

X The New International Division of Labor.

A. Defining the New International Division of Labor

1. The new international division of labor breaks up the manufacturing process by having various pieces of production made in various countries and then assembling the pieces in another country.
2. With the rise of globalization, the original Fordist assembly line concept developed during the Industrial Revolution has been split up not only among many factory workers under one factory roof, but also among many countries involved in the production process.
3. Often, many LDCs depend so heavily on investment by MNCs that these foreign corporations hold a large amount of power over governmental decisions.

B. Free Trade vs Fair Trade.

1. Free Trade is the concept of allowing MNCs to outsource w/o any regulation except for the basic forces of market capitalism.

~~a point~~ Critics of Free Trade argue that free trade only protects the interests of MNCs and does nothing to safeguard workers rights.

2. Fair Trade involves oversight of foreign direct investment and outsourcing to ensure that workers throughout the world are guaranteed a living wage.

3. The effects of globalization on the peripheral countries are hotly debated.

~~a point~~ Some argue that foreign direct investment is helping to generate increased economic development in LDCs, others contend that workers (particularly women) in those countries are being exploited by profit-driven MNCs.