Introduction: The Challenges of Globalization for Workers: Transnational and Transborder Issues

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The protests against the International Monetary Fund (IMF) and World Bank (WB) meetings in Washington, D.C., in September 2002, and the protests a year later at the meeting of the World Trade Organization (WTO) in Cancun, Mexico, are powerful testimony of the increasing challenge economic globalization poses in our lives. The increasing integration of the world economy promotes an agenda in which profits increase by depreciating labor. Globalization places the producers of labor at risk; people stand to lose their economic value in a system that races toward the bottom to produce products as inexpensively as possible. For example, the Mayan peasants protesting in Cancun against the WTO sought to draw world attention to their plight — how the importation of cheaper foreign grains from the United States via NAFTA was driving them into starvation and forcing them to relocate to urban centers in Mexico to work in foreign-owned factories or to seek low-wage jobs in the U.S.

With economic *globalization,* international labor migration is promoted to reduce labor costs, increasingly pervasive multinational corporations outsource manufacturing to low-cost enterprise zones, direct investment of foreign capital in underdeveloped and developing nations fosters economic dependency, cross-border production and marketing lessen the threat from labor unions, and international trade, coupled with international banks, hides the expansion of private and corporate capital. Under the rubric of globalization, the World Bank, the IMF, and the WTO have used international treaties and labor agreements to promote the drive for immediate profits by private and corporate capital.

At the WTO meeting in Cancun, representatives from the wealthiest countries — the United States, Japan, and Britain — pushed for the expansion of trade agreements, such as the Free Trade Area of the Americas, to open countries like Brazil to imported foreign products (Greider, 2003). Brazil's representatives at the meeting argued that importing cheaper products from wealthier nations

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threatened the country's economy and would, in turn, make Brazilian products more expensive. The WTO's use of trade legislation and treaties highlights the problems developing countries face in the global economy, which for centuries has been profoundly unequal and dominated by the most powerful economic actors and nations. As recently as 1997, the United States, Western Europe, and East Asia controlled 85% of world trade and were the headquarters for all but a few of the top 100 multinational companies. Unsurprisingly, the dominant states within these three regions dominate the global economy as well as the IMF, the WB, and the WTO (Mann, 1997).[1]

Although global capitalism and its inequities are not new, the scope of economic globalization has increased remarkably in the past 50 years. In the 20th century, economic globalization spread due to a wave of decolonization that began in the 1950s, the collapse of the Communist bloc in Eastern Europe after 1989, and the spread of free market reforms across the globe that opened up new territories for capital investment and markets. At the same time, improvements in transportation and communication reduced space-time barriers to the spread of global capital (Harris and Seid, 2000; Mann, 1997). As global capital spread to poor nations to reap greater profits, however, economic inequality between poor and rich nations has intensified, with wealth becoming concentrated in the hands of a few persons. Mazur (2000: 80) cautions that such concentration of wealth due to globalization should give everyone pause, since "the assets of the 200 richest people are greater than the combined income of the more than two billion people at the other end of the economic ladder."

The study of the global economy raises the question: "Is economic globalization leading an international race to the bottom in terms of wages and working conditions, or has it led to greater prosperity for all as its proponents suggest?" For the global economy to create greater prosperity for poor nations and their workers, its benefits would need to be distributed equitably between poor and rich nations. Yet, the engine driving the global economy is predicated on a system in which profits are tied to low wages and poor working conditions for labor, making it unlikely that the rich nations that shape markets will elect to share their gains with poor nations. The global economy is much more likely to fuel a race to the bottom, in which worker rights and working conditions are constrained by the pursuit of profit. Only the promotion of social justice in the global economy can reverse this tendency, by emphasizing fair labor standards, democratic relations in the workplace, and employment training that protects workers from technological shifts in the production process. As such, continued pursuit of the international race to the bottom on the part of nations depends greatly on the capacity of workers and their allies to mobilize and influence national and international policies.

What challenges do workers face in the global economy and how can they and their allies meet them? Essays in this special issue of *Social Justice* address aspects of this question through detailed case studies on the interface between global capitalism and neoliberalism as it affects workers in particular industries and countries. Authors discuss the social forces shaping the development of class-consciousness and strategies for resisting the exploitation and alienation of workers. To provide an interpretive context, this "Introduction" briefly reviews the literature on economic globalization and workers, with an emphasis on immigration and immigrant workers, as well as the impact of economic globalization and neoliberalism on income inequality.

