

***Neoliberalism: Strategy for Development or a Development Paradox?
The Case of the Mexican Maquiladoras***

By
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of a Master of Arts degree
in International Development Studies*

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Abstract***Neoliberalism: Strategy for Development or a Development Paradox?
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Since the 1970s and the economic crisis in the West, export processing zones have become an integral part of a neoliberal development strategy. As corporations in the West began relocating production facilities abroad via policies of economic liberalization, EPZs were, at the same time, advocated by free-market economists and large international financial institutions (IFIs) as in the interest of every country and everyone. However, it remains unclear the impact of liberalization on workers, specifically women workers, who come in search of employment in EPZs. This thesis looks at quality of work in the Mexican maquiladoras, paying particular attention to the role of gender in the restructuring process. Field research was carried out and interviews were undertaken with workers and activists in Tijuana, Mexico in order to paint a picture of EPZ life and to assess, more broadly, the neoliberal model of development.

September 2008

Chapter 1

Introduction

The period since the early 1970s has been characterized by an increasingly integrated global economy, facilitated by market-oriented reforms, leaving virtually no country untouched. While it remains a highly debated phenomenon, it is not the process of globalization, but rather it is the causes and outcomes of this particular form of globalization that have drawn praise from proponents and harsh condemnation from critics. The term globalization is often used to refer to the integration of people, cultures and ideas through advancements in communications technology; however it is globalization understood as the expansion of global capitalism, by means of economic liberalization, that has been the vehicle of current global social and economic transformations. Therefore, it is not global integration, per say, that has drawn criticism but the particular form that globalization has taken which, critics argue, is anything but an impartial inevitability. Far from a development strategy, critics argue that what we are witnessing is a specific form of globalization which is a stage of capitalism, global in nature, focused primarily on the freeing of capital from political and social constraints. While proponents argue that these market-oriented reforms have been beneficial for both developed and developing countries, as well as for everyone, rich and poor, critics argue that this economic restructuring has been disproportionately beneficial for Western countries, but more specifically, for large multinational corporations. Furthermore, critics

argue that those groups which advocate and advance these pro-market reforms have a clear interest in perpetuating a system of inequality by taking advantage of the poor in the search for higher profits and, in turn, economic and political hegemony.

Globalization, in terms of economic liberalization has come to be referred to as 'neoliberalism.' Neoliberalism entails a specific economic strategy of restructuring along the lines of neoclassical economic theory. It involves, therefore, the implementation of policies of trade and financial liberalization, decentralization, deregulation of corporate activity, and privatization. Although the nature of the implementation varies from one country to the next, these types of policies have become widely adopted by governments around the world. In fact, due to the nearly global adherence by governments to this economic model of liberalization, the term 'neoliberal globalization' best describes this trend in global economic restructuring. Market-oriented economic reform became widely advocated by mainstream economists, Western governments and international organizations such as the World Bank, the International Monetary Fund and the World Trade Organization throughout the 1980s and 1990s. In fact, market reform often became a condition on further loans, which precipitated the move towards 'more market' and the reduction of barriers to trade, capital and finance in the developing world.

This package of neoliberal reforms was sold to developing countries as a means of improving their economic performance, and countries have been encouraged to open their borders as a means, for example, of attracting foreign investment and gaining access to foreign markets for their exports. In fact, this became a central component of neoliberal economic reforms under the pretext that "the growth of the export-industrial sector is generally an explicit state policy designed to improve the country's international

economic position.”¹ This economic justification for liberalization effectively paved the way for the restructuring of global manufacturing characterized, most notably, by the relocation of production facilities abroad. Since the early 1970s, manufacturing has been gradually transformed into an increasingly internationalized system of production characterized by global production chains, connected through export processing zones (EPZs). While corporations, usually in the West, retain the research and design aspect of production, many have relocated their assembly operations to the developing world. This has given rise to, what has been termed, the new international division of labour (NIDL). While the controversy over EPZs is not new, there remains a lack of consensus over the potential of EPZs to contribute to development.

There has been much debate over how best to measure the developmental impacts of EPZs which, of course, reflects different understandings, definitions of, as well as strategies to achieve, development. One of the empirical difficulties with the debate is that different conclusions can be reached from an analysis of similar situations. Some researchers use quantitative indicators more often and focus on the potential of EPZs to provide employment and to stimulate economic growth. Other researchers, however, use qualitative indicators more often and look at social factors such as working conditions, wages and environmental issues. The debate, therefore, is situated in different realms, and within these realms, proponents of very different understandings of the same phenomenon center their arguments upon different issues, which makes it difficult for the two sides to speak to each other. As Fussell argues, as a result of having two distinct concerns, two relatively insular bodies of scholarship have developed around *maquiladoras* with little exchange between them.²

However, further analysis reveals that much of the disagreement centers on how to measure the quality of jobs. While the proponents of growth focus on the economic and employment potential of EPZs, they also argue that wider social benefits including improvements in job quality will be realized through economic gains. The assumption made of EPZs, therefore (which serves also as a developmental justification) is that this expected growth, in turn, will bring about improved conditions for workers as part of an overall improvement in living standards and quality of life in countries which adopt the neoliberal model. This argument is rooted in an assumption of the inevitability and benefits of an increasingly interconnected and interdependent world. Proponents argue that economic liberalization and integration will bring about improved living standards across the globe leading to rising prosperity through mutually beneficial relationships. Specifically in terms of EPZs proponents argue that wages and conditions will improve through the market and in the mean time and that these jobs are often better than the alternative specifically for women who often have fewer opportunities in the formal sector than men. Critics are unsatisfied with this relativist approach and are concerned with the length of time expected for benefits to materialize. They argue that as a group workers are not benefiting from neoliberal globalization as free market policies which go hand-in-hand with reduced regulation of corporate activity have diminished their bargaining power. While this, they argue, has occurred in both developed and developing countries, workers in developing countries face far worse conditions which is rationalized under the pretext of development. They also point out that the role of gender in the restructuring process and the historical preference for women workers in EPZs is highly ambiguous, and often women face additional hardships in the factories. Those more

critical of EPZs advocate, therefore, the prioritization of good quality jobs in EPZs and prefer to evaluate these jobs in terms of absolute standards of human fulfillment and economic well-being.³

While there are certainly moral grounds for this latter approach, both are somewhat problematic as they attempt to define a measure of job quality that may or may not be consistent with workers' experiences. As this thesis is based upon fieldwork carried out with EPZ workers, to the greatest extent possible I will let the experiences of workers paint a picture of EPZ work. However, I will set up a general framework of labour standards for the analysis of EPZ jobs, taking into account that basic labour standards are a reflection of an international consensus that employment opportunities should provide workers with a certain level of material well-being as well as a sense of dignity. This is based on the case for good quality employment as a means to real development and skepticism over the ability of the market, and EPZs as a pro-market economic strategy, to bring about improved conditions and wages given the historical context in which the current phenomenon of globalization has arisen.

Question

Are EPZs providing stable, good quality employment opportunities and, therefore, contributing to real development in Mexico?

What are EPZs?

EPZs are economic zones set up to attract foreign direct investment (FDI) and to provide to (mainly) foreign businesses access to cheap labour, tax incentives, and a duty-free environment with respect to imported capital, raw and intermediate goods and to exported final goods. The International Labour Organization, which is the UN specialized agency dedicated to drawing up and overseeing international labour standards, defines EPZs as “industrial zones with special incentives set up to attract foreign investors, in which imported materials undergo some degree of processing before being re-exported again.”⁴ According to the ILO, in 1975 there were 25 countries with some form of EPZ while today the number has risen to 130. While there were 800,000 workers in EPZs in 1975,⁵ employment has increased from 22.5 million workers in 1997 to 66 million in 2006 (of which China accounts for 40 million).⁶

The rise in prominence of EPZs is intricately tied to neoliberal policies regarding trade, capital and financial liberalization. Beginning in the 1970s, corporations began relocating production facilities abroad. “Offshore sourcing” created a characteristic division of labour in which TNCs performed research and development, product design, and basic component fabrication in the home country, shipped the components to Third World subsidiaries for assembling, testing, and packaging, then re-exported the finished product from the Third World nation for distribution on the global market.⁷ Today, production spans the globe as raw materials from one country are shipped elsewhere to be processed, to yet another country to be manufactured into an input, and then assembled into a final product in yet another location.⁸ EPZs are usually labour-intensive industries,

and jobs in EPZs involve tasks such as assembling wire harnesses for automobiles or electric circuit boards for computers, putting together stereo equipment or sewing shirts and blouses;⁹ however, the ILO argues that EPZs exist in a wide variety of zone formats, including free trade zones, industrial free zones, *maquiladoras*, special economic zones, bonded warehouses, technology and science parks, financial services zones and free ports. The common element remains the provision of incentives to attract foreign direct investment for export production.¹⁰ The majority of EPZs can be found in developing countries in Central and South America, Asia, and more recently, in Africa.

Case Study: The Mexican *Maquiladoras*

The Mexican *maquiladoras* serve as a useful case study of EPZs. While Mexico is one of many countries to implement the neoliberal development model, not only has it adopted neoliberal economic reforms, but due its proximity to the United States Mexico has become an enormously important locale for investment. While export processing zones have existed in Mexico since the mid-1960s, primarily along the border, it was not until the 1980s and following the adoption of NAFTA in the mid-1990s that Mexico has witnessed an explosion in the number of foreign-owned factories operating in the country under the *maquiladora* system. While there has been substantial research on EPZs and the Mexican *maquiladora* industry in particular, there remains uncertainty and disagreement over their potential to contribute to development in Mexico. Therefore, it is worth revisiting the debate in order to contribute to the analysis of EPZs by looking at the current situation of Mexican *maquiladora* workers. Nearly three decades of economic restructuring along neoliberal lines, the adoption of a free trade agreement with the

United States and Canada combined with this lengthy and established history with EPZs makes Mexico an extremely valuable case study from which to assess the development potential of EPZs. The objective of this thesis is to assess the ability of EPZs to contribute to development through an analysis of the *maquiladora* industry in Mexico by focusing on wages and working conditions, paying particular attention to the role of gender in the restructuring process.

Job Quality and Development: Labour as a Development Issue

The realization of development encompasses the creation not simply of jobs but of employment opportunities which provide sufficient wages, are safe, provide a level of dignity and security and which allow workers the ability to negotiate their working terms and voice their concerns. Good quality employment opportunities may not be necessary for the realization of economic growth; however, they are necessary for the realization of a development that is inclusive and fair. Labour standards, higher investment in worker training, the guarantee of worker rights and a voice for trade unions promotes a more equitable sharing of the gains from trade and growth,¹¹ which directly improves livelihoods. One of the principle ways in which EPZs could contribute to development is through their ability to provide employment which, in turn, provides income which can allow the poor to rise out of poverty. According to the ILO, employment is an integral part of development as it provides the poor with income that can be used to improve their material well-being. In other words, the importance of employment in the context of poverty stems from the fact that poor people rely mainly on the use of their labour power for earning their livelihood.¹² However, it is not merely quantity but the quality of

employment, or return to labour, that determines whether incomes will lift people out of poverty.¹³ If either the quantity of employment or the rate of return to labour is low despite working full-time, a worker is likely to live in poverty.¹⁴ In other words, wages must be sufficient to allow workers to provide for themselves and their families if they are to allow them to rise out of poverty. Therefore, sufficient wages are a basic prerequisite for development. Moreover, real development depends upon the realization of employment opportunities which abide by labour standards for the protection, safety and overall well-being of workers.

Labour Standards: An Issue of Social Justice

There is also a strong moral/humanitarian case for ensuring labour standards. Humanitarian concerns for the condition of workers had already come to the fore in the advanced capitalist countries in the 19th century as the low wages and poor working conditions that had characterized working life were becoming increasingly unacceptable, and concern over labour unrest and political instability was rising. It was in this context that the International Labour Organization (ILO) was created as the international body responsible for the advancement of international labour standards. The ILO recognized threats to peace caused by labour unrest when it was founded in 1919 in the wake of a destructive war, and since then, its vision has been based on the premise that universal, lasting peace can be established only if it is based upon decent treatment of working people.¹⁵ It was becoming formally recognized that workers' rights are human rights and, moreover, that there are dangers inherent in the mistreatment of workers. Through the ILO, these concerns were articulated in numerous conventions and recommendations dealing with the prevention of unemployment; the provision of an adequate wage;

occupational health and safety protection, wage equity, and the right to freedom of association.¹⁶ These internationally recognized labour standards, and the principles upon which they are built, remain as relevant today, if not more so, as they did upon their creation. As more and more workers in developing countries are entering the capitalist labour market often in production jobs formerly held by workers in the advanced capitalist countries, it is essential that what accompanies them are the similar rights and protections granted to workers in the North.

Methodology

Framework of Labour Standards: Criteria for Analyzing EPZs

EPZ jobs, in order to be classified as being of good quality will have to provide a stable job; a wage that is sufficient for workers to provide for themselves and their families; shifts and work-weeks will have to be of reasonable length; adequate time for breaks must be observed; workers must not be mistreated or subjected to psychological, physical and sexual abuse; the workplace must provide a level of safety and training; and workers must have the ability to voice their concerns and negotiate their wages and working conditions. In order to assess this, EPZ jobs will be analyzed in terms of how well they comply with universally recognized labour standards, expressed through ILO Conventions, the Mexican Constitution, and/or Mexican labour law. These standards include the right to collective bargaining/freedom of association; to a workplace free of discrimination, to a healthy and safe work environment; to an adequate wage; to proper breaks/rests as well as to a job that provides a level of dignity.

Occupational Health and Safety

Although there are no exact criteria for measuring occupational health and safety, I will regard these jobs as safe if proper safety training and safety gear are provided and if accidents and injuries are infrequent. This would respect the *ILO Convention 155* on Occupational Safety and Health as well as Convention 161 on Occupational Health Services. Convention 155 requires governments to "formulate, implement and periodically review a coherent national policy on occupational safety and health [...] and the working environment."¹⁷ The objective of such policy, according to Article 4, must be to prevent injuries and illnesses.¹⁸ Convention 161 on Occupational Health Services calls for the creation of preventive Health Services to promote, on a cooperative basis, the well-being of workers, and it requires that all workers be informed of health hazards involved in their work.¹⁹ Occupational health services are also to be informed of any factor that is or could be detrimental to workers' health and of any occurrences of health problems among workers.²⁰ A safe working environment would also respect Mexican Federal Labour Law, which places upon employers duties to ensure workplace safety and health, maintain compliance verification systems, and provide workers with training and information about risks.²¹

Adequate Wages

The Mexican system of labour law is based on fundamental principles including the provision of work which must a decent economic level of living for employees and their families.²² These jobs will be deemed to provide sufficient income if they provide workers with an adequate wage, which according to CITTAC is 4000 pesos/week or 16,000 pesos/month. This provides sufficient income for a family of four for rent

(6000/month), food (2000/month), clothing (2000/month), electricity (800/month), water (400/month), school fees (1050/month), transportation (900/month), phone (300/month), personal use (1000/month) with the remainder for savings/emergency/remittances.

Workers will also be asked to comment on the sufficiency of the wages in order to account for potential differences of opinion.

Freedom of Association

If workers are able to freely form and enter into labour unions and to organize and have a say in the conditions of their work, these jobs will be viewed as respecting the ILO Convention 87 *Freedom of Association and Protection of the Right to Organize* as well as Mexican Labour Law. Articles 2 and 3 of ILO Convention 87 as well as Article 22 of the *International Covenant on Civil and Political Rights* guarantee workers the right to establish and join organizations of their own choosing and prevent interference from public authorities.²³ Section XVI of Article 123 of the Mexican Constitution states that "both employers and workers shall have the right to organize for the defence of their respective interests, by forming unions, professional associations, etc."²⁴ Articles 354 to 358 of the Mexican Federal Labour Law (LFT) recognize freedom of association of workers and employers, as well as their right to form and belong to a trade union or to abstain from joining one.²⁵

Hours of Work and Overtime

The LFT sets minimum standards regarding work schedules and rest periods.²⁶ Under the LFT, the maximum length of the working day is eight hours per day with a rest period of at least half an hour every day. A regular work day may be extended up to a

maximum of three hours a day, a maximum of three times a week, for a maximum of nine hours of overtime per week, in exceptional circumstances (LFT, Article 66). No worker can be compelled to work overtime exceeding nine hours weekly (LFT, Article 68).²⁷

Equality in the Workplace

Equality can be claimed if the workplace is free of discrimination. The ILO Discrimination (Employment and Occupation) Convention 111 protects against any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.²⁸ The following provisions of the Mexican Constitution are of importance to women: Article 4 guarantees the equality of women and men before the law; Article 123.V states that pregnant workers should be prevented from performing work that may be prejudicial to their health.²⁹ The Constitution also provides for mandatory maternal leave of 6 weeks before and 6 weeks after birth without loss of wages or other rights, and Article 123.VII confirms the principle of equal remuneration for work of equal value.³⁰

Dignity

The Mexican system of labour law is also based on the principle that work must be performed under a system of freedom and dignity for the persons providing it.³¹ While such a subjective standard may be difficult to measure, jobs that provide a level of dignity should be free from abuse, harassment and discrimination. This includes verbal, emotional, sexual and physical abuse.

Qualitative Methods

Qualitative methods were the most appropriate methods for achieving my research objective, which is to analyze the potential of EPZs to contribute to development by looking at the quality of jobs in the Mexican maquiladoras. I required an in-depth look at the lives of the EPZ workers in order to evaluate the quality of these jobs, and so I chose qualitative methods in the form of semi-structured interviews. I completed twenty-seven interviews with maquiladora workers and activists in Tijuana, Mexico with the help of a non-governmental organization called *CITTAC (Centro de Información para Trabajadoras y Trabajadores, A.C. – Workers' Information Centre)*. Qualitative methods are better suited for accessing the depth of human experience, and as Padgett argues, “When it comes to human factors, qualitative researchers have the market cornered.”³² Qualitative methods allow for a more in-depth view of a phenomenon; they seek to answer “how” and “why” whereas quantitative methods seek to answer “what.”³³

The importance of the use of qualitative methods in this context also relates to the outcome of the research. As Berg argues, research methods on human beings affect how these persons will be viewed.³⁴ The problem with quantitative analysis is that people and their experiences are discounted. Granting superiority to knowledge systems that are based on quantitative analysis of human experience relegates people and their experiences to the periphery. Many studies of EPZs use only quantitative methods and include only economic indicators; however, there is a danger in drawing conclusions about the developmental impact of EPZs based on quantitative data and economic indicators. Likewise, it is problematic to make any conclusions regarding the benefit of these jobs based on quantitative data alone, as it is often far removed from the reality of

human experience. There is a lack of analysis of the factors that determine the impact that these jobs have on quality of life, which, is the ultimate measure of development. As Berg argues, if humans are studied in a symbolically reduced, statistically aggregated fashion, there is a danger that conclusions – although arithmetically precise – may fail to fit reality.³⁵ It was important to analyze EPZs, therefore, through the experiences of workers.

