



GLOBALIZATION, WORKERS' RIGHTS & CODES OF CONDUCT

HOW WORKERS CAN USE CODES
TO FURTHER THEIR RIGHTS



INTERNATIONAL TEXTILE GARMENT &
LEATHER WORKERS' FEDERATION



SOCIAL ACCOUNTABILITY INTERNATIONAL



Globalization

- Objectives
- Materials Needed
- Visual Aids
- Key Questions

OBJECTIVES:

AT THE END OF THE STUDY SESSIONS, PARTICIPANTS SHALL:

- understand some of the complexities of the term “globalization”
- identify features of the new economic globalization
- discuss what globalization has meant for working people
- visualize the global supply chain

MATERIALS NEEDED:

- Blackboard or wall; letter-size color paper cut into thirds; tape
- Map of the world (Peters’ projection)
- Map from the Atlas of World Development
- Easel, paper, magic markers
- Paper and pencils to draw

VISUAL AIDS:

- Chart “Corporations and Nations”
- Chart: “Global Supply Chain”
- Map of the world (Peters’ projection)
- Map from the Atlas of World Development

KEY QUESTIONS:

- What are some of the features of globalization as we know it today?
- What are some of the legacies of colonialism for developing countries?
- What are some of the positive consequences of globalization for working people?
- What are some of the negative consequences of globalization for working people?
- What do we mean by the “global supply chain”?
- What are some of the things we can do to make globalization a positive experience for working people throughout the world?



- Defining “globalization“
- Exercise

What is “globalization” and what does it mean for working people throughout the world?

There are many answers to this question, and they vary according to whom you ask. The broadest definition of globalization is that people are **more connected** throughout the globe. We **communicate** more. There is more **exchange** of goods and money. We are **linked** in faster and more immediate and intense ways.

Globalization can be **technological** (the Internet), **economic** (trade, production), **cultural** (television). Globalization can also foster international **solidarity**. But the dominant view is that globalization means **increased commercial relations** between people of different countries.

EXERCISE

BRAINSTORM:

What words does "globalization" make you think of?

(Facilitator writes down the words on rectangular pieces of paper and sticks them up on a the board or wall. Then the words/concepts are arranged in two columns: positive and negative. Some will be neutral; those can be placed in the middle).



CONCLUSION: Globalization is a complex, multifaceted process, with positive and negative consequences for working people.



- History of globalization
- Exercise: examine maps

Globalization is not new.

Already in the 16th century, there was extensive trade and interaction between peoples from different parts of the world. One of the older forms of this interaction was colonization, through which rich countries — mostly from the global north — established a presence and dominated peoples in places like Asia, Africa, Latin America, the Caribbean and the Pacific. One of the main interests of the colonizers was to exploit natural resources (minerals, agricultural products), and they used local people — sometimes by force — to do the hard work in the plantations and mines.

The legacy of this colonial history has been that many countries were not able to develop their economies independently, and they are still struggling to do so long after their political independence. They remain poor, with low GDPs and social and economic indicators that reflect high malnutrition and infant and maternal mortality, low education levels, high unemployment, and low life expectancy. Many of these countries also remain trapped in other, more recent forms of dependency, like foreign debt. Governments are forced to pay interest on that debt, and therefore are unable to spend enough resources on education, health care and other social services to bring their people out of poverty.