Immigration: Transnational and Transborder Issues

The *Immigrant Workers Freedom Ride* (IWFR) began on September 20, 2003, as busses departed from 10 U.S. cities with Washington, D.C., as their primary destination. The IWFR was a mass mobilization of immigrant workers organized by the Hotel Employees and Restaurant Employees Union International. Its purpose was to publicize the plight of immigrant workers in the U.S. workplace by asking Congress to change immigration policy to extend the protection of labor laws to them and facilitate their transition to citizenship. IWFR organizers used the Supreme Court's *Hoffman Plastic Compounds, Inc*. v. *NLRB* (2002) decision to show how employers silence immigrant workers in the U.S. workplace. In *Hoffman*, an employer fired an undocumented worker for trying to unionize workers. Although the Supreme Court ruled that the worker was illegally fired, it also held that the worker could not receive compensation (e.g., back pay) because he was unauthorized to work in the United States. IWFR organizers argued that the *Hoffman* decision gave employers a powerful weapon for undermining unionizing activities among immigrant workers (Quiroz-Martinez, 2003).

The constraints *Hoffman* imposed on organizing are one among many features characterizing the plight of immigrant workers. The concentration of immigrant workers in high-risk industries, such as construction, food processing, asbestos removal, and agricultural fieldwork, places them at risk of job-related injuries. According to an AFL-CIO (2002) study, the number of immigrant workers killed at work increased almost 70% between 1992 and 2001, while the number of fatalities for other workers in the U.S. workplace dropped. Almost 60% of the fatalities involved Latino immigrant workers. This study also reports that employers do not provide immigrant workers with safety protections, and that immigrant workers do not report workplace violations due to fear of being fired or losing pay. The *Hoffman* decision serves to reinforce the vulnerability of immigrant workers in the workplace by removing unionizing as a vehicle for addressing workplace violations (Schnapper, 2003).

Transnational Issues

The conditions of immigrant workers in the U.S. workplace provide insight into the transnational implications for workers in underdeveloped and developing countries. In their push to reap the benefits of a low-wage labor force via globalization, U.S. industries and corporations export labor and the ideologies tied to the production of labor. For example, Wal-Mart's goal of selling low-priced goods to consumers requires it to scour the global workforce for the cheapest wages. Wal-Mart's philosophy thus promotes "low cost" products to U.S. shoppers, but it exports an ideology that exploits labor through cheap wages to meet the needs of U.S. consumers (Clelland, Iritani, and Marshall, 2003). Ironically, on October 23, 2003, federal agents arrested about 250 alleged undocumented immigrant workers in a 21-state sweep of Wal-Mart stores. Private labor contractors had recruited these immigrant workers from 18 countries to meet Wal-Mart's demand for low-wage custodial workers. Such practices even undercut immigrant workers with an established presence in the U.S. workplace.

Union organizing has sought to gain rights and protections for workers in the U.S. workplace. For immigrant workers in the U.S., however, the obstacles to organizing themselves in the workplace have been numerous. The segmentation of immigrant workers into the low-wage labor market, as janitors or garment workers, is a primary hindrance to unionizing efforts because employers are not interested in providing workers with safe workplaces or livable wages, especially if it is believed that those workers lack the proper documentation to work in the United States. As U.S. businesses search globally for low-wage labor, what happens to workers in countries in which unions do not exist and union organizing is prevented by the political state?

Some developing nations, for example, are using export-processing zones (EPZs) to attract investors, especially American and European, interested in union-free workplaces (Mazur, 2000). The expansion of EPZs has been especially pronounced in countries such as China, where the political state uses its influence to insulate investors and companies from worker organizing activities. It is no accident that China has become the chief business partner of the United States in Asia, with an annual trade surplus with the United States that exceeds $100 billion dollars (Greider, 2003). Due to the trade surplus, China has become America's leading creditor. Partly due to the success of the EPZs, "China's low-wage production is not only grabbing vast market share from other poor countries in low-end goods, but its increasing sophistication in advanced manufacturing is siphoning off millions of high-wage, high-quality jobs from advanced economies, especially that of the compliant United States" (*Ibid.*: 12).

The emergence of China as a major exporter of manufactured goods to the United States, however, has come at a cost to Chinese workers regarding workplace safety and health issues. According to Kahn (2003), in the push to meet the increasing demand from the West for its products, Chinese workers have been forced to work in unhealthy and dangerous workplaces. The numbers of Chinese workers that have become victims of fatal respiratory, neurological, and digestive-tract diseases are increasing at a pace that mirrors the plight of American and English workers during the industrial revolution well over a century ago. In 2002, 386,645 Chinese workers died of occupationally related illnesses; that total exceeded the number of worker-related injuries reported in the United States and Europe combined for 2002 (*Ibid.*). The rise of China in the global economy has thus come at a price to Chinese workers. They are doubly at-risk due to workplace conditions and the power of the political state to set and enforce workplace rules.

