

The anthropology of special economic zones (free ports, export processing zones, tax havens)

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Summary and keywords

Special economic zones (SEZs) are a key manifestation of neoliberal globalisation. At present, more than 150 nations operate more than 5,400 zones. The combined workforce of factories and service industries in bonded warehouses, export processing zones (EPZs), free trade zones (FTZs), science parks (SPs), regional development zones (RDZs), economic corridors (ECs), other types of SEZs as well as in tax haven offshore financial businesses and free ports exceeds 100 million (United Nations Conference on Trade and Development, 2019: 129). Neoliberal academics and researchers from international organisations say that this has been a long time coming as the freedom offered in the zones was integral to being human and first implemented in free ports of the Roman Empire (for a discussion of this mythopraxis see Neveling, 2015f). Critical social scientists, and among them many anthropologists, have instead identified the zones as products of a 1970s rupture from Keynesian welfarism and Fordist factory regimes to neoliberal globalization and post-Fordist flexible accumulation (Kasmir and Gill, 2018; De Neve, 2014). While recent scholarship in anthropology retains the critical stance on worker exploitation in SEZs, two new trends attribute SEZs either with a pacemaker role in the neoliberalisation of the global economy since the 1940s, to be studied from a historical materialist viewpoint, or as a prototypical dystopian urban future that is best studied through a poststructuralist lens.

This entry first compares how international organisations and critical scholars define the zones and their workings in the global economy. Further sections retrace the historical development of anthropological research and theorising on SEZs. Section three details why 1970s and 1980s ethnographic research on SEZs was formative for the discipline's current understanding of industrial labour under capitalism. In those decades, the majority of zones served as entry points for the integration of Third World postcolonial nations into a new international division of labour (NIDL), which moved former pioneer industries of the world system's core regions to peripheral regions where the new factories ushered in rapid socio-economic changes based on sexist super-exploitation (Nash and Fernández-Kelly, 1983). Section four shows how the late 1980s and 1990s neoliberal turn in mainstream anthropology introduced Foucauldian and poststructuralist tropes into the anthropology of SEZs. Attention shifted from ethnographies of the uneven integration of millions of domestic units into the Cold War capitalist bloc's new commodity chains and towards the articulation of discursive regimes in SEZs via gender, ethnicity, and sovereignty. The latter focus was framed along Carl Schmitt's conservative

notion that a sovereign is in control of the state of exception. With the zones framed as exception, the locations hosting the zones became a place without capitalists. Instead, everyone was now allegedly at loggerheads with global capitalism's zoning regimes, or a victim thereof, as current ethnographies of zone futures and ontologies imply (Ong, 1987; Salzinger, 2003; Kim, 1997; Rippa, 2019; Cross, 2014). Section five details the recent historical-materialist and decolonial turn in SEZ ethnographies that repositions anthropology as a critique of racial capitalism's super-exploitative SEZ political economies (Laungaramsri, 2015; Lee and Tang, 2016; Thame, 2017; Campbell, 2018; Shakya, 2018; Neveling, 2015a; Neveling, 2014b). The concluding section suggests some research and theorising required for anthropology's future contribute to the urgently-needed shut-down of all SEZ programs.

## 1. Special economic zones; towards an anthropological definition

### Types of zones

Special economic zones come under many labels. It is first important to disentangle those in order to develop a nuanced definition, tailored to the concerns of anthropology. Since the codification of zone policies in the 1960s, the terms free trade zone (FTZ), foreign trade zone (also FTZ), export processing zone (EPZ), enterprise zone (EZ), development zone (DZ), and bonded warehouse (BW) are in regular use. Many developing nations use the labels EPZ, BW, and both variants of FTZ (plus SEZ, more recently) for export-oriented manufacturing industrialisation ventures that receive substantial state-investment for industrial infrastructure as well as direct incentives for investors (Neveling, 2015a). Where suitable, governments also set up industrial zone type SEZs to stimulate cross-border production sharing that requires frictionless movement of raw materials, semi-finished and finished parts and wholes.

The now ill-famous Mexican maquila factories date back to the border industrialisation program of 1965 that facilitated twin production plants in El Paso and Ciudad Juarez, for example. Similar arrangements were in place during the integration of Eastern European nations into the West European economy after the end of the Cold War. Nowadays, the economic corridors that link mainland Southeast Asian nations are the most notable cross-border zone programs. The People's Republic of China's One Belt, One Road initiative (OBOR) is sometimes interpreted as a giant economic corridor of SEZs across Asia, Europe and Africa that are to be linked via railroads, airports, free ports and other large-scale infrastructure (Laungaramsri, 2015; Heyman, 1991; Chaisse and Matsushita, 2018).