Participatory Methods

By virtue of choosing to interview workers for the purpose of data collection, and not relying on secondary sources, my methods were participatory. EPZ employment cannot be understood without using participatory methods; moreover, attempting to do so perpetuates the dominance of a few so-called experts who often have a stake in maintaining the status quo. These so-called experts often speak for the “others” who are not viewed as having any valuable knowledge. This can only lead to confusion as “experts” champion the EPZ strategy without ever listening to the workers themselves. As Gaventa argues, scientists produce by objectifying others, by making them data and who, as the objects of another’s inquiry, are denied the position of subjects who can act, create and observe for themselves.³⁶ On the other hand, the non-experts may experience a problem, and through that experience gain valuable knowledge and insights, but when it comes to political debates, their knowledge is given little weight because it is not scientific.³⁷ Gaventa also argues that increasingly in social conflicts, the power struggle is not simply one of who prevails in the resolution of an issue but also in who prevails in measuring its very existence.³⁸ What constitutes even the definition of a political problem is decided *for* the people by the experts who study them, not by the people themselves.³⁹

This is particularly relevant in the debate over EPZs as proponents, or so-called experts, have championed the benefits of EPZs without ever speaking to those who work in them. The important point, then, is that through the use of participatory methods workers will be the creators of valuable knowledge about EPZ jobs, and this will allow for a more accurate picture of reality. While some may argue that research can only be participatory if it is conceptualized and developed by the people themselves, I am inclined to agree with Gaventa who argues that there is room for research that comes from the outside. He argues that what is important is valuing other sorts of knowledge and not solely scientific research.⁴⁰ It is through the experiences of workers, therefore, that EPZs must be analyzed so as to allow for an accurate picture of EPZ employment.

Semi-Structured Interviews

In line with my choice of qualitative and participatory methods, the interviews with workers and activists were semi-structured so as to follow a trajectory of questions aimed at assessing the quality of these jobs while leaving open a space for additional comments and insight. The interview questions were divided into three sections. The goal of the first section, which consisted of questions relating to demographics and education, was to create a picture of the type of workers employed in the maquiladoras. The idea was the trends could then be used to develop correlations between the type of workers employed and the quality of work in the maquiladoras. The data derived from these questions could also potentially be used to analyze any discriminatory hiring practices as well as any discrimination or abuse faced by workers inside EPZs. Questions in this section were also geared towards assessing workers' history in the maquiladoras in order to assess the stability of these jobs. The purpose of the second section was to develop an

in-depth picture of the type of employment in EPZs in terms of conditions of work and wages. Questions were geared towards types of *maquiladoras*, hiring practices, breakdown of workers according to gender, day-to day-work environment, length of shifts, length of breaks, adequacy of wages, benefits, living conditions, accidents, injuries, presence of labour unions, and treatment of workers by management. The third section consisted of questions relating to responsibilities and life outside the factory feelings as well as perceptions about the *maquiladoras*. Questions were aimed at gauging feelings, attitudes and perceptions about work in the *maquiladoras*. The purpose of this section was to create a more holistic view of the lives of workers – particularly women workers. The purpose of this section was also to account for potential differences between my own criteria for measuring good quality jobs and workers own views on the *maquiladoras*. The purpose of interviewing activists was to gather additional data on wages and working conditions. The activists work closely with workers and provide legal aid to many whose rights have been violated by the companies, and so they have insight into the nature of work in the *maquiladoras*. The activists also allowed me to develop a more in-depth picture of labour trends in EPZs. The questions for activists were geared towards the type of *maquilas* operating in Tijuana, nature of work in the *maquilas*, the type of work CITTAC does as well as potential solutions to problems.

¹ Cravey, Atha J. (1998). *Women and Work in Mexico's Maquiladoras*. Maryland: Rowman & Littlefield Publishers, p. 6.

² Fussell, Elizabeth. (2000). "Making Labor Flexible: The Recomposition of Tijuana's Maquiladora Female Labor Force." *Feminist Economics*, v.6.3: 59-79.

³ Tiano, Susan. (1994). *Patriarchy on the Line: Labor, Gender, and Ideology in the Mexican Maquila Industry*. Philadelphia: Temple University Press, p.47

⁴ International Labour Organization. (1998). *Labour and Social Issues Relating to Export Processing Zones*. Geneva: ILO.

⁵ La Botz, Daniel. (1994). "Manufacturing Poverty: The Maquiladorization of Mexico." *International Journal of Health Services*, v.24.3: 403-08, p.405.

⁶ International Labour Organization. (2007). *ILO Database on EPZs*. Geneva: ILO.

⁷ *Ibid.*

⁸ Gagatay, Nilufer. (2003). "Gender and International Labor Standards in the World Economy." In Ellen Mutari & Deborah M. Figart, eds. *Women and the Economy: A Reader*. Armonk, N.Y.: M.E. Sharpe, p. 301

⁹ La Botz, Daniel. (1994). "Manufacturing Poverty: The Maquiladorization of Mexico." *International Journal of Health Services*, v.24.3: 403-08, p.405.

¹⁰ International Labour Organization. (1998). *Labour and Social Issues Relating to Export Processing Zones*. Geneva: ILO.

¹¹ Lee, Eddy. (1997). "Globalization and Labour Standards: A Review of Issues." *International Labour Review*, v. 136.2: 173-89.

¹² International Labour Organization & United Nations Development Programme. (2005). *The Role of Employment in Promoting the Millennium Development Goals*. New York: UN & Geneva: ILO.

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ International Labour Organization. *ILO Constitution*. <http://www-ilo-mirror.cornell.edu/public/english/about/iloconst.htm> <Accessed 20 November 2007>

¹⁶ *Ibid.*

¹⁷ International Labour Organization. (1981). *ILO Convention 155*. Geneva: ILO.

¹⁸ *Ibid.*

¹⁹ Human Resources and Social Development Canada. *Mexican Labour Law*.

http://www.hrsdc.gc.ca/en/lp/spila/ialc/pcnaalc/12mexican_law.shtml#fnote1 <Accessed 24 August 2008>

²⁰ *Ibid.*

²¹ Department of Labor, Occupational Safety and Health Administration. *Occupational Safety and Health Laws in the United States, Mexico and Canada*. <http://www.dol.gov/ilab/media/reports/nao/oshreport1.htm> <Accessed 28 August 2008>

²² Human Resources and Social Development Canada. *Mexican Labour Law*.

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²³ *Ibid.*

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ International Labour Organization. (1958). *ILO Convention 111*. Geneva: ILO.

²⁹ International Labour Organization. *Constitución Política de los Estado Unidos Mexicanos*.

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³⁰ *Ibid.*

³¹ U.S. Department of Labor, Bureau of International Labor Affairs *A Primer on Mexican Labor Law*.

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³² Padgett, Deborah K. 2004. "Finding a Middle Ground in Qualitative Research," in *The Qualitative Research Experience*. Wadsworth Publications: Belmont, California, p.4

³³ *Ibid.*

³⁴ Berg, Bruce L. 2004. *Qualitative Research Methods for the Social Sciences*. Allyn and Bacon: Toronto, p.7

³⁵ *Ibid.*

³⁶ Gaventa, John. 1990. "The Powerful, the Powerless, and the Experts: Knowledge Struggles in an Information Age" in Myles Horton & Paulo Friere (eds.) *We Make the Road by Walking: Conversations on Education and Social Change*. Temple University Press: Philadelphia, p.10

³⁷ *Ibid.* p.10

³⁸ *Ibid.* p.8

³⁹ *Ibid.*, p., 8

⁴⁰ *Ibid.* p.19

Chapter 2: Literature Review

Neoliberalism and EPZs: An Overview

Neoliberalism has become the mainstream approach to the conceptualization and implementation of development since the 1980s. Neoliberalism posits that the unleashing of market forces will lead to growth and rising incomes for everyone, even the poorest and most disadvantaged groups in society. It has become widely accepted among international financial institutions such as the World Bank and the International Monetary Fund, that it is a strategy that will bring about development in terms of higher levels of growth, productivity and income equality.¹ The assumption is that the market is best able to allocate resources efficiently when distortions are removed (when the market is unregulated), which will lead to high levels of economic growth, the benefits of which, in turn, trickle down to even the poorest members of society. It is argued, therefore, that the social good will be realized by maximizing the reach and frequency of market transactions and by bringing all human action into the domain of the market.² Neoliberalism proposes that human well-being can be best advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade and envisions the role of the state to create and preserve an institutional framework appropriate to such practices.³ As Veltmeyer and Petras argue, proponents and agents of neoliberalism picture the world as a sea of individuals, each striving as individuals to advance their own interests and in the process bringing about conditions of economic development and social welfare.⁴

Theoretically, underlying these pro-market development policies is the revival of neoclassical economic theory.⁵ Neoclassical economics views the market as the most efficient mechanism for allocating resources and borrows from liberal thinkers such as Adam Smith the idea of the “invisible hand” of the market which by “getting prices right” and eliminating distortions will lead to the best economic outcome for all.⁶ More specifically, the contemporary pro-market programs have this neoclassical model as their theoretical premise which assumes the superiority of market forces over state institutions, encourages the adoption of market-oriented policies such as deregulation and privatization, and recommends the transformation of the public sector based on market principles.⁷ Palast has characterized the policies associated with neoliberalism as the ‘Four Horsemen of neoliberal policy: liberalized financial markets, reduced government, mass privatization and free trade.’⁸

EPZs are a direct outcome of this shift in thinking and practice. Part of neoliberal economic restructuring has involved the gearing of economies towards export-led industrialization by attracting foreign direct investment (FDI) which has been facilitated by the internationalization and deregulation of trade and capital flows.⁹ Barriers to trade, capital and finance have been scaled back or removed, paving the way for the movement en masse of production facilities abroad. This has given rise to the new international division of labour which, in turn, has precipitated a substantial manufacturing sector oriented towards the world market.¹⁰ Through the ‘global assembly line’ of the textile and electronics industries, many more Third World workers are becoming an integral part of the world working class.¹¹ Able to flourish as a result of increased liberalization, EPZs, as part of a free-market strategy advocated as a positive development strategy by

international financial institutions and many governments. Proponents of the neoliberal model of development view EPZs as vehicles for growth and job creation. However, proponents remain generally unconcerned the loss of “unsustainable” jobs in domestic industries and with the quality of employment in EPZs.

Theoretical Debate

While I take the position that labour standards are a prerequisite to the achievement of real development, proponents of neoliberalism argue that labour standards lead to market distortions, and furthermore, that the market will see to it that eventually wages rise and conditions improve. According to proponents of neoliberalism, wages and labour standards in EPZs should be determined through the market in order to eliminate such distortions. In terms of growth and employment creation, it is claimed by proponents that market-oriented reforms will be beneficial for economic growth since they create an incentive to allocate resources to activities that offer higher productivity and are more in line with a country's comparative advantage¹² which in the case of many developing countries it is argued is unskilled or cheap labour. It is argued moreover that any other way of setting wages (other than through the market) will distort the country's labour market and the country would lose the “natural incentive of the cheaper labour that attracted the investment in the first place.”¹³ Moreover, it is argued that the market will ensure that wages rise and conditions improve. Mainstream economists, such as Martin Wolf, argue that labour standards should not be enforced, as export-led growth in developing countries raises incomes, tightens labour markets and so naturally tends to improve job standards.¹⁴ It is claimed that as countries become richer and their labour costs rise, the activities that use unskilled labour most intensively move to still poorer and

cheaper countries. This is not viewed as a drawback, but a benefit, because, it is argued that as old opportunities migrate, new ones emerge.¹⁵ This assumes among other things that the market will ensure growth, and more, importantly, that this growth will be redistributed, thereby benefiting all of society.

The idea underlying this claim is that wages will rise as a result of the market and the subsequent increase in demand for labour. This idea has its roots in neoclassical economic theory; for example, according to Mill, in a growing economy usually an increase in capital and output expands the demand for labour, which in turn increases the level of wages.¹⁶ Similarly, economists, like Linda Lim, argue that even if wages are low in the beginning, once the multinational assembly plants reach maturity, they would improve the labour market by increasing demand and raising wages throughout the labour market.¹⁷ Wolf agrees and argues that the efficiency of workers and managers and the capital at their disposal will rise rapidly, generating increases in productivity; as the supply of labour begins to tighten, wages and labour productivity will both explode upwards.¹⁸ As a result, wages and standards are expected to equalize between developed and developing countries. According to Went, in neoclassical models, free trade leads to upward harmonization of standards, and falling wages is a temporary phenomenon.¹⁹ According to Martin Rama of the World Bank, thanks to trade in goods and services, and to capital mobility, labour earnings should become similar in industrial and developing countries.²⁰ Proponents not only argue, therefore, that wages and working conditions will rise through the market but that this is, in fact, the best way to ensure that wages rise and conditions improve. When applied to real-world situations, however, there are theoretical

inconsistencies in such arguments, as well as politically motivated agendas, which some argue prevents the amelioration of wages and conditions.

In theory, as demand for labour rises, wages are supposed to rise as well; however, critics point to reasons why this is not expected to occur in EPZs. Most apparent, the process of rising wages through the market may be delayed due to a political environment hostile to labour rights. As Lee argues, “in countries with high inequality in the distribution of wealth and income, the effect from growth to improving labour standards is likely to be weak and blocked by anti-labour interests.”²¹ Moreover, it is argued that structural constraints on wage increases are a result of the historical events which created an unlimited supply of cheap labour in developing countries as well as a distortion of rural wages, which directly impacts the wage in the modern sector today. Mainstream economists argue that the wage for unskilled labour is set by its value in the rural hinterland which, in technical terms, is its opportunity cost meaning that factories pay workers slightly more than what they earn in rural areas as enticement.²² As Lewis argues, however, the creation of poverty in rural areas has distorted the opportunity cost of working in the modern sector.²³ The ‘value’ of unskilled labour, therefore, is often already distortionary due to rural wages being kept deliberately low in the rural sector by the capitalist class. Therefore, capitalist power relations play a role both in the formation of the rural and the capitalist wage. Lewis notes when discussing the determination of the capitalist wage that “the fact that the wage level in the capitalist sector depends upon earnings in the subsistence sector is sometimes of immense political importance, since its effect is that capitalists have a direct interest in holding down the productivity of the subsistence worker’s income by impoverishing the subsistence economy, by taking away

land, demanding forced labour, or imposing taxes to force people to work in the capitalist sector.²⁴ This, then, can impact the determination of wages in EPZs. In fact, according to the ILO, most zone-operating countries have an abundant supply of labour available to work in the zones which tends to keep wages low.²⁵ They also argue that there is a high turnover of workers in EPZs, but employers are often not concerned because replacements can always be found.²⁶

Part of the problem, then, with neoliberalism is that it seeks to relegate all social relations to the market. It treats labour as a commodity and the determination of the wage as an economic transaction and not as a social one. This is both politically motivated and theoretically unsound. Critics argue that the theoretical understanding of why wages will not rise through the market lies in an understanding of labour as a fictitious commodity which explains why its 'price' is not determined solely through the market and the laws of supply and demand. Generally speaking, they argue, wages do not reflect a neutral relationship involving supply and demand because it is not solely the institution of the market which shapes the capital-labour relationship. Labour is simply not a commodity like any other in so far as it reflects a human capacity, and because labour is not a commodity it does not behave like one.²⁷ Its 'price' is determined socially and involves the state, trade unions and other public bodies in its regulation.²⁸ Polanyi was able to see that labour was not a commodity; as if it was, it would have to be permanently on strike to achieve a better price.²⁹ As Munck argues, Polanyi is refreshingly blunt when he argues that 'social legislation, factory laws, unemployment insurance, and, above all, trade unions,' had precisely the function of 'interfering with the laws of supply and demand in respect to human labour and removing it from the orbit of the market.'³⁰

Polanyi understood that “not only conditions in the factory, hours of work and modalities of contract, but the basic wage itself are determined outside the market.”³¹ Similarly, Keynes argued that wages would not fall simply because demand for labour fell, because workers would resist a wage cut. Similarly, wages will not rise simply because there is demand for labour because employers will refuse this.³² In Keynesian theory, the assumption of downward rigidity in money wages entailed a clean break with the orthodox view that under competitive conditions, each resource will be fully employed,³³ (full employment of resources, including labour, being an assumption of neoliberalism). Moreover, if wages are not determined by the market through the laws of supply and demand, then the idea of applying the laws of comparative advantage to the labour market is irrelevant. In broad perspective, if wages are not determined (solely) by supply and demand and a mutually beneficial relationship of exchange between employers and workers but by the nature of the capital-labour relationship, which is inherently unequal, when unregulated, as is the case under the current neoliberal agenda, this inequality is only exacerbated. As a result, workers wages will remain low in EPZs.

Critics also argue that there are economic costs that are overlooked in a depiction of labour standards as a market distortion; and, as noted above, there remains a strong moral case for ensuring labour standards irrespective of their impact on growth. While some mainstream economists and proponents of neoliberalism argue that labour standards negatively impact the potential for growth by impinging upon the free working of the market, thereby hindering efficiency, productivity and, hence, growth, this overlooks productivity foregone as a result of poor worker morale and labour unrest. In fact, there are productivity-enhancing benefits of labour standards which are often overlooked in

neo-liberal depictions of labour standards as only a cost; however, labour standards tilt the balance of incentives away from the low road of "sweating" towards the high road based on efforts to raise productivity.³⁴ Therefore, the ability of workers to have representation and to voice their concerns is an integral part of improving working conditions, which improves productivity. Moreover, if labour standards were advocated by the large IFIs, including the World Bank, as essential to enhancing productivity, growth could still occur and would, in fact, be a more equitable type of growth. Similarly, if there were universal adherence to the core standards they would effectively have been "taken out of competition" and hence no longer have an influence on competitiveness.³⁵ In addition, as Lee argues, even if the evidence on the link between labour standards and competitiveness is disputed, there remains the very strong moral case in favour of observing the core standards which are basic human rights.³⁶ This cannot be overridden by purely economic considerations, even if there were evidence of some negative impact of these standards on competitiveness.³⁷

It remains unclear how the market is to ensure that wages rise and conditions improve. There is a, therefore, a disconnect between the theoretically positive rhetoric surrounding liberalization and the policies that developing countries are encouraged to adopt in order to attract FDI and develop EPZs. It seems that in practice the market-distortion argument may simply be used, in practice, to mount a case against the enforcement of labour standards, and labour law, where it exists. Despite the theoretically positive outlook of neoliberalism, recommendations made by the World Bank for attracting FDI reveal that the labour standards are presented as a hindrance to investment, and countries are encouraged not to enforce labour law (where it exists). According to a

World Bank Report on EPZs, host countries are expected to implement (as a condition on further loans) a list of policies and conditions in order to attract FDI which include: “less governmental red-tape, and more flexibility with labor laws for the firms in the zone than in the domestic market.”³⁸ Similarly, this report argues that an internationally competitive business environment is important for attracting FDI, which, in practical terms, means a policy environment that does not “get in the way of private sector development.”³⁹ However, pitting labour standards against the potential for economic growth and development is certainly politically motivated, and it raises concern over whose interests such policies are serving.