Similarly, in Nigeria, EPZs are shielded by the country's *Export Processing Zone Act* from strikes or lockouts for 10 years after their establishment (Global News Wire, 2003). The EPZs effectively guarantee outside investors 10 years in which to reap the benefits of employing workers at low wages. In Nigeria, workers in EPZs receive low wages and are underemployed. For example, Nigerian workers in petroleum companies drawn to Nigeria because of the benefits offered by the EPZs accuse the firms of shutting them out of top management positions. To stifle the protests of Nigerian workers, especially the PENGASSAN (Petroleum and Natural Gas Senior Staff Association of Nigeria), the multinational oil companies solicited the assistance of the National Assembly and other government agencies to implement oversight processes that would shield the oil companies from public scrutiny (*Africa News*, 2003). As a result, EPZs in Nigeria offer outside investors a low-wage labor force, while shielding investors from public scrutiny regarding workplace practices.

Transborder Issues

The development of the maquiladora industry on the Mexican side of the U.S.-Mexico border is another important outcome of the global economy. A *maquiladora*, or *maquila*, is an assembly plant. The maquiladoras were heralded as an example of a "global assembly line," depicting a relationship between an assembly plant on the Mexican side and a smaller processing and distribution facility on the U.S. side (Williams, E., 1995). The "global assembly line" is built on the principle that less-developed nations are able to increase their economic leverage relative to rich nations by using cheaper labor costs to take advantage of assembly operations in richer nations (Aguilar, 2003). For a country like Mexico, which has suffered various forms of economic instability and currency devaluations, the maquiladoras have been an appealing engine for economic growth.

The maquiladora industry has played an important part in shaping workforce development policies in Mexico. Maquiladoras have served as an important strategy in reducing Mexico's unemployment rate and indirectly reducing poverty levels. Despite the intense development of global manufacturing markets in countries like China, Mexico remains attractive to foreign direct investors due to the maquiladora industry (Canas and Coronado, 2002). Though it may serve as an economic engine to improve Mexico's economic infrastructure, the maquiladora industry has been criticized for ignoring and violating worker rights.

For example, the maquiladora industry depends on offering cheap labor to rich investor countries like the United States. The companies and producers from the U.S. that develop a production-sharing agreement with Mexico do so with the intent of using Mexican cheap labor to increase profits. In addition, because the minimum daily wage in dollars is tied directly to the value of the peso, labor becomes cheaper as the peso loses value against the dollar. Mexican workers in maquiladoras are, as a result, placed at risk. Mexican workers are not compensated adequately for their labor and wage increases do not keep up with the workers' cost of living. Moreover, by using the foreign currency market to set the minimum daily wage and pitting the peso against the dollar, the United States is able to protect corporate economic interests. In controlling the price of labor, Mexico's economic infrastructure becomes dependent on the economic interests of U.S. corporations.

The concentration of women workers in the maquiladoras is another problem in the industry. According to Arriola (2000: 810), maquiladoras employ "mostly women and often children," and managers:

> impose implicit demands upon young female workers to utilize their sexuality for managerial favoritism. Meanwhile, their agents will determine that female workers in their childbearing years are not worthy workers, and they will have to take a pregnancy test or otherwise exchange their reproductive rights in return for job security.

Women workers in the maquiladoras are thus subject to repressive working conditions that exploit their sexuality by linking it to job security (Human Rights Watch, 1996). The maquiladora industry in Juarez, Mexico, has also been blamed for exposing young women workers in the maquiladoras to violence and crime that has often tragically resulted in their deaths (Guillermoprieto, 2003; Thompson, 2002).

Labor groups in Mexico and in the United States have called for transborder labor solidarity as a means for improving working conditions and worker rights in the maquiladoras. Organizations such as *The Border Committee of Working Women* and *The Center for Justice in the Maquiladoras* challenge U.S. labor unions to develop the infrastructure necessary for establishing a transborder labor movement that makes U.S. corporate interests responsible for the quality of life for Mexican workers in the maquiladoras (Torres, 1997; Williams, H., 1999). A transborder labor movement creates solidarity, for example, between maquiladora workers and workers in the United States that are employed by the same corporate interests and subject to similar workplace conditions. As the pace of globalization increases, it becomes important for a transborder labor movement to develop networks among workers and monitor their well-being and welfare in the workplace (Hansenne, 1994; Kidder and McGinn, 1995; Nissen, 1999). Thus, a transborder labor movement can potentially improve workplace conditions for workers employed by the same U.S. corporate interests in Mexico and the U.S. and deter such interests from seeking to use cheap labor in Mexico to escape the responsibility of providing U.S. workers with a living wage and a safe workplace.

Economic Globalization and Rising Inequality

According to Beer and Boswell (2002: 30), "the contemporary era is one of both accelerated economic globalization and rising inequality...whether measured between individuals, between nations, or within nations." In most Western industrialized countries, and a number of developing countries, economic globalization has resulted in workers at the bottom of the labor market experiencing declining and stagnating wages and welfare cutbacks. By contrast, middle-income workers experienced a moderate growth in their incomes, while those at the top of the income distribution watched their incomes rise dramatically, especially as capital income grew faster than labor income (Storper, 2000: 378; Wilterdink, 1995). Researchers contend that a number of global economic processes have contributed to these trends, including the rise in foreign direct investment (FDI), the use of foreign contract labor, international labor migration, and international trade.

