


# Globalization 101

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## Globalization May Increase Inequality

There is a considerable debate among economists about the extent to which globalization—and specifically the liberalization of trade and investment—may increase inequality. As discussed earlier, international investment leads to changes in the use of technology and may shift production—especially in lower skill sectors—into developing countries that have lower prevailing wage levels. The lowest wages may also be falling in industries struggling to compete with new imports, while higher-paying export industry jobs are increasing in number but remain unavailable to the relatively unskilled labor force.

These changes taken together mean that economies are putting a higher premium on skilled workers. This creates pressure to pay higher wages to skilled employees, while diminishing the value of lower-skilled workers. The net result globally has been a significant growth in inequality, both between nations and inside them.

Critics of that view counter that globalization has helped produce a significant expansion of global wealth, and that, in spite of a rapidly growing global population, the absolute number of people living in poverty has remained relatively constant. The question of the role that globalization plays in exacerbating inequality depends very much on how the question is asked. Data varies considerably by region and by what kinds of indicators are selected.

Even assuming that absolute poverty is decreasing somewhat while inequality is widening rapidly (that is, the rich are getting richer while the poor stay the same), some economists and sociologists also question whether an economic benefit of this character is outweighed by the political and social costs brought about by inequality. For more information on this controversial topic, see the section on globalization and inequality in the [Development Issue in Depth](#).

## Export Processing Zones

Often relating closely to general concerns about globalization and labor is the practice of granting certain kinds of tax and other regulatory exemptions to international investors through Export Processing Zones (EPZs). EPZs are special arrangements—often a distinct geographic area near a port—which are set up to promote export industries. These are often assembly plants using low priced labor to bring together components from different countries so that a new product can then be exported. The EPZ's often apply a different set of regulatory rules from the rest of the country. They are typically established by developing country governments with the explicit purpose of attracting foreign investment.

In many cases, host governments will invest in infrastructure to help guarantee reliable electricity or water supplies, which may not be universal. Often they will also allow “one stop shops” where companies can complete all their necessary paperwork, and will exempt the facilities from customs or duties on items they import. EPZs are found in many middle-income nations, as well as the least developed countries.

But labor advocates charge that EPZs are created to evade national labor laws, that workers within EPZs are not allowed to organize, and that they receive lower wages. EPZs are also known as “free trade areas” in many countries, and in Mexico they are referred to as “maquiladoras.”

However, a study by the [International Labor Organization](#) (ILO)—an international institution which is part of the UN and includes representatives of governments, business, and labor—has found that while the occurrence of these practices in EPZs are disturbing, they “are not common to all employers in export-oriented factories.”

In fact, the ILO says these practices are present in a minority of cases. In addition, the study noted that in one country where many reports of violations had been recorded, “the majority of those disputes involved foreign enterprises from non-OECD countries [i.e., other developing countries].” The study also found that workers in the EPZs, even without being unionized, were nonetheless better paid and enjoyed amenities and working conditions of a higher standard than workers outside the zones.

Nonetheless, the ILO recognizes that the conduct of employers and the condition of workers in EPZs is a serious concern. This raises the important question of whether globalization leads corporations to transfer production to countries with the lowest wages. Stating the proposition this simply, the answer is clearly no. Investment is most attracted to countries that have an overall favorable environment for capital. Labor conditions and wages are just parts of a larger equation. Other factors include the skill level of the work force, access to markets through transportation infrastructure, tax policies, overall political and economic stability, and the prevalence of corruption.

When asking whether it is beneficial to locate production in developing countries for those sectors that do specifically seek low wage labor, one should also consider the effect that this new production will have on the recipient country labor market. Before workforces can be organized to demand better protection, there must first be a workforce. Although incidents of sweatshop labor have not been uncommon and are very disturbing, there is also evidence that international investment in labor-intensive industries, in the long term, tends to raise wages and strengthen the bargaining power of local workers.



## the nestlé boycott

UNICEF states that one and a half million babies die each year because they are not breastfed. Millions more contract diseases that could have been prevented with breastfeeding. The World Health Organization and UNICEF recognize that aggressive marketing of artificial infant feeding products undermines women's confidence in their ability to breastfeed. The International Code of Marketing of Breastmilk Substitutes (outlined on a fact sheet in this kit) is a tool that government's can use to control this marketing. Individuals, however, can also have an impact.