Neoliberalism in Policy and Practice: Criticisms

Critics argue that it is precisely the policies associated with neoliberal globalization, specifically increasing competitiveness as a result of extensive deregulation of the market, which are leading to a race to the bottom in terms of wages and working conditions. They argue that contrary to the claim made by proponents that the free market will lead to the upward harmonization of standards, what we are witnessing is a downward harmonization of standards. Some observers see in these developments the emergence of a global labour market wherein “the world has become a huge bazaar with nations peddling their workforces in competition against one another, offering the lowest price for doing business.”⁴⁰ Moreover, labour law is non-existent in some countries and while there may be no institutional or legal barriers in countries where labour law has been legislated and ratified, governments may refuse to enforce it. Part of the problem, which is evident in the recommendations of the World Bank, is that countries are increasingly being encouraged, if not coerced, to compete with each other to attract FDI

in an attempt to procure the positive benefits that are claimed to be associated with it. As Lee argues, “the need to compete for export markets and foreign direct investment leads governments to respond favourably to the demands of transnational enterprises.”⁴¹ And while multinationals are, for example, expected to implement the higher norms they have to abide by in their – more regulated – mother countries in the rest of the world as well, the problem is that conflicting interests exist; and profit-maximizing companies have an incentive to try to evade or weaken regulations.⁴² There is a concern, therefore, that while economic processes are becoming globalized and corporations are being granted unprecedented freedoms, this is not being accompanied by the globalization of labour rights and other social rights. As Robert Went argues, the powerful initiatives to encourage and facilitate the internationalization of trade, finance and production have not been accompanied by policies to globalize social rights, the provision of public services, democracy and environmental norms.⁴³

Another problem is the phenomenon of capital flight. Many critics point out that because corporations have virtually limitless mobility, in any specific country, even if excess labour were absorbed, corporations can simply find a new region or country with cheap labour. With fewer limits on cross-border trade, therefore, companies and traders can shop all over the world for parts, labour to produce parts, economies of scale and bigger markets.⁴⁴ Furthermore, the threat of relocation abroad by enterprises limits the capacity of governments to tax or impose regulatory mandates on them.⁴⁵ Therefore, even if we assume that demand plays a part in the rise and fall of wages, as a result of neoliberal globalization, the ability of capital to relocate suggests that supply will not outstrip demand for labour because in the face of labour unrest, corporations can simply

move elsewhere. Therefore, while wages could potentially rise in a small closed economy, in a global economy where corporations are free to move around the globe shopping for the lowest labour costs, this is unlikely to occur. The problem is that neoliberalism grants the power to multinationals (under the claim that this will be mutually beneficial arrangement) to seek out the lowest costs including the cheapest labour and to relocate to where wages are lower in another region or country if, for example, labour unrest becomes overly burdensome. As the ILO argues, as a result, zone-hosting countries could find themselves at a competitive and social disadvantage as a result of changes in production chains or technology; enterprises may migrate, leaving thousands of workers jobless and zones no longer viable.⁴⁶ While they may not choose this route in every circumstance if corporations perceive the costs of relocation overly burdensome, their ability to do so, which is a direct result of neoliberal economic policies, is problematic.

Critics also argue that neoliberalism has caused a reduction in state sovereignty and power which is limiting the ability of governments to regulate corporate activity and therefore, to protect the interests of workers. However, others have argued that while the role of the state has changed, it has not necessarily become weaker but has assumed an often times active, often times complicit role in the advancement of free market reforms. Developing countries have been encouraged to reduce public expenditures, privatize their industries and deregulate their markets, including their labour markets, under the assumption that state inefficiency hampers growth. As a result, neoliberal globalization, it is argued, is being accompanied by a worldwide trend towards smaller government, manifested in reductions in public expenditure, lower taxes, and reduced political support

for redistributive measures.⁴⁷ Critics argue that as a result, not only is neoliberal globalization creating high social costs and social dislocation in the developing world, but because governments are often required to reduce their involvement in economic matters, as a condition on further loans, their ability to respond if and when the promised benefits fail to materialize is dramatically weakened. This naturally has an immediate impact on the ability of governments to enforce labour standards and to ensure that benefits from growth are redistributed in an equitable manner should the market fail to do this on its own. The problem is a double-edged sword. Governments are encouraged to scale back their involvement in economic matters under the pretense that the free market will ensure the best possible outcome for everyone; yet, when problems emerge as a result of neoliberal policies, governments are less able to respond. As Lee argues, a basic paradox in the current phase of globalization is that, at the same time as the social dislocations caused by increasing international competition are rising, the capacity, and even perhaps the will, of governments to take such compensatory or ameliorative action is weakening.⁴⁸

However, it is also argued that while the role of the state may have been reduced in some respects, it has merely been transformed and even strengthened in others. The state, it is argued, has often taken on an active role in free market reforms including, most prominently, ensuring private property rights. And states are encouraged to do so by the large financial institutions. According to the World Bank, for example, the main duties of the state are to ensure an environment conducive to the needs of international investors.⁴⁹ Furthermore, according to another World Bank Report on EPZs, it is imperative that host countries have minimal regulatory interference in the actions and transactions in the EPZ,

including freedom to hire and fire workers at low transaction costs.⁵⁰ Also, in the zone, property rights must be clearly defined and reliably guaranteed, and regulatory interventions and controls should be minimal.⁵¹ As a result on the ground, this can mean that the state is often complicit in the repression of workers in EPZs, as enforcing labour standards can, for example, negatively impact a country's ability to attract investment.

A related problem, pointed out by critics, is that neoliberal economic reforms often involve currency devaluations which can result in declining real wages. Furthermore, economic crises borne out of the process of economic liberalization can also have further negative effects on wages and employment. Therefore, economic instability, and the devaluation of currencies, directly affects real wages. Of concern is the instability caused by a globalized international financial system resulting in the spread of an economic crisis from one country to others. This can have a negative impact on output and employment. It is argued that:

A feature of the recent globalization of financial markets has been the rapid growth of short-term cross-border flows in foreign-exchange, bond, and equity markets. Unlike foreign direct investment which is long-term in nature, these short-term flows can be volatile. With new communications technology, transaction costs are very low and adjustments in global portfolios can be made almost instantaneously. Because of imperfect information, portfolio managers sometimes overreact and take decisions that are not related to the internal economic conditions in particular countries. This could lead to financial crises in particular countries with a contagious effect on other countries.⁵²

And while the initial result is unemployment, countries are often encouraged to devalue their currencies as a result of an economic crisis in order to stimulate (re)investment. This lowers the purchasing power of wages.

Wages and Working Conditions

Specifically, those critical of EPZs identify low wages and poor working conditions as evidence of a race to the bottom. This includes worker repression and the denial of the right to collective bargaining; lack of workplace protection resulting in unsafe working conditions and long hours; and low wages which are insufficient to meet the needs of workers and their families. Other concerns include compulsory over-time as well as concerns relating to the high speed of production resulting in worker exhaustion. It is argued that TNCs try to boost their profit margin in many ways, not only by paying low wages : production is often sped up from U.S. standards by 25 percent or more while working hours are increased by an average of 50 percent.⁵³ The ILO argues that many zones are not fully applying adequate labour standards or developing a sound system of labour-management relations, and as a result, problematic factors such as high labour turnover, absenteeism, stress and fatigue, low rates of productivity, and labour unrest are still too common in zones.⁵⁴ In addition, it is argued that workers often face physical, verbal and emotional abuse and that women often face sexual abuse. There are other gender-related concerns such as discrimination in hiring, wages and job type. Other gender-related concerns include a denial of maternal rights, forced pregnancy testing and discrimination based on age and type of women employed. Moreover, there are concerns over job security as a result of the phenomenon of capital flight (which is a direct result of neoliberal globalization) whereby companies move sites of production in search of lower wages and a workforce that will accept more 'flexible' terms of employment. The ILO has expressed concern over the lack worker protection in EPZs and sites some violations such as: failure of the employer to pay statutory deductions for unemployment

and accident insurance; failure to issue regular contracts to workers after probationary or training periods in order to avoid paying standard wage rates and other benefits; compulsory overtime and other abuses of regulations concerning hours of work; attempts to avoid the provisions relating to paid maternity leave; and intimidation or victimization of worker organization.⁵⁵

EPZ Jobs: Better than the Alternative?

While proponents focus on future improvement in wages and working conditions, they also argue that while EPZ jobs are of not necessarily good jobs, they are better than the alternative which is often employment in the subsistence sector, or domestic work for women, or even no job at all. They argue that while in the West, these jobs are viewed as overly exploitative, in developing countries, they are often better than other options. Proponents, therefore, tend to take a “better-than-nothing” approach and view them as superior to other options.⁵⁶ For example, Martin Rama from the World Bank argues that “new jobs in export industries may not be as good as privileged jobs lost in protected sectors, but [for young women from rural areas] they could be much better than the alternatives.”⁵⁷ Martin Wolf agrees and argues that it is only people in the West who consider these conditions are poor and wages dreadful. However, inherent in this argument an admission that wages are low in EPZs as well as an assumption that workers are content with this even if EPZ jobs are better than other options. While it may be the case that wages are higher in EPZs than in other sectors, this does not mean a) that wages paid constitute living wages, and hence, that they are high enough to lift workers out of poverty, b) that there are not other considerations such as working conditions that factor into how workers’ view their jobs and c) that companies should be granted the ability,

under the guise of the magic of the market, to amass huge wealth without sharing this equitably with the workers who played a key role in creating it.

Making the Connection: The Role of Labour in the Rise of Neoliberalism and the Global Restructuring of Production

In order to make sense of the debate, the rise in prominence of EPZs must be firmly situated in socio-historical context. This is because there is a direct link between an economic crisis in the advanced capitalist countries in the 1970s and the subsequent rise of neoliberalism, an integral part of which has been the global restructuring of production. As liberalization became advocated by large financial institutions, Western governments and large corporations, capital became free from government regulation, and so began a restructuring of global production in an attempt to restore profitability, which involved limiting the strength of organized labour at home as well as relocating sites of production abroad. One concern is that while it was precisely the inequality and (over)exploitation of the working class, caused by unregulated capitalism, that prompted a rejection of laissez-faire economics in the advanced capitalist countries, what has occurred in the mainstream economic thinking and practice since the 1970s has been a return to these very same claims of the benefits of not only a free market economy, but a global free market economy. In fact, a global market economy, it is claimed, is both inevitable and beneficial for all countries, specifically developing countries looking to improve economic performance, reduce poverty and raise living standards. Moreover, in light of this crisis and the need to restore the virility of capitalism in the West, there is cause for concern that EPZs were intended as nothing more than tools to the achievement of this end. While this does not necessarily predetermine their ability to generate

employment nor the nature of that employment, it is necessary to view EPZs in proper context so that any recommendations made to this strategy are honest, irrespective of their political viability.

The 'Golden Age of Capitalism.' Fordism and the Welfare State

In the advanced capitalist countries in the early 20th century, similar concerns with the deleterious effects of free-market economic policies on workers, which characterize the current debate over globalization, resulted in calls for reform. The legacies of a previous period of laissez-faire, the Great Depression and two World Wars had led to calls for a new socio-economic arrangement, and there was a widespread belief in the need for state intervention in the economy in order to create a more equitable distribution of the fruits of growth. This was also a period of immense struggle between workers and capital resulting in interventions by the state, which were viewed as necessary to negotiate a compromise. As a result, the period following the Second World War witnessed the rise of the welfare state which was characterized not only by high levels of growth but by an increased share of the fruits of this growth by society - specifically workers. According to Munck, pure laissez-faire attitudes towards employment were not credible after the 1930s due to the legacy of the Great Depression, and economic policies would have to have as priority the achievement of full employment or at least the avoidance of mass unemployment.⁵⁸ Economic policies associated with John Maynard Keynes were also widely deployed to dampen business cycles and to ensure reasonably full employment.⁵⁹ In addition, it was recognized that workers required protection from the state to ensure that they were not (over)exploited. However, some argue that, in

reality, the welfare state was designed to secure popular consent and to ensure the smooth 'reproduction' of the working class,⁶⁰ in order to effectively depoliticize and de-radicalize substantial sections of the labour movement.⁶¹ Regardless, it was becoming recognized that peace depended upon peaceful class relations, which was articulated in a class compromise. In other words, because the market was no longer viewed as capable of efficiently allocating resources and protecting workers, a social compromise was struck between capital and wage labour.⁶² This gave rise to unemployment protection, labour laws regulating labour standards including wages, length of work day and occupational health and safety, and social security measures including health and education leading to what is now referred to as the welfare state.⁶³ As a result of these redistributive measures geared towards the protection of vulnerable groups in society, this period has been referred to as the *Golden Age of Capitalism*.

In the advanced capitalist countries, the division of labour that characterized production in the post-War period resulted in gains in productivity, which were passed onto workers. Production in the advanced capitalist countries was characterized by what is now referred to as Fordism, which was primarily as a method and principle of labour organization.⁶⁴ Fordism was premised on the separation of tasks as a means of enhancing productivity and efficiency and came to signify the implementation of Taylorism in assembly plants.⁶⁵ Taylorism, based on the "scientific management" principles of Frederick Taylor, recognized the benefits of a division of labour which separated jobs into small tasks thereby increasing the efficiency and productivity of each worker. This effectively gave rise to the assembly line. The term 'Fordism' was derived from the use of the Taylorist method of work organization by Henry Ford while producing his Model

T motor cars in Detroit in 1910. As a result of this method of work organization, production during this period basically involved the churning out of standardized runs of cars, fridges, washing machines and the like resulting in high productivity gains.⁶⁶ However, these productivity gains were also passed onto workers, thereby increasing their purchasing power. Fordism, therefore, also implied a long-term contractual wage relationship with controls over redundancy, and the monitoring of salaries and their links to productivity by the state.⁶⁷

This division of labour enhanced productivity and growth; however, it also removed a level of skill from workers. This would become extremely advantageous once corporations began looking to restructure production in order to regain levels of profitability following the crisis. These redistributive policies, which included some degree of political integration of working class trade union power and support for collective bargaining, went hand in hand with relatively high rates of growth.⁶⁸ Viewed in broad perspective, however, this division of labour removed a level of skill from workers which effectively reduced their bargaining power. As Friedman argues, while Taylorism increased efficiency through specialization, it inevitably made workers more interchangeable by diminishing the skill required for most production phases.⁶⁹ And a division of labour, which removes this level of skill from the production process, allows capital to reduce wage costs if redistributive measures become intolerable or overly burdensome. And this is precisely what occurred following the economic crisis in the 1970s, resulting in a dismantling of the class compromise and a restructuring of production in order to take advantage of pools of cheap labour abroad.

The End of the Golden Era

In the early 1970s, an economic crisis signaled an end to the 'Golden Age of Capitalism' and led to calls for a new global economic arrangement. Signs of this 'crisis of Fordism' were visible everywhere. Worldwide, corporate profitability declined substantially from the mid-1960s to the early 1970s, dampening investment and resulting in a corresponding stagnation in aggregate output.⁷⁰ Profit rates in the US, Western Europe and Japan were down one-third from their previous peaks.⁷¹ Unemployment and inflation were both surging everywhere, ushering in a global phase of "stagflation" that lasted throughout much of the 1970s.⁷² While there is debate over the cause of the crisis, it can be blamed at least superficially on heightened international competition. However, some economists pointed out that the economies of the West were over-heating leading some to refer to a crisis of overproduction.⁷³ Regardless, when the crisis hit, the class compromise between wage labour and capital which was no longer beneficial from the point of view of capital, was abandoned, effectively ending the relatively harmonious period of labour-capital relations in the West. A new arrangement was sought – one which allowed capital to regain levels of profitability. And neoliberalism, based upon a mix of political liberalism and free market economic principles, became the operative justification for such a transformation.

However, while neoliberalism eventually became the response to the crisis, it was not the only ideology battling for supremacy at the time. Communist and socialist parties were gaining ground, if not taking power, across much of Europe and even in the US, there was agitation for reforms (due to rising unemployment and inflation). However, the left failed to go much beyond the traditional social democratic and corporatist solutions

and these had, by the mid-1970s, proven inconsistent with requirements of capital accumulation.⁷⁴ The effect was to polarize debate between those who ranged behind social democracy and central planning on one hand and the interests of those concerned with liberating corporate and business power and re-establishing market freedoms on the other.⁷⁵ By the mid-1970s, the interests of the latter group came to the fore.

‘Liberalization,’ ‘more competition,’ and ‘more market’ became core concepts in the new hegemonic paradigm among politicians and economists and in (international) policy institutions.⁷⁶ What followed was a prolonged period of struggle among companies, unions and governments, with far-reaching liberalization, de-regulation, privatization, and dismantling of social security and the public sector as major aims.⁷⁷

It was no longer profitable for capital to concede to labour, and blaming the strength of organized labour, as well as the welfare state, for the crisis created the justification necessary to go on the offensive. Neoliberalism, therefore, had the practical effect of freeing capital from regulation and restraint, but newly elected conservative governments were also affecting public opinion by blaming labour for the crisis, which denied legitimacy to organized labour as a tool for protecting workers. According to Went, as soon as the expansive phase was over, national compromises with unions and governments, which in the previously existing framework had been advantageous for capital, were now perceived to be an obstacle to the measures needed to raise the rate of profit.⁷⁸ Similarly, “in the industrialized countries the view that labour market regulations and the welfare state are key causes of the rise and persistence in unemployment has become increasingly influential; they are seen as reducing the incentives for workers to seek work and for employers to create jobs.”⁷⁹ They are also held responsible for

impeding structural change in the economy by providing excessive employment security.⁸⁰ The welfare state, whose role had been to mediate the capital-labour relationship to ensure that workers were protected, therefore, also came under attack, and government deficits and debt were used to justify public sector cutbacks, privatization and work rationalization.⁸¹ This made the 1980s the decade of the so-called 'crisis of the welfare state.'⁸² It is clear that a new ideology was needed which justified and operationalized a pro-market solution to the crisis. By blaming the strength of organized labour as well as the failure of demand-side or Keynesian economics, proponents of this new ideology could justify the dismantling of the Fordist social compact and advocate a pro-market model which was eventually adopted in mainstream circles.

In the years following the crisis, organized labour would lose much of the ground it had gained. Part of the policy prescription emanating from the crisis was the deregulation of labour markets and a scaling back of the welfare state in search of more flexible labour markets that would be clear in line with market forces.⁸³ This dramatically reduced the bargaining power of workers, as the gains they had made in the post-War period were gradually eroded. As neoliberal economics replaced Keynesian policies and as companies embarked on determined efforts to lower labour costs, unemployment and underemployment grew, and real wages stagnated and then fell.⁸⁴ Nearly two million manufacturing workers lost their jobs in the late 1970s and early 1980s;⁸⁵ there was a reduced capacity and level of labour organization, and wages as a share of national income, fell.⁸⁶ Wage earners had been in a position of strength during the Golden Era due to levels near full employment; however rapidly rising unemployment was used to impose lower wages and more work on those who had not *yet* lost their jobs.⁸⁷ As a

result, there was a decline in unionized labour in the U.S. which fell from 30% in 1970 to 12% in 1994.⁸⁸ Ultimately, the restructuring of production and the labour-capital relationship meant a reduction in the bargaining power of workers, who ultimately bore the brunt of these reforms. However, it was not simply that companies were closing shop; they were often looking to relocate sites of production to where labour was cheaper, and, it was neoliberal ideology which rationalized the reforms necessary for these relocations.