First, many scholars link rising income inequality within nations to the growth in foreign direct investment (FDI). Companies in the global North have increasingly located their production facilities abroad to carry out their routine factory work in order to take advantage of lower wages in the global South. As workers are forced to compete with each other across national borders for jobs, this pits them against each other and increases corporate pressure on them to accept lower wages in an international "race to the bottom." In the 1980s and 1990s, millions of factory workers in the global North were priced out of the market, lost their jobs, and were forced to enter low-wage service industries as factories were relocated abroad (Minnich, 2003; Alderson and Nielson, 2002; Levine, 1995; Moody, 1997; Bonacich and Appelbaum, 2000). In the United States in the 1990s, the earnings of the average displaced worker decreased by 16 percent (Cormier and Targ, 2001).

Because multinational corporations repatriate profits out of the global South and into the global North, rising FDI also contributes to economic inequalities between nations (Beer and Boswell, 2002; Harris and Seid, 2000: 7-8; Kentor, 2001). Resources accumulate within global cities in the North, benefiting the corporate elite within multinational corporations and elite workers employed in advanced business and financial services (Sassen, 1994; Moody, 1997). The rise in FDI has also increased income inequality within countries in the global South as it has often led to greater concentrations of land ownership. FDI also increases income inequality between workers in domestic and foreign sectors because the former tends to be less capital intensive than the latter (Beer and Boswell, 2002; Kentor, 2001).

Some scholars suggest that the globalization of production has also increased income inequality because it increases the power of employers over their workers.

Less dependent on labor from any particular country, employers have used capital flight, or the threat of it, to drive down wages and reduce the power of organized labor. High-level managers also benefit from this situation since it allows them to bid their own wages upward, further increasing income inequality (Clawson and Clawson, 1999: 101; Cormier and Targ, 2001; Levine, 1995; Minnich, 2003; Wilterdink, 1995). Silver's (1995) cross-national research on labor unrest suggests that while the labor movement was weakened in the global North by capital flight, it was actually strengthened in the global South where the influx of FDI created large, capital-intensive factories. Consistent with this, Silver found that labor unrest declined sharply in core countries in the 1970s and 1980s, but rose in the semi-periphery and periphery.

Quantitative research lends strong support for the link between rising income inequality and FDI. For example, Beer and Boswell (2002), using data on household income inequality for 65 nations in the early 1980s and mid-1990s, found a statistically significant positive relationship between levels of FDI and levels of income inequality. Similarly, Alderson and Nielson (2002), using data from 16 Organization for Economic Cooperation and Development (OECD) countries from 1967 and 1992, found that direct investment outflow was significantly related to the rise in income inequality. Researchers have also found that the inflow of FDI increases income inequality in the global South. For example, using cross-national comparisons of 88 less-developed countries, Kentor (2001) found that foreign capital dependence in 1980 was positively related to the rise in income inequality between 1980 and 1990.

Along with relocating factories abroad, many companies are using labor contractors to hire foreign workers, especially in the global South. This practice has become particularly common within labor-intensive industries, such as the garment industry, but can also be found in other sectors, including the telecommunications industry and automobile manufacturing. (As noted above, Wal-Mart has used labor contractors to recruit workers from outside the U.S. to fill janitorial positions.) Since multinational corporations are not hiring foreign workers directly, they avoid blame for sweatshop conditions. At the same time, there are intense pressures on labor contractors to lower wages and reduce labor standards since they commonly win bids for contracts by under-bidding their competitors, or promising to complete the work more quickly and cheaply (Bonacich and Appelbaum, 2000; Esbenshade, this volume; Moody, 1997). The use of highly segmented global production chains involving subcontracted labor also weakens the power of organized labor. Workers are especially vulnerable to threats of capital flight and it is often difficult to forge labor solidarity across national borders. Consistent with these arguments, Anner (2001) found that unionization rates were lower in plants where labor was outsourced than in similarly sized traditional factories in Mexico and Hungary.

Global outsourcing and rising FDI may not be as great as many fear, however.