Nestlé promotes artificial infant feeding around the world. The company controls about 40 percent of the worldwide market for baby food. It is the world's largest food manufacturer, and does business in more than 80 countries. The Nestlé boycott, active in 20 countries, is a tool individuals can use to send a message that its marketing is not acceptable.

The following provisions of the Code are regularly violated by Nestlé:

1. No advertising of infant feeding products to the public.
2. No free samples to mothers or health care workers.
3. No promotion of these products in health care facilities.

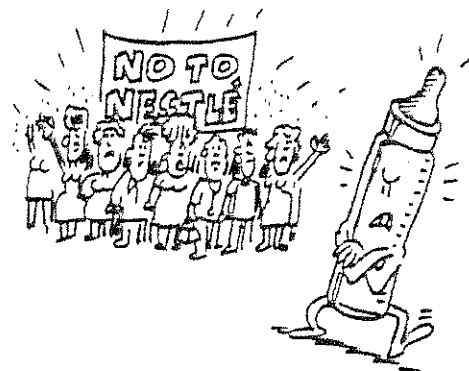
Although Canada has endorsed the International Code and all the subsequent Resolutions, Canada has not legislated the Code. Thus Nestlé may legally break the Code, but because of the health implications, it has a strong moral imperative to comply. Nestlé markets directly to Canadian women in several ways. The company sends information on artificial feeding and product samples directly to new mothers, and advertises in national magazines. Nestlé also gives free infant feeding products to hospitals, doctors and other health care workers.

Outside of Canada, Nestlé advertises its products directly to consumers and provides free samples to hospitals, mothers and health care providers. In developing countries infants who are artificially fed risk death due to diarrheal disease by up to 25 times compared to those who are breastfed.

Consumers can send a message to Nestlé that these practices are not acceptable. Don't buy products manufactured by Nestlé, and send the company a letter explaining why you are participating in the boycott.

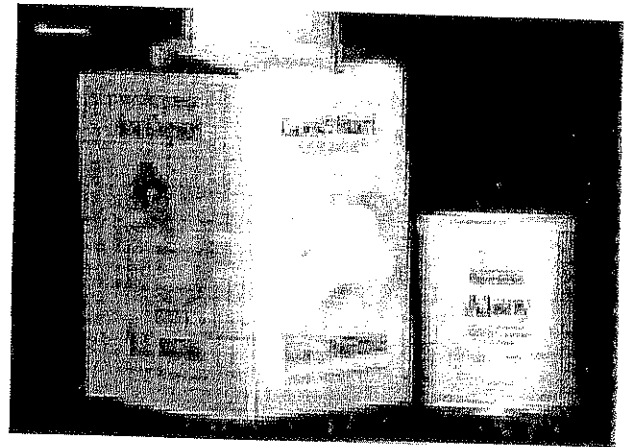
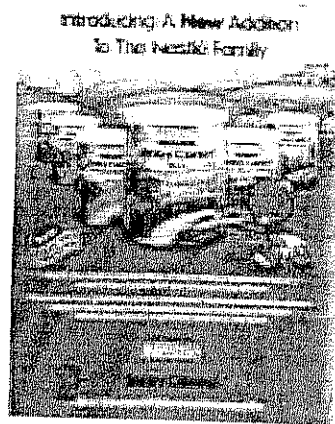
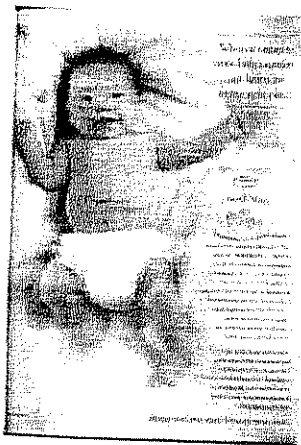
Write to Nestlé in Canada at:

**Nestlé Canada Inc.**  
25 Sheppard Avenue West  
North York, Ontario  
M2N 6S8  
Phone: 416-512-9000  
Fax: 416-218-2654



# Examples of Nestlé's International Code Violations

## In Canada



Nestlé regularly places advertisements in Canadian parenting magazines. Free samples are distributed to new mothers through doctor's offices and at baby shows. Nestlé's Good Start Program mails information on infant feeding, coupons and samples of formula directly to the homes of new mothers.