The threat of relocation helped to reshape the labour-capital relationship in favour of capital and became a powerful tool used to weaken further the strength of organized labour by pitting workers in one factory against those in another and then against workers in factories in other countries. With the threat of plant closure hanging over their heads, therefore, workers were forced into a bidding game to see which union local could hand over the most concessions.⁸⁹ As part of overall work restructuring, this was sold to workers in the U.S., for example, as both necessary and beneficial to the US economy. Competitiveness and efficiency as well as the avoidance of unemployment were used to justify this restructuring. Corporate leaders apparently believed that invoking the mantra of competitiveness was sufficient to persuade workers (and the general public) that they must pull together with management to beat the competition – not only workers in other countries but also workers in their own country, industry or company – in a dog-eat-dog race to the bottom.⁹⁰ The idea was that the tremendous range of choices available to consumers meant that they would not be loyal to any company that did not offer speedy gratification.⁹¹ Therefore, large corporations, competing in global markets had to make investments not just to meet demand but to keep up with their competitors.⁹² Thus, as the rhetoric of competitiveness and efficiency articulated a justification for liberalization,

neoliberal policies facilitated the relocation of factories abroad to in search of a cheaper and more flexible workforce.

On the political front, the rise of neo-conservatism effectively institutionalized and operationalized this pro-business agenda as conservative governments came to power in the West promising a solution to the economic ills facing many advanced capitalist countries. A pro-market solution became an integral part of the platforms of newly elected governments notably in the UK and the United States. Most notably, in 1979 in Britain, Margaret Thatcher had a mandate to curb trade union power and in 1980, Ronald Regan was elected President of the United States and set the US on course to revitalizing its economy through his own particular blend of policies to curb the power of labour, deregulate industry, agriculture and resource extraction and liberate the powers of finance both internally and on the world stage.⁹³ While neoliberalism was to become the solution to the crisis in the West, developing countries were also looking for a solution to their own economic crises. Presented the only option for the progression of the global economy, neoliberalism, as a strategy to open the world's borders to trade, capital and financial flows, became the widely accepted solution. However, viewed in this context, it would be necessary to present neoliberalism as a strategy for development, at least in part, to rationalize and operationalize policies which allowed corporations to move production abroad.

Neoliberalism Becomes a Development Strategy

While the force behind the rise of neoliberalism was the economic crisis, which began in the West, the crisis was also impacting much of the developing world, and many countries were facing rising debt and balance of payments crises resulting in calls for reform. Neoliberalism, which had been advanced as the solution in the advanced capitalist countries, also became the unequivocal development strategy advocated by large IFIs, mainstream development bodies and Western governments. Generally speaking, the acceptance of neoliberal ideology by many governments in the developing world was likely due, in part, to the claims made about the benefits of this strategy – that the pro-market model is the unequivocal solution to the economic and social ills still plaguing much of developing world. However, the pro-business policies advocated by neoliberalism were likely also in the interest of the many of economic and political elite in the developing world. As Yates argues, this strategy of export-led development was sold to and readily adopted by many governments as part of a broader package of policy reforms aimed at opening borders to international flows of capital in the form of foreign direct investment.⁹⁴ As Haque argues, “in line with this intellectual transition, most Third World countries have changed their development priorities from basic needs and social equality to economic growth and efficiency, from equal world order to free international competition, from economic self-reliance to foreign investment, and from cultural identity to global culture industry.”⁹⁵ Moreover, even if such policies did not have widespread support, many countries had little choice but to adopt the neoliberal model as a result of conditions placed on new loans by the IFIs in the wake of the debt crisis.

While in the post-War period many developing countries had been pursuing economic policies geared towards self-sufficiency, the failure of such policies, coupled with rising interest rates on loans, led to what is now referred to as the debt crisis. Prior to the crisis, many countries in the developing world were looking to assert their independence, shed their colonial ties and reduce their dependence on the West. In the 1940s and 50s, while some developing countries remained solely as exporters of raw materials to the advanced capitalist countries, other countries in the developing world were attempting to reduce their dependence by implementing independent industrialization strategies. Many countries were extremely protectionist and nationalistic especially in Latin America, and they had begun pursuing inward-looking development strategies of import-substitution-industrialization (ISI). The main features of this strategy included protectionist measures against foreign trade, state subsidies of local production and consumption, and direct foreign investment by transnational corporations (which, however, was extensively regulated).⁹⁶ The driving motivation behind this strategy was the achievement of greater economic independence, and the idea was that “by building its own industry”, Latin America would be less dependent on Europe and the United States for manufactured goods.⁹⁷ But though they no longer imported some categories of finished products, many Third World manufacturers found that they were importing the components, materials and technology for these products instead.⁹⁸ As some countries began facing problems with ISI, in the U.S., the Federal Reserve also began making cuts to the money supply and began raising interest rates in order to curb inflation; as a result, real interest rates skyrocketed on their loans.⁹⁹ The result was the debt crisis, as Went argues, this and subsequent debt crises have been used by creditor countries and

international organizations to impose the end of protectionist measures and ISI and to open markets in the South to trade, capital flows and investment in production facilities in exchange for new loans.¹⁰⁰

As noted above, Western corporations needed a new outlet for production due to declining rates of profitability, and many developing countries were, at the same time, looking to attract direct foreign investment which was sold to them, as part of a package of neoliberal reforms, as a means of financing their mounting debt.¹ Therefore, as corporations looked for new outlets for production in order to reclaim profits, many Third World countries were simultaneously turning towards export-led industrialization as their most viable development option.¹⁰¹ Corporations began shifting sites of production from the developed to the developing world integrating economies into global production chains, giving rise to a new international division of labour.

The Role of Labour in the Expansion of Western Capitalism and the Rise of the New International Division of Labour

While its role has changed forms, labour in the developing world has, for centuries, been vital to the expansion of Western capitalism. In the 'old' or colonial division of labour, as in today's new international division of labour, Third World labour has been essential to the economic development of the industrialized countries. The "old" international division of labour centered around the social, economic and political reality of colonialism, and it was plunder and forced labour which characterized the initial relationship between the colonizers and the colonized.¹⁰² Moreover, the economies of the colonized world were also heavily controlled by the colonial powers. As Munck argues,

¹ The cause of this mounting debt varies from country to country, and there is much debate over who is responsible for it, and, therefore, who should claim responsibility to pay it.

until the mid-20th century, major parts of the Third World were dependent on the colonial powers for limited forms of industrialization while the colonial division of labour specifically drove the industrial revolutions in the West.¹⁰³ The sugar, cacao, gold diamonds, wheat, beef and oil which fed the West's industrialization and population created for the non-West a subordinate role in a colonial division of labour sustained for centuries by force of arms.¹⁰⁴ The role of developing countries in the old division of labour, therefore, was as suppliers of raw materials for the industrializing countries which extracted in the periphery were shipped to core factories that transformed them into finished products.¹⁰⁵ Industrial production was confined to core nations while peripheral manufacturing was discouraged by colonial governments and undercut by competition from cheaply produced foreign imports.¹⁰⁶ Colonialism, and the corporate investment it supported, reinforced the characteristic division of labour between the core and the periphery which has been labeled "classic dependence."¹⁰⁷ In the 1940s and 50s, as noted above, some countries began experimenting with autonomous forms of industrialization, such as ISI, in an effort to reduce the dependency caused by the legacy of these colonial arrangements. However, this division of labour, as a whole, remained largely unchanged.

This relationship, however, was transformed in the 1960s and 1970s as many developing countries gradually began manufacturing, on a large-scale, products for export to the developed world. The new international division of labour is characterized by the fragmentation of the global labour force whereby production decisions and marketing are distanced from the people and places actually assembling global commodities. According to Munck, this new international division of labour is seen to have fundamentally restructured the relations of production in the Third World with the

emergence of a substantial manufacturing sector oriented towards the world market.¹⁰⁸ The international division of labour, according to NIDL theorists, therefore began to change in the 1960s, and the traditional colonial division of labour, in which the Third World was relegated, was transformed. According to Fröbel, Heinichs and Kreye, three basic preconditions were required for this to happen: the breakdown of traditional social economic structures in the Third World, which led to the emergence of a vast pool of cheap labour; the fragmentation of the industrial production process which allowed unskilled sub-processes to be relocated to the Third World, and the development of cheap international transport and communications technology, which made this relocation possible.¹⁰⁹ However, while it was the legacy of colonialism which gave rise to vast pools of cheap labour, as well as technology which allowed the relocation of production facilities abroad, the new international division of labour, as in the colonial division of labour has been driven by the needs of Western capitalism. EPZs, when viewed in this respect, are part of a larger agenda of the powerful which seeks to ensure the continued expansion of Western capitalism.

Thus, neoliberalism ushered in policies to effectively liberalize the movement of finance, trade and capital and was advocated by those looking to free the interests of business for the purpose of maximizing profits, supposedly for the larger social good. This effectively precipitated the rise of EPZs, which were sold as beneficial not only to the corporations looking to relocate production but to the poor in zone-hosting countries as well. However, it remains uncertain the impact of this restructuring on new workers being employed in EPZs around the globe. What is certain, however, is that while many factories relocated their assembly plants to the developing world, the Fordist social

compact, strongest in Western industrialized countries, which had encompassed the successes of organized labour in securing rights for workers since the post-World War II era, did not accompany this relocation. For example, while the relocation of manufacturing plants increased the size of the working class, there has been no corresponding increase in union membership.¹¹⁰ While production itself was based upon the organizational principles of Fordism which led some to characterize the production system as peripheral Fordism (for example, in reference to car plants in Brazil, Mexico, South Korea, Indonesia and South Africa),¹¹¹ an expectation that the gains made by these corporations would be shared equitably with workers has been notably absent.

It is in this context that neoliberalism can be viewed as an ideology of the ruling elite, as the emergence of neoliberalism was in no way neutral or inevitable. There was a direct threat to the ruling elite in the advanced capitalist countries and in some developing countries, and something had to be done to thwart it. Gerard Dumenil and Dominique Levy, after careful reconstruction of the data, have concluded that neoliberalism was from the very beginning a project to achieve the restoration of class power.¹¹² To have a stable share of an increasing pie was one thing, but when growth collapsed in the 1970s, when real interest rates went negative and paltry dividends and profits were the norm, then upper classes everywhere felt threatened.¹¹³ They had to move decisively if they were to protect themselves from political and economic annihilation.¹¹⁴ There was a clear political threat to economic elites and ruling classes both in advanced capitalist countries and in many developing countries notably Chile, Mexico and Argentina, and this economic threat to the position of the ruling elites and classes was becoming palpable.¹¹⁵ Neoliberalism created and justified the conditions that served to ensure that

this power structure remained intact; it restored the interests of business which were no longer conducive to those of workers.¹¹⁶

Eventually, efforts to liberalize the global economy and to restructure global production were viewed as inevitable phenomena which had emerged as a natural progression instead of the result of a clear agenda. This has immense political importance; as the myth about the inevitability of globalization gained credibility, globalization itself has become the operative justification for why corporations have no choice but to reduce costs to remain competitive. Today, globalization and the need for competitiveness, it is claimed, leave corporate chieftains no choice but to introduce drastic cost-cutting measures.¹¹⁷ Consumers are supposedly concerned, as never before, with high-quality goods and services tailored specifically to their individual needs, and since rapidly changing technology was continually creating new, high-quality products, consumer needs are perpetually changing as well.¹¹⁸ This rapid change is placing new demands on businesses; they have to be maximally flexible, capable of changing product lines quickly and able at all times to meet discerning and highly individualistic consumer needs.¹¹⁹

It is in this context that it is crucial to explore neoliberalism and EPZs as a model for development. EPZs emerged as a mainstream economic strategy, not primarily for the sake of development, but as tool for advancing the interests of a global capitalist elite. Therefore, if EPZs are not contributing to an overall improvement in the lives of workers, the implications of this go beyond a simple reformation of the EPZ strategy. The free market model, which remains the mainstream approach to the theorization and practice of development, must be rejected.

Women in Export Factories: Integration or Exploitation?

There is also debate over the significance of women's employment in EPZs. As Tiano argues, the fact that most export-processing workers are women has sparked the interest of feminist scholars who have sought to explain the causes and consequences of their employment in TNC firms.¹²⁰ Their scholarship has led to a growing awareness that gender is a key analytical category for understanding the global transformation of industrial production.¹²¹ As a result of the large number of women who are being employed in EPZs, the new international division of labour has been referred to as the gendered international division of labour, or as Mills calls it, the "feminization of global labour."¹²² This feminization of labour is so widespread, especially in sites of new industrialization, that it has given rise to, and is in part sustained by, a new form of global iconography: the third-world woman worker, a figure ideally suited to the demands of contemporary industrial discipline.¹²³ While there is consensus that women are often the preferred workforce in EPZs, the benefits of this, both practically and strategically, are hotly debated. The debate is polarized between those who view women's employment as having a positive, emancipatory effect on women's lives; those who view this as evidence of the super-exploitation of an already vulnerable group of workers and the extension of patriarchy from the home to the workplace. More recently, a third kind of interpretation, post-modern in nature, views the ambiguity of women's experiences and views employment in EPZs as having both an emancipatory effect, for example, in terms of increased ability to negotiate power relations, while creating new challenges and obstacles.. Mainstream economists look at the issue and see gender as unproblematic; in

fact, they argue that export-oriented development has integrated women into the labour market and, thus, has been highly beneficial. Similarly, liberal feminist interpretations are based on the view that women's entry into the paid workforce as an important step in overcoming their oppression. However, many feminists argue that this ignores how women are being incorporated into the labour market, on what conditions, as well as the nature and quality of the jobs they are receiving.

Both mainstream economists and liberal feminists share similar views that women's employment in EPZs can be liberating. Liberal feminism forms the basis of the WID (Women in Development) approach and focuses on women's entry into spheres formerly denied to them, such as the paid workforce, as the key to overcoming gender inequality. Liberal feminists maintain that women receive a lesser share of social rewards because of their unequal participation in institutions outside the domestic sphere – in particular, education and paid work. Therefore, women's entry into the paid workforce provides them with an income, which is financially liberating, and strategically, women's income grants them more bargaining power in the home. According to the WID approach, it is through socioeconomic development that women are integrated into the spheres previously denied to them. The idea is that as societies follow capitalist development, the culture associated with modern (read: Western) societies will ensure women equality and erode patriarchal values, and as a result, women enter the paid workforce on equal ground with men and will achieve economic independence in the process.¹²⁴ Therefore, women's entry into the formal workplace is viewed as the key to ending their oppression as it provides them with economic freedom as a direct result of employment opportunities and through the spin-off effects of undermining patriarchal

belief systems. Specifically, it is argued that the expansion of jobs in industry and services erodes cultural proscriptions against women's employment increase their job options.¹²⁵ Furthermore, socioeconomic development eases women's burdens, and integrates them into the economic and political life of their communities.¹²⁶

Development, in line with modernization theory, therefore, is viewed as a benefit to women. Waged work offers them an alternative to financial dependence on a male partner and increases their bargaining power in the household.¹²⁷ It enables them to develop the productive skills and modern attitudes necessary for advancement in the capitalist labour market, where success is determined by achievement, not race, gender or other ascribed characteristics.¹²⁸ In terms of neoliberal depictions of women entering the formal sector, the free market, it is argued, will benefit women by incorporating them into the economy as workers on gender-neutral terms. As Kabeer argues, the idea is that competitive market forces, free of the prejudices and biases of development planners, were the obvious mechanism to generate gender-neutral opportunities for self-improvement.¹²⁹

The assumption, therefore, is that the market is free from conflicting interests in society involving gender, race and class. However, this assumes that women enter EPZs on equal ground with men and does not take into account patriarchal attitudes that might accompany this shift. It also assumes that women's employment in EPZs necessarily translates into economic freedom; that they enter freely into this type of employment; that discrimination does not exist in hiring, type of job performed and remuneration; and that women's employment in the formal sphere changes attitudes regarding women in the workplace which then erodes patriarchal values that abound in society. Liberal feminism,

therefore, has a view of the market as separate from the society in which it operates, and not a reflection of that society and a tool for powerful groups within it. These are the concerns raised by feminists drawing from the Marxist and socialist traditions.

Many feminists drawing from Marxist and socialist traditions do not view women's entry into the formal workplace, and hence into EPZs, as liberating, and many are critical of the notion that this is the key to ending women's oppression. They focus on structural constraints that prevent the realization of gender equality within the paid workforce. For one, the idea that wages themselves will be sufficient to liberate women is highly criticized. While Betty Friedan in *The Feminist Mystique* identified the problem of dissatisfaction that women felt about being confined in the homes as housewives, hooks argued that this was only a crisis for a small group of well-educated white women.¹³⁰ Many women were already in the workforce, albeit in low-paid unskilled jobs. As hooks argues, only privileged women had the luxury to imagine working outside the home would actually provide them with an income which would enable them to be economically self-sufficient.¹³¹ Working women already knew that the wages they received would not liberate them.¹³² Marxist feminists tend to view the entry of women into wage work as the substitution of one form of domination by another (from the rule of husband over the wife in the home to the rule of capitalist over worker in the factory).¹³³ Marxist feminism has, therefore, focused on women's work related concerns, including "how the institution of the family is related to capitalism; how women's domestic work is trivialized as not real work; and how women are generally given the most boring and low-paying jobs."¹³⁴ They argue that women's unpaid labour in the home supports and maintains the capitalist system while at the same time, the capitalist system uses

patriarchal relations to keep women's labour cheap so that they can supply a reserve labour force. It is argued that by transforming men into wage labourers responsible for economically supporting women and children and by making women into housewives responsible for domestic production, the gender division of labour ensures a labour force for the capitalist mode and makes women into an economically dependent category of workers providing free labour for individual men and for the capitalist economy.¹³⁵ As a result of this assumption about women's domestic role, which naturalizes unpaid labour in the home, the price paid for women's labour in the market is diminished.

Similarly, according to the socialist perspective, which Tiano calls the 'exploitation thesis,' capitalism, while not the root cause of women's oppression (as according to Marxist feminists), takes advantage of preexisting patriarchal relations to create a gender-stratified labour force in which women occupy a subordinate position.¹³⁶ According to this perspective, capitalist development may provide jobs for women, but their employment does little to increase their well-being. The gender-based division of labour is reconstructed within the capitalist mode when capitalism uses patriarchy and its ideology of reproduction to stratify the labour force.¹³⁷ In terms of the new international division of labour, it is replicating on a global scale the gender-based divisions within and between the domestic and capitalist modes of production.¹³⁸ Socialist feminists also focus on how this gender division of labour colours women's entry into the formal workforce. Gendered stereotypes about women, they argue, which makes them the preferred labour force, are the key to understanding the new international division of labour and EPZs.