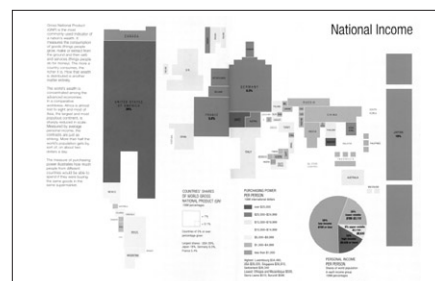
EXERCISE

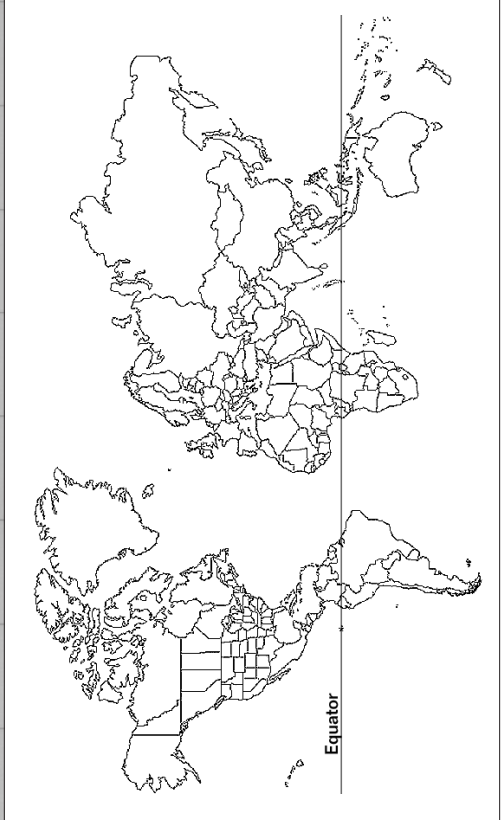
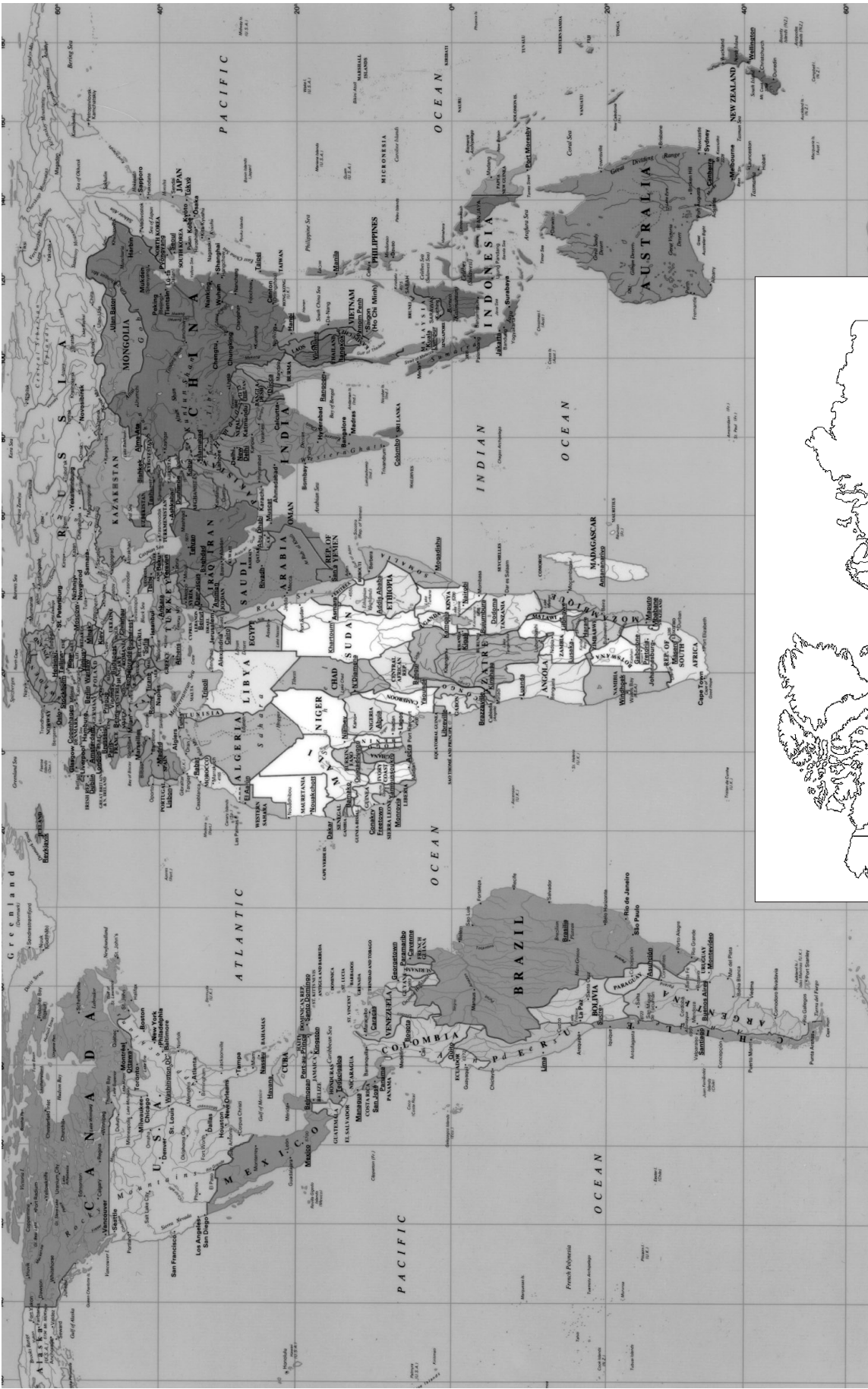
LET'S LOOK AT MAPS.