DZs and EZs, instead, emerged in Western advanced capitalist nations during the 1980s and 1990s. At the time, and until today, governments in France, the UK and the US, for example, designed zones in deindustrialised regions that should replicate the success of so-called

newly industrialised nations—Singapore, South Korea, Taiwan, and the PRC more recently—via the reshoring of industries that had gone abroad in search of cheaper labour and higher profits (Mossberger, 2000). SEZs may thus be a worldwide manifestation of manufacturing industrialisation in recent decades, but the zones come with different intentions that are based, in turn, on the a given zone location's historical trajectory within the capitalist world system.

#### Unequal exchange relations and evolutionist value regimes

Second, an anthropological definition disentangles the exchange relations and value regimes at work in SEZs. Whereas the former are highly unequal, the latter are evolutionist because they position nation-states seeking to develop their economies at the bottom of a value regime that ranks national economies according to their gross domestic products and labour productivity as if an upward movement in that ranking was evidence for the developmental stages in the world system. All zones operate with low-tax or zero-tax regimes and customs waivers for imports and exports of raw materials, machinery, and semi-finished and finished goods. Those waivers and an alleged one-stop-shop policy that cuts bureaucratic red tape are also present in free zones and free ports. Yet, the latter are for transshipment and intermediary storage, which companies may use of for their manufacturing activities, of course. Another difference is that in SEZs such waivers are granted for a limited period of time, commonly for five to fifteen years with a variation across zone laws and, sometimes, staggered rates for different tax types.

Thus, the label SEZ serves as an umbrella term for very different types of zones, whereas the sublabels—free trade zone or export processing zone—may again vary from zone to zone and from one national zone law to another. A government's motivation for zone establishment and a given zone authority's *modus operandi* are thus central for the exchange relations and value regimes intended and for the ones realised. However, outside actors usually shape those motivations. The World Bank and the International Monetary Fund are among the most outspoken supporters and international lenders for SEZ programmes. An armada of consultants from public and private development agencies have accompanied their efforts for many decades with feasibility studies, blueprint laws and other templates for zone policies

This raises the question why governments are ready to offer tax and customs waivers to attract investors; and why they shoulder significant upfront expenses for the cultivation of industrial land and infrastructure. At the bottom of this is the expectation that zones will create significant employment, improve foreign trade balances, implement new skills in workers and local managers and stimulate additional business activities locally so that a region or nation prospers. Many anthropologists have discussed one or several of these value regime aspects and some of the actors involved in their creation (Campbell, 2018; Fernández-Kelly, 1983).

Yet, few have done this with the sophistication of Kevin Yelvington, who looks at the spread of SEZ-based export-oriented manufacturing industrialisation ideologies across the Caribbean and into Trinidad and Tobago as well as the longer duration of gendered divisions of labour from plantations slavery (Yelvington, 1995). The relations of exchange and the regimes of value negotiated before national parliaments pass EPZ and SEZ laws and the negotiations for loans from the World Bank and other foreign actors that fund the construction of zones and the parastatal agencies operating and overseeing them have only been studied and analysed for Mauritius so far (Neveling, 2017b).

#### World-market factories and their socio-economic fallout

Third, an anthropological definition considers the political, social, cultural and economic effects that SEZs have on their immediate surroundings. Although many zones have failed to deliver on expectations, and some zones have been outright failures with hardly any investment coming in (Neveling, 2014a), each decade since the first SEZ program in late 1940s Puerto Rico has produced lighthouse cases of miraculous development in SEZs; Taiwan in the 1960s, Singapore in the 1970s, Mauritius in the 1980s, and Shenzhen and other PRC zones in recent decades (Neveling, 2020). Zones thus have a gold rush style aura not only to governments but also to local politicians, small entrepreneurs and, in the early stages of zone operations, to some workers. One anthropologist has embraced this native's point of view and entitled his ethnography of Indian zone programs "Dream Zones" (Cross, 2014), whereas Rebecca Prentice opts for the more realist representation of zone workers' hopes in Trinidad with the title "Thieving a Chance" (Prentice, 2015).

Beneath the expensive cementations of hopes for a better life in the form of asphalt roads, cement factory buildings, customs gates and barbed-wired fences lie the economic hardship and struggles of local populations that have lived with high unemployment rates and from precarious jobs on plantations, docks or without paid incorporation into the capitalist world system for some time already. This bleak starting point enables international organisations and development consultants to declare regional markets as undercapitalised and, hence, unable to generate endemic growth and attract foreign investors. The unequal exchanges and evolutionist value regimes expressed in state subsidies for SEZs are the first manifestation of the supposed unworthiness of SEZ regions.

Low wages and limited or no rights to unionisation and collective bargaining for workers are the second manifestation. No matter whether zones experience boom phases for shorter or longer periods of time or whether FDI and job creation is limited, any substantial investment that creates manufacturing jobs in SEZs builds on the fact that entire regions or population segments were impoverished so that a substantial surplus population at working age is at

hand to compete within regional and global markets for labour intensive industries locations. Since the 1970s, social scientists agree that the foremost articulation of the zone's world-market factories with local economies is the superexploitation of workers (Fröbel et al., 1981: 354-359).