Socialist feminists argue that patriarchal assumptions about women's social roles condition their entry into the formal workplace, which places them at a disadvantage and

leads to the perpetuation of inequality. Far from having an emancipatory effect, it is argued that EPZs take advantage of women's subordinate position to validate channeling them into low-paid, low-skilled jobs on assumptions about their domestic roles, which are transferred to the formal workplace. These assumptions simultaneously naturalize and devalue their work. TNCs explain their preference for female labour in terms of the qualities that women are assumed to acquire through gender-role socialization: a tolerance for tedious work, a manual dexterity that suits them for minute tasks, and a docile nature that enables them to withstand the pressure of rapidly paced, closely supervised production.¹³⁹ Assumptions about the nature of women's work in general - that they do it naturally and for free, are also evoked to devalue women's work, and when women do enter the formal workplace, this assumption shapes the nature of the paid jobs they receive. The notion that women's waged work is an unnecessary and temporary adjunct to their 'proper' roles as domestic reproducers is used to legitimate this arrangement, and when women do enter the workforce, they are confined to a narrow range of jobs, many of which are viewed as extensions of their domestic roles.¹⁴⁰ These gendered assumptions become a justification for confining women in low-status, poorly paid jobs that afford them minimal security and little or no opportunity for advancement.¹⁴¹ Their waged work is often seen as a temporary pastime to occupy them until they marry and begin rearing children, when they are expected to leave the labour force and devote themselves to domestic tasks.¹⁴² Socialist feminists argue that it is these gendered assumptions about women, which are derived from patriarchal assumptions about the lack of value inherent in women's work, which are used by capitalism to cheapen women's work and make it seem natural. As Mills argues "it is the hegemonic

capacity of patriarchal norms to define women's labour as not only "cheap" but socially and economically worthless (and therefore less worthy of equitable pay and other treatment) that makes a gendered workforce so crucial to the accumulation strategies of global capital.¹⁴³ These assumptions have a similar basis in that they are social constructs; they are often also internalized by women themselves.

While many women internalize patriarchal assumptions that are detrimental to their well-being, these assumptions are often ambiguous. Some women, if they accept the gendered assumptions about the nature of their work, may also view their work as having little value. Taught to view themselves primarily as wives and mothers, women's ambivalence about their roles as "wageworkers" makes them willing to work under unstable or temporary conditions and to enter and leave the labour force according to the system's needs.¹⁴⁴ However, while the assumption is that women's wages are secondary, which justifies the temporary, part-time and low-waged jobs in EPZs, this assumption is often inconsistent with reality. The image of women as simply "housewives" is inconsistent with the circumstances of most women in core and peripheral societies, who either head their own households or are unable to subsist on the wages of a single breadwinner.¹⁴⁵ Moreover, women may be less inclined to organize, not simply because they are docile and complacent, but because their jobs are often in addition to their housework and childrearing duties, women have little time to organize for better working conditions.¹⁴⁶ While the assumptions underlying these gendered ideologies are complex and often misguided, they are powerful, and they serve to validate and perpetuate patriarchal beliefs about the gender division of labour and women's subordinate role in it.

However, some feminists are quick to point out that not all women share one reality and that there are often other systems of domination at work; in fact, in order to understand how the global capitalist system has been able to expand, it is important not only to analyze women as an exploited and marginalized group, although this is important, but to recognize how other forms of domination play into the lives of women. Pearson argues against the common assumption that women working in the *maquiladoras* comprise a homogeneous category. She argues that whilst women's subordinate status in the abstract is often invoked as an explanation for the employment of women workers in the labour-intensive assembly work, class, educational opportunities, age, marital status, domestic responsibilities and previous working experience all interact to determine the specific forms that women's employment takes.¹⁴⁷ The selection of the ideal electronics worker reflects a mixture of objective criteria (co-ordination and dexterity), social prejudice (against mothers), class prejudice (a preference for those with better schooling) and sexist patriarchal fantasy (selection of those considered good looking enough).¹⁴⁸ Cravey agrees and argues that the individual's experience of gender will also be influenced by his/her class and racial/ethnic position.¹⁴⁹ Moreover, the interplay of multiple gender roles and meanings can produce a wide range of recruitment and disciplinary regimes, so there are different ways that gender meanings can be used to devalue and control labour.¹⁵⁰ Therefore, the ways in which hegemonic gender meanings structure the lived experiences of actual women and men vary widely.¹⁵¹ Pearson makes a similar argument in *Male Bias in the Development Process* and says that female work force should not be viewed as an undifferentiated mass of women sharing the same characteristics.¹⁵² Therefore, as Mills argues, because the conditions of employment and

'exploitation' vary between sectors, we need to understand the intersections between international hegemonies and particular localities in a global labour force.¹⁵³ Therefore, according to this perspective, women (and men) workers experience EPZ employment in different ways, and it is important not to reduce these experiences to one shared reality.

Neoliberalism in Mexico

Mexico was one of the first countries to adopt the neoliberal development model. Like most other countries in Latin America, Mexico began on its path to neoliberalism in the early 1980s, and although the specific policies pursued have varied over the years, neoliberalism remains the dominant ideology shaping Mexico's development path. Prior to the adoption of the neoliberal model of development Mexico was following a strategy of import-substitution industrialization (ISI) and embraced a model of nationalism and inward-oriented development¹⁵⁴ as national capital was protected and foreign capital was extensively regulated.¹⁵⁵ And while the problems with this strategy began emerging in the early 1980s, for years, this strategy resulted in high levels of economic growth. In fact, from the 1950s through until the 1970s, Mexico achieved an annual growth rate of 9 percent giving it the name of the "Mexican miracle."¹⁵⁶ However, while agriculture was at first the source of revenue that would drive Mexico's industrial project, the agricultural sector came to be neglected along Mexico's path to development, leading to the search for new forms of revenue. As Otero argues, "agriculture played a crucial role in financing the importation of capital goods necessary for industrialization, but once the anti-agriculture bias took its toll, foreign indebtedness became the new engine to keep industrialization going."¹⁵⁷ The neglect of the agricultural sector caused a related problem

as output of basic foodstuffs was falling short, and imports to meet this demand put an enormous burden on the balance of payments.¹⁵⁸ As Mexico began financing its industrialization process with borrowed money, problems with ISI began emerging, and their state-led development strategy no longer seemed viable. From 1970 to the 1980s, Mexican foreign debt climbed from \$3.2 billion to over \$100 billion, and in 1982, and Mexico was the first Latin American country to default on its debt payments.¹⁵⁹ Mexico's debt crisis and the resultant International Monetary Fund (IMF)-led bailout placed Mexico firmly on the neoliberal path.

The policies pursued by the Mexican government following the 1982 debt crisis ran contrary to previous inward-oriented policies of ISI. They included an export-oriented industrialization strategy promoted by opening the economy to foreign trade; massive withdrawals of public subsidies; privatization of previously state-owned enterprises; and a policy of controlling wages downward to attract new waves of foreign investment.¹⁶⁰ Therefore, instead of pursuing an inward-looking, state-led development, which had been the course under ISI, Mexico switched to an external strategy of development relying on the market to make decisions formerly made by the state. The first set of policies implemented was meant as a short-term measure of stabilization and was part of the IMF's austerity package of reforms that Mexico undertook to reduce inflation as a condition of receiving the necessary funds needed to service its foreign debt.¹⁶¹ Another principal goal was to ameliorate the external debt problem through tight fiscal policy, or a reduction in government spending, and a large one-time devaluation of the peso.¹⁶² The administration of Carlos Salinas (1988-1994) continued with the intensification of neoliberal policies by privatizing state enterprises and banks and further liberalizing

domestic prices, foreign trade and investment.¹⁶³ In fact, the Salinas team sold off nearly \$24 billion in state assets from 1989-1993.¹⁶⁴ It was during the Salinas years that Mexico embraced long-term adjustments based upon the neoliberal model. A new law regulating foreign investment was enacted in 1989 to permit 100 percent foreign ownership in most sectors of the economy.¹⁶⁵ Despite the implementation of the neoliberal model which was supposed to bring about economic growth, growth averaged only 2.6% from 1988-1994, which was well below the average of 6% generally viewed as necessary to raise living standards.¹⁶⁶ During the Salinas years, as a result of liberalization, private investment rose, large amounts of new capital, especially foreign owned, flowed into the economy, and net annual foreign investment flows increased more than five-fold between 1989 and 1993.¹⁶⁷ However, the bulk of this was in the form of portfolio investment flows in the stock and money markets.¹⁶⁸ Being speculative, this type of investment was extremely volatile and was based on investor confidence in the Mexican economy. This led in 1994 to the crash of the Mexican economy.

The 1994 peso crisis called into question the viability of neoliberalism as an economic model. Liberalization, far from stabilizing the economy, created an even more volatile situation. While the goal of the newly liberalized economy was export-led industrialization, the rate of growth of consumer imports was much higher than the corresponding rates for capital and intermediary goods for manufacturing, which resulted in yearly trade deficits.¹⁶⁹ As a result, the trade balance turned from a surplus of \$8.8 billion in 1987 to a deficit of \$18.5 billion by 1994.¹⁷⁰ These growing trade deficits led to a second problem: they were financed with the portfolio capital which had been flowing in as a result of newly adopted reforms.¹⁷¹ Mexico's huge current account deficit, slow

growth and declining private savings began to alarm investors by 1993, and when US interest rate rose in 1994, this gave investors a rationale for acting on their concerns.¹⁷² This resulted in a mass exodus as both capital and investment fled the country. The new administration of Ernesto Zedillo announced a currency devaluation on December 20, 1994, and two days later, the government let the peso float in international currency markets where it lost half its value before stabilizing.¹⁷³ Moreover, investors withdrew \$13.3 billion in portfolio investment in 1995, and that same year, the economy contracted by 6.49%, inflation increased to nearly 52%, interest rates soared and the floating peso continued to sink.¹⁷⁴ Moreover, aggregate growth was actually quite modest compared to the amount of capital flowing in due to the fact that of the \$54 billion in foreign investment that flowed in between 1991 and 1993 alone, portfolio investment accounted for three quarters of this, and this speculative investment did little to increase Mexico's productive capacity and create new employment.¹⁷⁵ In reality, as a result of the crisis, over one million workers lost their jobs in Mexico in the first half of 1995.¹⁷⁶ A US-led bailout by the Clinton administration through the IMF secured a \$50 billion bailout to be used against Mexico's debt in order to stabilize the peso.¹⁷⁷ The key to Mexico's recovery was this lending package which helped the economy achieve real growth rates of 5.5% in 1996 and 7.2% in 1997.¹⁷⁸ However, the bailout had strings attached as Washington gained veto power over most of Mexico's economic decisions for the ensuing decade.¹⁷⁹ Part of the motivation for the bailout was protection for U.S. investors who had an increased stake in the health of the Mexican economy as a result of newly adopted NAFTA.

An important element of Mexico's neoliberal project is the free trade agreement it ratified with the United States and Canada in 1994. In fact, one cannot discuss free trade in Mexico without discussing the North American Free Trade Agreement (NAFTA). NAFTA is an agreement between Canada, the United States and Mexico that further liberalized trade between the three countries by accelerating the elimination of tariff barriers to allow for a free flow of goods, capital and finance which further strengthened neoliberal ideology and the forces of global capitalism in Mexico.¹⁸⁰ However beneficial the idea of a free trade agreement was made to sound, from the very negotiation of the agreement, problems were evident. It was during the negotiations of NAFTA that the political and economic elite forged a close relationship that had been previously hostile.¹⁸¹ The nature of business participation in the negotiations of NAFTA reinforced a growing trend towards the inclusion of the largest segments of the private sector elite and the exclusion of smaller and medium sized firms.¹⁸² A further problem was that accepting the basic concept of free trade was imperative for a business person to participate in NAFTA negotiations.¹⁸³ This meant that criticisms that struck at the very issue of free trade were not to be entertained. Following the peso crisis and NAFTA, Mexico continued on its neoliberal path.

Instead of abandoning the model that gave rise to the crisis, the administration of Ernesto Zedillo and the subsequent administration of Vicente Fox continued to deepen the neoliberal agenda. After the 1994 peso crisis, the Zedillo administration deepened earlier reforms, reduced government spending and raised interest rates.¹⁸⁴ The Zedillo administration imposed more strict adjustments making huge cuts in government expenditure as well as a regressive increase in tax.¹⁸⁵ Further reforms included increases

in the prices of goods provided by state firms such as electricity and gasoline of 35 to 50 percent and more privatization of state companies.¹⁸⁶ However, the peso crisis sent shockwaves throughout Washington and the international financial community which demonstrated the vulnerability and interconnectedness of all economies in the world market. After the peso crisis, most of the new investment flowing in was in the form of direct investment which accounted for more than 70% of total investment in 1996 and 1997.¹⁸⁷ By 1998, however, new warning signs had appeared; financial crises in Asia and Brazil put pressure on the peso and pushed it down, and the account balance deteriorated rapidly from a deficit of \$7.45 billion in 1997 to \$15.79 billion in 1998.¹⁸⁸ Regardless of these economic problems, following his administration, the administration of Vicente Fox, another free-marketeer, wealthy businessman and former executive of Coca-Cola, continued with neoliberal economic restructuring as Mexico's economic and development strategy. Today, Mexico remains on the neoliberal path of economic liberalization.

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¹⁸⁷ Thacker, Strom C. (1999). "NAFTA Coalitions and the Political Viability of Neoliberalism in Mexico." *Journal of Interamerican Studies and World Affairs*, v.41.2 (Summer): 57-89, p.79

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Chapter 3: The Case of the Mexican *Maquiladoras*: History and Research from the Field

The *Maquiladora* Industry in Mexico

One of the most visible outcomes of Mexico's turn towards neoliberalism has been the explosion in the number EPZs operating in the country. Due to its close proximity to the U.S. border, Mexico has become an important locale for investment. In Mexico, the factories in EPZs are called *maquiladoras*. In colonial times, '*maquila*' was the name given to money that a miller received for the grinding of flour which was a part of the food production process. This is why the name '*maquila* industry' is now used for the assembling of half-finished goods into three-quarters or wholly finished items for export.¹ Although the number of *maquiladoras* grew rapidly in the 1980s and 1990s following Mexico's adoption of neoliberalism, the first *maquiladoras* were established in Mexico in the 1960s. It was in 1965 that the Mexican government established a limited free trade zone along the U.S.-Mexican border through the Border Industrialization Program (BIP), which encouraged foreign corporations to build factories and create jobs in Mexico.² The basic idea of the program was to encourage foreign firms to establish labour-intensive manufacturing activities where they could profit from the differential between the cost of labour there and in the U.S.³ The Mexican government enacted a series of special measures which enabled foreign manufacturers to import components and export the finished goods incorporating them, under a bond system without incurring customs duties.⁴ The impetus for this was the need to provide jobs to migrants who came to the northern border to seek entry into the United States but could no longer do so due to new immigration policy and protectionist legislation.⁵ However, for Mexico, as in

many other developing countries, the *maquiladoras* came play a more important role as a part of a strategy of export-led development, which, in turn, was part of a larger aim to liberalize the Mexican economy. It was during the Salinas administration in 1988 that the overriding policy objective became the consolidation of an export-led industrial model driven by private investment through which cheap labour inputs were supposed to deliver the higher growth, productivity and income gains that had eluded Mexico since 1980.⁶

Statistics

The majority of *maquiladoras* exist along the northern region of Mexico bordering the United States. Tijuana is the border's fastest growing city; the global capital of home electronics assembly (replacing Hong Kong); and home the largest number of *maquiladoras* of any city.⁷ Following the implementation of NAFTA in 1994, the number of *maquilas* on the border increased from 1,787 to 2,340 with the *maquila* labour force almost doubling from 546,433 to 1,0060,217."⁸ According to the ILO, as of 2005-2006, there were approximately 1,200,000 workers employed in the *maquiladora* industry, 60% of whom are women.⁹ The main countries that invest are the US, Canada, France, Sweden, Germany, Japan and China.¹⁰ There are approximately 3700 firms, and the main industries are chemical manufacturing; machinery, electrical appliances and electronics; shoe manufacturing; food canning; and automotive.¹¹ Since NAFTA, the number of *maquilas* in Mexico, and particularly along the border, has increased dramatically. There has been an increase in the amount of foreign investment, and the amount of foreign earnings generated is often quoted as evidence of the success of the *maquilas* in generating economic growth. Moreover, *maquiladora* exports account for approximately 47% of total exports,¹² and the *maquiladoras* have been praised for

contributing to a rise in exports which has fuelled much of Mexico's economic growth.¹³ However, it has been argued that the only money that remains in Mexico is the value added corresponding to wages, benefits and small additions to the productive infrastructure.¹⁴ For the purposes of this thesis, however, the main issue is the quality of employment in the maquiladoras.

While this export-led development strategy was supposed to lead to development, the social consequences of EPZs must be analyzed in order to assess this claim. However, as the historical context in Chapter 2 suggests, despite the rhetoric emanating from proponents of neoliberalism about the benefits of liberalization, the rise in prominence of the EPZ was never specifically intended as a means to development policy but as part of a class agenda to solve the economic crisis in the West.

Interviews with Maquiladora Workers and Labour Activists

Demographics - The Maquila Workforce

The majority of *maquila* workers interviewed were not born in Tijuana. Many of the workers interviewed come from poor, rural areas in the south. Most have migrated to Tijuana and came either in search of *maquila* employment or with the intent of crossing the border into the United States. Many said that they migrated there because there are few opportunities in Mexico. When asked why they decided to come to Tijuana, most said they came in search of better opportunities and for a better life, and most have worked in some fashion since they were as young as 7 or 8 years old, typically on farms in the south. The majority of workers come from families who do not own land, and as one worker explained, this makes it difficult to earn a decent living.¹⁵ For example, one

worker explained that because her family had no land, she had to work from a young age to have anything.¹⁶ Another woman and her husband lived on a farm and had seasonal work, but they had to work on other farms to make ends meet. Her parents were engaged in subsistence farming, but she didn't want that life for her children. As a result, she decided to come to Tijuana in search of a better place to raise her children. However, when she arrived, she found herself living in a shantytown, which she said was worse than the ranch.¹⁷ A former *maquila* worker also explained that she thought that coming to work in the *maquiladoras* would improve her situation but quickly realized that the exploitation she faced in the factory was the same as what she experienced on the farm.¹⁸

Many workers do not necessarily come north looking for *maquila* work but to attempt and cross over into the U.S. However, as one worker explained, most are unsuccessful and so remain on the border where they have little option but to work in the *maquilas*.¹⁹ While one former *maquila* worker I spoke with currently works in the U.S. demonstrating vacuum cleaners, an activist explained, most are unsuccessful at crossing over successfully due to heightened border control.²⁰ According to one activist I spoke with, it was not until the signing of NAFTA, which solidified Mexico's commitment to liberalization, that the "need" for border security intensified, as more and more people attempted to flee Mexico into the United States. This, he explained is due to the negative impact of liberalization on rural farmers, who, as a result of free trade have had had their livelihoods destroyed because they have been unable to compete with American producers.²¹ Also, the majority of workers interviewed have minimal education at the primary or secondary level.²² And while the requirement for *maquila* employment used to be primary school education, as one worker who has worked in many factories explained,

a secondary level of education is now typically required.²³ As a result, as one worker explained, some workers forge documents so that they will be hired.²⁴ Upper-level supervisors and some male workers often have a higher level of education, but their options are also limited. The supervisor I interviewed had some university education and had previously worked at a university teaching English, but he had to quit because he wasn't earning enough.²⁵ He currently works for the human resources department in a *maquila*. He is, therefore, not directly involved in overseeing production. He is working in the *maquilas* until he finishes his degree in teaching, but he also wants to leave because he does not like the atmosphere.²⁶

The Day-to-Day Work

Jobs vary in the *maquilas*, but the set-up is similar. Workers generally perform one task on an assembly line, and as materials move down the line, workers pull levers or assemble parts of a product, pack or inspect final products. For example, one worker works on a machine that makes wooden speaker cases. He pushes a button, the machine put them together and he puts them on a belt. In a factory that makes microwaves, workers are responsible for assembling transformers for microwaves, and in another, workers assemble power units for Canon electric typewriters. In one medical supply *maquila*, catheters are produced on an assembly line. One line cuts tubes while another binds them. Other lines work with glass catheters connected to IV bags. At Panasonic, workers make electronic chips for telephones, cell phones and tape recorders. In a factory that paints artificial rocks for garden ornaments, rocks are formed in molds, and workers fill them, let them solidify, and lift them onto belts. Each rock weights 26 kilograms. In some *maquilas*, the jobs require slightly more skill. A worker who repairs electronics

stands at his station, and as appliances, such as microwaves and televisions, move down the belt, he repairs them.

