

## ABSTRACT

### Towards An Understanding Of Export Processing Zones: The Agency Of The International Division Of Labour

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"The EPZ was created by bending all the traditional economic rules - on the need for tariff barriers, on the principle of equal access to basic infrastructural services, or on the principle of fair taxation - and it is therefore not totally unexpected that these same economic rules should turn out to be somewhat inadequate in explaining such features of EPZs as their rather distinctive industrial monoculture."<sup>1</sup>

The advent of the export processing zone (EPZ) phenomenon has attracted the interest of businessmen, policy makers, academics and other interest groups throughout the world. Some see it as an economic miracle to impact positively on the development problems of Third World countries; some view it in terms of the political implications it presents for those who support or object to its establishment; others are repulsed by the restrictions it places on employees, preventing them from being unionised, according to their choice.

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Economic and social effects of multinational enterprises in export processing zones, ILO, Geneva, 1988, pg.40

This paper argues that the EPZ phenomenon is not an end in itself. Rather, that it is an articulated entity of the capitalist world economic system. It is a phenomenon which continues the process of resource transfer from the Third World, where it is primarily established, to the capitalist center, which engineered it.

This perspective highlights the bi-polarity of the world economic system, rich nations and poor nations, as the theatre which gives meaning to economic ventures such as EPZs. For this reason, the discussion is situated in the context of the **international division of labour**.

The paper is divided into five sections: Section 1 looks at the development debate, featuring the western capitalist perspective and some perspectives from the Third World. This essentially addresses the historical structural relationship between the two groups of countries.

Section 2 introduces and explains the international division of labour, the operational logic of the relationship.

Section 3 defines and articulates the EPZ phenomenon as it fits in the international division of labour.

Section 4 answers the question as to why the Third World is the platform for the establishment of EPZs.

Finally, section 5 looks at the future of the phenomenon. It argues that EPZs, based on their successes in the Third World, at least relative to employment creation, are likely to grow in numbers across the economic and political divide of the developed, the developing and the former socialist subgroup of countries.