Compare countries of the world according to different social and economic indicators.

Discuss some of the legacies of colonialism.

Note North/South differences.



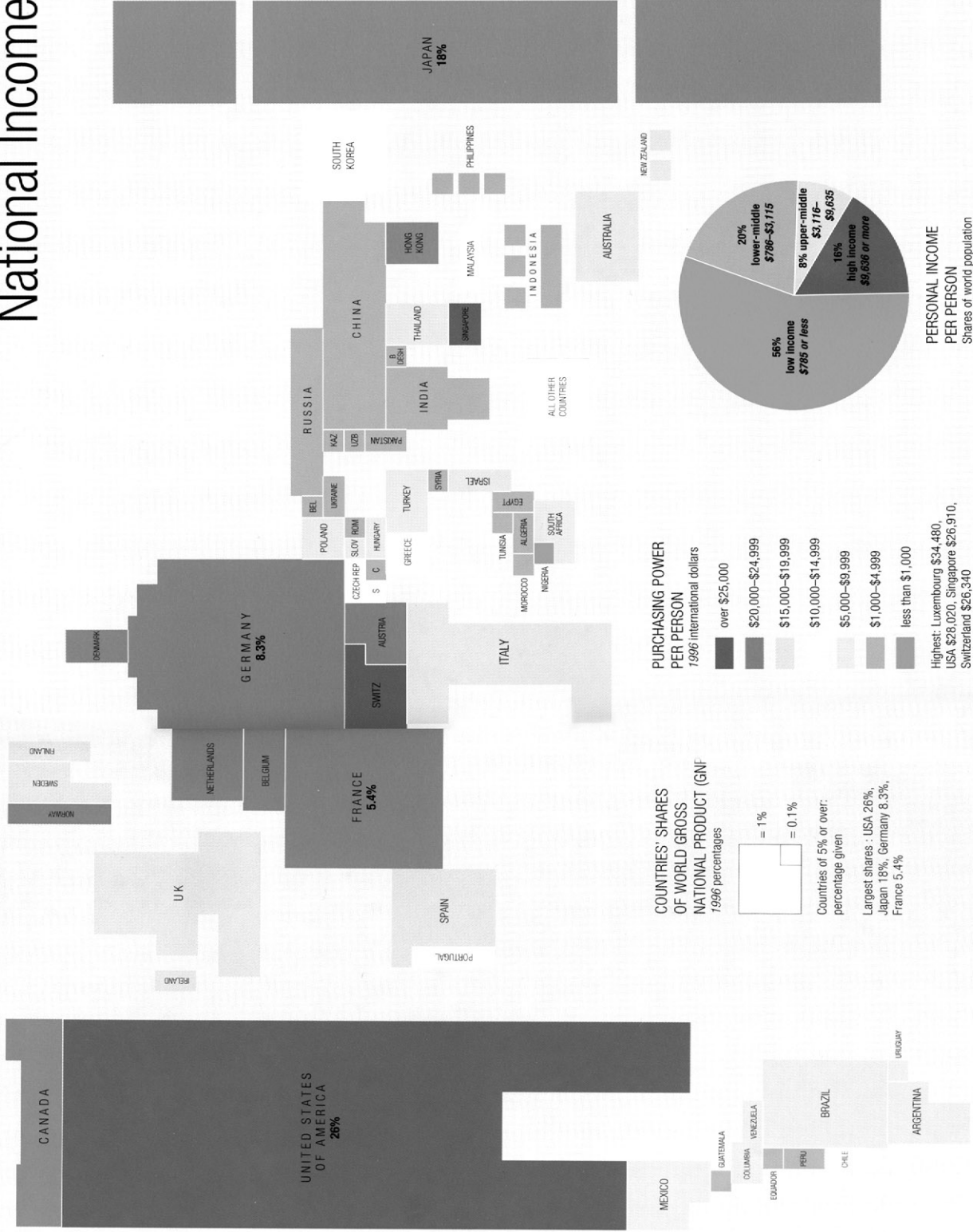


Gross National Product (GNP) is the most commonly-used indicator of a nation's wealth. It measures the consumption of goods (things people grow, make or extract from the ground and then sell) and services (things people do for money). The more a country consumes, the richer it is. How that wealth is distributed is another matter entirely.

The world's wealth is concentrated among the advanced economies. In a comparative worldview, Africa is almost lost to sight and most of Asia, the largest and most populous continent, is sharply reduced in scale. Measured by average personal income, the contrasts are just as striking. More than half the world's population gets by, sort of, on about two dollars a day.

The measure of purchasing power illustrates how much people from different countries would be able to spend if they were buying the same goods in the same supermarket.

National Income



From the Atlas of World Development

Source: World Bank Atlas 1998

Source: World Bank Atlas 1998



- Distinctive Features of Globalization, continued, focus on economic features
- Handout (see page 9)

The present form of globalization has distinctive features:

- **NEW MARKETS:** foreign exchange and capital markets linked globally, operating 24 hours.
- **NEW TOOLS:** internet, cellular phones, media networks
- **NEW ACTORS:** Multinational corporations (many with more economic power than some nation-states), the World Trade Organization (WTO) with authority independent of national governments, global networks of non-governmental organizations (NGOs), regional economic blocs, and other groups that transcend national boundaries.
- **NEW RULES:** multilateral agreements on trade, services and intellectual property that go beyond the control of national legislation.

Let's look at some of these new features, particularly the economic ones.