Ethnographies for Mexico, Malaysia, the PRC and other regions show the effects of rapidly growing zones that incorporates thousands, sometimes hundreds of thousands of individuals into assembly-line and other labour-intensive manufacturing work. Importantly, the vast majority of new factory workers in SEZs are young women, who experienced double discrimination from sexist and super-exploitative factory regimes—praising them as obedient workers with “nimble fingers”, while paying them pennies within settings dominated by abusive hire-and-fire regimes—and from patriarchal regimes in local settings, often instigated by right-wing politicians and religious authorities (Lynch, 2007; Fernández-Kelly, 1983; Kim, 1997; Ong, 1987; Neveling, 2015e; Heyman, 1991). Claude Meillassoux has condensed findings from earlier social sciences studies in the 1970s into an analytical model for anthropology that captures the super-exploitative incorporation of domestic economies into global capitalism via manufacturing industrialisation (Meillassoux, 1981). Super-exploitation means that wages from work are insufficient for workers to reproduce their own labour power and the labour power of their dependents (Latimer, 2015), which in the case of SEZs requires childcare and other reproductive work from other household members while young parents work in factories and, in some instances, horticulture and other household-based food production to secure a suitable diet.

Booming SEZs often also attract migrant workers, nationally and internationally, who have to leave children behind and in the care of kin or neighbours who in turn depend on remittances from workers' income. Labour relations in factories thus extend into households and wider socio-economic settings that often stretch across the boundaries of national political economies. In the case of Puerto Rico, this transnational incorporation dates back to the 1920s, when US warehouses outsourced embroidery and other labour-intensive work to that US island colony and when, simultaneously, Puerto Ricans entered sweatshops on the mainland as migrants seeking a better life in the belly of the US-imperialist beast (Whalen, 2002; Boris, 1996). Migration also facilitates an ethnicisation of socio-economic hierarchies on the ground. Jennifer Mack offers detailed insights into the everyday lives of women workers in the so-called growth-triangle linking Singapore, Malaysia and Indonesia in the Riau archipelago, where the Indonesian islands of Batam and Bintan house SEZs linked to the Singaporean economy. The imageries and expectations of an incorporation into the bustling, world-leading city state Singapore contrast harshly with the real-world incorporation of migrant women workers from across the Indonesian archipelago into the narrow confines of long hours of factory work and life in factory-policed dormitories (Mack, 2004). South Korean zones in the

1980s policed dormitories for women workers claiming that they wanted to protect young women from immoral lives when the overall aim was to prevent clandestine workers' rights campaigns (Kim, 1997). In the PRC, internal migration has been linked to residence permits and access to social welfare under the so-called *hukou* regime that makes rural migrants especially vulnerable to super-exploitative factory regimes in fear of job losses (Bach, 2010). At the same time, established communities benefit from urban real estate booms as property regimes secure rental and other income from land rights and dwellings erected on historical village land (Trémon, 2015). Josiah Heyman and Fernández-Kelly show that the maquilas along the Mexican-US border also generate income that enables potential migrants to pay for so-called *coyotes* to get them across the border, thus providing another kind of transnational incorporation of migrant workers into super-exploitative SEZ regimes in Mexico and agricultural and service industry labour in the US (Heyman, 1991; Fernández-Kelly, 1983). Gendered-exploitation and urban restructuring are also factors in higher-paid offshore manufacturing and service industries (Freeman, 2000; Kleibert, 2015). Instead, we have no ethnographies about the many EZs established in deindustrialised regions of advanced capitalist nations since the 1980s (for excellent works in history and political sciences see Wetherell, 2016; Mossberger, 2000).

Neoliberal exceptions or birthplaces of neoliberal manufacturing globalisation?

Fourth, and finally, the above detailed defining features of SEZs make them central case studies for anthropological theories on neoliberalism. As early as 1991, Aiwha Ong declared the zones emblems of *The gender and labour politics of postmodernity* (Ong, 1991) in an extension, and a veiled critique, of David Harvey's seminal monograph on *The condition of postmodernity* (Harvey, 1990). Where Harvey offered a global historical critique of the increasingly unequal political economy in Western advanced capitalist nations as an alternative to Francois Lyotard's subjectivity-centred celebration of a new way of being in *La condition postmoderne*, Ong turned back the clock halfway on Harvey with an insistence on the primacy of the local and individual in struggles over super-exploitation in SEZs.