## In Other Countries

**India:** In August 2000 Nestlé placed an advertisement in an article called *New Born Care* in the parenting magazine *Meri Saheli*. This violates India's *Infant Milk Substitutes Act (Section 7)*. Almost 50 percent of the article space is dedicated to Nestlé's *Cerelac*. The article undermines breastfeeding and promotes early complementary feeding.

**Botswana:** Labels on infant formula products were to be compliant with the International Code by March 2000. The Botswanan government reported that labels were not in the required language after that date and also contained information that idealized bottle feeding.

**Mexico:** Promotion of all Nestlé infant foods is found on advertisements on road signs and billboards in a Mexican village near Xalapa. Nestlé also donates drapes for baby beds and gives health care workers diaries with pictures of Nan. In Mexico and other countries, Nestlé provides funding for paediatricians and nurses for congresses and other professional events.

**Bolivia:** Nestlé distributes information to health care workers about Nan and Alsoy that does not comply with the Code.

**Côte d'Ivoire:** Nestlé donates samples of formula to health workers weekly or every two weeks. Most of these samples are passed on to mothers. Also, formula ads are on donated pens.

**Pakistan:** Nestlé formula is advertised on large posters in the market place. Feeding bowls and building blocks are given as promotional items with the purchase of different Nestlé formulas.

**Italy:** Discounts for different Nestlé formulas are offered, as are gifts with purchase of cereals. Nestlé distributed a cereal sample in a magazine. Nestlé calendars, clocks and posters are also distributed.

*Code violation examples supplied by IBFAN.*



# The Global Strategy for Infant and Young Child Feeding



## The Global Strategy for infant and Young Child Feeding

The Global Strategy for Infant and Young Child Feeding, unanimously adopted at the 55th World Health Assembly in 2002, is an international guideline which aims to improve infant and young child health by increasing both the exclusive and duration rates of breastfeeding. Although it may seem bizarre that the promotion and protection of breastfeeding - an act so normal and so vital - needs yet another global thrust to become the world's normal means to nourish infants, children in both developed and developing countries continue to suffer health consequences related to insufficient breastfeeding.

Central to the challenges taken up by the Global Strategy is the continuous and often needless crisis of malnutrition and death when infants are not breastfed or do not receive enough breastfeeding.

### *According to the Global Strategy:*

*"Malnutrition has been responsible, directly or indirectly, for 60% of the 10.9 million deaths annually among children under five. Well over two-thirds of these deaths, which are often associated with inappropriate feeding practices, occur during the first year of life. No more than 35% of infants worldwide are exclusively breastfed during the first four months of life; complementary feeding frequently begins too early or too late..."*

In Brazil, risk associated with diarrheal death was lowest for exclusively breastfed infants, partial breastfeeding was associated with a 4.2 times risk of death and no breastfeeding with a 14.2 times risk of death compared to exclusive breastfeeding.

Victoria CG et al. Evidence for the protection by breastfeeding against infant deaths from infectious diseases in Brazil. *Lancet* 2: 319-322, 1987

In Latin American and Caribbean countries, exclusive breastfeeding for the first three months of life and partial breastfeeding throughout the first year of life, prevented 55 per cent of infant deaths related to diarrheal disease and acute respiratory infections.

Betram AP et al. Ecological study of effect of breastfeeding on infant mortality in Latin America. *BMJ* 323:1-5, 2001

In Bangladesh, infants who were partially breastfed or not breastfed at all had a risk of death due to diarrheal disease 4 times greater than those exclusively breastfed. Similarly, those partially or not breastfed had a risk of acute respiratory infection death 2.4 times greater than exclusively breastfed infants.

Arifeen S. et al. Exclusive breastfeeding reduces acute respiratory infection and diarrheal disease deaths among infants in Dhaka slums. *Pediatr* 180: e67, 2001

*"In the first six months, the risk of morbidity and death from diarrhea is respectively 15 and 25 times higher for children not receiving breastmilk, compared to those who have the immunological protection of an exclusive breastmilk diet."*

UNICEF State of the World's Children

The Global Strategy notes that in industrialized countries as well, little breastfeeding or no breastfeeding has consequences related to infant and child health. It notes in particular the problem of obesity and over-nutrition related to formula feeding and the consumption of commercially prepared foods.