On average, 70% of workers are employed in services or the retail trade within highly industrialized countries. In the United States, for example, only about 15% of less-skilled workers are employed in manufacturing. Although many services and retail work, such as telemarketing or customer support services, are being outsourced to other countries, many of these jobs cannot be easily relocated. In the global South, the vast majority of workers are engaged in subsistence or traditional agriculture or in the informal economy (Lee, 1996; Lichtenstein, 2002). Moreover, labor costs may induce MNCs to outsource work abroad, but other factors such as sunk costs, proximity to markets, familiarity with the culture and laws, and just-in-time production methods create incentives for MNCs to keep production close to home (Lee, 1996; Bonacich and Appelbaum, 2000; Moody, 1997). These limits on globalization provide important sources of leverage for workers seeking to organize and fight for higher wages. The low-wage road of cutting labor costs by relocating production abroad is also not the only viable path to economic development. Companies can also compete with their rivals through the high-wage road of using highly skilled labor to create new technologies, redesign the labor process, identify new markets, and invent and market new products (Reich, 1991; Cormier and Craypo, 2000; Moody, 1997).

Scholars also link the rise in income inequality to immigration, which increases skill diversity among workers. Highly skilled workers can use the global labor market to bid up their wages, taking jobs in countries that offer them the largest paychecks. By contrast, the increased supply of low-skilled workers puts downward pressure on wages, especially if the labor movement is weak (Reich, 1991; Levine, 1995; Wilterdink, 1995; Alderson and Nielson, 2002). Undocumented immigrants of color are especially vulnerable to super-exploitation. In global cities such as Los Angeles, Latino and Asian immigrants are often forced to toil under sweatshop conditions without the benefit of minimum wages and other basic labor rights (Bonacich and Appelbaum, 2000; Esbenshade, this volume; Sassen, 1994; Levine, 1995). Using OECD data, Alderson and Nielson (2002) found, net of other factors, a statistically significant positive relationship between a country's level of income inequality and the extent of immigration.

Scholars also link rising international trade to income inequality. A rise in southern imports increases the global supply of unskilled labor, reducing, in turn, the demand for it relative to the demand for skilled labor in the global North (Alderson and Nielson, 2002; Storper, 2000). Storper (2000) argues that international trade has contributed to income inequality mainly through its effects on technological changes. He argues that international trade increases the pressure on companies to use new, labor-saving technologies so that they can offer consumers cheaper and higher quality products. Consumers have benefited from the global spread of technological innovations, yet it reduces the demand for semi-skilled labor and increases income inequality. Others are skeptical of the importance of southern import penetration, however, since the bulk of international trade continues to occur between highly industrialized countries and imports from low-wage countries increased only slightly between 1960 and 1990 (Levine, 1995). However, quantitative research provides only mixed support for the link between southern import penetration and income inequality. The purported effects of international trade also fail to explain the dramatic rise in income at the top of the income distribution (Storper, 2000; Minnich, 2003; Ooka and Fong, 2002; Alderson and Nielson, 2002). Measures of southern imports are also unreliable because they include imports produced by Third World companies and those produced by foreign contract labor hired by multinational companies. The extent of these two processes, and their impact on income inequality, are thus difficult to disentangle from aggregate trade data.[2]

Much of the quantitative literature on the impacts of economic globalization on workers' employment and earnings glosses over gender and racial differences among workers. One exception to this is Ooka and Fong's (2002) research on the effects of globalization on workers' earnings. Using 1996 Canadian census data, they found that pre-tax income tended to be lower for non-minority groups but higher for minority groups in cities where more foreign companies were located. They suggest that economic globalization tends to benefit minority groups because MNCs seek to hire them because of their familiarity with other cultures. Yet, economic globalization has also harmed minority workers. For example, the movement of factory jobs from central cities within the United States to Third World countries in the late 1980s and early 1990s contributed significantly to unemployment among African-Americans (Wilson, 1996; Squires, 1994). Globalization has contradictory effects on women as well. The rise in cross-border production in light manufacturing, such as garment work, along with the international recruitment of domestic workers, improved the employment opportunities for many women in the global South, even while simultaneously subjecting them to new levels of capitalist exploitation. International capital flight has also led to large-scale layoffs among women factory workers, as occurred in Southeast Asia following the region's recent financial crisis (Fernandez-Kelly and Wolf, 2001; Shari, 2000). More research is needed on how particular aspects of economic globalization have exacerbated or ameliorated racial and gender inequalities among workers.

The Global Spread of Neoliberalism

Public policies, including tax, welfare, and labor laws, play an important role in mediating the impacts of economic globalization (Davis, 1999). Indeed, although Canadian and American cities experienced rising levels of international trade in the 1970s and 1980s, income inequality grew more rapidly among American cities than Canadian ones. As Levine (1995) persuasively argues, Canada's higher minimum wage, higher union density, and more liberal income maintenance, family allowance, and unemployment compensation programs helped to reduce income inequality in that country. Likewise, redistributive policies and state-initiated poverty-alleviation programs mediated the impacts of economic globalization in East and Southeast Asia, helping to explain the higher incidence of poverty and inequality in some countries versus others (Shari, 2000; Sze Yuk-Hiu, 2002).