This was a remarkable move. Where Harvey began with the new politics of planned urban and other spaces and the increasing display of corporate power in architecture and infrastructure since the 1970s to identify the replacement of Keynesian social contracts with new regimes of flexible accumulation and relaxed spatio-temporal fixes for capital in advanced capitalist nations, Ong emphasised that an anthropology aware of the "structures of feeling"—in Raymond Williams' terms—among zone workers revealed how their struggles were shaped by cultural variables, foremost kinship and gender, and not by class consciousness. Culture, to her, was also a more relevant variable than global political economy conditions in the

analysis of labour relations. To her, such factory regimes are best understood along Foucauldian analytical lines of regimes of truth and discipline (Ong, 1991: 281-282). She advanced this analysis throughout the 1990s towards a theory of “graduated sovereignty” in Southeast Asian neoliberal nations, which drops the focus on worker resistance to highlight instead how successful, rapid industrialisation policies divided national populations into one stratum with access to higher education and to the benefits of globalised capitalism and another stratum earmarked for the exploitative and gendered divisions of labour in zone factories (Ong, 2000). This chiefly informed her theorem of *Neoliberalism as exception* in a now widely cited monograph, where SEZs are the vehicles of the “very strategy of graduated sovereignty that embeds society in global production and financial markets” (Ong, 2006: 92). Recent research uncovers two major shortcomings in Ong’s empirical and theoretical work. First, anthropologists working on SEZs in India, Mauritius and elsewhere have questioned the novelty of graduated sovereignty and, hence, its qualifying capacity as a Foucauldian regime of truth and discipline that marks nation-building policies in the neoliberal era (Cross, 2010; Neveling, 2006). Instead, Ong’s two strata are visible in earlier eras. Among the empirical and analytical work with very similar findings, Mark Holmström’s anthropology of Indian labour in the pre-neoliberal, Nehruvian period stands out. This is because of the striking similarities between Ong’s strata of graduated sovereignty theorising and Holmström’s application of the dual economy thesis to India—where workers in the formal, often state-funded sectors are at the top of a metaphorical mountain symbolising India’s labour market that workers in the informal sector are desperate to climb up. In his words; “[f]or workers, the big difference is between having a permanent organised sector job and not having one; but this too is not a clear-cut distinction, there are degrees in it” (Holmström, 1984: 312).

Thus, Ong’s insistence on a genuinely neoliberal condition of graduated sovereignty and her earlier insistence on genuinely postmodern, culture-fuelled worker struggles are analytical chimera that ignore the *longue durée* of precariousness in working class lives across colonial and postcolonial economies. Recent ethnographies show instead that SEZ workers (and other workers), are alert to the precariousness of earlier generations and that this awareness frames their struggles. Whereas Ong portrays zone workers’ struggles—many of whom are young women, as she rightly points out—as struggles without (working class) histories, those struggles are instead closely linked to historical and contemporary struggles of wildcat workers, trade unions, non-governmental organisations, grassroots political movements, and radical leftist political movements. These struggles often go against the right-wing religious cosmologies and nationalist-chauvinist ethnicisation policies that are central to state-backed capitalist accumulation, even though some anthropologists mistakenly portray those right-wing ideologies as arsenals among the weapons of the weak (Struempell, 2018; Neveling, 2015e; Steur, 2017; Campbell, 2018).

A second, recent strand of anthropological research moves questions about the novelty of SEZs as political-economy regimes for labour exploitation and capital accumulation beyond the confines of graduated sovereignty theorising, however. The question raised in such global histories and global historical anthropologies identify the zones as harbingers of neoliberal globalisation, both in the realms of divisions of labour in global light-industrial manufacturing and other commodity chains and in the geopolitical realm of relations between capital, state, and labour. In response to critical political economy analysis such as Harvey's above-mentioned work on the condition of postmodernity and his later work on the historical emergence of neoliberalism, historical anthropologists and global historians point out that the periodisation proclaiming a fairly clear-cut transition from earlier Fordist labour relations backed by Keynesian fiscal and economic stimulus policies of national governments to a post-Fordist regime with precarious employment and neoliberal fiscal discipline on the side of the state (Neveling, 2014a; Neveling, 2017a; Ogle, 2017; Slobodian, 2018).

For Mauritius, for example, this does not add up because the island's political economy under British colonial rule until 1968 lacked Fordist labour relations in most spheres and turned towards Keynesian developmentalist policies from around 1960 only (Neveling, 2015e). Instead, the establishment of an EPZ in Mauritius in 1970 was a means to secure the domination of a local planters and millers' class that had internationalised their business after the Second World War. The zone enabled that class to diversify their portfolios and offered security from the threat of nationalisation by a rapidly growing socialist movement in the 1970s (Neveling, 2017b). The fact that Mauritius was a monocrop sugar-cane plantation economy since the early 1800s shaped the postcolonial state's incorporation into the world economy in particular ways. It paved the way for a particular continuity of precarity and super-exploitation of free wage labourers whose ancestors had come to Mauritius as slaves and indentured labourers. Similar modes of incorporation can be found in many other postcolonial nations where SEZs and also freeports were set up shortly before or after independence.