Work Hours and Contracts

The length of shifts and work days per week varies. The workers interviewed have shifts ranging from 7-12 hours per day and work weeks which are on average 5 days in length. It is interesting because while most of the workers interviewed have long shifts, most do not have overly long work weeks. However, when the company needs overtime, it is common for workers to be required to stay. Also, in some *maquilas*, if a worker does not meet his/her quota for the shift, he/she must stay longer. Mandatory overtime, in fact, is widespread although it is a violation of the Mexican labour law. Changes are also often made in schedules, hours etc. according to production demands. Many workers reported that often factories close their doors and lay off their workers when there is no work (which, as one worker explained, was the case during the economic recession in the U.S. in 2001) and to re-open when production is again required. I also heard repeatedly that workers' hours are often increased prior to the Christmas season and then reduced in January.²⁷

There is confusion over the issue of contracts. While many of the workers interviewed said that they have permanent employment, few said that they have a contract, and most did not know because they have never seen or signed anything. One supervisor I spoke with told me that while there are individual contracts, no worker would ever be permitted a copy of it.²⁸ Also, the workers who did sign something when they were hired explained that they do not know what they were signing. For example, as

a worker explained, one *maquila* moved location and made all their workers sign a new contract, but they did not know why, and they were not told.²⁹ Another worker was aware that she is not permanently employed but working on a tentative basis.³⁰ One worker explained that their contracts are open-ended, and they can be let go at any time.³¹ However, other workers explained that while contracts do exist, they rarely guarantee employment for periods longer than three months. As one worker explained, in some factories, workers are given only 30 day contracts.³² However, it seems that this is a formality only, as workers are often fired inside their supposed contract period for reasons such as failing to meet production quotas. In one factory, twenty new technicians were fired because they did not meet production.³³ One worker I spoke with who used to be a line worker, but who now works as a supervisor, teaches line workers 'how to produce,' and explained that "some people cannot do it; they have no ability or they are slow so they get fired."³⁴

Breaks/Rests

Workers are permitted to rest during their shifts, but often managers find ways of limiting this. Some workers interviewed have two scheduled breaks of 15 minutes each and a half-hour lunch; however, others have only two 15 minute breaks during an often ten hour shift. Also, often, many workers explained that management does not allow workers to drink water during their shifts to prevent unscheduled bathroom breaks, or they limit the number and duration of bathroom breaks. For example, in some *maquilas*, bathroom breaks are allowed but are limited to two per shift; workers must also ask permission and they can be no longer than 5 minutes each.³⁵ Furthermore, leaving the line for any period of time will invariably affect a worker's production, and because workers

depend upon production bonuses, this effectively allows management to limit unscheduled as well as scheduled breaks. An activist who worked in the *maquilas* for years told me that managers use a stopwatch on the line and when they find the fastest worker, his/her production becomes the production standard. From that point on, bonuses are only given for that rate of production.³⁶ As a result, she explained, most workers eat their food quickly and rush back to work, and because workers depend upon these bonuses, they won't go to the bathroom or eat in order to try and make their quotas.

Health and Safety

I heard numerous accounts of unsafe working conditions as well as a lack of safety training on equipment in the workplace. Many of the complaints I heard are related to the use of toxic chemicals (which is causing respiratory problems), excessive smoke and noise, high temperatures, poor ventilation and on-the-job accidents. As an activist explained, respiratory problems are a major health concern in the *maquiladoras* as a result of poor ventilation and a lack of proper safety gear.³⁷ Workers complained about the use of chemicals and the lack of proper safety equipment in the factories. One worker complained that not only is there no air conditioning, but most do not have proper ventilation systems.³⁸ Another worker explained that she has lung problems from inhaling paint fumes and suffers from nervous tension and stress.³⁹ Another worker explained that working in the *maquilas* means working in a "heavy environment," because of the smoke, fumes and heat, which make it difficult to breathe.⁴⁰ Another worker explained that many of them spray aerosol guns containing lead paint, and while in his factory, those doing the spraying have proper masks, gloves and goggles, the rest of the workers are exposed to the chemicals in the paint because they do not have the same protection.⁴¹

Another worker complained that in one *maquila* the smell of alcohol was so strong that it caused vomiting.⁴² Where one man works on the second floor of the factory, it is 36 degrees Celsius, and he explained that some workers have fainted because of the heat.⁴³ To make matters worse, when I went to the industrial parks, I noticed that many of the factories have no windows. Some workers interviewed have also suffered from illnesses, such as kidney infections, from not being permitted to drink water during their shifts. Eye problems as a result of eye-straining work, usually from working with small materials used in electronic manufacturing, is another health concern, according to an activist I spoke with.⁴⁴ One worker complained that her eyesight is failing from working in the *maquilas*.⁴⁵ Also, many workers complained that dust and smoke gets into their eyes while repairing electronics, and one worker interviewed has developed rashes from working with fiberglass. I was told repeatedly that the only protection in many factories is a paper mask which does not have the proper filtration necessary to protect workers, and sometimes plastic gloves and goggles. While some workers interviewed who make medical supplies wear a surgical cap, a mask, gloves, a gown and boots, they often added that this is less a protection for them and more about ensuring the protection and sterilization of the medical equipment.⁴⁶

Psychological and emotional health issues are also a concern, particularly among women workers. I spoke with a psychologist who conducts workshops on workers' rights and carries out consultations with women workers. She explained that a common condition that emerges among women workers is one of depression, exhaustion, lethargy, and despair.⁴⁷ Workers, she said, express feelings of emptiness and a lack of power. Also, workers often complain of headaches and stomach aches which she attributes to stress

and anxiety. There is a physical component of health problems in the *maquilas*, therefore, but there is also a psychological component.

I heard numerous accounts of accidents in the *maquiladoras*. One worker told me that he has learned to be very careful because he has seen hands cut off, broken bones and cut faces.⁴⁸ An activist explained that machines are rarely equipped with safety guards and other protective mechanisms, and in any case, workers are not trained on the proper use of equipment in the factories.⁴⁹ One worker I spoke with had lost her eye as a result of a machine malfunction⁵⁰, and another worker lost a piece of a finger in a machine. Another worker was working with material under high temperatures, got burned and had to have therapy on his hands.⁵¹ Another worker explained that in his factory, the floors are kept wet so dust won't contaminate materials, and it is common for workers to slip and fall. He also explained that there are planks that connect to the belts, and workers have to walk plank to plank, which causes many injuries as people easily fall off.⁵² Injuries, as a result of heavy lifting, are also common. Often boxes of metal weigh as much as 900 kilos, and the many workers explained that they are often injured as a result of lifting and moving them. A worker explained that many of them have had hands broken from trying to bring the boxes through doors, and one woman has chronic pain from carrying boxes of monitors. She has also dropped these boxes on her hands and legs many times.⁵³ Many workers also complained of injuries caused by working with chemicals. One woman said that because they work with chemicals on tables that are chest height, they often get chemicals on their clothes, which burn their skin.⁵⁴ Another worker got solvent in her eyes when a pump exploded. Many workers interviewed also had fears about bringing chemicals home with them on their clothing, and, as an activist

explained, there are concerns that this may be causing serious long-term health problems.⁵⁵ She argued that workers rarely know what chemicals they are working with. Some of the chemicals used, she said, are lead solvents, which act as degreasing agents used to clean materials, and while some are immediately dangerous, there is concern that others, over time, are causing health problems making it, however, more difficult to prove and, therefore, to hold companies responsible.

Companies are not necessarily opposed to having workers trained on health and safety, but they are not willing to take on the responsibility, time and cost of training them. In one *maquila* in which workers paint lawn ornaments, workers are trying to organize a health and safety committee because the conditions are unsafe, and there is no ventilation. They work with rock dust, paint fumes, cement and fiberglass; however, they are not provided with proper masks.⁵⁶ As a result, as one worker explained, many develop headaches from inhaling different chemicals and solvents.⁵⁷ While there is some safety equipment, and workers are told they can use it, the company has not trained them on it nor, as one worker argued, do they intend to. Workers in this *maquila* are also looking to have wooden platforms provided to them to stand on while working because for many of them, the belt is too high which causes their arms to ache.⁵⁸ As a result of these issues, some workers have decided to talk to management to explain the situation with the objective of providing workshops to workers on health and safety. One worker interviewed suggested that to the company that they do a workshop with CITTAC, but management “didn’t like the idea.”⁵⁹ However, management is allowing this committee to exist, it seems, because workers are taking responsibility for their own training, which

is not being carried out on company time, and the company gets workers who are trained on health and safety without having to incur the costs of doing it themselves.

Wages

The workers interviewed make only 600 -2000 pesos per week, while the average wage hovers around 800 pesos (including bonuses). Because of the low wages, one activist argued, workers depend upon the bonuses they can earn through punctuality, perfect attendance and by meeting production quotas. As a result, these bonuses are more than simply incentives.⁶⁰ For some workers interviewed, bonuses come in the form of food tickets, some of which are redeemable only at the factory, while for others, financial bonuses are added to their paycheques weekly or monthly. Companies make it difficult for workers to earn bonuses. As one workers explained, if a worker is late one day, for example, he/she loses his/her bonus for punctuality and for attendance for the entire week or month.⁶¹ Also, as one worker explained, often machines break down and even though they have to wait for the technicians to come in to fix them, they are still responsible for meeting their quotas.⁶² Another worker explained that managers also change work tasks arbitrarily, adding, for example, an extra line of work while requiring workers to maintain their quotas. These were common occurrences, and it makes work more difficult due to the added pressure. It also makes meeting quotas more difficult which, in turn, affects workers' bonuses. It is also difficult for women who have the responsibility of child care at home to earn bonuses for punctuality. A woman worker I interviewed who was five minutes late one day because had to get her children to school lost both her attendance and punctuality bonuses. An activist also explained that most workers rely on the end-of-year bonus, which is a bonus mandated by law. However, he said that while some

factories comply, many do not. Many factories, for example, close their factory before Christmas, lay off workers and re-open after Christmas to avoid paying this bonus.⁶³

Many workers interviewed supplement their incomes in the informal sector. Some sell food in the *maquilas*, while many others work Monday to Friday in the *maquilas* and sell in the streets on the weekends. One worker I spoke with sells tortillas at work to supplement his income.⁶⁴ Many workers interviewed live with many other people, often extended family members, all of whom contribute to household expenses, in order to make ends meet. One worker has her son helping out with the bills while another lives with her mother, grandmother, sister, and brother. They pool their wages in order to get by.⁶⁵ Yet another worker has two children, both of whom work in the *maquilas* and contribute to household expenses.⁶⁶ A related concern is the decline in real wages. Due to fluctuations in the value of the peso and the volatility of a liberalized financial system, real wages in Mexico can fluctuate dramatically. For example, minimum wages lost over 50 percent in real purchasing power over the period from 1985 to 1995.⁶⁷ Again, in 2000 during the U.S. recession and Fox's first year, the purchasing power of real wages again declined.⁶⁸

Social security covers most of the benefits to which *maquila* workers are entitled, such as maternity coverage, health coverage and pensions, but the system makes it very difficult for workers to access and/or benefit from these programs. For example, in one factory, a worker sustained an injury to his leg while working in a factory, but the IMSS doctor ruled that it had not occurred in the factory, which meant that he received no compensation.⁶⁹ IMSS also covers maternity leave; as one worker explained, women are often fired when they become pregnant or are simply coerced into quitting.⁷⁰

Labour Unions/Worker Organization

As a result of institutionalized barriers to unionization, it is very difficult for workers to organize. According to the workers and activists I interviewed, in most factories, unions are non-existent, and where they do exist, they are referred to as ‘*charro*’ or ‘ghost unions,’ meaning unions in name only. As one activist I spoke with explained, this is due to the common practice among corporations of hiring private lawyers and accountants which draft labour contracts with management, without worker input. Often these contracts have clauses that do not comply with labour law; however they are no more than a formality anyway as most workers are unaware that these unions and contracts even exist.⁷¹ However, workers are often made to sign a contract when they are hired stating that they are aware of the union. One worker interviewed signed a union contract which stated that she was aware of the existence of a union, but she discovered that it did not even exist.⁷² This is why they are referred to as ghost unions - workers sign a contract agreeing to the union, which then this makes it difficult for a real union to be formed because the company can claim that one already exists. As one activist explained, when workers go to the government regulated labour boards, they find that a union exists on file and so they are denied the right to form “another” one.⁷³ And even when there are no ghost unions, the labour boards make it difficult for workers to form independent unions. He explained that the labour boards give workers the run-around; they tell them forms are not properly filled out, and if they are correctly filled out, they tell the workers that because some of those involved are no longer employed there, their forms cannot be accepted.⁷⁴

In addition to these structural barriers to unionization, there are additional problems that prevent workers from organizing. As one worker explained, one of the major problems is that there is no real way of communicating with other workers inside the factories, and she explained that the hours are long which makes it difficult for them to find the time and energy outside of work to discuss their grievances.⁷⁵ One woman explained that it is very difficult to organize because of the conditions and hours. Workers, she said, are not permitted to talk during their shifts except during designated break times, and, as a result, there is no time to communicate or develop friendships with co-workers.⁷⁶ Also, workers often do not work in a *maquila* for any length of time either because they are fired; they leave to go work in another factory; or they leave to try and cross into the U.S. As one worker put it, Tijuana is a 'transit city' – most people come and go continuously.⁷⁷ Fear of dismissal also prevents workers from attempting to organize. As one activist explained, during interviews, employers often inquire about potential employee's former involvement with unions, and if workers go to the labour boards to apply for a union, management is often informed that some of their workers are trying to form an independent union, and as a result, they are fired.⁷⁸ One worker lamented that there is no way that things will change because there is no union, and so workers have no power.⁷⁹ "People are scared and intimidated," he explained, and these types of people do not speak out against the company.⁸⁰ Although some workers are afraid of attempting to organize labour unions, many do try. One worker explained that in her *maquila*, workers tried to organize, but when they circulated petitions, they were fired.⁸¹ As another worker explained, in her *maquila*, workers are trying to unionize, but they are being threatened by their bosses. They are being told that are not allowed to talk,

go to the bathroom or have any water.⁸² There is also fear of reprisal if the companies find out that workers are associating with an organization like CITTAC. While I was in Tijuana carrying out my research, the woman who works at CITTAC was attacked in the office, and it was believed that the attack was motivated by the work that the organization does.

Without unions to protect workers, they are placed in a vulnerable position. In one factory, workers have received raises over the years; however, without a union, they are now having to fight the company themselves to keep their jobs. Of the workers I spoke with, this *maquila* had the highest paid workers (almost all of whom are men), but two workers I spoke with explained that their bosses are now looking for ways to fire those who have been there the longest and who are making the highest wages. These workers are also pressuring the company to comply with labour law and grant them vacation time, and as a result of this, coupled with the higher wages they earn, the company, they explained, is looking for a way to have them fired. The workers, therefore, are trying to obtain a copy of their contract in hopes that they are protected against firing, and some of them have come to CITTAC for help. However, the company refuses to give them copies of their contracts.

Worker Control /Mistreatment

Bosses yell and curse at workers, often making discriminatory remarks at indigenous workers. There is a general lack of respect, and as one worker explained, workers receive a patronizing attitude at work; managers and supervisors use bad language; and they treat workers as useless.⁸³ Workers interviewed used words like 'despotic' and 'heavy-handed' to describe managers. One worker called the managers

disrespectful and explained that workers must endure insults, derogatory and racist comments. Another worker explained that supervisors yell at line workers, telling them they are 'not clean.' He explained that they often make workers cry.⁸⁴ Another worker explained that not long after she began working in the *maquilas*, she began noticing the poor way in which the supervisors treated the workers and the way that workers always "had their heads down."⁸⁵ Workers are also often penalized and can be suspended or docked wages for arbitrary reasons. For example, sometimes materials run out, but one worker told me that they are reprimanded if their quotas are not met, and the managers threaten not to pay them even though it is clearly not their fault.⁸⁶ Another worker interviewed substituted one bottle of solvent for another, and while they were the same product, the necks of the bottles were different, and as a result, she was sent to the office and suspended for a day. Many workers also explained that sometimes they have their pay docked for working too slowly. One worker interviewed said that when the bosses yell at her for going to the bathroom, she yells back. However, because she began retaliating against the mistreatment she was receiving, management sent her to a line with harder work producing larger, and heavier, monitors.⁸⁷

Gendered Concerns

Sexual Harassment

Women face emotional abuse and are often the victims of sexual harassment in the *maquilas* at the hands of male managers and male co-workers. As many women workers explained, managers often touch women inappropriately and harass them verbally. One worker explained that the women in her factory, women are constantly hit on by men in the factories.⁸⁸ Another worker interviewed explained that if women ask for

a raise, managers tell them that they will only be given a raise if they go on a date with them. She explained that the men also tell the older women that they are doing them a favour by hitting on them.⁸⁹ Another woman said that she experienced sexual harassment when she was younger, but laughed that “it doesn’t happen anymore.” She said that she would be called into the office of her bosses where they would ask her out on dates being “forceful and demanding.” She said that they didn’t hide their intentions.⁹⁰ Another worker explained that there are sexual advances, gestures and jokes, and men often make comments about women’s bodies using “vulgar phrases.” She said that there are posters of nude women in the workplace as well.⁹¹ In another factory, where a former worker-turned-activist, worked, management had the doors to the washrooms removed for surveillance, and male managers would watch women in the washrooms.