Corporatism, a tripartite system of bargaining that allows workers and employers to negotiate over policy with the state common in Europe, also helps to reduce income inequality, even in today's global economy. Using data from 17 OECD countries during the early and late 1980s and the middle 1990s, Minnich (2003) found that corporatism reduced income inequality and was associated with greater levels of trade and financial openness. Minnich also found that inequality was lower in countries where the Left had a greater influence on government and higher in countries with more conservative governments.

The extent to which protective labor legislation, social welfare, and corporatism can continue to minimize the detrimental effects of economic globalization on workers is uncertain, however, because of the spread neoliberal doctrines. Neoliberalism upholds the virtues of a free market society and market values. Proponents of neoliberalism claim that they oppose state interventions that interfere with the ability of market forces to coordinate production, consumption, and distribution. Yet, their anti-statist rhetoric obscures the real nature of neoliberal reforms, which transform the functions of the state to favor the rich over the poor rather than weaken the state altogether (Harris, 2000; Moody, 1997).

Heavily promoted by conservative think tanks, the WTO, and the IMF, neoliberalism has become hegemonic throughout much of the world. To a large extent, elites within the global North have readily carried out neoliberal reforms, restricting welfare programs, weakening labor and environmental regulations, liberalizing their trade and financial policies, and privatizing social services. These developments have been most extensive in countries such as the United States and Great Britain, where market regulations have always been fairly weak, rather than countries in continental Europe, where they were much stronger (Esping-Andersen, 1996; Huber and Stephens, 2001; Hicks, 1999). By contrast, neoliberal transitions have largely been imposed by outside forces in less-developed countries, although institutionalized patterns of state-society relations influence their form (Fourchade-Gourinchas and Babb, 2002). The IMF and World Bank frequently forced these countries to adopt structural adjustment policies as a condition for receiving loans or debt repayment. Such policies include reductions in health, education, and welfare expenditures, the privatization of social services and public utilities, reductions in labor and environmental regulations, the removal of restrictions on trade and foreign investments, and the devaluation of their currencies. Such policies have helped to impoverish workers by making it more difficult for them to organize, get access to affordable services, or cope with job displacement (Harris, 2000; Harris and Seid, 2000).

Advocates of neoliberalism claim that states have little choice but to reduce social spending and deregulate labor markets because the power of states to redistribute income and protect labor standards has been eroded by global market forces. As Margaret Thatcher put it, "there is no alternative" to neoliberal globalization (Harris and Seid, 2000: 16). Yet, the extent to which economic globalization requires a weak state has been grossly exaggerated (Minnich, 2003; Mann, 1997). Based on her research on Germany and Japan, Weiss (1998) claims that a strong state with an active industrial development policy is crucial to preserving economic competitiveness in the global economy. Others contend that state power, especially redistributive and corporatist policies, help to preserve stable political environments for investments (Mann, 1997; Minnich, 2003). Nevertheless, the arguments that welfare cutbacks and weak labor laws are necessary to attract foreign investment and sell one's goods on the global market have become powerful political forces (Beer and Boswell, 2002; Coburn, 2000; Piven, 1998).

One of the most distressing policy trends affecting workers is the wave of welfare state retrenchment that spread across the globe over the past two decades. Welfare retrenchment has left workers vulnerable to the vagaries of the market, increased labor competition, and undermined the wage floor. The IMF and World Bank have clearly contributed to this process in the global South by making loans contingent on welfare cutbacks. To what extent has economic globalization played a role in this process in the global North? According to the trade openness argument, domestic producers are more likely to pressure policymakers to cut back welfare programs in more open trade situations. They do so to reduce labor costs and taxes so that exports will be cheaper and more competitive in international markets. Yet, the growth in trade openness in the 1980s and 1990s has been marginal among highly industrialized countries. Moreover, some of the most generous welfare states have been in Scandinavian countries that are also characterized by high levels of trade openness (Fligstein, 1998; Hicks, 1999; Huber and Stephens, 2001; Swank, 1998; 2001). Some scholars argue that globalization of trade even has "compensatory effects" because it spurs governments to protect their citizens from the economic risks associated with it (Hicks, 1999). Nevertheless, the argument that trade openness undermined the power of states to regulate their labor markets and redistribute income "lent itself to powerful rhetoric from business and the right and thus may very well have contributed to legitimizing cuts" (Huber and Stephens, 2001: 227).

Cross-national research shows greater support for the argument that capital mobility, which has risen significantly over the past few decades, increased political pressure on governments to reduce welfare programs within Western industrialized nations (Hicks, 1999; Huber and Stephens, 2001).[3] Because capital is more mobile, employers and investors are in a better position to pressure policymakers, either through disinvestment or the threat of disinvestment, to adopt "business friendly" policies (Fligstein, 1998; Huber and Stephens, 2001; Swank, 1998). Yet, like trade openness, FDI may be more of a political than an economic constraint on policymakers. Where companies decide to locate production depends on a host of factors besides the availability of cheap labor and low tax rates, such as access to markets, skilled workers, or infrastructure. Nevertheless, economic globalization made "the threat of exit more credible and thereby has enabled business to extract concessions by arguing that a given country's business climate was noncompetitive" (Huber and Stephens, 2001: 227). Cross-national research suggests that such pressures were the most influential in countries like the United States, where few political forces — strong third parties or a centralized state — exist to counter the power of big business (Swank, 1998, 2001).