In this context, historical anthropologists now argue that Puerto Rico was the world's first region with an SEZ-type regime. This emerged under US colonial rule and came on the hinges of subcontracting for embroidery and other labour-intensive textile and garment processing that US warehouses had established and expanded rapidly via middlemen in the 1920s. The new sector targeted mainly women workers in households impoverished by the centralisation of plantation agriculture under the control of US agricultural trusts. As poverty escalated with the crisis of the 1930s, outsourcing expanded to manufacturing units in cities and women organised in wildcat strikes and with increasing backing from trade unions and the anticolonial movement on the island. To no lasting avail, however. If gendered exploitation, outsourcing and a spatial diversification of part-assembly in commodity chains were and remain core



features performed in most SEZs across the globe, other core features, foremost the above-mentioned government subsidies for investors, developed in rapid succession after the Second World War, when the local ruling party abandoned its pro-independence under the influence of early Cold War rackets linking comprador bourgeoisies on the island with right-wing anti-New Dealers in US politics and industry (Neveling, 2015d). Although the Puerto Rican export-oriented development model was propagated throughout the Caribbean and Latin America in the 1950s and spread into Africa, Asia and Europe with US government and early United Nations development programs, it only became standardised and packaged as EPZs and SEZs in the 1970s in response to the non-aligned movement's calls for a new international economic order. The new international division of labour that emerged in its stead takes on particular shapes as it hits the ground running (Neveling, 2017a). SEZs in Thailand, for example, opened up a rather stable labour market to post-Fordist, flexible world market production in some regions in the 1990s only (Campbell, 2018). The Mexican maquilas in border regions with the US, instead, built on and transnationalised a precarious incorporation of the region into US labour markets that had existed since the 1930s (Fernández-Kelly, 1983; Heyman, 1991).

This most recent strand of research on the zones thus goes to the very heart of an anthropological understanding of capitalism. It asks how capitalism changes both globally and in its articulation with particular regional economies. Beyond that, this approach seeks to return the, we may say, heydays of global economic and historical anthropology, when authors like Sidney Mintz and Erik Wolf made major contributions to general debates on the articulations of capitalism beyond Western-centric models of world-historical change. The following section takes a closer look at the historical development of the anthropology of SEZs and related zones since the first Puerto Rican zone-style development program.

## 2. Ethnographies of the New International Division of Labour in SEZs, 1970s-1980s

As argued in the previous section, the academic analysis of SEZs and related zones—and, hence, anthropological approaches to the zones—are vulnerable to the interventions of consultancy literature and reports from international organisations that define SEZs without any concerns for their social and economic impact on regional communities and on workers. Although this is an ignorance that anthropologists and other social scientists should expect from institutions in the grip of cold-blooded neoliberals, reports from the World Bank, various United Nations agencies and also national ministries and regional agencies that promote neoliberal economic development often count as empirical evidence for the workings of SEZs in academic publications. This means a missed chance to analyse them as the voices of powerful actors in a dynamic and highly exploitative arena within the capitalist world-system;

actors, who represent the interests of compradore bourgeoisies in control of postcolonial nation-states, for example, and actors who deliberately ignore or misrepresent the unequal exchange relations between national governments and the populations they represent on the one hand and local and international investors as well as powerful national governments in core regions of the capitalist world system. An overview of the entangled history of zone development since the 1940s and the anthropological writings on SEZs that started in the 1970s sheds light on how the production of anthropological knowledge on the zones is linked to the rise and decline of developmental ideologies in the capitalist world system and anti-systemic movements against those ideologies' implementations in praxis. The following thus charts three periods of anthropological works on SEZs, shaped by both their contemporary geopolitical conjunctures and the dominant social sciences theories of their eras.

### An unseen Puerto Rican primer

How could the emergence of a political economic praxis that creates a race to the bottom in manufacturing labour relations and turns postcolonial nations into vehicles for zone subsidies to the benefit of investors escape anthropological attention? If we cut out the suspense, the winning formula in this conundrum was and remains the fronting of narrow, technical and legal definitions that portray SEZs as exceptional economic development policies that increased FDI flows and helped nations like Singapore, the PRC, Mauritius, and others to miraculous economic growths, technological progress, and thus upward mobility on the imaginary civilisational ladder of developmental stages. Those successful zones serve as global lighthouse cases that are advertised in the promotion campaigns for more national and regional governments to establish new zones.