This new globalized world has created a new set of conditions for working people. Let's look more closely at some of the features and examine some of the new players.

- expansion of markets
- mobility of capital, "rootlessness" of production
- workers: some mobility (migrant labor); increasingly linked to supply chains that are transnational
- corporations are growing in power and influence

HANDOUT

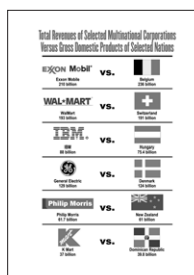


Chart comparing the total revenues of selected multinational corporations versus GDP of selected nations.

See page 9.

Total Revenues of Selected Multinational Corporations Versus Gross Domestic Products of Selected Nations

EXXON Mobil®

Exxon Mobile
\$ 210 billion

VS.



Belgium
\$ 236 billion

WAL★MART®

WalMart
\$ 193 billion

VS.



Switzerland
\$ 191 billion

IBM®

IBM
\$ 88 billion

VS.



Hungary
\$ 75.4 billion

mitsubishi

Mitsubishi
\$ 129 billion

VS.



Peru
\$ 112 billion

Philip Morris

Philip Morris
\$ 61.7 billion

VS.



New Zealand
\$ 61 billion



Volkswagen
\$ 80 billion

VS.



Ireland
\$ 97 billion



- Multinationals and globalization
- What has globalization brought for working people?

One of the effects of the current form of globalization is the increase in power of multinational corporations — that look to increase profits by, among other things, employing cheap labor — and the decreased ability and willingness of some governments — particularly those in the developing world — to enforce measures that protect workers and the environment. Part of the reason for this inability of governments to enforce protection is the need to attract foreign investment (by offering companies tax breaks, relaxing labor and environmental standards and restricting workers’ rights to organize), and the need to create jobs in a world where many poor countries are competing for them. This has meant a downward trend in workers’ wages and working condition, in what some have described as a “**race to the bottom.**”

So what has globalization brought for working people?