Resisting the "Race to the Bottom"

To what extent and by what means can workers defend their rights within global capitalism? Although economic globalization, especially the threat of capital flight, has generally shifted the balance of power toward corporate elites, globalization does have its limits. Many jobs, such as in-person services, are difficult to move across borders. Moreover, access to cheap labor is not the only factor that shapes corporate investment decisions. MNCs frequently seek to locate production close to markets or other production facilities, in places with a stable political environment and access to skilled labor. Such limits on capital mobility comprise important sources of leverage for workers and politicians to bargain with employers.

Ultimately, the future of workers' rights depends on the capacity of workers and their allies to revitalize the labor movement on transborder and transnational levels. Such revitalization depends on strengthening unions and organizing new workers, especially immigrant workers. It also depends on forging new kinds of alliances between organized labor and other social movements. Such alliances will not only provide safety in numbers, but also new energy and creativity to the labor movement (Clawson, 2003). Consumers, who can buy "fair trade" goods or boycott goods made from "sweated" labor, can also become powerful allies for workers seeking justice (Esbenshade, this volume; Hudson and Hudson, this volume).

Just as capital is crossing borders, so too must workers and their allies. In a number of cases, cross-border campaigns for workers' rights have led to significant victories, providing models for other groups to follow (Anner, 2001; Esbenshade, this volume). Workers also need to participate more actively in the new global democracy movement that has begun to challenge the practices of the IMF, the World Bank, and the WTO, as well as in international campaigns by workers to shape regional trade and economic policies (Stevris and Boswell, 2001).

Finally, the hegemony of neoliberalism must be challenged. Proponents of neoliberalism suggest that public services, welfare, corporatism, and protective labor legislation are outdated hindrances to economic progress in a global economy. Such rhetoric masks the real intentions behind these policies, which are to weaken workers' rights and increase corporate profits. The anti-austerity and anti-privatization protests spreading across Latin America, the general strikes against public service cuts in France, the 100,000-person strong demonstration against welfare cuts in Germany this past November, and the electoral victories of the Workers' Party in Brazil provide powerful examples for workers in other countries to follow.

About This Volume

In this introductory essay, we have sought to provide an overview of the challenges and prospects the global economy presents to workers seeking greater justice. The effects of economic globalization are complex because they involve transborder and transnational labor. The articles in this volume provide a closer look at how neoliberalism and economic globalization affect workers in particular industries and countries. These in-depth case studies explore the factors shaping class-consciousness and the possibilities for specific kinds of workers and their allies to achieve social justice.

With the rise of economic globalization, routine factory work has increasingly been outsourced to contractors in other countries, performed within transnational corporations, and/or performed by low-wage immigrant workers in the global North. The first two articles in this volume explore the impact of these trends on workers in the food processing and garment industries. The first article, "Mobile Capital, Immobile Labor," by Carolina Bank Muñoz, examines the plight of workers on both sides of the U.S.-Mexican border in a transnational tortilla company. Bank Muñoz argues that while both sets of workers confront a despotic labor regime, the context for labor exploitation differs relative to a worker's location on the U.S.-Mexico border. In the United States, Latino immigrant workers, most of whom are men, toil in sterile, highly impersonal factories under high levels of surveillance. By contrast, most of their Mexican counterparts are single mothers who toil under unsafe working conditions in which sexual harassment is common. As Bank Muñoz argues, state policies reinforce the exploitation of workers in both countries. Punitive policies toward immigrants in the United States, including the militarization of the border and rules denying immigrants access to public assistance, limit Latino immigrant workers' employment opportunities and make it difficult for them to organize. This, in turn, has kept their wages low and reinforced income inequalities between white and Latino workers in the food processing industry. In Mexico, protective labor legislation is weak, leaving workers vulnerable to exploitative and unsafe working conditions. Despite the challenges facing both workers, Bank Muñoz suggests that the perishability of tortillas and their consumption by Latino communities leave tortilla companies highly vulnerable to strikes and boycotts, especially if such actions were strengthened by cross-border labor solidarity.

In the second article, "Codes of Conduct," Jill Esbenshade argues that outsourcing and subcontracting in the global apparel industry have allowed brand name companies to avoid legal liability for garment workers. In the global North, undocumented immigrants are highly exploited under conditions that frequently violate minimum wage and health and safety codes. In the global South, where labor laws are generally weaker, garment workers are also highly exploited and frequently denied their right to organize. The author claims that the development of codes of conduct, along with independent monitoring, provided workers and their allies with new tools for resistance. Illustrating this point, she recounts how anti-sweatshop student activists in the United States and Dominican garment workers effectively used monitoring and codes of conduct to pressure a large Korean-owned factory to make concessions to their workers — a victory that helped to galvanize the anti-sweatshop movement.