Puerto Rico was thus not only the one region on the globe where a local government developed the now standard SEZ-package with state-investment in industrial infrastructure, tax and customs waivers, preferential labour laws and advertisements of huge profit potentials to investors. Instead, those Caribbean islands were also the location where the world's first SEZ-"miracle" happened. It did so with many anthropologists researching Puerto Rico at the time and without them noticing what happened. Most notably, the scholars of a project entitled *The People of Puerto Rico* (TPPR), led by Julian Stewart and with later famous scholars like Sidney Mintz, Elena Padialla, and Erik Wolf, to name but a few (Stewart et al., 1956), were present for research when the ruling *Partido Popular Democratico* (PPD) abandoned their pro-independence stance and watered down a social-democracy type economic development agenda. The PPD retained certain aspects of a 1930s New Deal-type agenda, among them a land-reform recently analysed by Ismael Garcia-Colon that created a significant number of *parcelas* without touching the larger *haciendas* of a local landed bourgeoisie and of US

agricultural trusts (García-Colón, 2009). At the same time, and with advice from the US-treasury and the consulting corporation Arthur D. Little Inc. (ADL), they pioneered the privatisation of state-owned enterprises, cut taxes and customs duties for 42 types of industrial activities, among them spinning mills, garment and electronics factories and also hotels, while they advertised the whole package via tens of thousands of brochures sent to US manufacturers and other businesses. This massive and rapid political shift is the hidden transcript in Sidney Mintz' famous ethnography of the life of Don Taso, a Puerto Rican *Worker in the cane* (Mintz, 1974 [1960]), who is pushed towards born-again Christianity by his disappointment with the PPD's shift.

Despite that hidden transcript, which in other publications from the project is not hidden but absent, twenty-first century anthropology identifies TPPR as the first anthropological research project that approached a typical research location not as a seemingly remote peripheral region where one could identify a local culture distinct and to some extent untouched by capitalism, but as a society incorporated and shaped by the vicissitudes of colonial and imperial capitalism; of the US variant in this instance (Silverman, 2011). And rightly so, because the works of Mintz, Padialla, Wolf and other TPPR team members opened a social reality of plantations with plantation owners and plantation workers, a colonial administration in the grips of US political and economic interests, and the disrupted lives this conjuncture creates that anthropological paradigms shaped by colonial and imperialist encounters kept invisibilised in the 1940s and 1950s.

In hindsight, the team missed the radical turn to an early variant of postcolonial neoliberalism in Puerto Rican economic development policy because of two reasons, and those reasons are of major relevance for a critical anthropology of SEZs. First, humans and households living through the first years of that turn from 1948 could not identify it as such. Not even the Puerto Rican politicians or the US consultants planning and implementing the program with all their might could foresee that they were creating a developmental policy package that would be implemented thousands of times in more than one-hundred nations and affect tens of millions of workers' lives and their wider social networks. If history is what is happening, the world-historical significance of that happening, of the ideologies and practices established in a given research location cannot be evident in its very present. Instead, only an anthropology that approaches its fields of research as locations in a vast web of geopolitical and historical relations of command and resistance can identify the world-historical potential of particular conjunctures in hindsight (Neveling, 2016).

This is also because, second, those conjunctures may not be as successful and path-breaking in a given present as they are made to appear in later years. Many US mainland investors relocated their production to Puerto Rico in the years between 1947 and 1956, the year when the local government celebrated the 400<sup>th</sup> factory opening under the so-called Operation

Bootstrap program. Yet, some of those 400 factories had closed by 1956 already and the total numbers of workers in those factories was just above 32,000 (Neveling, 2015c: 72). Operation Bootstrap's privatisations, tax waivers, state-funding, and workers exploitation in sweatshops for US mainland garment and electronics manufacturers was not a watershed moment in Puerto Rico's economic development. Nevertheless, glamorous factory openings and their international press coverage backed US government policies that sold the Puerto Rican program as the pathway for rapid development under capitalism and as an antidote to communist insurgencies to many right-wing governments across the Third World in the 1950s. As more and more postcolonial nations implemented economic development programs similar to Operation Bootstrap, sometimes in spatially demarcated zones such as the Kaohsiung container harbour that was built with funding from the US government and UN technical assistance and opened in 1965, investors left Puerto Rico in search for labour that was even cheaper and government incentives that were often more generous. Puerto Rican workers thus experienced the same deindustrialisation that workers in textile and garment factories in the US northeast had experienced when their jobs were relocated to Puerto Rico in the late 1940s. In both instances, workers' resistance was caught between a rock and a hard place; they had struggled against exploitative and sometimes super-exploitative labour relations only to encounter the threat of relocation and deindustrialisation from management. Again, in hindsight, a global historical anthropology can identify those entangled processes and their untimely coincidence in both locations as the emergence of particular class formations in neoliberal capitalism (Neveling, 2015b).