Globalization has brought on some profound changes in work and in working peoples’ lives. On the positive side, it has brought job opportunities to many countries where people really need them. In the manufacturing sector, these jobs have gone mostly to women, giving them the opportunity to break from traditional roles in which the men were the ones who brought in the income.

QUESTIONS



Why would companies seek to have their goods produced in developing countries?

Why would they prefer to employ women?

(BRAINSTORM)



- Workers and globalization
- Exercise
- The global supply chain

Trade unionists and other workers throughout the world are also having to deal with many negative consequences of globalization. Whether it is privatization of social services, structural adjustment programs, industrial restructuring or downsizing, workers are facing **unemployment, job insecurity, deteriorating working conditions, and restrictions and assaults on worker and trade union rights.**

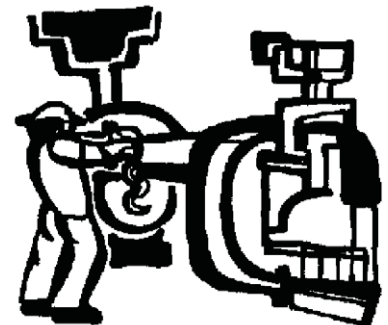
EXERCISE



EXERCISE:
DRAW A PICTURE OF
YOURSELF AT WORK.

Describe your job. What do you do at work?
What do you like about it?
What do you dislike about it?

What are some of the things you would like to see different about your job and your place of work?



The global supply chain

In today's economy, many products are made in one country and then sent to another country for sale. Clothes, toys and electronics made in factories in Mexico, Central America, Asia, and Eastern Europe are then shipped to the United States, Western Europe and Canada to be sold there.

Retail companies — like Nike, Reebok, Disney, Levis, the Gap — place orders with other companies that make their products (sneakers, toys, clothes). Some retail companies have their goods made in factories in many countries, not just one. They may also use agents, brokers or



- The global supply chain continued
- Chart

traders who connect them with the manufacturers in those countries. The manufacturing companies that get the contracts with the retailers sometimes have other manufacturers or home-based workers do work for them. This system is called sub-contracting. **This is the chain of production, or supply chain, that links workers making the same products across different countries.**

At the top is the big company that sets the prices and makes the demands on the manufacturing companies for quantity, quality, price and schedule. Manufacturers are under their pressure to meet these demands in order to get and keep their contracts. They are also competing for these contracts with other manufacturers, so the pressure is to drive down wages.