The psychologist I interviewed explained that sexual harassment is a part of life, and women are used to it. There is sexual harassment, she said, directed at women employees, coming from managers as well as male co-workers. She explained that it has been a normal part of working in the *maquilas*; however, most of the time, it goes unreported.⁹² She explained that they are often not believed and/or are blamed for provoking the assault. She said that this harassment often stems from the patriarchal assumption that remains engrained in Mexican culture that women’s place is in the home. Because women are taking on a man’s role and because women are preferred workers in the *maquilas*, men are looking for a way of re-exerting their power and control. Women, she explained are still not viewed as equals, and the problems they face in the home and in the street, follow them into the factories.⁹³ She noted that this is problematic because most women do not view themselves as equals either. She explained that they also often

blame themselves for the harassment they endure because they are afraid that they will be viewed as flirts, and their husbands will think they are flirting. Therefore, instead of confronting the problem, many leave their jobs.⁹⁴ When women do lodge complaints, they have a difficult time proving their case in front of the authorities. As an activist I interviewed explained, while the laws grant equality to women, in front of a judge, a woman's testimony is called into question, and a woman has to have a witness and proof or she will lose. She added that women are also questioned on the type of clothing they were wearing, how they reacted to the situation and are questioned about their personal lives in an attempt to incite blame.⁹⁵

Pregnancy/Children

Pregnant women and women with children face additional discrimination. Although the law provides maternity coverage, women who become pregnant are often harassed in an attempt to coerce them into quitting, and women will often attempt to hide their pregnancies. And while the law states that employers have to provide less strenuous job tasks for women who become pregnant, this rarely happens. As one worker explained, employers at his factory deliberately give pregnant women more physically demanding tasks.⁹⁶ He said that he and other workers try to assist them as much as possible with the heavy lifting, but the supervisors tell the women that if they are unable to do the job, they can leave.⁹⁷ Working mothers, and single mothers, in particular face additional hardships. Because day care is too expensive, many of the single mothers interviewed are often forced to leave children alone while they are working.⁹⁸ Many women also have to see their children off to school, and one woman explained that many work the night shift in order to be home during the day when their children return from

school. As a result, many sleep very little.⁹⁹ One worker I interviewed sleeps only 3-4 hours per day. Another worker has eight children and is separated from her husband. She works the night shift and has to leave her children alone during her shift. Daycare costs about 200 pesos/week, she explained, and so few workers are able to afford to send their children.¹⁰⁰

Pregnant women and women with children are also discriminated against in hiring. As one activist explained, it is common for women to be required to take a pregnancy test during the interview process, and they will not be hired if they are pregnant.¹⁰¹ And, many of the women workers said that they have had to take pregnancy tests during the interview process. At one *maquila*, when a woman was applying for a job, they accused her of being pregnant because she had a “post-baby belly,” and was told she had to take a urine test.¹⁰² Women with children are often discriminated against as well. Another worker explained that there are different questions depending on the age of applicant, and often when women have their interviews, they are asked if they have children, and if so, who looks after them.¹⁰³

Women as Preferred Workers

Women are preferred workers in the *maquiladoras* as it is assumed that they are more submissive, they work harder and they can be more easily controlled. Single women are also preferred because it is assumed they will not have to miss work due to familial responsibilities and will be less likely to demand higher wages. There are more women line workers than men but that upper management is almost exclusively male, although in some cases, line supervisors are women.¹⁰⁴ There are many reasons for this. All of the workers interviewed said that women are preferred workers. One worker

explained that owners prefer women because they are more responsible and because they have even fewer options than their male counterparts because they must also take care of their families, which makes them easier to manipulate.¹⁰⁵ One woman worker explained that women are preferred because they have the ability to move more quickly and because they work better than men.¹⁰⁶ Another worker explained that it is because women are more docile; they have small hands and are, therefore, better suited to perform the tasks required in the *maquilas*.¹⁰⁷ A male worker explained that women are more complacent (although not all of them, he noted). He also explained that because it is assumed that women will leave work to get married, they can be paid less.¹⁰⁸ The psychologist I spoke with also explained that she has been noticing young, unmarried women without children being hired in greater numbers because they have no other responsibilities, and they will not ask for time off because their children are sick or because they have to leave early for meetings.¹⁰⁹

Discrimination in Wages

While most women earn the same wage as men for the same work, the problem lies in discrimination in job hiring and, therefore, in the overall wage differential. The majority of workers interviewed said that wages were equal for men and women who perform the same job; however the majority of male workers I interviewed are employed in higher-level positions or are employed in factories that provide jobs that are relatively more skilled. In one factory, the line workers are almost exclusively male; they repair electronics, which is viewed as men's work, while women are still relegated to basic assembly (within this factory and in the *maquiladoras* more generally). As one activist argued, the jobs that are more technical are done by men because the jobs are not viewed

as being as delicate.¹¹⁰ In one *maquila*, as a worker explained, there are some women, but they are 'general labourers,' which means that they clean the microwaves to be repaired, clean offices, bathrooms, and carry out the final packaging for export, and, as a result, they earn less than the technicians on the line.¹¹¹ The male workers are called technicians, and wages are higher in these jobs than in assembly jobs. While assembly jobs are paid around 700 pesos/week, technical jobs are paid around 1900 pesos/week.¹¹²

Living Conditions

I visited a typical *colonia* where workers live, and it was a shantytown with unpaved streets, without proper services such as drainage and electricity. As a result, as one worker explained, many are forced to get electricity by connecting wires themselves to utility poles.¹¹³ This is obviously unsafe as live wires often hang down in the streets in puddles of water, and walking in or near the puddles becomes hazardous. As another worker explained, in one *colonia*, a little girl received an electric shock which passed through her foot and exited through her shoulder nearly killing her.¹¹⁴ Most of the workers interviewed cannot afford housing on their own, and while there is a government program that provides subsidized housing for *maquila* workers, as one activist explained, demand heavily outweighs supply, and, as a result, most are forced to build what shelter they can often from discarded garage doors and billboards.¹¹⁵ Moreover, he explained that workers have to be employed for a certain length of time in the *maquilas* before they qualify, and most never last long enough.¹¹⁶ The day the Santa Ana winds blew into town, my interviews had to be re-scheduled because the winds knocked over many workers' houses. Many had to fix their homes or help neighbours re-build theirs. These winds are no more than a light breeze, which points to the fragility of these homes. Also,

as another activist explained, many workers live on hills, and in the desert, when it rains, the hills often give way and the houses come down.¹¹⁷

Environment

Pollution, ground and water contamination as a result of the *maquilas* are also concerns among workers and activists in Tijuana. The pollution in Tijuana is terrible. The air is hazy and smells of chemicals. For the first month after I arrived, I was exhausted all of the time. The environmental impact of these factories is also a major concern for those living in nearby communities. For example, as an environmental activist explained, there is an abandoned battery-recycling factory in one of the *colonias*. She explained that the soil, ground water and nearby river (which I visited and now looks more like a stream) has been contaminated with toxic waste including battery acid, lead and arsenic, and people who live there, many of whom are *maquila* workers, experience many health problems such as respiratory problems and have open sores, as a result of the contamination.¹¹⁸ The name of this plant is *Metales y Derivados* and is owned by the U.S. parent company New Frontier Trading. Its top official Jose Kahn left Mexico in 1995, when a Mexican warrant was issued against him as a result of environmental violations.¹¹⁹ However, as was explained to me, he currently lives in San Diego, which has allowed him to elude authorities.¹²⁰ And while there has been commitment by both sides of the border to clean up the area, to date only a fraction of the funds required have been donated¹²¹. This suggests that environmental violations are not taken seriously by authorities on either side of the border. Moreover, there are concerns that toxic chemicals are leading to health problems for whole communities as waste is rarely properly disposed of and is often released into streams that run down from the factories. As a

result, people are developing skin rashes from the water.¹²² Many companies actually wait until it rains to release their chemicals, and there is one particular stream which, within minutes, floods the road due to the simultaneous release of waste, making it impossible to cross.¹²³

Workers' Perceptions/Feelings/Attitudes

Perceptions vary to some extent about EPZ jobs; however, there is a strong sense of injustice that permeates workers' experiences. There is a strong sense of pride among Mexican workers, and as a result, there is an overwhelming feeling of injustice as a result of the poor conditions in the factories. As one worker explained, foreign corporations, often American-owned, are amassing enormous profits "on the backs of Mexican workers."¹²⁴ The majority of workers I interviewed are aware of the wealth and opportunity that exist in the U.S., and there is a strong sense that while they earn barely enough to survive, American corporations are making off with enormous profits. Many workers and activists interviewed view this as the continuation of the exploitation of Mexico by Western corporations and of poor Mexicans by their government, whom they view as complicit in their repression. As one worker explained, their government is corrupt and unconcerned with the conditions of workers¹²⁵. Many workers spoke about corporations being concerned with the bottom line, which they believe companies and governments view as more important than their well-being.¹²⁶ As one worker lamented, it does not matter to the owners and managers if workers are being mistreated, subjected to unsafe working conditions and paid low wages because for them, production is the only thing that matters.¹²⁷

The majority of workers interviewed spoke negatively about the way they are treated in the *maquiladoras*; however many view *maquila* employment as their only option. Most workers do not see EPZ employment as providing much more than a dead-end, and there is little hope that these jobs will provide them with the ability to improve their lives in any substantial way. Many spoke about exploitation, about being poorly treated by the owners of the factories, and many lamented being treated as ‘mere commodities.’¹²⁸ One worker spoke of a ‘loss of dignity’ and described the conditions as inhumane.¹²⁹ A few workers spoke of mistreatment with obvious emotional difficulty and recounted feelings of anger and sorrow at the lack of respect they endure at the hands of managers in the factories. One worker explained that she felt that workers are treated like robots, as “if they have no feelings.”¹³⁰ Most workers interviewed also complained about how their concerns are ignored by supervisors. One worker felt that the *maquila* industry amounted to slavery and said that if nothing changes, the employer will “remain as king.”¹³¹ When asked about the positive aspects of *maquila* employment, most had the same response: that it provides them with a paycheck. A common sentiment was that while “the conditions aren’t great, it’s the only option I have.”¹³² One worker explained that sometimes it is hard, but she deals because she has to; it is a necessity.¹³³ As a supervisor I interviewed argued, while the *maquilas* provide employment, it is at a high cost.¹³⁴ Another worker explained that the *maquilas* are good because they provide jobs, but she said that they take advantage of and abuse people. Another worker who has worked in the *maquilas* for many years argued that while they provide jobs, the companies “don’t care about them.”¹³⁵ She argued that in general, they would be better off without them. When asked how much longer the workers thought that they would

work in the *maquilas*, most explained that they will have to work in the factories until they are physically unable; they do not see an end to it. One worker told me that she had had enough, but she doesn't know what else to do.¹³⁶ Another lamented that it becomes routine to work in the *maquilas*, and it has cut off her vision of the future because is no time to think of anything else. She said that the while *maquilas* should improve people's lives, they don't.¹³⁷

Desired Changes

I asked the workers what kind of life they want for their children. All said that they want a different life for them, but most said that the reality is that their options are limited. One worker who is 50 years old has two children and both work in the *maquilas*.¹³⁸ I also asked the workers what changes they would like to see, if any. All of the workers expressed a desire for better wages and working conditions. One worker said that there has to be change and lamented that they shouldn't have to work in 19th century conditions.¹³⁹ Another woman said that she would like more leniency with respect to bathroom breaks. Another wanted better transportation; annual raises, in line with the cost of living; and supplementary medical insurance because she said that IMSS does not cover enough.¹⁴⁰ Others expressed a desire for time off and no mandatory overtime. Another worker wanted air conditioning and programs to help workers who, for example, do not have proper drainage systems in their homes.¹⁴¹ Another worker said that what she would like to see change is how workers are treated. She said that she would like be treated more humanely and for the management to "have more feelings."¹⁴² Similarly, another worker said that she would like to see better wages and better treatment because workers are "de-humanized in the *maquilas*."¹⁴³ Obviously, these concerns are in line

with what we expect from our employers and governments in the West, and they are simple. They want to work; they do not want to see the *maquiladoras* leave, but they are want respect, a living wage and decent working conditions.

Fighting Back

The responsibility of defending workers' rights in Mexico has fallen on the shoulders of workers themselves, and going up against large TNCs and a system that is not interested in protecting workers, has proven extremely difficult. As one worker explained, companies depend on workers' ignorance, and workers are often fired without cause, but because most are unaware of their rights, they do not attempt to fight back.¹⁴⁴ Those who do, face numerous obstacles. As one of the CITTAC activists explained, anyone can represent workers, or they can represent themselves, but lawyers will rarely take on these cases because they are too difficult to win or because they cannot make much money from them.¹⁴⁵ He explained that many cases involve "run-away-shops" - companies which move abroad without warning, while still owing back-wages and severance to workers. Other cases involve wrongful dismissal including firings for not meeting production standards, for trying to organize, and for days missed due to illness (even though working in the factories has likely made them sick in the first place) as well as for other arbitrary reasons such as having long hair.¹⁴⁶ Other claims that CITTAC activists have brought against corporations include changes in working conditions (i.e. location of plant, which, as one activist explained, is usually done to force resignations) and worker compensation for on-the-job injuries.¹⁴⁷ With the help of CITTAC, some workers have been successful at winning their claims against the corporations; however, as was explained to be by many activists and workers, this is rare, and the process is long

and arduous. As one activist explained, cases can take 2-3 years to prosecute because the labour boards often side with the owners, and they draw the process out purposefully in hopes that the workers will give up.¹⁴⁸ However, sometimes the labour board does side with the workers. For example, employers are not allowed to change the location of work, and when a factory moved its facility to another industrial park on the other side of the city, one worker I interviewed was successful in her claim against the company.¹⁴⁹

However, while some workers have spoken out against the injustice, as a result, companies have found ways to thwart their efforts. They often lie to workers and trick them into signing away their rights. For example, as one worker explained, when workers are fired, often they are called into an office to sign some forms, which they are told is a formality; however what the companies give them to sign are resignation papers which they can then use against workers if they come back demanding severance.¹⁵⁰ After one worker I interviewed was fired for missing work for being sick, she went the HR representative, but he wouldn't let her in because "she had been fired."¹⁵¹ However, she persisted and was eventually let in, but the company asked her to sign a form stating that her resignation was voluntary and was only offered 650 pesos or one weeks' pay. She told them that the company is required by law to pay 90 days. They asked her how she knew this, and she told them that she knew her rights. She talked to a lawyer and the company paid her 90 days pay as required by law. However, as she explained, often if workers refuse to sign the papers, security will escort them out so that they cannot speak to any of the other dismissed workers who are also waiting to sign the same forms.¹⁵²

Analysis

Limited Opportunities/Lack of Learned Skills

It became clear from speaking with numerous people and from watching and reading the news that there is a sense of desperation felt by many that crossing into the US to find work is the only means to a decent livelihood. But because most are unsuccessful at crossing into the U.S. and because the majority of workers have minimal education, working in the *maquilas*, in many ways, is one of their only options. A few of the male workers interviewed have some education – mostly courses in electronics or trades school; however, often these skills are not being put to use, and workers perform primarily unskilled tasks in the *maquilas*. It appears that despite the rhetoric that the *maquilas* will provide training to workers thereby improving their skills and improving their ability for advancement, the *maquilas* continue to rely on low-skilled workers and do not provide any real opportunity for advancement. Workers perform a few simple, repetitive tasks without ever really learning to understand the technology they are using. This suggests that the *maquiladoras* are not looking for skilled workers, and an upgrading to higher-skilled jobs, which command higher wages, is not occurring.

Capital Flight/Unstable Employment

This is also worrisome because if the *maquilas* leave Mexico, and according to workers and activists, many have left and many continue to leave, workers will be left with few skills that can be transferred to other employment opportunities (assuming these actually materialize). Panasonic, for example, left Tijuana, and one worker explained that almost all of the battery plants (including Panasonic) have left for China. Sanyo also left

for Indonesia telling their workers that the cost of labour was cheaper.¹⁵³ According to a June 20, 2002 Washington Post story, in a little over 2 years, more than 500 foreign-owned assembly factories in Mexico moved to China.¹⁵⁴ The company accountants at the home offices concluded that the wage differential between China and Mexico more than outweighed the increased costs of shipping and the inconveniences of distance.¹⁵⁵ Moreover, *maquila* jobs are often dependent upon the health of the American economy. As one worker explained, in 2001 during the recession in the US, she and many other workers lost their jobs. In fact, according to a report by the International Confederation of Free Trade Unions (ICFTU), the economic downturn in 2000 in the U.S. was a contributing factor in bringing recession to the *maquila* industry, which by mid-2003, resulted in a loss of 400,000 *maquila* jobs.¹⁵⁶ All of this raises questions about the benefits promised to Mexico's poor, and to *maquila* workers in particular, by proponents of the free market model.

Also the arbitrary changes to workers' schedules and compulsory overtime suggest that it is not workers who choose when and how much to work, but when demands change, the workforce is adjusted according to the needs of the corporation. This leaves workers at the mercy of the ups and downs of production demands which, in turn, are dictated by the relative strength of the global market, and in particular, the strength of the U.S. economy. Also, it appears that contracts, if they exist, do not actually protect workers. Moreover, they are denied access to them, and they are written by companies and lawyers without the input of workers. It appears that companies, instead of hiring permanent workers, hire temporary workers and require them to work when necessary in

order to meet quotas, which suits the needs of the company but not necessarily the workers.

Health & Safety

One of the most pressing concerns is health and safety in the factories, and companies are willing to accept responsibility for the health problems they cause. One worker explained that at Sanyo, she worked with lead, which was a by-product of soldering, and, as a result, she developed an incessant cough. She said, however, that she didn't know why. She began working at Panasonic; however, again, there were no extractors and the ventilators didn't work, and she continued to inhale lead dust. Not surprisingly, she got sick. Her lungs were affected, she had scabs around her nose, and she had skin ulcers. She kept getting sicker and was eventually fired for being absent from work as a result of her illness.¹⁵⁷ When she went to Panasonic with papers from another doctor, which indicated that she did, in fact, have high levels of lead in her body, they told her to get back on the bus because she "was no longer part of the Panasonic family."¹⁵⁸ There is an attitude, therefore, never to sacrifice production, even in the case of worker protection. As an activist explained, owners do not want to put any money into the protection of workers because this negates the purpose of them coming here - to cut costs, not only through low wages but through avoiding the costs of proper protective gear, proper safety training and environmental protection.¹⁵⁹ One worker, in referring to the concept of the bottom line, referred to this as "the language of production."¹⁶⁰ Companies do not invest in safety equipment and training, and while in one factory, management is allowing a health and safety committee to exist, this is because workers are taking responsibility for their own training, which is not being carried out on

company time. The company gets workers who are trained on health and safety without having to incur the costs of doing it themselves. This suggests that there is a lack of will to protect workers, and companies are willing to risk the health and safety of workers for the sake of their bottom line.