Contemporary anthropology knows of global ethnographies, extended case methods, and of the analytical ends of globalisation (Kalb, 2000; Nash, 1981), In light of the condition of anthropological research

, Malaysia, Mexico, the People's Republic of China, South Korea, Sri Lanka, and elsewhere, while others have discussed the zones' implications for national sovereignty, citizenship and ethnicity. An important analytical current that runs through all anthropological works on the zones is the gendered division of labour in zone factories where the majority of workers have been young women from the start of the first zone programs (Cross, 2014; Nash and Fernández-Kelly, 1983; Fernández-Kelly, 1983; Heyman, 1991; Kim, 1997; Kleibert, 2015; Ong, 1987; Prentice, 2015; Safa, 1995; Sampat, 2015; Shakya, 2018; Whalen, 2002; Yelvington, 1995; Wright, 2006; Campbell, 2018; Bach, 2011).

To understand the changing foci on SEZs in anthropology, it is important to consider the world-historical circumstances that gave birth to the zone concept and advanced the spread of zones from the Puerto Rican EPZ-style development program of the late 1940s to the Asian "Tiger

states” of the 1970s, the PRC’s rapid entry into global capitalism since the 1980s and current SEZ programs across Africa and Europe. Puerto Rican economic development after the Second World War was marketed to the population as “Operación Manos a la Obra”, with the awkward English equivalent “Operation Bootstrap”. The local government targeted US light-industrial manufacturing companies with tax waivers, low freight prices, customs holidays, low wages and absence of unionisation in the US colony. At the peak of the operation, it seemed that Puerto Rico had turned from a “stricken land” of impoverished cane and tobacco farmers and cutters and women putting out orders for US warehouses (Tugwell, 1947) into an industrialisation powerhouse that counted 500 new factory openings from 1947 to 1957 (Neveling, 2017a).

The Puerto Rican program coincided with a fundamental change in geopolitics after 1945; under the aegis of the new global hegemon, the US of A, capitalist nations promoted economic development for their colonial territories and an increasing number of independent nations across the Third World. The fact that ever more nations turned to socialism and the resulting paranoia over a threat of global communism offered encouragement to capitalists worldwide to support the early development agenda declared by the US Truman administration in 1949. Across the globe activists in British, French, Dutch and other colonies developed and demanded not only national independence but also new arrangements for global trade and manufacturing. Central to many of these demands was the Prebisch-Singer thesis, which argued that former colonial powers continued to skim off huge gains from former colonies despite the latter’s independence because they sold commodities manufactured from imported raw materials back to the Third World at high profit (Bair, 2009; Neveling, 2015a).

This made manufacturing industrialisation particularly attractive to newly independent nations so that many opted for Western and international organisations’ development credit and aid to implement policies very similar to the Puerto Rican program. India, the Republic of Ireland, Jamaica, Mauritius, Mexico, the Philippines, Singapore, South Korea, and Taiwan were among the first wave of nations that set up export processing zones and similar export-oriented development programs, while other nations—among them Egypt and Honduras—did not follow through on planning stages after regime changes (Neveling, 2015d). In many cases, it took ten years or more to move from initial policy initiative via parliamentary debates and legislation, loan applications and cultivation of land for industry to the opening of a zone with first investors setting up shop.

1. The New International Division of Labour and the “Discovery” of Special Economic Zones

Zones in Malaysia and Mexico were the first to attract attention from anthropologists, most notably Josiah Heyman, Maria Fernández-Kelly, Aiwha Ong, and Helen Safa. Two theoretical developments shaped the work of Fernández-Kelly and Safa in particular; feminist theories on capitalism's gendered exploitation and the new international division of labour thesis (NIDL), which was influenced by the world-systems' theory. With the work of Ester Boserup on *Woman's role in economic development* (Boserup, 1970), scholarly attention turned to the important role of female labour forces across the Third World. Scholars were now aware that women constituted a significant share of the labour force in industrial manufacturing enterprises in developing countries and especially so in EPZs. This was further extended by findings of a research group from the German Max Planck Institute for the Study of the Scientific-Technical World that mapped the rapidly growing number of manufacturing jobs moving from the heartlands of Western capitalist nations to newly industrialising regions in the Third World. Based on an analysis of 79 EPZs in 25 nations in 1975 and the relocations from industrial heartlands in Western nations that had occurred, the authors concluded that relocations caused structural unemployment in deindustrialising regions of capitalist nations as well as rapid industrialisation based on gendered and superexploitative labour relations in investment receiving regions (Fröbel et al., 1981).