*"Rising incidences of overweight and obesity in children are also a matter of serious concern. Because poor feeding practices are a major treat to social and economic development, they are among the most serious obstacles to attaining and maintaining health that face this age group."*

A large Scottish study to determine the impact of infant feeding on childhood obesity looked at the body-mass index of 32,000 children aged 39 to 42 months. After eliminating confounding factors, the authors concluded that breastfeeding is associated with reduction in obesity.

Armstrong J. et al. Breastfeeding and lowering the risk of childhood obesity. *Lancet* 359: 2003-2004, 2002

In Germany as well, children who had been exclusively breastfed for three to five months had a 35 per cent reduction in obesity at the ages of five to six years.

Von Krieg R. et al. Breastfeeding and obesity: cross-sectional study. *BMJ* 319: 147-150, 1999

In the US also, children who had been breastfed exclusively for nearly six months had a 22 per cent reduced rate of becoming overweight as adolescents.

Gilman, MW et al. Risk of overweight among adolescents who were breastfed as infants. *JAMA* 285: 2461-2467, 2001

**"Why are one billion people dying of hunger, while another billion are dying of excess?"**

Adbusters no. 44, Nov/Dec 2002

### Reducing malnutrition - implementing the Global Strategy

Canada's government has endorsed the Global Strategy and therefore should take responsibility and initiative to support its implementation for mothers and babies. The following are some of the key policy strategies determined to be effective in improving breastfeeding rates.

#### Protection of breastfeeding

- Ensuring adequate maternity entitlements for women working outside the home. Canada's current maternity benefits are a great improvement, as mothers are now able to have 12 months maternity leave with financial support and job security.
- Ensuring that commercially prepared complementary foods are not marketed to undermine breastfeeding and are safe, culturally appropriate and nutritionally adequate. In Canada, commercial baby cereals and jarred baby foods need to be labelled for consumption after 6 months of age.
- Putting in place measures to protect breastfeeding through the implementation of the International Code of Marketing of Breastmilk Substitutes and subsequent relevant resolutions of the World Health Assembly and strengthening them or adopting additional measures. Canada does little to legislate the protection of breastfeeding. Much more must be done to remove commercial pressures to formula feed.

#### Promotion of breastfeeding

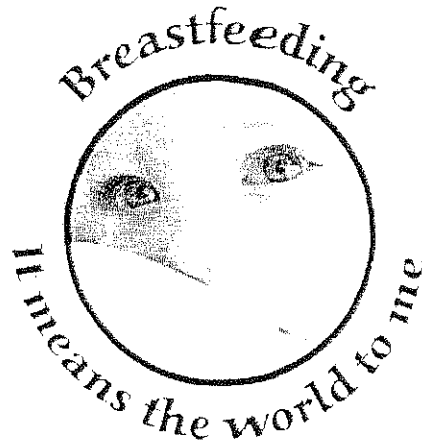
Ensuring that all who are responsible for communicating with the public on infant and young child feeding, provide accurate and complete information. These responsibilities lie with governments and public health departments. In Canada much information is conveyed by the infant foods industries and is misleading and not factual.

#### Support through the health care system

- Ensuring supportive hospital practices through the implementation of the Baby-Friendly Hospital Initiative.
- Improving birthing practices to support breastfeeding and provide adequate and accessible prenatal and postnatal care.
- Promoting good nutrition for pregnant and breastfeeding women.
- Monitor the growth and development of infants and young children as a part of national health surveillance programmes.
- Enabling mothers to remain with their hospitalized children to ensure continued breastfeeding and conversely, where feasible, allow breastfeeding infants to remain with their hospitalized mothers.
- Ensure that all health care providers have appropriate information on infant and young child feeding.

#### Support in the community

- Promote and support community based support systems such as mother-to-mother support groups
- Ensure that community based support networks are welcome in the health care system and can participate in the planning and provision of services.



## Summary of the International Code and Relevant Subsequent Resolutions of the World Health Assembly:

No advertising of artificial infant feeding products to the general public.