The increasing reliance of companies on cross-border and overseas production has been an important force behind deindustrialization and the rise of a service economy in the global North. The next three articles focus on the plight of service workers in the United States and Canada and the challenges and prospects for organizing them. Margaret Zamudio's article, "Alienation and Resistance," examines the factors shaping class formation among hotel workers in Los Angeles, mostly Latino immigrants, employed by a Japanese-owned hotel and organized by the International Hotel Employees Restaurant Employees Union in the late 1990s. Using data from field research and interviews with workers, Zamudio argues that the emotional labor required of hotel workers, expected to be subservient and invisible, along with experiences of racism and nativism on and off the job, made alienation more salient than exploitation to their class consciousness.

"Nurses and Labor Activism in the United States," by Charles S. Varano and Ester Carolina Apesoa-Varano, focuses on the factors shaping the class consciousness among nurses, another service occupation that immigrants, especially from Asia, are increasingly entering. Drawing mainly on newsletters of the California Nurses' Association, the authors examine how the fusion of four major ideologies — apprenticeship, professional, managerial, and unionist — shape the class-consciousness and class divisions among nurses. The authors argue that efforts to unionize nurses must also confront patriarchal ideologies, especially those shaping the institution of medicine, since most nurses are women.

Luis L.M. Aguiar's contribution, "Resisting Neoliberalism in Vancouver," discusses the challenges facing janitors, many of whom are immigrant, in British Columbia, where neoliberalism has given rise to political attacks on the rights of workers. The author conducted interviews in the summers of 2000 through 2002 with politicians, cleaners, community activists, and trade unionists. These interviews document widespread abuse, exploitation, and insecurities in the cleaning industry and the difficulties of organizing janitors in metropolitan Vancouver.

"The Fair Trade Movement," by Mark Hudson and Ian Hudson, focuses on the impact of economic globalization on agricultural workers in Chiapas' coffee industry and on the environment. The authors argue that the rise of capitalist forms of coffee production in Chiapas exploited workers and degraded the environment. Fair trade, they assert, helps to circumvent the exploitative trading relationships of the world capitalist market by offering "fair" prices to small-scale producer groups that engage in more ecologically sustainable forms of coffee production. Along with Jill Esbenshade, the authors thus point to the important role consumers can play in resisting the oppression of workers under global capitalism.

The last article, by Paul Takagi and Gregory Shank, looks at how the international trend toward restorative justice — non-retributive forms of justice — applies to U.S. cities like Oakland, California, in which entire communities have been torn apart by urban renewal and globalization under the rubric of NAFTA, leading to mushrooming unemployment and related social pathologies in the inner cities. Given the wholesale destruction especially of the Black community, it is difficulty to see how restorative justice models apply, even considering the experience of the Maori in New Zealand or efforts in post-apartheid South Africa.

Two book reviews round out the issue. Shoon Lio reviews two works concerning international justice, with special emphasis on human rights and genocide. Yoko Katsuyama addresses international migration and migratory workers, with special reference to the experience of workers form Okinawa and the Japanese mainland in Brazil.

We hope that the articles in this volume will provide invaluable insights for activists and scholars interested in creating and implementing social justice strategies for workers imperiled by global capitalism. The transnational companies that dominate our global economy often appear to be all-powerful, while the proponents of neoliberalism frequently claim that their policies are unavoidable given the competitive pressures of the global market. Yet, as the contributors to this volume observe, resistance remains possible. Along with new challenges, the global economy has created possibilities for various forms of international labor solidarity, such as fair trade, international anti-sweatshop movements, and other types of cross-border labor campaigns and boycotts. The articles in this volume suggest that the processes of organizing workers and building solidarity among them needs to be attentive to social and cultural differences that interface with class-consciousness in important ways.

NOTES

1. With more than half of all business activities in the world economy controlled by the United States or conducted under its influence, globalization often means Americanization (Ritzer, 2000; Yurlov, 2002).
2. The authors thank Edna Bonacich for raising this point.
3. Alexander Hicks' (1999) research indicates that only high levels of foreign direct investment, reached in the 1980s in a number of nations, spur welfare retrenchment among affluent democracies.

Among coordinated market economies, financial globalization appears to have been more significant than foreign direct investment in constraining welfare spending, according to Huber and Stephens (2001). They claim that internationalization of capital markets and financial deregulation, along with prior public debts, contributed to growth in real interest rates among affluent democracies, which made deficit spending more difficult to finance in the 1980s and 1990s.

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