An edited volume entitled, *Women, Men, and the New International Division of Labor*, testifies to the relevance of the NIDL paradigm and critical analysis of gendered exploitation in 1980s anthropological writings on EPZs. June Nash and Fernández-Kelly's introduction identified global trends in the gendered "sectorial composition of labor" and in the increased "inability of capitalist industry to absorb labor released from the land" and suggested that these were signs of a stagnation of capitalist development on a global scale unexpected in Karl Marx writings and unseen since the crisis of feudalism (Nash and Fernández-Kelly, 1983: xiv-xv). Fernández-Kelly's monograph on the maquila workers of Ciudad Juarez is a formidable ethnography of the multidimensional effects of capitalism's stagnation in the 1970s. Whereas most critical literature on the crisis of capitalism and the global triumph of neoliberalism in that decade came from outside anthropology and

and their re-export as Harry and the capitalist blocs of nations over

Yet, as the economic booms in 1950s Puerto Rico, 1960s Taiwan, 1970s South Korea, 1980s Mauritius, and elsewhere waned, no one bothered about the aftermath of SEZ bubbles bursting so that the huge costs shouldered by societies and governments to cushion mass-unemployment of ex-SEZ workers

One important result of the global anti-systemic movements of the 1960s was their impact on the social sciences and humanities. Marxism and other critical theories had gained prominence in university debates across the globe during the first three decades of the twentieth century. Then, the sudden and consecutive onslaughts of global fascism and global anticommunism took the lives of leading figures in critical theory and critical political economy and destroyed or curbed the careers of others. Germany's Nazis ousted Jewish and socialist thinkers from tenured university positions and instead promoted the careers of right-wing thinkers like Martin Heidegger and Carl Schmitt. The Cold War shaped the immediate postwar era and the decades to come. In the Federal Republic of Germany (FRG), Cold War anticommunism came as a continuation of the Nazi prosecution of socialists and in the US, Britain, France, Australia and many other Western nations, various forms of McCarthyism forced Marxist scholars out of the classrooms.

Yet, more importantly than the 1940s

problematic, to say the least,

Similarly, workers in

incorporate of regions and nations into global capitalism via SEZs creates huge profits from these unequal exchanges for investors, best captured in absurd terms such as tax holidays. SEZ-promotion brochures and advertisements in international newspapers are eager to transmit images of abundant reserves of low-wage and yet reliable labour, praised for their "nimble fingers" and other exoticist stereotypes (Ong, 1991). In sum, SEZs are therefore not the "states of exception" that many anthropologists thought they found in the zones (Ong, 2006), but manifestations of the continued racialised workings of capitalism that rest on an ideology of capitalists as benevolent donors of work, wages and access to global markets and economically deprived regions and humans as unworthy solicitors for labour and capital.

, and patterns of exploitation daughters' spirit possession experiences in US and Japanese owned and South Korean US anthropologists focused and its assumption reconstruct the

incorporation of Malaysian peasants and The earliest modern SEZ was an amalgamation of economic development policies and institutions in late 1940s Puerto Rico. Until today, the Puerto Rican bundle of tax and customs waivers, state subsidies for investors, beneficial labour laws for capital, and state-sponsored services via an industrial development agency and a development bank provides the framework along which most nations operate and promote their SEZs. Early ethnographies of the zones SEZs relied on the macrosociological model of a New International Division of Labour (NIDL). Accordingly, 1980s and 1990s anthropologists studied the impact of rapid manufacturing industrialisation in early industrialising Third World nations like Malaysia, Mexico, and South Korea. Their works were forerunners of the 1990s wave of globalisation research in the discipline and yet maintained the firm awareness of earlier incorporation via colonialism and imperialism established via the global historical anthropologies of 1970s Marxian anthropology. As the number of SEZs increased rapidly from the mid-1980s

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Global historical anthropology reconstructs how the SEZ model spread from Puerto Rico, how it changed under new across the globe Commonly, such zones come with a range of incentives for investors, foremost tax and customs waivers, substantial state subsidies, and capital-friendly labour laws. Publications from international organisations and development economists distinguish between three or four types of SEZs; export processing zones (EPZs) that house manufacturing industries, free ports are containerised harbours that facilitate transshipment, bonded or airports that structures and regimes that  
Research and theorising on the social sciences and humanities

zones or enclaves and house any given number of factories producing commodities for global markets, foremost textiles, garments and light consumer electronics and increasingly also foodstuffs, furniture and cars.

Across these sections, the article accounts for the fact that research agendas in anthropology changed not least because of global increase in the number of zones globally and the growth of zones on national and regional scales. Whereas the zones were “special” indeed throughout the 1970s, there were 79 zones with less than one million workers in 24 nations in 1975, this changed profoundly when EPZS and SEZs became essential ingredients of the World Bank and the International Monetary Fund’s (IMF) structural adjustment programs (SAPs). This led to a hundredfold increase in zone numbers by the late 1980s, for example. In the same period,



individual zone programs grew rapidly. The Mauritian EPZ, funded in 1970, counted more than 500 factories and nearly 100,000 workers by the mid-1980s, for example. Such changes in the mundane world mean that more and more anthropologists encountered zones in their field-sites, while global debates and criticism of zone economies caught the discipline's attention and made the zones more relevant for analyses of the workings of capitalism on a global scale. An increasing interest in SEZs thus evidences how profound changes across research fields have an impact on anthropology's themes and theories.

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