Wages

What is considered a dignified wage according to activists I spoke with is 4000 pesos/week. This, as noted in the methodology, would cover the needs of a family of four. While two single workers said that the wages are sufficient, one lives at home with other family members, all of whom contribute to household expenses, and the other is a young single male worker who said that, for him, the wages are sufficient because he has no responsibilities. For the majority of workers, however, the wages are not sufficient because they have families to support. The fluctuation of real wages also denies stability to *maquila* workers and dramatically impacts their ability to earn a stable income from *maquila* employment. Moreover, simply because workers have jobs does not mean that they are not poor. As one worker explained, their salaries are not sufficient, and as a result, they have to “perform miracles.”¹⁶¹ Furthermore, the UNDP makes the distinction between income poverty and human poverty.¹⁶² This is an important distinction because, similar to countries in the West, the concept of the ‘working poor’ has come to define those who are employed but whose wages are not sufficient enough to lift them out of poverty. *Maquila* workers, although employed, are, therefore, in a situation of income poverty. In terms of bonuses, they are not comparable to bonuses earned in the workplace in the West because these are usually added to already decent wages. It would be more accurate to argue that workers are docked pay if they arrive late or do not meet

production because they depend on these bonuses as an integral part of their wage.

However, the issue is framed by management in such a way as to make it appear that workers are receiving bonuses when in reality they need these bonuses to survive.

The bonus system appears to serve an additional, yet related role, of control. As the result of workers' need to earn these bonuses, this effectively prevents workers from talking on the job which, in turn, prevents them from discussing their grievances and developing a common consciousness about their situation. As many workers explained, it is a technique used to create compliant workers who arrive on time, meet quotas and do not talk while working. However, as management has come to realize, the nature of the EPZ strategy, in many ways, removes the need for additional control mechanisms, as fear of dismissal is alive and well in the *maquilas*. In fact, management recognizes that due to the lack of worker protection, bonuses ultimately unnecessary because workers will comply with the demands of corporations out of fear and desperation. As one worker explained, in her *maquila*, the manager of human resources told the owner that bonuses were ultimately unnecessary; he explained that even if all bonuses were eliminated, workers would still meet production quotas. Also, while breaks and rests are for the most part permitted, workers often limit their own breaks so that production bonuses can be met. This is a way of effectively limiting breaks without explicitly telling workers they cannot rest during work hours.

Unions/Worker Organization

While strong independent unions can be an important tool for *maquila* workers, there is disillusionment with unions as an effective form of labour organization. Unions are important precisely because they balance the strong interests of the corporations with

those of workers. The right to collective bargaining is an intensely important tool for workers who have virtually no other means of expressing their concerns and of balancing their interests with those of their employers. However, under the EPZ strategy, which not only lacks such protection, but argues against it, workers are absent from the bargaining table, and companies can and will take advantage of this by advancing their own interests to maximize production without regard for the well-being of their workers. As one activist explained, "it is difficult to organize workers in the face of international capital which is a strong foe, especially when aligned with national governments."¹⁶³ Many workers have abandoned the notion of a union as the answer to their problems. Most workers think that unions are no longer an effective tool for dealing with their issues. There is a sense among some of them that a new form of labour organization is needed, in line with the values and tenets of the EZLN (Zapatista Army of National Liberation), which is an armed movement composed mostly of indigenous peasants. Workers and activists are interested in using the values of the EZLN, which opposes neoliberal globalization and the marginalization of the poor in Mexico, as part of their resistance. As one of the activists explained, the EZLN seeks for the inclusion of everyone in the economic and social policies of Mexico, as opposed to marginalization, which has been the result of current policies of liberalization.¹⁶⁴ Many activists are using the example of listening as the first step in resistance. As one activist explained, "no one knows how to organize *maquilas* workers successfully. The idea now is to listen."¹⁶⁵

Worker Mistreatment

While lower-level managers are directly responsible for the negative treatment of workers, it is pressure coming from above that ensures this negative treatment is

institutionalized. There is heightened pressure on factories to meet quotas, which is then transferred to the workers who suffer abuse at the hands of managers. Many workers interviewed complained that if there is pressure coming from above for production, they endure further verbal and emotional abuse; they are yelled at, often to increase production. One worker explained that the lower-level managers are the ones who mistreat workers, the majority of whom are Mexican. He lamented that this “hurts the most” because they treat the line workers poorly in order to meet the production quotas demanded by foreign owners.¹⁶⁶ Moreover, as another worker explained, line bosses and supervisors of quality control also have quotas to meet, and there is an annual bonus for supervisors who ensure that production is met, adding pressure, which is, in turn, borne by workers.¹⁶⁷ Through attempts to keep costs as low as possible and production high as possible, this sort of mistreatment and low wages is an inherent feature of the EPZ strategy. This suggests that poor treatment is built into the EPZ economic model as the result of an increasingly deregulated and competitive environment where production requirements must be met and where fear of relocation is a very real possibility.

Gendered Concerns

While their wages do offer women some financial freedom, because their subordinate position in society is perpetuated in the factories, it would be difficult to classify women’s employment in EPZs as liberating. They also face additional abuse, not only by managers but at the hands of their male co-workers. While it is assumed that women are temporary workers and do not need more than supplementary wages, the reality, as one worker pointed out, is that women work harder because they have children and they need to work whereas men can leave the *maquiladoras*. One woman explained

that the managers “scare women because they have children and they know that can’t afford to lose their jobs because of it.”¹⁶⁸ She said that because of this, women are easier to manipulate. Although gendered assumptions about women’s work make it appear as if their work is supplementary, the reality is that many women cannot afford not to work, and many of them face a double disadvantage. Not only do they face the same poor working conditions as men, they are less able to leave and are less likely to protest because they have children to care for. None of the single women interviewed said that they planned on leaving once they were married. Moreover, the ones who are already married had no intention of leaving. One single mother with three children argued that she must work in order to support her family,¹⁶⁹ and the married women I interviewed explained that their husbands’ salaries were not sufficient.

Due to social expectations, many women do not view their entry into the paid workforce as unequivocally liberating. They often feel guilt at having to leave their children to go to work in the factories, which also prevents them from viewing decent wages and working conditions as rights to which they are entitled. The psychologist I spoke with explained that women feel a sense of inadequacy in raising their children, and this bothers them a lot. They feel guilty, she said, for not being able to donate 100% of their time to their children because they are so tired. They can get them fed and dressed, but they have no extra time or energy.¹⁷⁰ One woman I interviewed lamented that it hurt her to have to continue working in the *maquilas* because she wants to be with her kids.¹⁷¹ Because women still feel of primary importance their responsibilities at home including child-rearing, having to work long hours in the factories can cause them feelings of guilt,

which can also cause them to view themselves as temporary workers. This also makes it less likely that they will protest poor working conditions and low wages.

Summary Conclusions

The *maquiladoras* in Mexico do provide some employment, but the low quality and precarious nature of this employment suggests that the potential benefits of job creation to the improvement of livelihoods are limited. Moreover, the level of employment creation in the *maquila* industry is also misleading. In a country of 108 million people, a million workers employed in factories that do not pay enough for a decent living does not seem as optimistic as proponents make it first appear. Furthermore, the low wages, unsafe working conditions, mistreatment and lack of worker protection are not an unfortunate mishap of the EPZ strategy but are an integral part of it, and of the wider neoliberal economic agenda. Similarly, while the *maquiladoras* provide some women with employment in the formal sphere, the financial rewards are likewise limited, and the additional hardships faced by them including discrimination and sexual harassment suggests that this type of employment is far from emancipating women from the structural barriers to equality that continue to affect their lives. The perpetuation of gender inequality inside the factories suggests, therefore, that the *maquiladoras*, while providing an income, have not delivered on the promise of liberation.

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³ Pearson, Ruth. (1991). "Male Bias and Women's Work in Mexico's Border Industries" in Diane Elson (ed.), *Male Bias in the Development Process*. Manchester University Press, p.135

⁴ *Ibid.* p.137.

⁵ *Ibid.* p.134.

⁶ Pastor Manuel and Carol Wise. (1997). "State Policy, Distribution and Neoliberal Reform in Mexico." *Journal of Latin American Studies*, v. 29.2 (May): 419-56, p.429.

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- ⁷ Bandy, Joe. (2000). "Bordering the Future: Resisting Neoliberalism in the Borderlands." *Critical Sociology*, v.26.3: 232-67, p.236.
- ⁸ *Ibid.*, p.237
- ⁹ International Labour Organization. (2007). *ILO Database on EPZs*. Geneva: ILO.
- ¹⁰ *Ibid.*
- ¹¹ *Ibid.*
- ¹² *Ibid.*
- ¹³ Salas, Carlos. (2002). Mexico's Haves and Have-Nots: NAFTA Sharpens the Divide. *NACLA Report on the Americas*, v.35.4 (January): 32-45, p.33
- ¹⁴ *Ibid.* p.33
- ¹⁵ Interview, Factory Worker, Tijuana, Fall 2006.
- ¹⁶ Interview, Factory Worker, Tijuana, Fall 2006.
- ¹⁷ Interview, Factory Worker, Tijuana, Fall 2006.
- ¹⁸ Interview, CITTAC Activist, Tijuana, Fall 2006.
- ¹⁹ Interview, Factory Worker, Tijuana, Fall 2006.
- ²⁰ Interview, CITTAC Activist, Tijuana, Fall 2006.
- ²¹ Interview, CITTAC Activist, Tijuana, Fall 2006.
- ²² Interviews, Factory Workers, Tijuana Fall 2006.
- ²³ Interview, Factory Worker, Tijuana, Fall 2006.
- ²⁴ Interview, Factory Worker, Tijuana, Fall 2006.
- ²⁵ Interview, Factory Supervisor, Tijuana, Fall 2006.
- ²⁶ Interview, Factory Supervisor, Tijuana, Fall 2006
- ²⁷ Interviews, Factory Workers, Tijuana Fall, 2006.
- ²⁸ Interview, Factory Supervisor, Tijuana, Fall 2006.
- ²⁹ Interview, Factory Worker, Tijuana, Fall 2006.
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- ³¹ Interview, Factory Worker, Tijuana, Fall 2006.
- ³² Interview, Factory Worker, Tijuana, Fall 2006.
- ³³ Interview, Factory Worker, Tijuana, Fall 2006.
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- ⁴¹ Interview, Factory Worker, Tijuana, Fall 2006.
- ⁴² Interview, Factory Worker, Tijuana, Fall 2006.
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- ⁴⁴ Interview, CITTAC Activist, Tijuana, Fall 2006
- ⁴⁵ Interview, CITTAC Activist, Tijuana, Fall 2006
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- ⁵¹ Interview, Factory Worker, Tijuana, Fall, 2006.
- ⁵² Interview, Factory Worker, Tijuana, Fall, 2006.
- ⁵³ Interview, Factory Worker, Tijuana, Fall, 2006.
- ⁵⁴ Interview, Factory Worker, Tijuana, Fall, 2006.
- ⁵⁵ Interview, CITTAC Activist, Tijuana, October 2006
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Chapter 4: Conclusions/Lessons for Development

Labour Standards

In the *maquiladoras*, basic labour standards, as articulated by the ILO, Mexican Federal Labour Law and the Mexican Constitution are not respected. The standard of living of *maquiladora* workers remains low because workers are not granted a fair wage; conditions of work are unsafe; and the right to collective bargaining is not respected, which prevents these and other grievances from being resolved. Most importantly, however, workers feel that they are not receiving a fair deal and are, therefore, struggling against, what they see, as an unjust system, which favours the interests of large corporations over the well-being of Mexican workers. The injustice felt by workers in Tijuana over their low wages, unsafe working conditions and overall mistreatment speaks to the relevance of labour standards, in particular the right to collective bargaining, as a means of ensuring that workers receive a fair share of the rewards from their labour as well as a say in the conditions of their work.

The Role of Gender in the NIDL

Gender plays an important role in the *maquiladoras*. While the majority of workers are women, it appears that more men are now entering the *maquila* labour market. However, they are doing so on very different terms. For example, the highest paid positions in EPZs, which do demand a small measure of skill, are almost exclusively held by men. This has been the result of gendered assumptions about which type of jobs women are suited for and has served to relegate women to the lowest paid basic assembly jobs in the *maquiladoras*. Women also have a markedly different experience working in

EPZs. They face discrimination and sexual harassment; however because they often have children to care for, they are often less likely to protest low wages and poor working conditions. Women, therefore, face similar obstacles in the workplace as they do in the home. While for some single women who share expenses with other household members, the wages are sufficient, the reality for most women is that employment in EPZs provides them with little income, and the discrimination and inequality that permeate their home lives are only perpetuated inside the factory walls. This suggests that the expansion of global capitalism, under the auspices of the neoliberal agenda, relies upon patriarchal gender norms that cheapen and devalue women's labour.

Despite claims made by proponents of neoliberalism that everyone, including women workers, will benefit from global economic liberalization, the evidence from the *maquiladora* industry in Mexico reveals that as a result of liberalization and deregulation, women workers specifically are being channeled into low-paid, unskilled jobs where they face mistreatment, unsafe working conditions and low wages. By taking advantage of women's subordinate position, global economic restructuring has channeled women into the lowest-skilled, lowest paid jobs. Therefore, neoliberalism far from benefiting everyone, is leading to further marginalization of the poor, specifically women workers.

EPZs: Model for Development?

While the *maquiladoras* provide employment, which could potentially improve the overall well-being of workers, and thereby contribute to development in Mexico, the poor quality of this employment greatly diminishes their potential to do so. This suggests that workers, instead of being included in Mexico's path to development, are being systematically left out in a blind pursuit of growth via economic liberalization. While the

rhetoric of neoliberal globalization and the proclaimed benefits of a liberalized economy are reiterated by international financial institutions and many governments, the reality is that liberalization is reducing the ability of workers to earn a decent living and, therefore, to secure a decent livelihood.

The political function of neoliberalism is apparent when viewed in context of the crisis of profitability in the West and a clear threat to the established order. The aim of this newly emerging ideology was to re-orient the global economy in line with market forces, and a restructuring of production involving outsourcing of production facilities to the developing world, in order to regain levels of profitability, was a key component of this. EPZs emerged, therefore, as part of a decisive shift in development thinking and practice towards liberalization, deregulation and privatization in the face of a clear threat to the established order. While free market economists espouse neoliberalism and promote EPZs in the name of development, this strategy gained prominence not as a means of improving mass welfare and raising living standards but as a politically motivated agenda of a small economic and political elite to regain levels of profitability and, in the process, to ensure their interests were firmly protected. It is, therefore, difficult to view EPZs as a development strategy in the face of such a class-motivated agenda. Evidence from the field suggests that not only is neoliberal globalization having a negative impact on the lives of workers in Mexico, but it is directly to blame for the low wages and poor conditions that characterize work in the *maquiladoras*.

Resistance and Struggle

While workers often feel disposable, many are optimistic about the possibility of change. Most are not certain of how to proceed, but some have taken upon themselves to create initiatives that work towards improving their working conditions and towards the education of other workers. The very existence of a group like CITTAC speaks to the determination of workers and activists to struggle against exploitation in the *maquiladoras*. They fight back against large corporations in an attempt to hold them accountable under the law, and while success in number of cases won is not overly impressive, the cases that have been successful have increased morale for the continuation of the struggle. Some activists at CITTAC are also borrowing from the EZLN values such as “listening,” as a means of resistance, and while it is not clear in which direction this will take the organization and those affiliated with it, it is creating a sense of solidarity among those groups who feel they are being left out in Mexico’s neoliberal path to development.

Appendix A

Interview Guidelines for Maquila Workers

The first part of the interview consisted of questions relating to demographics and the interviewees' education and work history.

1. Interviewee's age/sex/marital status/number of children
2. What neighbourhood do you live in?
3. If you have children, do they live here with you? If not, where do they live?
4. Where do you leave them while working?
5. Where were you born?
6. Where did you grow up?
7. When did you come to Tijuana?
8. Why did you migrate to Tijuana?
9. Where did you work before coming here?
10. How long have you worked in the maquiladoras?
11. What is the highest grade of school you have completed?
12. Have you taken other courses or classes?
13. If so, for how long?
14. Why did you stop studying?
15. At what age did you begin working?
16. When you arrived in Tijuana, where did you first begin working?
17. Have you changed your place of work? Why?
18. How long have you been working for your current employer?

The second set of questions related to factory life: the structure of the workforce, working conditions, and benefits.

19. Company's type of business.
20. Name and location of company's headquarters.
21. What qualifications did the company specify for employment?
22. Number of employees working there. Number of male employees? Number of female employees?
23. Number of managers and/or bosses. Number of male managers? Number of female managers?
24. Interviewee's job description.
25. Daily production standard or quota?
26. How many hours a day do you work in the maquiladoras?
27. At what time does your shift begin and end?
28. How many breaks are you given during the work day? Length of lunch break?
29. Have you had a work-related illness or been injured in a work-related accident?
30. If yes, duration of the disability.

31. Are you aware of anyone who has suffered a work-related illness or accident while working in the maquiladoras?
32. What kind of benefits do you have at the company where you are employed?
33. How much do you earn per week?
34. Which of the following do you have at home? Sewage/drainage system?
Electricity? Paved streets?
35. Is your salary sufficient to provide for you and your family?
36. How many people ordinarily live in your home? Among those you live with, who contributed to household expenses?
37. Do you have a permanent job?
38. Is the plant where you work unionized?
39. If not, are there any plans for it to become unionized? Has anyone attempted to form a union?
40. Do you get together with workers from the maquiladoras outside of the factory?
What do you do together?
41. What do you do after work? How do you spend your weekends?
42. Is your place of employment clean? Well lit? Air conditioned?
43. Are you treated respectfully by bosses?

The third set of questions assessed life outside the maquiladoras & feelings and perceptions of the maquiladoras.

44. Has your life changed since you began working in the maquiladoras?
45. What do you think of the maquiladoras? Do you think they provide decent employment and a positive work environment? Why or why not?
46. Do you think women are preferred as maquiladora workers? Why? Why not?
47. What are the advantages and disadvantages to working in the maquiladoras?
48. What would you like to see changed? How would you like to see the maquiladoras improved (if at all)?
49. How long do you anticipate working in the maquiladoras?
50. What kind of career would you like for your children?

Appendix B

Interview Guidelines for CITTAC Volunteers/Activists

The interviews with volunteers from CITTAC focused primarily on the structure of the organization, its objectives and how volunteers were meeting these objectives. However, some questions also focused on conditions in the maquiladoras as well as feelings and perceptions about the maquiladoras.

1. What is CITTAC?
2. What are the objectives of CITTAC?
3. How does CITTAC work at achieving these objectives?
4. How successful do you think you have been at meeting your objectives? Why or why not?
5. Why do you think there is a necessity for NGOs like CITTAC to operate in the maquiladoras? What role do you see that NGOs like CITTAC have to play in the maquiladoras?
6. What do you think are the most critical problems with the maquiladoras?
7. What obstacles do you see in improving working conditions in the maquiladoras?
8. What do you think needs to happen in order to overcome these obstacles?



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