri Lanka Freedom Party (SLFP) and the other left parties supporting it could shape a path quite different from the paths followed by those countries in SE Asia, such as Malaysia.

The United National Party (UNP) after its electoral victory in 1977 started on a strong move towards the SE Asian model. In respect to labour the commission (COEC) was empowered to "stipulate minimum wages to be paid to employees of any enterprise and the conditions of service of employees engaged in any enterprise". It could in the exercise of this power grant to such enterprises exemptions from the various laws operative in the country. These provisions meant that the FTZ could be exempted from all the labour laws of the country by fiat of the minister. This is exactly what was intended as is evident from the statement of Mr. Jayawardene while presenting the amended Industrial Disputes Act in the National State Assembly:

"So we have demarcated a certain area. In that area, I want to say quite frankly, let the people of the world including our capitalists come and make it a 'robber baron's areas, like the American System and the Japanese system and the British system before the Industrial Revolution, let anybody come and invest".

These labour laws could not have been enacted without altering the political set up. This work the government has completed. It replaced the Parliamentary system with an Executive Presidential system. The term of the Parliament was extended for six years in 1983. In addition to all this the government has armed itself with the so-called anti-terrorist laws. These laws are aimed at the working class and its organisations too.

In Korea, a Provisional Special Law regulating Labour disputes at foreign firms was introduced in 1970, prohibiting all labour disputes in the zones. Statutory arbitration committees were set up to resolve labour disputes, and wide-ranging exemptions from existing labour laws

were granted in the zones.

In sum, dismantling of industrial relations seems to be the phenomenon closely associated with the policy of ELI and its concomitant FTZ. However, this dismantling is often not confined to the FTZs and has larger impact. Labour is often brutally crushed and the political process suited for carrying out such oppression seems to be the authoritarian ultra-fascist type.

IV. Employment of Women in the Factories: Delicacy of Touch or Sheer Subjugation ?

Industrial capital since its inception has gone in search of segments of population who could be degraded and whose work could be trivialised in the society. This got reflected in the initial phase of the emergence of the factory system in the form of employment of women and children. Industrial capital seized these poor and helpless segments of the society and 'burnt them out' continuously in its expansion.

The picture of the 'use' of women continues through two centuries of the history of industrial capital. As a strategy of the capital to reduce costs, an accompaniment to the fragmentation of skills and the 'degradation of work'. The industrial capital in its expansion brings an ever increasing number of women into the sphere of production. The bringing of women in the recent past has followed the so-called second 'industrial revolution'. It is considered a 'technical necessity':

".....their delicacy of touch is indispensable for a large number of tasks in which most men would be completely incapable or deplorably inferior'. Women's manual dexterity and quickness of eye, their delicacy and lightness of touch, made them cleaner neater and quicker at noticing defects, sewing up bags, assembling and packing goods and minding machines...."
 [Herzog, 1980 : 23]

What characterises women's work in manufacturing is piece work. Through this mode of wage payment ".....pay is fixed against a specified level of performance. The specification of the targets that women have to meet is set by the work-study analyst in relation to an overall grid of values given to each movement of an operation....." Such a mode of wage payment offers both managements control over the labour process and the workforce and a means of calculating labour costs as a fraction of production costs. Thus machine is the norm and the norm is imposed by means of the system of piece wages.

The situation existing in the FTZs is only an extension of the situation existing in the factories of the MNCs in the developed countries both historically and contemporaneously. The relocation of production facilities in FTZs, then, is an effort at drawing out the large pool of young women in these countries.

In addition to the active capitalist efforts at trivialising and degrading women's work what further complicates this whole structure is the attitude of man to woman's place in society in general and women's work in particular. The trade union movement is also partly responsible for this state of society:

"Though numerically women outnumbered men in the union, they were locked out by the men not only from positions but from discussions as well. It was assumed that women worked for pin money or that factory work was not the real work in which women were involved and to which women were committed. In this way women's work and contribution are minimised, trivialised and viewed as peripheral in relation to the work and contribution of male members of the union. The emphasis upon the male bread winner and the assumption made by male trade unionist that the world of labour is a male world shows a union organisation that reproduces the patriarchal forms of the factory"
 [Swaminathan, 1985 : 1349]

Thus on the whole the male dominance and the unequal relationship between men and women in the society in general is effectively exploited by the capital for its advancement. And in maintaining the status quo every ideological tool is made use of through the media and other super-structures available in the society:

"Both women and men are encouraged to believe in the family as 'natural' and desirable. The concomitants of this view are that heterosexuality, the gender division of labour within the family and the power of men in the home are all part of a natural world which cannot, therefore, be challenged"
 [Swaminathan, 1985 : 1349]

In the developing countries the dimensions of political suppression is added to the sexual division of labour perpetrated by the MNCs and the subordination of women. Dismantling of industrial relation seems to be associated with the policy of ELI in all the countries studied. Further, this dismantling often extends beyond the boundary of FTZs and has larger impact on the society. In a word, the long arm of the Government is an active participant in making the labour not only cheap but docile as well.

Conclusions

In conclusion, the structure of FTZ production is defined by companies within the zones at the micro. The location and control of the companies are a reflection of the macro world wherein the developing countries are struggling to boost their exports through the ELI strategy to stave off persistent BOP problems, and the MNCs are systematically relocating their production facilities aimed at exploiting the extremely cheap labour in the fierce competitive struggle of capital. This whole process takes place within certain socio-cultural parameters marked by definite modes of subordination, such as subordination of women. These specific pre-existing modes have always been made use of by capital in its aggrandisement and the FTZs are no exception.

The characters involved in this whole drama are the FTZ workers facing the local management of their units at the micro where the local managements are controlled and guided by the overall policy of the mother units located elsewhere, being part of the international capital. The laws the local managements need to follow in their relationship with labour in the process of production are set by a government which is under constant pressure to offer the cheapest and most docile labour. Running parallel to this and continuously contributing to this theme is the drama of the male dominated life world where females are made to carry out tasks which are abominable and degrading.

Notes

1. These are based on surveys carried out in Philippines, Taiwan, Malaysia and Sri Lanka by Asia Partnership for Human Development between 1981 and 1983.
2. Compared to the other zones in our study the per cent below 17 years looks amazingly small, the reason for which need be seen in the restrictions imposed in Sri Lanka on employment of persons below 18 years such as prohibition on employing such persons before 5 AM and after 5 PM.
3. This could be attributed to the generally high levels of literacy in Sri Lanka.

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