No free product samples to pregnant women, new mothers or their families.

Information and educational materials must explain the benefits of breastfeeding, the health hazards associated with bottle-feeding, and the costs of using infant formula.

No promotion through health care facilities. The health care system may not be used to provide free samples to mothers or the promotion of products, such as product displays, posters, distribution of promotional booklets, flyers or the use of product logos. Company/sales employees may not use the health care system for product promotion.

No gifts or samples to health care workers. Product information to health care workers must be factual and scientific.

No free or low-cost supplies of infant formulas, bottles or nipples to maternity wards, hospitals or any part of the health care system.

Labelling of products must clearly state: the superiority of breastfeeding; that products should be used only on the advice of a health care worker; the instructions for appropriate preparation; and warn about the hazards of inappropriate preparation. No nutrition and health claims may be used, nor pictures or text which idealize artificial feeding.

Exclusive breastfeeding for six months as a global public health recommendation with continued breastfeeding for up to two years of age or beyond and the addition of complementary foods from the age of six months.

Complementary foods may not be marketed in ways that undermine exclusive and sustained breastfeeding.

Financial sponsorship from infant formula and infant foods companies creates conflict of interest for professionals working in infant and young child nutrition, especially with regard to the Baby-Friendly Hospital Initiative.

# Canadian military involvement in Afghanistan formally ends

**Understated ceremony held under heavy guard at NATO headquarters in Kabul**

The Canadian Press Posted: Mar 12, 2014

Canadian troops capped a deadly and dangerous 12-year mission in Afghanistan on Wednesday, hauling down the Canadian flag at NATO headquarters in Kabul during a ceremony that was held under heavy guard.

The ceremony, held under sunny skies, ended with Canadians involved in the NATO training mission leaving aboard a U.S. Chinook helicopter. The remaining Canadian personnel will leave by the end of the week.

Still, Canadian and allied dignitaries praised the country's involvement and sacrifices.

"Your strength has protected the weak; your bravery has brought hope to hopeless; and the helping hand you have extended to the Afghan people has given them faith that a better future is within their grasp," Deborah Lyons, the Canadian ambassador to Afghanistan told an assembly of the last 100 soldiers who served on a three-year training mission.

The war cost the lives of 158 soldiers, one diplomat, one journalist and two civilian contractors.

"We can wish that the families of the fallen do not lament their fate, but we know that this is not the case. The only small comfort comes from the knowledge that the sacrifices of lost loved ones has been worthwhile, that they made a difference, and that their grief is shared by a grateful nation.

"It is said that the only thing necessary for the triumph of evil is for good people to do nothing. Your actions and those of your fallen colleagues have stopped the triumph of evil."

Canadian commandos, hunting al-Qaeda, were the first troops to hit the ground in late 2001 and they were followed by as many as 40,000 more rotating through different campaigns, including the five-year combat mission in Kandahar.

Hunter reported that despite rampant violence, high levels of corruption and a strong drug trade, officials feel Afghanistan is a much different place from what it was in 2001, with a much stronger Afghan army.

British Lt.-Gen. John Lorimer, the deputy commander of NATO in Afghanistan, said the Canadians "repeatedly proved their courage and capability" alongside coalition and Afghan troops, especially in Kandahar "where you not only fought hard, but you fought smart."

## 'Mixed emotions'

Calling it the end of a significant era, Lorimer said he viewed the departure of the Canadians with "mixed emotions" given the shared experiences of the last 12 years.

"I am sad to see you return home, yet grateful for the opportunity to have served alongside such great Canadian leaders along the way," he said.

The last Canadian commander, Maj.-Gen. Dean Milner, said the progress made is not irreversible and the West needs to continue nurturing both military and civilian institutions.

Milner told CBC News Network that the country is on the right track with security forces that will ably handle the country's upcoming elections.

"It's a capable Afghan national army and police force that's getting ready and absolutely capable of dominating a resilient Taliban force," he said.

Lyons said Canada will remain engaged in Afghanistan and the focus will be on helping build the ruined nation's economy, particularly in the resource sector.



Maj.-Gen. Dean Milner, the last Canadian commander in Afghanistan, says it's important Canada and the rest of the international community remain engaged to complete the work started during the war. (The Canadian Press)