HANDOUT

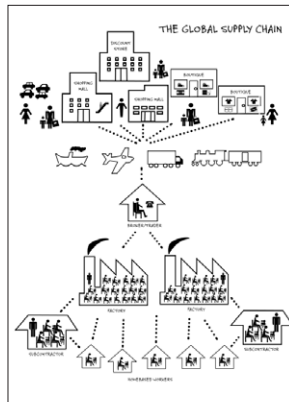
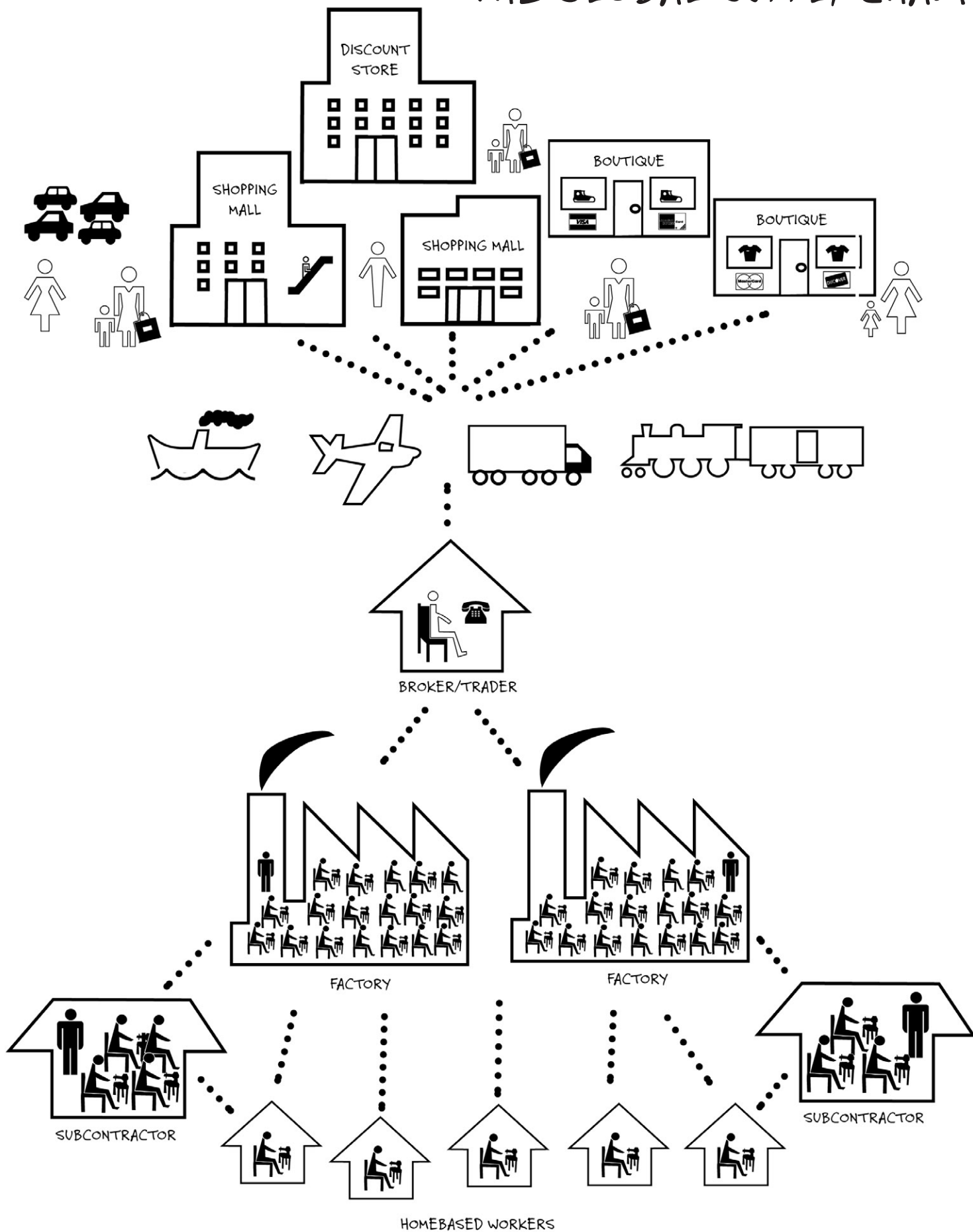


CHART:
The global supply chain.
Analyze and discuss.

(Facilitator goes through each of the elements in the chain of production, in order to discuss each one's role, interests, constraints).

See page 13.

THE GLOBAL SUPPLY CHAIN





- Exercise
- Conclusion

EXERCISE

What does your factory produce?

What is your place in the production process?

What is your job?

What is the name of your company?

Who does your company make the goods for?

Who buys the good that your company produces? Where do they come from?

What do the labels of the clothing you make say?

Examine the labels on the clothing you are wearing. Where were they made?

Globalization should be for people, not just for profits

The challenge of globalization is not to stop the expansion of global markets, but rather to find the rules and institutions for stronger governance — local, national, regional, global — so that working people benefit from globalization, instead of being exploited by it. For working people throughout the world, the challenge of globalization is to globalize their approach. In the global economy, trade unions cannot focus solely on their issues in their own countries. The problems working people are confronted with are part of an international picture. Now, it is important to build solidarity links across borders. Unions are building such alliances, sharing information and strategies in different countries.

**IN THE NEXT SECTION WE WILL LOOK AT
FUNDAMENTAL RIGHTS OF WORKERS.**